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RECORDING REQUESTED BY, AND
WHEN RECORDED RETURN TO:

Matthew Taylor
Clear Creek Tahoe
199 Old Clear Creek Road
Carson City, Nevada 89705

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

**MASTER DECLARATION
OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
AND
RESERVATION OF EASEMENTS
FOR
CLEAR CREEK TAHOE**

TABLE OF CONTENTS

ARTICLE 1 CREATION OF THE COMMUNITY 2

 1.1 Creation of Clear Creek Tahoe Community 2

 1.2 Subject Property; Binding Effect..... 2

 1.3 Community Association..... 2

 1.4 Governing Documents 3

ARTICLE 2 DEFINITIONS..... 4

ARTICLE 3 RULES 11

 3.1 Rules Generally..... 11

 3.2 Notice and Effectiveness..... 11

 3.3 Owner Acknowledgement and Notice to Purchasers..... 11

 3.4 Limitations 12

ARTICLE 4 GENERAL USE RESTRICTIONS 13

 4.1 Compliance Generally 13

 4.2 Community-Wide Development Restrictions..... 14

 (c) Floodplain Restrictions 14

 (d) Restricted Use Areas..... 14

 (e) Hillside Development 14

 (f) No Interference with County Easements 14

 (g) Fault Lines 15

 4.3 Subdivision and Relocation of Boundaries..... 15

 4.4 Golf Cart Matters..... 15

 (c) Association’s Right to Proof of Golf Cart Insurance..... 16

 4.5 Areas of Common Responsibility and Additional Association Property 16

ARTICLE 5 DESIGN GUIDELINES 16

 5.1 Creation of Design Review Committee 16

 5.2 Requirement of DRC Approval 17

 5.3 Design Guidelines..... 18

 5.4 Review Procedures..... 18

 5.5 Performing the Work. 20

(a)	Proceeding with Work	20
(b)	Pursuit and Completion of the Work	21
5.6	No Waiver.....	21
5.7	Variances.....	21
5.8	Liability.....	21
ARTICLE 6 MAINTENANCE GUIDELINES.....		22
6.1	Maintenance of Residential Units.....	22
6.2	Operation and Maintenance of Association Property and Areas of Common Responsibility.....	23
6.3	Maintenance by Additional Associations.....	25
6.4	Maintenance Related to Recreation Unit.....	26
ARTICLE 7 THE ASSOCIATION AND ITS MEMBERS.....		27
7.1	Formation of the Association.....	27
7.2	Board of Directors.....	27
7.3	Membership.....	27
(a)	Membership Generally.....	28
(b)	Members' Rights and Duties.....	28
(c)	Classes and Voting.....	28
7.4	Transfer of Membership.....	29
ARTICLE 8 POWERS AND DUTIES OF THE ASSOCIATION.....		29
8.1	Powers.....	29
(a)	Maintenance.....	29
(b)	Assessments.....	29
(c)	Rules.....	29
(e)	DRC.....	30
(f)	Delegation of Powers; Professional Management; Other Services.....	30
(g)	Other Services and Properties.....	30
8.2	Duties of the Association.....	30
(a)	Taxes and Assessments.....	30
(b)	Insurance to be Obtained.....	30
(i)	Casualty Insurance.....	30
(ii)	Liability Insurance.....	31

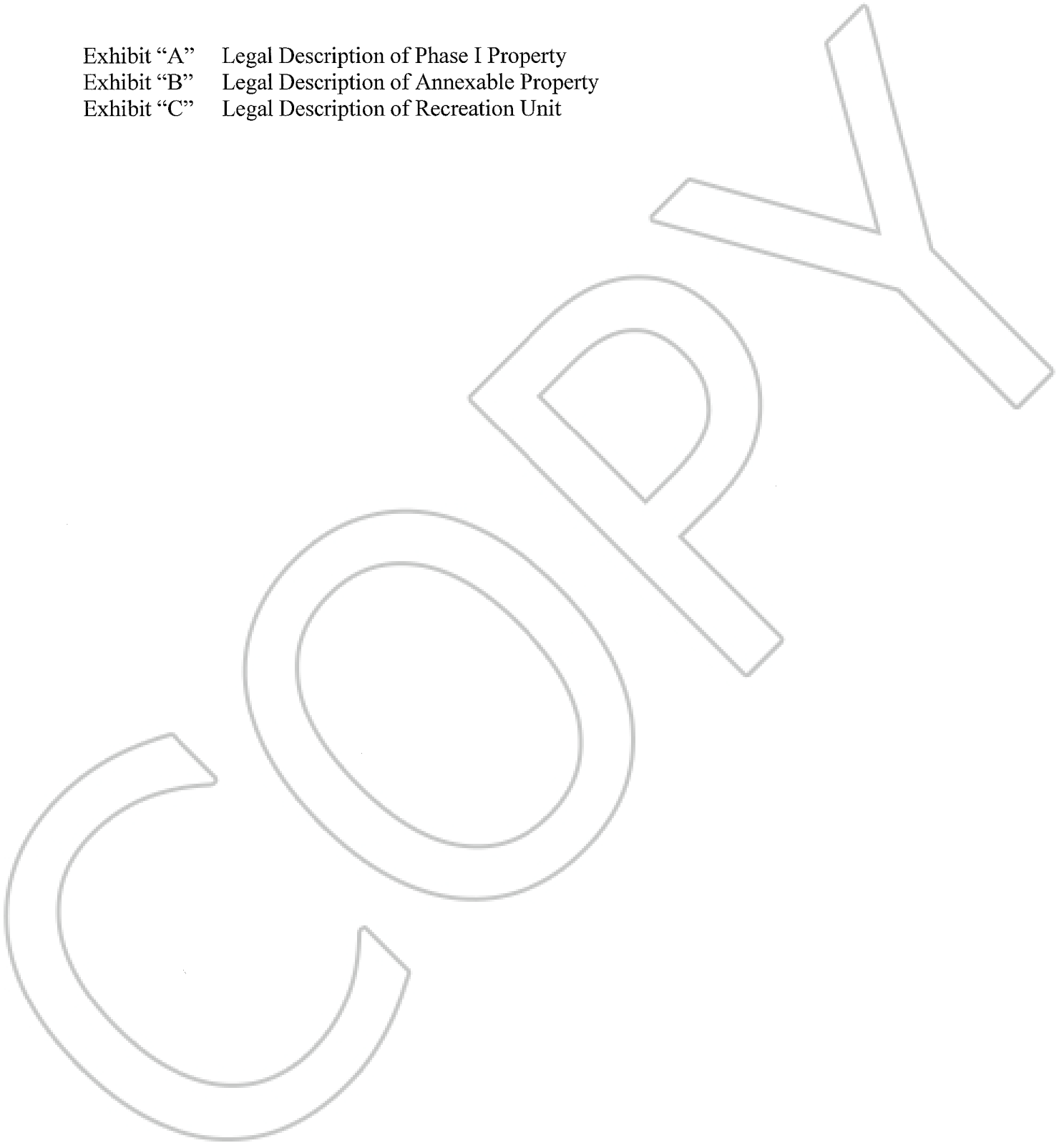
(iii)	Workmen's Compensation and Employer's Liability Insurance	31
(iv)	Crime Insurance.....	31
(v)	Directors and Officers.....	31
(vi)	Other Insurance.....	32
(vii)	Reviews.....	32
(viii)	Form.....	32
8.3	Limitations on Authority of Board	32
8.4	Personal Liability	32
ARTICLE 9	ASSOCIATION FINANCES	32
9.1	Common Expenses Generally; Liability for Common Expenses	32
9.2	Assessments.....	33
9.3	Collection Matters.....	36
(a)	Generally.....	36
(b)	Lien for Amounts Owed; Priority	36
9.4	Transfer Fee	37
9.5	Subsidy Agreements	37
ARTICLE 10	DECLARANT RIGHTS.....	37
10.1	General.....	37
10.2	Special Declarant's Rights.	38
(a)	Reservation in Favor of Declarant	38
(b)	Reservation in Favor of Participating Builders.....	39
10.3	Declarant's Development Rights:.....	39
10.4	Declarant's Right to Complete	41
10.5	Right to Approve Additional Covenants.....	41
10.6	Priority of Declarant's Rights.....	42
10.7	Assignment of Declarant's Rights.....	42
10.8	Limitations on Rights.....	42
ARTICLE 11	RECREATION UNIT RIGHTS	42
11.1	The Recreation Unit Generally	42
11.2	Rights of Access and Parking.	43
11.3	Additional Recreation Unit Easements.....	43

11.4	Issues Resulting from Proximity to Recreation Unit	44
11.5	Change in Ownership or Operation; No Representations.....	46
11.6	General Recreation Unit Easements.	46
11.7	Right to Require Owner Purchase of Social Membership.....	47
ARTICLE 12 ADDITIONAL PROPERTY RIGHTS AND EASEMENTS.....		48
12.1	Rights Related to Common Elements.....	48
12.2	Additional Easement Rights.	51
12.3	Miscellaneous Rights.....	54
12.4	Self-Operative Provisions.	56
ARTICLE 13 RIGHTS OF LENDERS		56
13.1	Encumbrance of Units Permitted.....	56
13.2	Priority Issues.....	56
(a)	First Deeds of Trust	56
(b)	Non-First Deeds of Trust	56
13.3	Notice to Eligible Mortgage Holders.....	57
13.4	Insurance Proceeds and Condemnation Awards.....	57
13.5	Appearance at Meetings.....	57
13.6	Examination of Records.....	57
ARTICLE 14 DISPUTE RESOLUTION AND ENFORCEMENT OF GOVERNING DOCUMENTS.....		57
14.1	General.....	57
14.2	Remedies.....	57
14.3	Expenses and Attorneys Fees.....	62
14.4	No Implied Waiver.	62
ARTICLE 15 DISCLOSURES.....		62
15.1	Security Disclaimer.....	62
15.2	School Disclosure	63
15.3	Rockery Wall Rodent Disclosure.....	63
15.4	Notice to Bulk Purchasers.....	63
15.5	Disclosure Regarding Agricultural Uses.	63
15.6	Disclosure Regarding Growth Restrictions	63
15.7	Golf Course Disclosure.....	63

15.8	View Obstructions	64
ARTICLE 16 GENERAL PROVISIONS		65
16.1	Amendment.....	65
16.2	Termination of Former Owner's Liability for Assessments.....	66
16.3	Notices	66
16.4	Approvals.....	67
16.5	Construction and Severability; Singular and Plural; Titles.....	67
(a)	Restrictions and Easements Construed Together.....	67
(b)	Restrictions and Easements Severable.....	67
(c)	Singular Includes Plural.....	67
(d)	Captions	67
(e)	Interpretation.....	67
16.6	Grantee's Acceptance.....	67
16.7	Amendment and Restatement.....	68

TABLE OF EXHIBITS

Exhibit "A"	Legal Description of Phase I Property
Exhibit "B"	Legal Description of Annexable Property
Exhibit "C"	Legal Description of Recreation Unit



**MASTER DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
AND
RESERVATION OF EASEMENTS
FOR
CLEAR CREEK TAHOE**

THIS MASTER DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS AND RESERVATION OF EASEMENTS FOR CLEAR CREEK TAHOE is made by Declarant as of the Effective Date. Capitalized terms used herein shall have the meanings set forth in Article 2.

Declarant is the master developer of Clear Creek Tahoe, a mixed-use planned development located off of US Highway 50, between Carson City and Lake Tahoe, in Douglas County, Nevada. Declarant intends to develop Clear Creek Tahoe as a high-quality residential community, complete with residential neighborhoods, privately-owned recreation amenities (including, as of the Effective Date, a golf course), possible resort uses, and commercial uses associated with golf course and resort projects.

Development of Clear Creek Tahoe will be conducted pursuant to applicable government standards. These standards include, potentially, (i) the Development Agreements, (ii) the Plans, and (iii) the Design Standards.

Development of Clear Creek Tahoe will also be conducted pursuant to the terms and conditions of this Declaration and the Governing Documents, all of which are prepared in accordance with, and subject to, the Act. This Declaration and the Governing Documents, among other things, (i) establish and recognize Clear Creek Tahoe as a unique community with common issues and concerns, (ii) create community standards for the use and maintenance of property within Clear Creek Tahoe, (iii) provide for the creation, operation, administration, and funding of an official community association for Clear Creek Tahoe, which association is charged with the task of ensuring compliance with said community standards, (iv) enable the orderly development of Clear Creek Tahoe by allowing development to proceed according to the dictates of community need and market demands, and (v) allow flexibility in responding to future changes in circumstances surrounding the development and use of properties within Clear Creek Tahoe.

It is Declarant's intent that this Declaration and the Governing Documents work in harmony with the Development Agreements, Plans, and Design Standards so as to secure the orderly and efficient development of Clear Creek Tahoe. However, in the interest of clarity, this Declaration and the Governing Documents shall at all times remain subordinate and subject to the Development Agreements, Plans, and Design Standards.

PART ONE: CREATION OF THE COMMUNITY; GENERAL CONCEPTS

**ARTICLE 1
CREATION OF THE COMMUNITY**

1.1 **Creation of Clear Creek Tahoe Community.** Declarant hereby declares the creation of a common-interest community comprised of the Property. The name of such community is the "Clear Creek Tahoe Community," and it is hereby established as a "planned community" under the Act. Declarant intends that this Declaration, in conjunction with the Development Agreements, Plans, and Design Standards, create a general plan of development and community standards for all portions of the Clear Creek Tahoe Community now or hereafter made subject to this Declaration.

1.2 **Subject Property; Binding Effect.** Initially, the Property of which the Clear Creek Tahoe Community is comprised shall consist of the Phase One Property. In the future, additional real property may be added to the Property, and thus made a part of the Clear Creek Tahoe Community, by Recording one or more Supplemental Declarations in accordance with the terms and provisions of this Declaration.

The Phase One Property, and any additional real property that is added to the Property and thereby made a part of the Clear Creek Tahoe Community in the future by Recording one or more Supplemental Declarations, shall be held, conveyed, encumbered, leased, used, occupied, improved, and otherwise affected in any manner subject to all of the provisions of this Declaration, which shall be deemed to run with the land as covenants running with the land or as equitable servitudes, as the case may be. This Declaration shall be binding upon all persons having any right, title, or interest in any portion of the Property, their heirs, successors, successors-in-title, and assigns.

Unless otherwise provided by Nevada law, this Declaration shall run with the land and have perpetual duration. This Declaration may be terminated only by a Recorded instrument to that effect signed by Owners of at least eighty percent (80%) of the Voting Power of the Association and the Declarant, so long as Declarant or any affiliate of Declarant owns any land described on **Exhibits "A" and/or "B,"** and only if the termination complies with the termination procedures set forth in the Act. Such an instrument may be executed in counterparts. Nothing in this Section shall be construed to permit termination of any easement or similar right created in this Declaration, all of which shall survive termination of this Declaration absent the written consent to termination of the holder of such easement or right. Termination of this Declaration is also subject to any provisions limiting such termination in any Development Agreements, Plans, or Design Standards.

1.3 **Community Association.** The successful implementation of any community plan requires a measure of organization. In order to organize the property owners within the Clear Creek Tahoe Community toward the implementation of the community plan and standards described in this Declaration, Declarant shall form the Association. The Association, to be comprised of the Members, will be the official organization of property

owners within the Clear Creek Tahoe Community, and will advance and protect the Clear Creek Tahoe Community by administering and maintaining community standards, all as set forth in this Declaration.

Some areas within the Clear Creek Tahoe Community may be subject to additional covenants, restrictions, and easements to be administered by another owners association. In that event, if there is a conflict between or among the Governing Documents and any such additional covenants, restrictions, and easements, or the governing documents or policies of such other association, the Governing Documents shall control. However, nothing in this Section shall preclude any Supplemental Declaration or other covenants applicable to any portion of the Clear Creek Tahoe Community from containing additional restrictions or provisions that are more restrictive than the provisions of this Declaration, and in such case the more restrictive shall control. The Association may, but shall not be required to, enforce any such additional covenants or restrictions affecting any portion the Clear Creek Tahoe Community.

1.4 **Governing Documents.** This Declaration constitutes the primary document governing the creation and operation of the Clear Creek Tahoe Community. A number of other documents supplement and support the concepts, standards, and provisions set forth herein. Taken together, the Governing Documents of the Clear Creek Tahoe Community are as follows:

- this Declaration, which creates the Clear Creek Tahoe Community and generally establishes standards for its development, use, operation, and maintenance;
- each Supplemental Declaration, which may, among other things, add real property to the Property, create additional use restrictions and development standards for certain portions of the Property, and/or create Limited Common Elements and/or Cost Centers for certain portions of the Property;
- the Articles of Incorporation of the Association, which incorporate the Association as a nonprofit corporation under the law of the State of Nevada;
- the Bylaws of the Association, which govern the Association's internal affairs, including, without limitation, voting and election procedures, notice for and conduct of meetings, and appointment of officers;
- the Rules of the Association, which govern the use of property, certain activities, and certain conduct within the Clear Creek Tahoe Community;
- the Design Guidelines, which establish particular architectural standards and procedures governing improvements and modifications to Residential Units and the structures and landscaping located thereon;
- such resolutions as the Board may adopt from time to time in accordance with the other Governing Documents; and
- and any other documents that govern the operation of the Clear Creek Tahoe Community or the Association.

The Governing Documents shall be construed to be consistent with one another to the extent possible. If there exists any irreconcilable conflicts or inconsistencies among the

Governing Documents, then terms and provisions of this Declaration shall prevail (unless and to the extent only that any provision of the Declaration fails to comply with any applicable provisions of the Act), and thereafter the Articles shall prevail over the Bylaws, the Design Guidelines and the Rules, and the Design Guidelines shall prevail over the Rules.

ARTICLE 2 DEFINITIONS

The terms used in the Governing Documents shall generally be given their natural, commonly accepted definitions unless otherwise specified. Capitalized terms shall be defined as set forth below, and shall incorporate the concepts set forth in each definition.

"Act": Collectively, NRS Chapter 116 and NRS Chapter 116A, as they may be amended from time to time.

"Additional Association": An owners association, if any, having jurisdiction over any property within the Clear Creek Tahoe Community concurrent with (but subject to) the jurisdiction of the Association. Nothing in this Declaration shall require the creation of an Additional Association for any property within the Clear Creek Tahoe Community.

"Additional Association Property": The real property within the Property owned by an Additional Association, if any.

"Annexable Property": That certain real property described in **Exhibit "B"** which may hereafter be brought within the terms of this Declaration as part of the Property pursuant to Section 10.3.

"Annual Assessment": As defined in 9.2(a)(i).

"Applicant": The Owner of a Residential Unit, the Association, or an Additional Association, as applicable, under an application seeking any approval required from the DRC pursuant to Article 5 of this Declaration.

"Areas of Common Responsibility": The Common Elements, together with such other areas (i) for which the Association has or assumes responsibility pursuant to the terms of this Declaration, any Supplemental Declaration, or other applicable covenants, contracts, assignments, or agreements, or (ii) which are designated as areas to be maintained by Owners collectively, or by an association of owners of real property within the Clear Creek Tahoe Community, pursuant to (A) the Development Agreements, Plans, Design Standards, or any permit, license, certificate, consent or approval issued by the County or other governmental authorities in connection with development of the Property, or (B) any easement, license, permit, right-of-way, or other servitude obtained by Declarant in connection with development of the Property; but expressly excepting any Additional Association Property or any such area if such area is for the benefit of less than all the Units and the maintenance of such area is provided for in the governing documents of any Additional Association.

"Articles" or "Articles of Incorporation": The Articles of Incorporation of the Association filed with the Nevada Secretary of State, as amended from time to time.

"Association": Clear Creek Tahoe Community Association, a Nevada nonprofit corporation.

"Association Property": All real and personal property now or hereafter owned by or leased to the Association or in which the Association has a recognizable legal or equitable present or future interest.

"Beneficiary": A beneficiary, mortgagee, or holder of a Deed of Trust, and/or the assignee of such beneficiary, mortgagee, or holder.

"Board" or "Board of Directors": The Board of Directors of the Association, and synonymous with "executive board" as defined by the Act.

"Bound Parties": Collectively Declarant, the Association, any Additional Association, each Owner, and each other party bound by this Declaration, each of which may be individually referred to herein as a **"Bound Party."**

"Budget": As defined in 9.2(a)(i).

"Bylaws": The Bylaws of the Association, as amended from time to time. The Bylaws govern the Association's internal affairs, including, without limitation, voting rights, election procedures, meetings, and appointment of officers.

"Clear Creek OS": Clear Creek OS, LLC, a Delaware limited liability company.

"Clear Creek Golf": Clear Creek Golf, LLC, a Delaware limited liability company.

"Clear Creek Tahoe Community": The common-interest community comprised of the Property and created by this Declaration, as described in Section 1.1.

"Common Elements" and "Common Area": Any real property within the Clear Creek Tahoe Community that is owned or leased by the Association (including, without limitation, all easements and servitudes appurtenant thereto), other than a Unit.

"Common Expenses": Expenditures made by, or financial liabilities of, the Association, together with any allocations to reserves. For purposes of Article 9 below, Common Expenses are broken into the following three categories: (i) **"General Common Expenses"**: Common Expenses incurred for the benefit of all Units (such as, by way of example, Common Expenses incurred as general overhead and administrative costs of operating the Association); (ii) **"Limited Common Expenses"**: Common Expenses incurred for the benefit of a group of Units, but less than all the Units (such as, by way of example, Common Expenses incurred in

connection with maintaining Cost Center Improvements, or providing services to a select group of Units in a Cost Center or otherwise); (iii) **"Individual Common Expenses"**: Common Expenses incurred solely in relation to a particular Unit (such as, by way of example, Common Expenses incurred to bring a Unit into compliance with the Governing Documents, to enforce the Governing Documents against a particular Unit, or to pay for the cost of any other work performed by the Association for such Owner's account pursuant to the provisions of this Declaration, and any costs or expenses incident thereto, including but not limited to attorneys' fees and court costs).

"Common Expense Allocation Commencement Date": For all Units created on a particular Plat, the first day of the calendar month following the date on which is closed and Recorded the first sale to a non-Declarant Owner of any Unit shown on that Plat; except that, as to the Recreation Unit, its Common Expense Allocation Commencement Date shall be the first day of the calendar month following the date on which is closed and Recorded the first sale of any Residential Unit to a non-Declarant Owner.

"Conservation Easement": That certain Grant of Conservation Easement Recorded on October 28, 2008, as Document Number 732066.

"Construction": As defined in Section 12.2(d).

"Cost Center": A group of Units to which is exclusively allocated (i) Limited Common Elements or (ii) certain Improvements ("Cost Center Improvements") or (iii) services to be performed by the Association, as more particularly set forth in a Supplemental Declaration creating such Cost Center and making such allocations. Each Cost Center, the Units within such Cost Center, and the Cost Center Improvements and/or Limited Common Elements within such Cost Center (and/or the Association services related to such Cost Center) shall be designated in this Declaration or in a Supplemental Declaration creating the applicable Cost Center.

"County": Douglas County, Nevada, a political subdivision of the State of Nevada.

"Declarant": Clear Creek Residential, LLC, a Delaware limited liability company, which has made and executed this Declaration, or any successor, successor-in-title, or assign who takes title to any portion of the real property described in **Exhibits "A"** or **"B"** for the purpose of development and/or sale and who is designated as Declarant in a Recorded instrument executed by the immediately preceding Declarant.

"Declarant's Control Termination Date": The date on which Declarant's rights under Section 10.2(viii) terminate as provided in NRS 116.31032 (as amended or superseded).

"Declaration": This Master Declaration of Covenants, Conditions, and Restrictions and Reservation of Easements for Clear Creek Tahoe, as amended and supplemented from time to time, including, without limitation, as amended and supplemented by each Supplemental Declaration.

"Deed of Trust": Any form of security instrument encumbering title to a Unit as security for an obligation, including a mortgage, deed of trust, trust deed, security deed, or other consensual lien or title retention contract intended as security for an obligation.

"Design Guidelines": Rules and regulations adopted by the Design Review Committee from time to time, in its sole discretion, establishing the architectural, design, and construction guidelines and application and review procedures applicable to improvement and development of the real property comprising the Clear Creek Tahoe Community (other than the Recreation Unit, and any real property owned by Declarant, both of which are exempt from the Design Guidelines). The Design Guidelines promulgated by the Design Review Committee may be adopted, amended, and repealed by majority vote of the Design Review Committee. Subject to restrictions in any Development Agreement, set of Plans, or Design Standards, Design Guidelines may be different for different areas within the Clear Creek Tahoe Community. The Design Guidelines will establish architectural standards and guidelines for improvements and modifications to Residential Units, including structures, landscaping, and other items located thereon.

"Design Review Committee" or "DRC" or "Design Review": The architectural review committee for the Clear Creek Tahoe Community created pursuant to Section 5.1. The Design Review Committee includes administrative staff that are tasked with implementing the DRC's responsibilities.

"Design Standards": Collectively, any "design standards" contained in any Development Agreements and/or Plans or otherwise approved by relevant governmental authorities, each as amended from time to time.

"Development Agreements": Collectively, any development agreements now or hereafter entered into between the County and Declarant, each as amended from time to time.

"Development Rights": Collectively, the rights reserved to Declarant pursuant to Section 10.3 below.

"Effective Date": The date this Declaration is signed by the last of Declarant, Clear Creek OS, and Clear Creek Golf (as indicated by the date associated with that party's signature).

"Eligible Mortgage Holder": As defined in Section 13.3.

"First Deed of Trust": The most senior Deed of Trust on a Unit.

"Golf Course": Any recreational golf facility located upon the Recreation Unit, as now or hereafter developed or modified, which facility may include a variety of services and amenities, including, without limitation, one or more golf courses, golf practice facilities, golf teaching facilities, a clubhouse, restaurant facilities, lounge facilities, swimming facilities, exercise facilities, spa facilities, and other related recreational and social facilities.

"Governing Documents": This Declaration (inclusive of the Plats, as provided under the Act), each Supplemental Declaration, the Articles, the Bylaws, the Rules, the Design Guidelines, all resolutions of the Board adopted from time to time pursuant to the other Governing Documents, and any other documents that govern the operation of the Clear Creek Tahoe Community or the Association, as each may be amended from time to time. Any exhibit, schedule or certification accompanying any Governing Document shall be deemed a part thereof.

"Impacts": As defined in Section 12.2(d).

"Improvement": All structures, and works of improvement and appurtenances thereto, of every type and kind, including but not limited to buildings, outbuildings, garages, carports, roads, driveways, parking areas, trails, fences, screening walls, retaining walls, stairs, decks, landscaping, utility lines, drainage facilities, ponds, hedges, windbreaks, planting, planted trees, shrubs, poles, animal pens, signs, exterior air conditioning, water softener, satellite dishes, antennae, fixtures or equipment.

"Limited Common Elements": A portion of the Common Elements primarily benefiting one or more, but less than all, Units, as more particularly designated and described in a Supplemental Declaration. All Limited Common Elements shall be allocated to a particular Cost Center.

"Major Controversy": A civil action by the Association that, pursuant to NRS Section 116.31088 (as amended or superseded), may be commenced or maintained only upon the vote or written agreement of a majority of the Voting Power of the Association.

"Manager": A person, firm, or corporation possessing all licenses and certifications required by the Act, and employed or engaged to perform management services for the Property and the Association.

"Member" or "Association Member": Every person or entity who holds a membership in the Association pursuant to the provisions of this Declaration, the Articles and the Bylaws.

"Notice" and "Notify": The giving of any notice required by this Declaration or the notice itself. Notice may be given in any manner permitted under the Governing Documents or the Act, including, if so permitted: U.S. mail; electronic telecommunication (fax or "e-mail") with confirmation of receipt; publication in the community newsletter delivered or mailed to each Owner (provided that such notice is clearly identified under a separate headline in the newsletter) or posting.

"NRS": The Nevada Revised Statutes.

"Owner": Any person or entity, including Declarant, holding record title in a Unit, but excluding in all cases any person or entity holding an interest merely as security for the performance of an obligation. If a Unit is sold under a Recorded contract of sale, and such contract specifically so provides, the purchaser thereunder will be considered the Owner.

"Participating Builder": Any person or entity designated as such in writing by Declarant and who (i) holds a Unit or Units in the Property for the purpose of constructing Improvements thereon for later sale to third party buyers in the ordinary course of such person's/entity's business, or (ii) holds one or more parcels of real property within the Property for further subdivision, development, and/or resale in the ordinary course of its business.

"Phase One Property": That certain real property described in **Exhibit "A"** attached hereto and incorporated herein by this reference, which real property is the initial Property subject to this Declaration and comprising the Clear Creek Tahoe Community.

"Plans": Collectively, the plans, handbooks, schedules, development applications, Plats, and associated conditions approved by the County for the establishment of Clear Creek Tahoe as a planned development, including, without limitation, the Specific Plan, each as amended from time to time.

"Plat": A final subdivision map or parcel map for any portion of the Property, together with such other information regarding the Property as may be required by the Act, other laws, or included in the discretion of Declarant, as they may be amended and supplemented from time to time and Recorded.

"Property": The Phase One Property, together with such additional real property as is made subject to this Declaration in accordance with Section 10.3 and the Act.

"Record", "Recording", "Recorded", or "Recording": To file, the filing, or filed of record with the Office of the County Recorder of Douglas County, Nevada. The date of Recording shall refer to that time at which a document, map, or Map is Recorded.

"Recreation Facilities": Collectively, the Improvements and recreational facilities located upon the Recreation Unit, as now or hereafter developed or modified for any use permitted thereon, including, without limitation, the Golf Course, a clubhouse, restaurant facilities, lounge facilities, swimming facilities, exercise facilities, spa facilities, and other related recreational and social facilities.

"Recreation Unit": The portion of the Phase One Property described in **Exhibit "C"** attached hereto and incorporated herein by this reference, which is hereby designated for separate ownership. The Recreation Unit is a "unit" for purposes of the Act, and the term shall refer to the land that is part of the Recreation Unit, as well as any improvements now or hereafter located thereon. For purposes of Section 116.2105 of the Act, the boundaries set forth in **Exhibit "C"** are the perimeter boundaries of the Recreation Unit, and "Recreation Unit 1" shall be the identifying number of the Recreation Unit. The Recreation Unit may be amended as provided in Section 4.3 below. **FOR PURPOSES OF CLARIFICATION, THE RECREATION UNIT IS NOT A COMMON ELEMENT OR AREA OF COMMON RESPONSIBILITY.**

"Recreation Unit Owner": The then current owner of the Recreation Unit. If more than one person or entity owns fee title to the real property comprising the Recreation Unit, all such persons and entities shall designate one of them, or a third party agreed to by such persons and entities, to act as Recreation Unit Owner for purposes of the rights and obligations of Recreation Unit Owner hereunder.

"Residence": Each building or structure situated upon a Residential Unit that is intended for use and occupancy as an attached or detached residence for a single family. Notwithstanding the above, an ancillary "guest house," "casita," or "in-law suite" on a Residential Unit shall not be a separate Residence but, instead, shall be deemed a part of the structure serving primarily as the Residence on the Residential Unit.

"Residential Unit": A physical portion of the Property depicted as a lot or parcel on a Plat and intended for improvement with an attached or detached residence for a single family (whether or not so improved), but expressly excluding, for clarification, Common Elements, common property of any Additional Association, and real property dedicated to the public on such Plat. The term shall refer to the land, if any, that is part of the Residential Unit as well as any improvements thereon. Each Residential Unit is a "unit" for purposes of the Act, and the boundaries and identifying number of each Residential Unit shall be delineated on the Plat creating such Residential Unit.

"Rules": Rules, regulations, restrictions and guidelines adopted by the Board from time to time, in its sole discretion, (i) governing the use of the Areas of Common Responsibility and Additional Association Property (if any), and the conduct of persons in connection therewith, (ii) governing an Owner's use and/or maintenance of his or her Residential Unit, (iii) covering such additional matters as the Board may deem appropriate to protect property values, keep the Owners' investments secure, and ensure that residents of the Residential Units shall have a pleasant environment in which to live, (iv) governing enforcement of the restrictions contained in the Rules (including, without limitation, notice and hearing procedures), and/or (v) as otherwise permitted under this Declaration and/or the Act. Subject to restrictions in any Development Agreement, set of Plans, Design Standards, or other governmental land use controls that may apply, Rules may be different for different areas within the Clear Creek Tahoe Community.

"Special Assessment": As defined in 9.2(b).

"Specific Plan": The Clear Creek Specific Plan dated December 5, 2003, and approved by the County, inclusive of the Specific Plan Development Handbook, all as amended from time to time.

"Supplemental Declaration": A Recorded document executed by Declarant that amends this Declaration pursuant to Sections 10.2 and 10.3, and the Act, and/or that serves for (i) the exercise of any Development Right, and/or (ii) creates a Cost Center, and allocates thereto (A) Limited Common Elements or (B) certain Improvements ("Cost Center Improvements") or (C) services to be performed by the Association, and/or (iii) sets forth additional restrictions, easements, or covenants that may be applicable to some or all of the Units subject to such

Supplemental Declaration, and may provide for the creation of an Additional Association. A Supplemental Declaration shall designate, if applicable, the Cost Center it creates, the Units within such Cost Center, and the Cost Center Improvements and/or Limited Common Elements within such Cost Center, and/or the Association services related to such Cost Center.

“Unit”: An inclusive term referring to both Residential Units and the Recreation Unit, or any one of them.

“Voting Power of the Association”: At any particular time, the total votes in the Association allocated in accordance with Section 7.3(c)(ii), inclusive of all Units.

PART TWO: COMMUNITY STANDARDS

The Governing Documents establish, as part of the general plan of development for the Property, community standards governing the use and improvement of the Property. Subject to restrictions in any Development Agreement, set of Plans, or Design Standards, community standards may be different for different areas within the Clear Creek Tahoe Community. The community standards governing the use and improvement of any particular portion of the Property shall be the general community standards set forth in this Declaration, together with the Rules, Design Guidelines, and any Supplemental Declaration applicable to such portion of the Property. These community standards are in addition to any that may be set forth in the Development Agreements, Plans, Design Standards, the NRS, the Douglas County Development Code, and the various approvals, entitlements, and permits issued by applicable governmental authorities in connection with development of the Property. In the event standards and restrictions are addressed in both this Declaration and any of the preceding, the more restrictive standard shall apply.

ARTICLE 3 RULES

3.1 **Rules Generally.** Subject to the terms of this Article, the Act, and the Board's duty to exercise business judgment on behalf of the Association and its Members, the Board may create, enforce, modify, cancel, limit, create exceptions to, and/or expand the Rules. The Board shall have the power to adopt, amend, and repeal the Rules.

3.2 **Notice and Effectiveness.** At least thirty (30) days prior to the effective date of any action taken under Section 3.1, the Board shall Notify each Owner of the new Rules or explanation of any modifications to the existing Rules (which Notice shall include a copy of any new or modified Rules), and specify the effective date. Upon written request by a Member or Beneficiary, the Association shall provide, without cost, a single copy of the newly revised Rules to such requesting Member or Beneficiary. The Association may charge a reasonable fee for additional copies of the revised Rules.

3.3 **Owner Acknowledgement and Notice to Purchasers.** An Owner shall comply, and shall cause such Owner's family, tenants, guests and invitees to comply, with all

Rules applicable to such Owner's Unit. All Owners shall be deemed to have notice that use of their Units, the Areas of Common Responsibility, and Additional Association Property is limited by the Rules as may be created, amended, expanded, and otherwise modified. Each Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of his or her Unit can be affected by this provision and that the Rules may change from time to time as provided under Section 3.1. All purchasers of Units are on notice that changes may have been adopted by the Association. Copies of the current Rules may be **obtained from the Association. Unless otherwise restricted by the Act or Section 3.2, the** Association may charge a reasonable fee for copies of the Rules.

3.4 **Limitations:** The Rules shall be subject to the following limitations and provisions:

(a) **No Authorization To Change Design Guidelines.** No action taken under this Article shall have the effect of modifying, repealing or expanding the Design Guidelines. In the event of a conflict between the Design Guidelines and the Rules, the Design Guidelines shall control.

(b) **Exemption of Recreation Unit.** No action taken under this Article shall apply to the Recreation Unit, except those Rules relating to use of the Areas of Common Responsibility applicable to all Owners in the Clear Creek Tahoe Community; provided such Rules shall not apply to the Recreation Unit to the extent such Rules would interfere with the use and operation of the Recreation Facilities or any other use permitted on the Recreation Unit, or otherwise conflict or interfere with the rights of Recreation Unit Owner set forth in Article 11 or elsewhere herein; and further provided that the Association shall have no right to restrict or regulate the use, by the Recreation Unit Owner, and each and every member, guest, golfer, user, employee or agent of the Recreation Unit or Recreation Facilities, of any cart paths located upon the Areas of Common Responsibility pursuant to a valid easement right in favor the Recreation Unit or Recreation Unit Owner.

(c) **Reasonable Rights To Develop.** No Rule, or any other action by the Association or Board, shall unreasonably impede or interfere with the rights of Declarant or any Participating Builder to develop the Property, as determined in Declarant's sole and absolute discretion.

(d) **Additional Association Property.** No Rule, or any other action by the Association or Board, shall unreasonably impede or interfere with the ordinary use and operation of any Additional Association Property in a manner consistent with the development approvals issued by the County and other applicable governmental authorities in connection with such Additional Association Property.

(e) **Activities Within Residences.** No Rule shall interfere with the activities carried on within the confines of a Residence, except that the Rules may prohibit activities not normally associated with residential dwellings or residential neighborhoods, and may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create

a danger to the health or safety of occupants of other Residences, that generate excessive noise, traffic or odor, that create unsightly conditions visible outside the Residence, that create an unreasonable source of annoyance, or that otherwise violate any Law.

(f) **Displays; Signs.** The right of Owners to display religious and holiday signs, symbols, and decorations, inside structures on their Residential Units, of the kinds normally displayed in dwellings located in single-family residential neighborhoods shall not be abridged, except that the Rules may, to the maximum extent permitted by applicable law, regulate the time, place, manner and duration of any displays visible from outside the Residences. No Rule shall regulate the content of political signs; however, Rules may, to the maximum extent permitted by applicable law, regulate the time, number, place and manner of posting such signs (including reasonable design criteria).

(g) **Alienation.** No Rule shall prohibit the lease or transfer of any Residential Unit, or require the Association's consent before the lease or transfer of any Residential Unit; provided, however, that unless the Residential Unit is subject to a Supplemental Declaration that allows such Residential Unit to be submitted to a time-share, fractional ownership, or similar interval use plan, the Association may adopt Rules requiring that a lease of a Residential Unit be (i) for a term of not less than thirty (30) days, (ii) solely for residential use during periods of such Owner's absence, (iii) not part of any commercial venture, and (iv) entered into pursuant to rental agreement, in writing, that specifies that failure to abide by the provisions of the Governing Documents shall be a default under the lease or rental agreement. If a Residential Unit is subject to a Supplemental Declaration that allows such Residential Unit to be submitted to a time-share, fractional ownership, or similar interval use plan, no Rule may prohibit its lease or transfer, or otherwise require Association consent prior to such lease or transfer.

(h) **Abriding Existing Rights.** No Rule shall require an Owner to dispose of personal property that was in or on a Unit prior to the adoption of such Rule if such personal property was in compliance with all Rules previously in force. This exemption shall apply only during the period of such Owner's ownership of the Unit, and shall not apply to subsequent Owners who take title to the Unit after adoption of the Rule.

ARTICLE 4 GENERAL USE RESTRICTIONS

4.1 **Compliance Generally**

(a) **Compliance with Governing Documents.** An Owner shall comply, and shall cause such Owner's family, tenants, agents, contractors, guests and invitees to comply, with the Governing Documents to the extent applicable to such Owner's Unit, including, without limitation, each Supplemental Declaration and all Rules governing such Owner's Unit. Similarly, the Association and each Additional Association shall comply with the Governing Documents, as applicable.

(b) **Compliance with Applicable Law.** Declarant, the Association, each Additional Association, each Owner, and every other person or entity bound by or subject to this Declaration shall comply with the Development Agreements, Plans, Design Standards, and each state, municipal, or local law, ordinance, or regulation pertaining to the ownership, occupation, and/or use of any portion of the Property, including, without limitation, the Douglas County Development Code.

4.2 **Community-Wide Development Restrictions.** The following development provisions and restrictions shall apply to the entire Clear Creek Tahoe Community:

(a) **General Compliance with Specific Plan.** Without limiting the generality of any other provision herein related to Specific Plan compliance, and notwithstanding any other provision herein to the contrary, the Association, each Additional Association, and each Owner shall at all times comply with the design standards for the Property set forth in the Specific Plan, including, without limitation, provisions set forth therein related to building heights, setbacks, screening of certain Improvements and areas on a Unit, driveway design, slope grades, and maximum building coverage limitations.

(b) **Construction Procedures.** Prior to commencement of any construction activity within the Property, the Association, the relevant Additional Association, or the relevant Owner, as applicable, and/or its contractor shall take appropriate precautions to protect the site from unnecessary damage and to reduce erosion and dust problems. The site shall be kept in a clean and orderly fashion at all times and the contractor shall have approved sanitary facilities on site as well as a garbage dumpster or other suitable device for regular disposal of trash. Except as to construction materials belonging to Declarant or its agents, no construction materials shall be dumped or stored on roadways, Areas of Common Responsibility, or any Additional Association Property.

(c) **Floodplain Restrictions.** Except as otherwise allowed under the Specific Plan, all development is prohibited in any area identified as a floodplain on a Plat.

(d) **Restricted Use Areas.** Except as otherwise allowed under the Specific Plan, all development is prohibited in any area identified as a "Restricted Use Area" on a Plat.

(e) **Hillside Development.** All construction and development within any area identified as a "Hillside" on a Plat shall comply with the hillside grading standards set forth in applicable provisions of the Douglas County Code.

(f) **No Interference with County Easements.** No permanent structures shall be allowed within or upon any utility easement maintained by Douglas County except with the express written approval of Douglas County.

(g) **Fault Lines.** Structures shall be placed and sited so as to comply with the building setback requirements related to earthquake fault mitigation set forth in the final soils report for the Property on file with the Douglas County Department of Community Development.

4.3 **Subdivision and Relocation of Boundaries.** Except as to Residential Units owned by Declarant, (i) no Residential Unit may be further subdivided beyond the physical dimensions of that Residential Unit as shown on the Plat pursuant to which said Residential Unit was created, (ii) no boundary line between Residential Units may be relocated if the effect of such relocation would be to change the number of Residential Units within the Property, and any relocation must first be approved in writing by the Board, which approval may be granted or withheld in the Board's sole and absolute discretion, and (iii) the zoning and use of any Residential Unit shall not be changed to allow for multi-family or commercial use.

The Recreation Unit may be further subdivided from time to time, and may relocate boundaries with any adjoining Residential Unit upon approval of the Owner of such Residential Unit and in accordance with Section 116.2112 of the Act (or any successor statute thereto). In the event of any further subdivision of the Recreation Unit, (i) **Exhibit "C"** attached hereto and the definition of "Recreation Unit" shall be deemed automatically amended to exclude any real property constituting Residential Units on the Plat effecting such subdivision, (ii) each Residential Unit within the Clear Creek Tahoe Community, including each Residential Unit created on such Plat, shall have the interest allocated thereto in accordance with Sections 7.3(c)(ii) and 9.1 of the Declaration, and (iii) in accordance with Declarant's rights under Sections 10.2 and 10.3 of this Declaration, Declarant and the Recreation Unit Owner shall Record, prior to transfer of any Residential Unit created on such Plat to any other Owner, a Supplemental Declaration against all such Residential Units, which Supplemental Declaration may impose upon such Residential Units certain covenants, conditions, restrictions, and easements which shall in general be consistent with those for other Residential Units within the Property. In the event of any boundary-line adjustment of the Recreation Unit, **Exhibit "C"** attached hereto and the definition of "Recreation Unit" shall be deemed automatically amended to include any real property added to the Recreation Unit and to exclude any real property removed from the Recreation Unit, as applicable, pursuant to the Recorded documents effecting such boundary-line adjustment.

4.4 **Golf Cart Matters.**

(a) **Golf Carts.** In order to provide for uniformity of standards in favor of any Golf Course located within the Recreation Unit, no golf carts shall be operated upon the Areas of Common Responsibility or Additional Association Property other than those acquired through the Recreation Unit Owner, subject to prices, terms, and conditions as required by the Recreation Unit Owner. Each Residential Unit Owner who owns a golf cart permitted hereunder shall, by the operation of such golf cart, be deemed to have agreed that none of Declarant, the Recreation Unit Owner, any Additional Association, or the Association shall be liable in any way for any loss or damage resulting from or arising out of such Residential Unit Owner's operation of the golf cart. A Residential Unit Owner using a golf cart permitted hereunder shall be held

fully responsible for any and all damages caused by the misuse of the golf cart by such Owner and his/her family members, guests, licensees, invitees, employees or agents, and said Owner shall reimburse the Association, an Additional Association, or the Recreation Unit Owner, as applicable, for any and all damages the Association, Additional Association, or Recreation Unit Owner may sustain by reason of such misuse.

(b) **Golf Cart Paths.** No Owner or invitee shall have any right to use any portion of any golf cart path system serving the Recreation Unit or Recreation Facilities, including any portion situated on the Common Elements or Additional Association Property, without the prior approval of the Recreation Unit Owner, and then subject to such rules and regulations related to such use as may be adopted by the Recreation Unit Owner, in its sole and absolute discretion, from time to time.

(c) **Association's Right to Proof of Golf Cart Insurance.** In the event the Owner of a Residential Unit owns a golf cart permitted under subsection (a) above, each year such Owner shall provide to the Association proof of liability insurance in connection with the operation of such Owner's golf cart. Such liability policy shall have such limits as shall be approved by the Association in its sole and absolute discretion and shall name as an additional insured those parties requested by the Association from time to time. Further, such insurance policy shall provide that it can be cancelled only upon thirty (30) days' prior written notice to the Association.

The Board's may promulgate additional Rules concerning use of golf carts on the Areas of Common Responsibility or Additional Association Property or in relation to Residential Units, subject to the foregoing and the limits in Section 3.4(b) above as to the Recreation Unit. Nothing herein shall be deemed to limit the sole and absolute discretion of the Recreation Unit Owner to establish the rules and procedures for operation of golf carts upon the Recreation Unit.

4.5 **Areas of Common Responsibility and Additional Association Property.** Areas of Common Responsibility and Additional Association Property shall be used in a manner consistent with the Development Agreements, Plans, Design Standards, and other development approvals issued by the County and other applicable governmental authorities in connection with such Areas of Common Responsibility and Additional Association Property, as applicable.

ARTICLE 5 DESIGN GUIDELINES

5.1 **Creation of Design Review Committee.** There is hereby established an architectural review committee within the Clear Creek Tahoe Community. This Design Review Committee shall be comprised of persons appointed by Declarant until the earlier of (i) such time as Declarant no longer holds Development Rights pursuant to Section 10.3, and (ii) Declarant's delivery to the Board of written notice expressly stating Declarant's election to terminate its rights under this Section. Thereafter, the DRC shall be comprised of the Board; provided, however, that the Board may appoint an DRC of not less than three (3) members, at least one (1) of whom must be a Director, and the remainder of whom need not be Members. Declarant

hereby declares that, during such time as Declarant holds the right to appoint the DRC under this Section, the DRC shall be the sole entity authorized or entitled to issue a "homeowner's association approval" regarding development plans, as contemplated under the Specific Plan.

5.2 **Requirement of DRC Approval.** Except as to the Recreation Unit and any portion of the Property owned by Declarant, there shall be no temporary or permanent construction, erection, installation, or modification of any thing on any outside portions of the Property (including, without limitation, the outside portion of each Residential Unit), nor shall the exterior appearance of a Residential Unit (or any Improvement thereon) be temporarily or permanently modified, except with the prior approval of the DRC and in strict compliance with the provisions of this Article 5. For clarification, and without limitation, the foregoing requirement applies to the initial construction of a Residence on a Residential Unit, the modification of the exterior of any such Residence, the landscaping of any Residential Unit, construction or alterations on Areas of Common Responsibility, construction or alterations on any Additional Association Property, and the construction, erection, installation, or modification of any of the following on a Residential Unit: garages, porches, patios, guest quarters, breezeways, walks, outbuildings, window coverings visible from the exterior of a structure, signs, basketball hoops, swing sets and similar sports and play equipment, garbage cans, woodpiles, flag poles, solar panels, swimming pools, hedges, walls, drainage facilities, dog runs, animal pens, and fences of any kind.

Each of the following items is exempt from the requirements set forth in Section 5.2, except as provided in the subsection discussing such item:

- (a) Antennae and satellite dishes less than one meter in diameter, provided any such device is placed in the least conspicuous location on a Residential Unit in which an acceptable quality signal can be received and is screened from the view of adjacent Units, Areas of Common Responsibility, and streets (both within and outside of the Property) in a manner consistent with the Design Guidelines;
- (b) Political signs shall be permitted on a Residential Unit solely to the extent allowed under Section 116.325 of the Act;
- (c) Holiday decorations, provided that such decorations shall be installed in such manner as not to compromise or damage unreasonably the surface or item to which installed or attached. All decorations must be installed and removed in a reasonably seasonal manner, and, during the appropriate period of display, shall be maintained in a neat and orderly manner. Without limiting the generality of the foregoing, decorations for the holiday season beginning each year on the day on which Thanksgiving is to be observed pursuant to federal law ("Thanksgiving Day"), and ending on the second day of January of the following year, may be put up no earlier than one week in advance of Thanksgiving Day, and must be taken down no later than January 17th of the following year; provided, however, that the foregoing restriction shall not apply to any holiday decorations which are not readily visible from the exterior of a Unit;

(d) Covered, sanitary trash containers; provided, however, that in no event shall such containers be kept where they are visible from any neighboring Unit or Area of Common Responsibility, unless such containers are less than six feet (6') in height and are enclosed in a manner consistent with the Design Guidelines by a fence, screen or wall which is not less than six feet (6') in height and, notwithstanding such enclosure, such containers remain visible from a neighboring Unit or Area of Common Responsibility. Notwithstanding the foregoing, trash kept in covered, sanitary containers may be brought to the front of a Residential Unit no earlier than the morning of the day scheduled for trash pick up, provided that such containers are removed from the front of the Residential Unit by the end of such pick up date;

(e) Following the expiration of Declarant's right to appoint the DRC under Section 5.1, any construction, erection, installation, or modification of any Improvement by the Association;

(f) Repainting the exterior of a structure in accordance with the originally approved color scheme or rebuilding in accordance with originally approved drawings and specifications. Any Owner of a Residential Unit may remodel, paint, or redecorate the interior of his or her Residence without the DRC's approval; provided, however, that modifications to the interior of screened porches, patios, windows, and similar portions of a Residence visible from outside the structure shall be subject to the approval process set forth in this Article 5; and

(g) Any other item expressly exempted in the Design Guidelines.

5.3 **Design Guidelines.** The Design Review Committee is authorized to adopt, amend, and repeal by majority vote the Design Guidelines; provided, however, that any amendments to the Design Guidelines shall be prospective only and shall not require modifications to or removal of Improvements previously approved once the approved construction or modification has commenced. The Design Guidelines shall at all times be consistent with the Development Agreements, Plans, Design Standards, and all other entitlements for the Property issued by Douglas County, including, without limitation, the Specific Plan and any design standards and design guidelines prepared in connection therewith. The DRC may, with the express prior written approval of Declarant (until expiration of Declarant's right to appoint the DRC under Section 5.1) , seek modifications to the design review plans of the Specific Plan, which modifications must be submitted to and approved by the Douglas County Department of Community Development before taking effect.

A copy of the Design Guidelines, as they may from time to time be adopted, amended, or repealed, certified by any member of the DRC, shall be maintained at the office of the Association and shall be available for inspection and copying by any Owner at any reasonable time during the business hours of the Association.

5.4 **Review Procedures.**

(a) **Applications.** Prior to undertaking any activity that requires the prior approval of the DRC under Section 5.2, the Owner of the relevant Residential Unit, the

Association as to the relevant Association Property, or the Additional Association as to the relevant Additional Association Property, shall apply to the DRC for such approval. Such application shall include plans and specification showing site layout, structural design, exterior elevations, exterior materials and colors, landscaping, drainage, exterior lighting, irrigation, other features of proposed construction, and such other information and materials as the DRC in the exercise of its reasonable discretion deems necessary for it to be adequately informed with respect to the application.

(b) **DRC Deliberations.** In reviewing each application, the DRC may consider any factors it deems relevant in its sole and absolute discretion, including, without limitation, harmony of external design with surrounding structures and environment, compliance with the Development Agreements, Plans, Design Standards, and applicable laws (including the Act), and compliance with the Design Guidelines. Each Applicant acknowledges and agrees that (i) the Design Guidelines are not the exclusive basis for decisions by the DRC, and compliance with the Design Guidelines does not guarantee approval of any application, and (ii) certain considerations the DRC will be purely subjective and matters of opinion.

Notwithstanding the foregoing paragraph:

(i) In reviewing any application related to landscaping, the DRC shall consider both the Act's provisions relating to the approval of drought tolerant landscaping and the provisions of Douglas County Code Section 20.694 (as amended or superseded), and shall not render a decision inconsistent therewith; and

(ii) If the application under consideration involves any real property or Improvement that is contiguous to the Recreation Unit or in the direct line of sight from the Recreation Unit for the depth of one Residential Unit, the DRC must request and receive the Recreation Unit Owner's approval of such application prior to the DRC issuing any approval to the relevant Applicant. The Recreation Unit Owner shall not unreasonably withhold, condition, or delay its approval of any item submitted to it by the DRC for consideration; it being understood that such approval may be withheld or conditioned if any item proposed in the application would have a material adverse impact on the Recreation Unit, whether by restriction of view, hazards to person or otherwise. The Recreation Unit Owner shall notify the DRC of its approval, approval with conditions, or disapproval within thirty (30) days after receipt of a request from the DRC; provided that, in the event the Recreation Unit Owner fails to timely notify the DRC of its decision on an application, such application shall be deemed approved by the Recreation Unit Owner. In the event of disapproval, any subsequent decision of the DRC on the application shall be disapproval. In the event the Recreation Unit Owner issues an approval (express or deemed), or approval with conditions, any subsequent decision of the DRC on the application shall be either disapproval or an approval that strictly conforms to such decision by the Recreation Unit Owner, and (A) the DRC shall exercise its rights hereunder to ensure that all construction, reconstruction, refinishing, alterations, excavations and other work under the application is completed pursuant to any such DRC approval, and (B) the Applicant covenants, for the benefit of the Recreation Unit Owner, to complete all construction, reconstruction,

refinishing, alterations, excavations and other work under the application in strict conformance with any such DRC approval.

(c) **DRC Decisions.** The vote or written consent of a majority of members of the DRC on an application shall constitute the DRC's decision on that application. The DRC shall render its decision on an application within ninety (90) days after receipt of a completed application and all required information. The decision shall be communicated by written Notice to the Applicant within five (5) days after being rendered, and, subject to Section 5.4(b), may be (i) approval of the application, with or without conditions (such as the posting of a performance bond or cash deposit), (ii) approval of a portion of the application (with or without conditions, such as the posting of a performance bond or cash deposit) and disapproval of other portions, or (iii) disapproval of the application.

In the event the DRC fails to timely render its decision on an application, such application shall be deemed approved; provided, however, that no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Guidelines unless a variance has been granted pursuant to Section 5.7 below, and further provided that no approval may be deemed granted if such approval is subject to prior compliance with Section 5.4(b)(ii).

(d) **Compliance with DRC Decisions.** Each Applicant shall strictly comply, and shall cause such Applicant's family, tenants, agents, contractors, employees, guests and invitees to strictly comply, with the terms and conditions of any decision issued to such Applicant by the DRC pursuant to this Section 5.4.

(e) **Fees.** The DRC may charge filing fees to be used to pay architects, engineers, landscaping consultants, and/or other design professionals, who may or may not be members of the DRC, to review submitted plans, specifications, and materials; and the DRC may require that such fees be paid in advance of any review, in which case the related application shall not be deemed complete until such fees are paid. At such time as the Board assumes control over the DRC pursuant to Section 5.1, the Board may reimburse members of the DRC for reasonable expenses incurred by them in the performance of any DRC function.

(f) **Other Approvals.** For clarification, the DRC's approval of any item for which its consent is required is in addition to, and not in lieu of, any approval that may be required by governmental entities having jurisdiction over the Property. Similarly, approval of an Improvement or other modification by a governmental entity is in addition to, and not in lieu of, any approval of the DRC required hereunder.

5.5 **Performing the Work.**

(a) **Proceeding with Work.** Upon receipt of approval of an application from the DRC, the Applicant shall, as soon as practicable, satisfy all conditions thereof and diligently proceed with the commencement and completion of all related construction, reconstruction, refinishing, alterations, and excavations pursuant to the approval. Work shall commence, in all

cases, within one year from the date of such approval. If the Applicant fails to comply with this Section, any approval of the DRC shall be deemed revoked unless the DRC, upon written request of the applicant made prior to the expiration of the one-year period, extends the time for such commencement. No such extension shall be granted except upon a finding by the DRC that there has been no change in the circumstances upon which the original approval was granted.

(b) **Pursuit and Completion of the Work.** An Applicant shall complete the relevant construction, reconstruction, refinishing, or alteration under its approval within twenty four (24) months after commencement thereof, and, once work has commenced, no cessation of work of more than ninety (90) consecutive days shall be allowed. The timelines of this Section shall be tolled for so long as performance is rendered impossible or would result in great hardship to the Applicant due to strikes, fires, national emergencies, natural calamities, unusually inclement weather, or other supervening forces beyond the control of the Applicant or its agents.

5.6 **No Waiver.** The approval by the DRC of any application and/or the plans, drawings, or specifications associated therewith for any work done or proposed or for any other matter requiring the approval of the DRC shall not be deemed to constitute a waiver of any right to withhold approval of any similar application, plan, drawing, specification, or matter subsequently submitted for approval.

5.7 **Variances.** The DRC may grant reasonable variances or adjustments from the provisions in this Article and the Design Guidelines where literal application thereof results in unnecessary hardship and if the granting thereof, in the sole and absolute discretion of the DRC, will not be materially detrimental or injurious to other Owners or the Association. Any variance, to be valid, must be in writing, and no variance granted shall constitute a waiver or restrict enforcement of any other provision hereof, or constitute a precedent for granting another variance, nor shall the denial of any request for a variance constitute a prohibition on the grant, with or without conditions, of any future request for a variance.

5.8 **Liability.** Provided that the DRC or a particular member of the DRC has acted in good faith on the basis of the information as may be possessed by the DRC or the member, as the case may be, then neither the DRC nor any member thereof shall be liable to the Association, to any Owner, or any other person for any damage, loss, or prejudice suffered or claimed on account of: (a) the approval or disapproval of any application or the plans, drawings, and specifications association therewith, whether or not defective; (b) the construction or performance of any work, whether or not such performance complied with the approved application and/or the plans, drawings, specifications, or conditions associated therewith, or was rendered in a good and workmanlike manner; or (c) the development of any portion of the Property. Without limiting the generality of the foregoing, the DRC and any member thereof may, but it is not required to, consult with or hear the views of the Association or any Owner with respect to any application, plans, drawings, specifications, materials, or any proposal submitted to the DRC.

**ARTICLE 6
MAINTENANCE GUIDELINES**

6.1 Maintenance of Residential Units.

(a) **Generally.** Subject to the requirements of Article 5, the Owner of a Residential Unit shall be responsible for maintaining such Residential Unit, and all landscaping and Improvements thereon in a clean, orderly, safe, and structurally sound manner, in a good condition and state of repair, adequately painted or otherwise finished, in accordance with the terms of the Governing Documents, the Development Agreements, Plans, and Design Standards, all at such Owner's sole cost and expense. Compliance with the foregoing standard includes, without limitation, the following activities as to each portion of the Residential Unit:

(i) Prompt removal from the Residential Unit of debris, junk, and abandoned or inoperable vehicles, machinery, and equipment, and keeping all landscaping on such Residential Unit appropriately irrigated, mowed, and pruned, as applicable;

(ii) In the event Improvements on the Residential Unit are damaged or destroyed by fire or other calamity, prompt repair or re-construction of such Improvements, or restoration of the Residential Unit to a state that is not offensive to the general appearance of the Clear Creek Tahoe Community, in each instance in compliance with the applicable terms and provisions of Article 5 of this Declaration;

(iii) Maintenance of any fire fuel modification areas, fuel modification zones (as described in the Specific Plan and/or any fire management plan adopted by the Nevada Division of Forestry), defensible space areas, and firebreak areas located on such Residential Unit, such as removal of certain trees, dead limbs and other dead vegetation;

(iv) Continuing maintenance of any slopes located on such Residential Unit as necessary to comply with local government or DRC requirements for stabilization of said slope or slopes; and

(v) Continuing maintenance of the established drainage on the Residential Unit as necessary to comply with local government and/or DRC approvals and requirements for drainage upon, over, and across such Residential Unit.

(b) **Landscaping of Residential Units.** Without limiting the generality of Section 6.1(a), and subject to the requirements of Article 5, the Owner of a Residential Unit shall comply with the following standards and requirements as to the yard areas of such Residential Unit and all landscaping thereon:

(i) All landscaping shall be planted, installed, cultivated, maintained, repaired, and replaced in a manner consistent with Douglas County Code Section 20.694 (as amended and/or superseded from time to time);

(ii) The front yard of the Residential Unit shall be fully landscaped no later than one hundred twenty (120) days after the issuance of a certificate of completion for the initial Residence constructed thereon, and no later than one hundred eighty (180) days after such issuance as to the back and side yard of such Residential Unit; provided, however, that the DRC may grant extensions to this requirement in its sole and absolute discretion;

(iii) Competent professional assistance shall be obtained by an Owner in preparing such Owner's landscaping plans to ensure that the landscaping on the Residential Unit preserves, as much as is reasonably possible, the native trees and existing landforms on the Residential Unit;

(iv) Automatic sprinkler and irrigation systems shall be used for all non-native landscaping;

(v) No weeds or diseased/infected vegetation of any kind or character shall be placed or permitted to grow upon any Residential Unit, and Owner shall promptly replace of any dead grass and promptly remove any dead trees or tree limbs on such Residential Unit;

(vi) As to any tree on the Residential Unit overhanging into any portion of a private street in the Property, a minimum vertical clearance of thirteen and one-half (13.5) feet shall be maintained over such portion of the private street; and

(vii) Vegetation on a Residential Unit growing along any roadway in the Property shall be cleared in accordance with applicable provisions of the Uniform Fire Code.

(c) **Exemption.** Notwithstanding the foregoing provisions of this Section 6.1, an Owner shall not be responsible for maintaining any portion of a Residential Unit or performing on a Residential Unit any maintenance activities for which the Association or an Additional Association is responsible pursuant to a Supplemental Declaration; provided, however, that an Owner shall not interfere with the Association or the Additional Association, as applicable, in the performance of its duties under a Supplemental Declaration, and shall reasonably cooperate with the Association or the Additional Association, as applicable, as it performs said duties.

6.2 **Operation and Maintenance of Association Property and Areas of Common Responsibility.**

(a) **Generally.** Subject to the requirements of Article 5, the Association shall perpetually operate, maintain, and otherwise manage or provide for the perpetual operation, maintenance, and management of the Areas of Common Responsibility, and any and all Association Property, including, but not limited to, all its facilities, improvements, landscaping, drainage facilities, private streets, and any other property acquired by the Association, including personal property. Such operations and management shall be conducted in a first-class manner, in accordance with the terms of the Governing Documents, the Development Agreements, Plans,

and Design Standards, all at the Association's sole cost and expense; and the Areas of Common Responsibility and Association Property shall be maintained in a clean, orderly, safe, and structurally sound manner, in a good condition and state of repair.

(b) **Specific Maintenance Items.** Without limiting the generality of Section 6.2(a), and subject to the requirements of Article 5, the Association shall specifically undertake the following maintenance activities:

(i) All vegetation within the Common Elements shall be maintained so as to preserve appropriate fire fuel breaks, as provided in the Development Agreements, Plans, Design Standards, other governmental approvals for the Property, and/or any fire management plan adopted by the Nevada Division of Forestry;

(ii) The Association shall maintain in good order and repair all landscaping, drainage channels, slopes, detention basins, ponds, streams, and roadways within the Areas of Common Responsibility;

(iii) The Association shall be responsible for snow removal, road maintenance, and gate maintenance for all private roads and emergency vehicle access roads within the Areas of Common Responsibility;

(iv) All activities and maintenance obligations for which the Association is responsible pursuant to any Supplemental Declaration, including, without limitation, maintenance obligations associated with a Cost Center, Limited Common Elements, and Cost Center Improvements;

(v) The Association shall maintain signage at appropriate places along the trail system running through the Common Elements generally advising users of the terms of Section 12.2(i) hereof;

(vi) A knock box shall be maintained on all entry gates within the Areas of Common Responsibility (including, without limitation, gates for any emergency vehicle access); and

(vii) The Association shall perform all maintenance obligations set forth in any covenants, easements, or other items of record against a portion of the Common Elements at such time as such portion is conveyed to the Association. Without limiting the generality of the foregoing, in the event any portion of the real property covered by the Conservation Easement becomes part of the Common Elements, the Association shall comply with all the terms and conditions of the Conservation Easement as to such real property.

(c) **Right to Information.** At Declarant's request from time to time, the Board shall promptly deliver to Declarant copies of all written inspections and reports rendered pursuant to the Association's maintenance and repair responsibilities hereunder (without any obligation whatsoever of Declarant to review such documents or to take any action in connection therewith).

(d) **Failure to Maintain.** The Association shall be responsible for accomplishing its maintenance and repair obligations fully and timely from time to time, as set forth in this Declaration. Failure of the Association to fully and timely accomplish such maintenance and repair responsibilities may result in deterioration and/or damage to Improvements, and such damage and/or deterioration shall in no event be deemed to constitute a constructional defect. Declarant shall have no liability whatsoever stemming from any failure by the Association to maintain the Areas of Common Responsibility, regardless of whether or not the Association is legally permitted to disclaim or defer maintenance of an Area of Common Responsibility, or is legally permitted to conduct any such maintenance to a standard lower than that required herein.

(e) **Exemption.** Notwithstanding the foregoing provisions of this Section 6.2, the Association shall not be responsible for maintaining any portion of any golf cart path system situated on the Common Elements and serving the Recreation Unit or Recreation Facilities pursuant to a valid right in favor of the Recreation Unit or Recreation Unit Owner. Such maintenance shall be performed by the Recreation Unit Owner, per section 6.4(b) below.

6.3 **Maintenance by Additional Associations.**

(a) **Generally.** Subject to the requirements of Article 5, an Additional Association shall be responsible for maintaining its Additional Association Property, as well as any other property for which it has maintenance responsibility, and all landscaping and Improvements thereon, in a clean, orderly, safe, and structurally sound manner, in a good condition and state of repair, adequately painted or otherwise finished, in accordance with the terms of the Governing Documents, the Development Agreements, Plans, and Design Standards, all at such Additional Association's sole cost and expense. An Additional Association's compliance with the foregoing standard includes, without limitation, the following standards and requirements as to its Additional Association Property and other property for which it has maintenance responsibility:

(i) Prompt removal of debris, junk, and abandoned or inoperable vehicles, machinery, and equipment, and keeping all landscaping on such property appropriately irrigated, mowed, and pruned, as applicable;

(ii) In the event Improvements are damaged or destroyed by fire or other calamity, prompt repair or re-construction of such Improvements, or restoration of the underlying property to a state that is not offensive to the general appearance of the Clear Creek Tahoe Community, in each instance in compliance with the applicable terms and provisions of Article 5 of this Declaration;

(iii) Maintenance of any fire fuel modification areas, fuel modification zones (as described in the Specific Plan and/or any fire management plan adopted by the Nevada Division of Forestry), defensible space areas, and firebreak areas located on such property, such as removal of certain trees, dead limbs and other dead vegetation;

(iv) Continuing maintenance of any slopes located on such property as necessary to comply with local government or DRC requirements for stabilization of said slope or slopes;

(v) Continuing maintenance of the established drainage on such property as necessary to comply with local government and/or DRC approvals and requirements for drainage upon, over, and across such property;

(vi) All landscaping shall be planted, installed, cultivated, maintained, repaired, and replaced in a manner consistent with Douglas County Code Section 20.694 (as amended and/or superseded from time to time)

(vii) Automatic sprinkler and irrigation systems shall be used for all non-native landscaping;

(viii) No weeds or diseased/infected vegetation of any kind or character shall be placed or permitted to grow upon any such property, and the Additional Association shall promptly replace of any dead grass and promptly remove any dead trees or tree limbs on such property;

(ix) As to any tree on the property overhanging into any portion of a private street in the Property, a minimum vertical clearance of thirteen and one-half (13.5) feet shall be maintained over such portion of the private street; and

(xi) Vegetation on a such property growing along any roadway in the Property shall be cleared in accordance with applicable provisions of the Uniform Fire Code.

(b) **Exemption.** Notwithstanding the foregoing provisions of this Section 6.3, an Additional Association shall not be responsible for maintaining any portion of any golf cart path system situated on the Additional Association's Property and serving the Recreation Unit or Recreation Facilities pursuant to a valid right in favor of the Recreation Unit or Recreation Unit Owner. Such maintenance shall be performed by the Recreation Unit Owner, per section 6.4(b) below.

6.4 **Maintenance Related to Recreation Unit.**

(a) **Generally.** Each Owner acknowledges and agrees that neither any Owner, any Additional Association, nor the Association, nor any other owner of real property within the Property shall have any right to compel the Recreation Unit Owner to maintain the

Recreation Unit, the Recreation Facilities (including, without limitation, any Golf Course), or any other Improvements thereon to any particular standard of care, and that the appearance of the Recreation Unit and Improvements thereon shall be determined in the sole discretion of the Recreation Unit Owner.

(b) **Golf Course Cart Paths.** The Recreation Unit Owner shall have the sole right, duty and obligation to maintain, repair and replace any portion of the golf cart path system situated on the Common Elements or Additional Association Property and serving the Recreation Unit or Recreation Facilities.

(c) **Authority To Maintain Property Adjacent To Recreation Unit.** If either the Association, any Additional Association, or an Owner, as applicable, fails to maintain any area situated within 30 feet of the Recreation Unit (in this subsection (c), "defaulting party"), the Recreation Unit Owner shall have the right, but not the duty, to maintain such area, and any landscaping or other Improvements thereon, or to clear brush on such area, all at the sole cost and expense of the defaulting party. If the Recreation Unit Owner desires to perform any such maintenance authorized by the preceding sentence, the Recreation Unit Owner shall first notify the defaulting party in writing and provide the defaulting party with at least 30 days from the date of the notice to perform such maintenance. If the defaulting party fails to commence and complete such maintenance within such 30-day period, the Recreation Unit Owner shall have the right, but not the obligation, to perform such maintenance. The defaulting party shall reimburse the Recreation Unit Owner for the costs of performing any such maintenance within 10 days after receipt of a demand for reimbursement.

PART THREE: ASSOCIATION GOVERNANCE AND FINANCES

**ARTICLE 7
THE ASSOCIATION AND ITS MEMBERS**

7.1 **Formation of the Association.** The Association is a nonprofit corporation formed or to be formed under the laws of the State of Nevada. Prior to the first conveyance of any Unit hereunder, Declarant shall cause the Articles of Incorporation to be filed with the Secretary of State of the State of Nevada. The Association shall be charged with the duties and invested with the powers set forth in the Governing Documents and the Act. The Association is not authorized to have and shall not issue any capital stock.

7.2 **Board of Directors.** Except as to matters requiring the approval of members as set forth in the Articles, Bylaws, this Declaration, or other appropriate Chapters of the NRS, the affairs of the Association shall be conducted by the Board and such officers as the Board may elect or appoint in accordance with this Declaration or the Bylaws. Except for the members of the Board appointed by Declarant prior to Declarant’s Control Termination Date, the Board shall be composed of Members only. All members of the Board must be at least eighteen (18) years of age, and must satisfy all eligibility requirements set forth in the Act.

7.3 **Membership.**

(a) **Membership Generally.** Every Owner shall be a Member of the Association, and each Owner shall automatically be a Member of the Association without the necessity of any further action on his part. There shall be only one membership per Unit. If a Unit is owned by more than one Owner, all co-Owners shall jointly share the privileges of such membership, provided that the voting rights allocated to that Unit shall be cast by only one of them in accordance with the Bylaws, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners.

(b) **Members' Rights and Duties** Each Member shall have the rights, duties, and obligations set forth in the Act and in the Governing Documents.

(c) **Classes and Voting.**

(i) **Classes of Membership.** The Association shall have the following two classes of membership:

(A) **Class A.** Each Owner of a Residential Unit shall be a Class A Member.

(B) **Class B.** The Recreation Unit Owner shall be a Class B Member.

(ii) **Allocation of Votes.**

(A) **Residential Units.** One (1) vote is hereby allocated to each Residential Unit.

(B) **Recreation Unit.** Fifty (50) votes are hereby allocated to the Recreation Unit.

(iii) **Voting.**

(A) **Generally.** A Member may exercise its voting rights under this Declaration in accordance with the Governing Documents and the Act.

(B) **Association Units.** No vote allocated to a Unit owned by the Association may be cast.

(C) **Cumulative Voting.** Voting by the Members shall not be cumulative.

(D) **Appointment and Removal of Directors and Officers.** Declarant shall have the right to appoint and remove all of the members of the Board and all of

the officers of the Association until the Declarant's Control Termination Date, as described in Section 10.2 below. From and after the Declarant's Control Termination Date, the Board shall be elected by the Members (both Class A Members and the Class B Member), and the officers of the Association shall be appointed by the Board, all as provided in the Bylaws; provided however, that at all times at least one member of the Board must be elected solely by the Class B Member.

7.4 **Transfer of Membership.** The Association membership of the Owner(s) of a Unit shall be appurtenant to such Unit, and shall not be assigned, transferred, pledged, hypothecated, conveyed, or alienated in any way except on a transfer of title to such Unit, and then only to the transferee. Any attempt to make a prohibited transfer shall be void. Any transfer of title or interest to a Unit shall operate automatically to transfer the appurtenant membership rights in the Association to the new owner(s). Prior to any transfer of title to a Unit (including the sale of a Unit under a recorded contract of sale), either the transferring owner or the acquiring owner shall give notice to the Board of such transfer, including the name and address of the acquiring owner and the anticipated date of transfer.

ARTICLE 8 POWERS AND DUTIES OF THE ASSOCIATION

8.1 **Powers.** The Association shall have all the powers of a nonprofit corporation organized under the laws of the State of Nevada and the powers conferred upon it pursuant to the Act, subject only to such limitations on the exercise of such powers as are set forth in the Governing Documents and the Act. Without limiting the generality of the foregoing, the Association shall have the power to do any lawful thing that may be authorized, required, or permitted to be done by the Association under the Governing Documents, and to do and perform any act that may be necessary or proper for or incidental to the exercise of any of the express powers of the Association, including, without limitation, the following:

(a) **Maintenance.** The power to maintain the Areas of Common Responsibility and Association Property, as provided in and subject to the terms of Section 6.2;

(b) **Assessments.** The power to incur Common Expenses in connection with the exercise of its powers and execution of its duties, and the power to establish, fix, and levy assessments as set forth in Article 9 hereof, and to enforce payment of such assessments in accordance with the provisions of the Governing Documents and the Act;

(c) **Rules.** The power to adopt, amend, and repeal the Rules, as provided in and subject to the terms of Article 3;

(d) **Remedies.** The power to enforce and pursue any of the remedies described in Section 14.2(b) below, or any other right or remedy available to the Association at law or in equity;

(e) **DRC**. Upon termination of Declarant's right to appoint the DRC under Section 5.1, the power to operate and function as the DRC in accordance with the terms and provisions of Article 5;

(f) **Delegation of Powers; Professional Management; Other Services**. The power to delegate its powers, duties, and responsibilities to committees of Members, employees, agents and independent contractors, including a professional managing agent. The Association may engage the services of a professional Manager to manage the Association Property and the Areas of Common Responsibility. The Association may obtain and pay for legal, accounting, and other services necessary and desirable in connection with the operation of the Property and the enforcement of this Declaration. In connection with its maintenance obligations, the Association may enter into contracts for services or materials including contracts with Declarant and the Recreation Unit Owner.

(g) **Other Services and Properties**. The Association shall have the power to obtain or pay for, or provide or charge for, as the case may be, any other property, services, taxes, or assessments that the Association or the Board is required to secure, pay for, provide, or charge for pursuant to the terms of the Governing Documents, or that it otherwise deems necessary or useful (subject to any limitations in the Governing Documents), including security services for the Property generally, or which, in its opinion, shall be necessary or proper for the operation of the Association, and to incur liabilities and make contracts respecting the same.

8.2 **Duties of the Association**. In addition to the duties delegated to it by the Governing Documents and the Act, and without limiting their generality, the Association, acting by and through the Board, or persons or entities described in Section 8.1(f), has the obligation to conduct all business affairs of common interest to all Members and to perform each of the following duties:

(a) **Taxes and Assessments**. Except for those portions of the Areas of Common Responsibility and Association Property which are owned in fee by an Owner or by the County or some other governmental agency, the Association shall pay all taxes and assessments levied against all Association Property or against the Association. Such taxes and assessments may be contested or compromised by the Association, provided that they are paid or that a bond insuring payment is posted before the sale or the disposition of any property to satisfy the payment of such taxes.

(b) **Insurance to be Obtained**. The Association shall obtain and maintain in full force and effect at all times insurance coverage, provided by companies duly authorized to do business in Nevada, generally as set forth in this Section 8.2(b).

(i) **Casualty Insurance**. The Association shall obtain a master policy of insurance equal to full replacement value (i.e., 100% of current "replacement cost" exclusive of land, foundation, excavation, and other items normally excluded from coverage) on all insurable Improvements upon the Areas of Common Responsibility and any other Improvements under the control of the Association (including all building service equipment and the like and

any fixtures or equipment within such improvements) and all personal property of the Association related thereto. Such insurance shall name the Association as insured, and shall include fire and extended coverage, vandalism and malicious mischief, and such other risks and hazards against which the Association shall deem it appropriate to provide insurance protection. The Association shall comply with the above requirements by the purchase of a policy containing such coverage with "deductible" provisions as in the Association's opinion are consistent with good business practice.

(ii) **Liability Insurance.** The Association shall purchase broad form comprehensive liability coverage in such amounts and in such forms as it deems advisable to provide adequate protection. Such coverage shall be in an amount no less than \$2,000,000.00 for bodily injury, including deaths of persons and property damage arising out of a single occurrence; provided, should additional coverage and higher limits be available at reasonable cost that a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits. Coverage shall include, without limitation, liability for personal injuries (including medical payments), operation of automobiles on behalf of the Association and activities in connection with the ownership, operation, maintenance, and other use of the Areas of Common Responsibility, and the performance of any of its activities under a Supplemental Declaration. The liability insurance shall name as separately protected insureds Declarant, the Association, the Board, and their representatives, members, and employees, with respect to any liability arising out of the maintenance or use of any Association Property and/or the Areas of Common Responsibility. Every policy of insurance obtained by the Association shall contain an express waiver, if available, of any and all rights of subrogation against Declarant, the Board, and their representatives, members, and employees. At such time as Declarant no longer holds Development Rights pursuant to Section 10.3, then the above insurance provisions regarding Declarant shall terminate.

(iii) **Workmen's Compensation and Employer's Liability Insurance.** The Association shall purchase workmen's compensation and employer's liability insurance and all other similar insurance in respect of employees of the Association in the amounts and in the forms now or hereafter required by law.

(iv) **Crime Insurance.** The Association shall purchase insurance covering officers, employees, and volunteers of the Association, and employees of any Manager or managing agent, whether or not any such persons are compensated for their services, against dishonest acts on their part. Such insurance cannot contain a conviction requirement, and must be in an amount not less than the minimum amount set forth in NRS 116.3113(1)(c) (as amended or superseded).

(v) **Directors and Officers.** The Association shall purchase directors and officers liability insurance covering directors on the Board and officers of the Association, including coverage for elected and appointed directors, in an amount determined by the Board in the exercise of its reasonable business judgment. Such insurance must extend to defense costs arising out of any claim.

(vi) **Other Insurance.** The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to the Property, including any personal property of the Association located thereon.

(vii) **Reviews.** The Board shall review the limits of all insurance policies of the Association at least once a year and adjust the limits as the Board deems necessary or appropriate.

(viii) **Form.** Each policy hereunder shall comply with all requirements set forth in NRS 116.3113 (as amended or superseded).

(ix) **Owner's Insurance Responsibilities.** For clarification, the following insurance coverages shall be the responsibility of each respective Owner, and Declarant and the Association recommend that each Owner obtain such insurance: insurance on items of personal property placed in an Improvement by Owner; insurance for hazard, casualty and public liability coverage within each Unit or other property within the Property, including, without limitation, all structures located therein; and insurance coverage for activities of the Owner, not acting for the Association, with respect to any portion of the Property.

8.3 **Limitations on Authority of Board.** Except with the approval of a majority of the Voting Power of the Association, the Board shall not pay compensation to members of the Board or to officers of the Association for services performed in the conduct of the Association's business. However, the Board may cause a member of the Board or an officer to be reimbursed for expenses incurred in carrying on the business of the Association.

8.4 **Personal Liability.** No member of the Board, or of any committee of the Association, or any officer of the Association, or any Manager, or Declarant, or any agent of Declarant, shall be personally liable to any Member, or to any other party, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of any such person or entity if such person or entity has, on the basis of such information as may be possessed by him or it, acted in good faith without willful or intentional misconduct.

ARTICLE 9 ASSOCIATION FINANCES

9.1 **Common Expenses Generally; Liability for Common Expenses.** The Association is entitled to incur Common Expenses in connection with the exercise of its powers and execution of its duties under the Governing Documents and the Act, including, without limitation, the establishment of adequate reserves. Each Owner shall reimburse the Association for Common Expenses in an amount equal to that Owner's share of the Common Expenses. Such reimbursement shall generally be accomplished through the Association's levy and collection of assessments in accordance with this Article 9.

An Owner's share of the Common Expenses shall be the share of Common Expenses allocated to that Owner's Unit. The Individual Common Expenses incurred in relation to a particular Unit shall at all times be fully allocated to that Unit. As to General Common Expenses and Limited Common Expenses, there shall be no share of General Common Expenses or Limited Common Expenses allocated to a Unit until that Unit's Common Expense Allocation Commencement Date. After a Unit's Common Expense Allocation Commencement Date, the share of Common Expenses allocated to that particular Unit is sum of the following amounts:

(a) **General Common Expenses.** As to Common Expenses incurred for the benefit of all Units (such as, by way of example, Common Expenses incurred as general overhead and administrative costs of operating the Association), an amount arrived at by multiplying such Common Expenses by a fraction, the numerator of which is the number of votes allocated the Unit, and the denominator of which is the total votes of all Units for which the Common Expense Allocation Commencement Date has occurred; and

(b) **Limited Common Expenses.** As to any Common Expense incurred for the benefit of the particular Unit and other Units, but less than all the Units (such as, by way of example, Common Expenses incurred in connection with maintaining Cost Center Improvements, or providing services to a select group of Units in a Cost Center or otherwise), an amount arrived at by multiplying such Common Expense by a fraction, the numerator of which is the number of votes allocated the Unit, and denominator of which is the total votes allocated to all Units benefitted by the relevant Common Expense and for which the Common Expense Allocation Commencement Date has occurred.

Notwithstanding the foregoing, (i) in accordance with Section 116.3115(4)(c) of the Act, Common Expenses for a judgment against the Association may be allocated only to Units for which the Common Expense Allocation Commencement Date has occurred as of the date the judgment is entered, in accordance with the foregoing allocations, and (ii) during such time as a Unit is owned by the Association, that Unit shall be deemed a Unit for which the Common Expense Allocation Commencement Date has not yet occurred.

9.2 **Assessments.** The Association shall generally seek to collect each Owner's share of Common Expenses, as set forth in Section 9.1, by levying assessments against such Owner's Unit as provided in this Section 9.2, which assessments shall then be paid by such Owner. Each Owner, for each Unit owned by such Owner, hereby covenants and agrees to pay to the Association such assessments as are made pursuant to this Section 9.2.

(a) **Regular Assessments.** In keeping with sound financial practices, and to timely satisfy liabilities for Common Expenses, the Association shall levy against each Unit a regular, periodic assessment as determined by and in connection with an annual budgeting process. This annual budgeting process, and said regular periodic assessments made in connection therewith, shall operate in the manner and under the provisions in this Section 9.2(a).

(i) **Budget.** Before the beginning of each fiscal year of the Association, the Board shall adopt a proposed budget for the Association for the next succeeding

fiscal year, which budget shall incorporate, as convenient and consistent with sound accounting principles, sub-budgets for various Cost Centers or other groups of Units for which specific Common Expenses are incurred (as to each fiscal year, the "Budget"). The Budget shall include, among other appropriate items, both the estimated Common Expenses for the upcoming fiscal year, and the estimated revenue the Association will need to collect from the Owners in order to cover such Common Expenses (as to each fiscal year, the "Annual Assessment"). The Budget shall further include all items required by, and shall be subject to the Member ratification and distribution provisions set forth in, the Act.

(ii) **Levy and Payment of Annual Assessment.** Following ratification of the fiscal year budget in accordance with the Act, the Annual Assessment shall be deemed levied against the Units, with each Unit's portion of such Annual Assessment being determined by that Unit's share of the Common Expenses covered by such Annual Assessment, as allocated in Section 9.1. Each Owner shall pay to the Association the portion of the Annual Assessment allocated to that Owner's Unit, which payment shall be made in equal monthly installments during the fiscal year, unless the Board adopts some other basis for collection.

(iii) **Reallocation of Annual Assessment.** Additional Units may be created, existing Units may be withdrawn, or Units may be acquired or sold by the Association following the annual levy of the Annual Assessment. If any such event happens, and that event results in a reallocation of Common Expense shares under Section 9.1, the portion of the Annual Assessment for which installments have not yet come due will be reallocated accordingly among all Units as increased or decreased by the relevant event. For clarification, any such reallocation shall not necessitate any revision to or reaffirmation of the Budget, or otherwise require the Board to repeat the annual budgetary process described in Section 9.2(a)(i) above. For further clarification, any additional Units shall have no liability for the portion of the Annual Assessment for which installments came due prior to such addition, and any withdrawn Units shall have no liability for the portion of the Annual Assessment for which installments will come due after such withdrawal.

(b) **Special Assessments.** If the Board determines that the estimated total amount of funds collected to defray the Common Expenses for a given fiscal year is or will become inadequate to meet the Common Expenses for any reason, including, but not limited to, delinquencies in the payment of installments against the Annual Assessment, or in the event the Association has insufficient reserves to perform its obligations under this Declaration, then the Board shall determine the approximate amount of such shortfall, shall provide a summary thereof to all of the Owners with the Board's recommendation for a special assessment to meet such shortfall, and shall set a date for a meeting of the Members. Unless at that meeting a majority of the Voting Power of the Association votes to reject the proposed special assessment, the proposed special assessment shall be deemed ratified by the Members (the "Special Assessment"), whether or not a quorum is present at such meeting.

Following the Member's ratification of a Special Assessment, the Special Assessment shall be deemed levied against the Units, with each Unit's portion of such Special Assessment being determined by that Unit's share of the Common Expenses covered by such

Special Assessment, as allocated in Section 9.1. Each Owner shall pay to the Association the portion of the Special Assessment allocated to that Owner's Unit, which payment shall be made in one installment or such multiple installments as the Board, in its discretion, deems reasonable.

As with the Annual Assessment, additional Units may be created, existing Units may be withdrawn, or Units may be acquired or sold by the Association following the levy of a Special Assessment. If any such event happens, and that event results in a reallocation of Common Expense shares under Section 9.1, the portion of the Special Assessment for which installments have not yet come due will be reallocated accordingly among all Units as increased or decreased by the relevant event. For clarification, any such reallocation shall not necessitate any revision to or reaffirmation of the Budget, or otherwise require the Board to repeat the annual budgetary process described in Section 9.2(a)(i) above. For further clarification, any additional Units shall have no liability for the portion of the Special Assessment for which installments came due prior to such addition, and any withdrawn Units shall have no liability for the portion of the Special Assessment for which installments will come due after such withdrawal.

(c) **Specific Assessments.** The Board may levy a specific assessment against a Unit to collect the Individual Common Expenses allocated to that Unit, as well as to collect any of the following related to that Unit or the Unit's Owner or occupants: (i) penalties (including construction penalties allowed under Section 14.2(b)(iii)(D)), fees, charges, late charges, fines, and interest; (ii) an unpaid transfer fee imposed pursuant to Section 9.4; and (iii) indemnification or reimbursement required from an Owner hereunder (such as, for example, reimbursement under Section 4.4 regarding damage caused by golf carts, reimbursement due under Section 12.1(b) for damage to Areas of Common Responsibility, or reimbursement for corrective action to cure a default as described in Section 14.2(b)(iii)(C)). An Owner shall pay to the Association any specific assessment made hereunder, which payment shall be made in one installment or such multiple installments as the Board, in its discretion, deems reasonable.

(d) **Notices of Assessments; Delinquencies.** Assessments against a Unit shall be paid by the Owner of that Unit in such manner and on such dates as the Board may establish. The Association shall give to the Owner of a Unit written notice of all assessments levied against that Unit, which notice shall specify the amount owed and the date or dates payment of the same is due and shall be given in the manner provided for notices in this Declaration. Nothing contained herein shall be construed so as to require the Association to give periodic notices of the same assessment; and one notice of an assessment shall be sufficient to meet the requirements of this Section, even though the assessment may be payable in installments. Failure of the Association to give notice of any assessment shall not affect the liability of the Owner of the applicable Unit for such assessment; provided, however, that the date when payment of the first installment of such assessment shall become due in such a case shall be deferred to a date fifteen (15) days after such notice shall have been given, and the first installment of such assessment shall not be deemed delinquent until fifteen (15) days after such deferred due date.

Any assessment installment hereunder which is not paid within fifteen (15) days following the date it is due shall be deemed delinquent. All delinquent installments shall bear interest at the rate set by the Board (but subject to any limits in the Act) from the date the installment becomes delinquent hereunder until paid. In addition, a late charge, in an amount set by the Board, to the extent allowed by the Act, shall be due for each delinquent installment.

(e) **Personal Obligations.** Each assessment or installment thereof, together with any late charges, interest, collection costs, and reasonable attorneys' fees, shall be the personal obligation of the person or entity who is the Owner of the Unit at the time such assessment or installment thereof became due and payable. If more than one person or entity is the Owner of the Unit, the personal obligation to pay such assessment, or installment thereof, respecting such Unit shall be both joint and several. Subject to the provisions of Section 13.2 below, a purchaser of a Unit shall be jointly and severally liable with the seller for all unpaid assessments against the Unit, up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosure or waiver of the lien securing the same. No Owner may avoid or diminish such personal obligation by non-use or abandonment of his Unit.

9.3 **Collection Matters.**

(a) **Generally.** The right to collect and enforce assessments and all other amounts owed to the Association is vested in the Board acting for and on behalf of the Association. The Board or its authorized representative can enforce the obligations of others to pay assessments or other amounts provided for under this Declaration by commencement and maintenance of a suit at law or in equity, by judicial or non-judicial proceedings or, to the extent permitted by applicable law, by the exercise of the power of sale granted to the Board pursuant to the Act and this Declaration. Suit to recover a money judgment against an Owner for unpaid assessments and/or other amounts due hereunder shall be maintainable without first foreclosing against the Owner's Unit or waiving the Association's lien rights against such Unit. Furthermore, in the event of a default in which an Owner does not make payment when due of any assessment or installment thereof, the Board shall have the right, after granting notice and an opportunity to be heard (in the manner set forth in Section 14.2(b)(iii)), to declare all unpaid assessments for the pertinent fiscal year immediately due and payable.

(b) **Lien for Amounts Owed; Priority.** All assessments allocated to a Unit, and all penalties (including construction penalties allowed under Section 14.2(b)(iii)(D)), fees, charges, late charges, fines, and interest thereon related to that Unit or the Unit's Owner or occupants, shall be secured by a lien on such Unit in favor of the Association from the date the assessment or other applicable amount becomes due. If an assessment or other such amount is payable in installments, the full amount of the assessment or other amount is a lien from the time the first installment thereof becomes due. Recording of this Declaration constitutes record notice and perfection of such, and further recording of a claim of lien for assessments is not required. As to each Unit, the priority of the lien provided for herein, relative to other liens and encumbrances on such Unit, shall be as set forth in NRS 116.3116 (as amended or superseded) .

(c) **Enforcement of Lien.** Except as otherwise provided in the Act, the Association may foreclose its lien against a Unit by sale pursuant to, and in accordance with, the provisions of the Act. The costs and expenses of any such foreclosure proceeding, including, without limitation, the cost of preparation of all notices, reasonable attorneys' fees, and title insurance costs related to such proceeding, shall be Individual Common Expenses allocated to the Unit subject to such foreclosure proceeding, and shall be deemed assessed against such Unit as a specific assessment under Section 9.2(c). The Association's commencement of a foreclosure proceeding shall in no way limit an Owner's obligation to pay assessments or other amounts that shall become due from such Owner during the period of foreclosure.

9.4 **Transfer Fee.** The Association shall have the right to charge a transfer fee payable to the Association on the date of transfer of title to the Unit, which transfer fee shall be in the amount of one-tenth of one percent (.10%) of the purchase price of the Unit; provided, however, that no such fee shall be levied on a transfer (i) exempt from real property transfer tax under NRS Chapter 375, (ii) from Declarant to a Participating Builder or member of the home-buying public, or (iii) to an Owner's estate, surviving spouse, or child upon the death of such Owner. For purposes of this Section, the "purchase price of the Unit" shall be the total purchase price given by the transferee to the transferor to acquire the Unit, including any portion of the purchase price represented by a loan or loans, or exchange property.

9.5 **Subsidy Agreements.** Notwithstanding anything else herein to the contrary, the Association, through the Board, is specifically authorized and empowered to enter into a subsidy agreement or other similar agreements with Declarant and/or a Participating Builder, whereby assessments otherwise payable by Declarant or such Participating Builder on Units owned by Declarant or such Participating Builder, respectively, are deemed satisfied in exchange for the payment by Declarant or such Participating Builder of shortfalls in the Association's operating expenses or the provision of maintenance of the Common Elements, the Association's easements and improvements upon the Areas of Common Responsibility, and/or the performance of certain other services which are Common Expenses of the Association.

PART FOUR: COMMUNITY DEVELOPMENT

Successful development of an integrated, high-quality community requires coordination of the property rights of the owners within that community, as well as flexibility to initiate, respond to, and adapt to changes as the community grows and matures. The Articles in this Part Four attempt to provide such coordination, and reserve to Declarant, Participating Builders, the Recreation Unit Owner, and the Association such rights and privileges as may be necessary or useful in fostering positive change during the development of the Clear Creek Tahoe Community.

ARTICLE 10 DECLARANT RIGHTS

10.1 **General.** Declarant and Participating Builders may be undertaking the work of constructing Improvements to and upon the Property and adding real property to the Property in

accordance with the terms and provisions of this Article 10. The completion of such construction and the sale or other disposition of Units within the Property is essential to the establishment and welfare of the Clear Creek Tahoe Community.

10.2 **Special Declarant's Rights.**

(a) **Reservation in Favor of Declarant** Error! Bookmark not defined.. Declarant hereby reserves unto itself the rights to:

(i) Complete Improvements within the Property, including, but not limited to, those indicated on a Plat or in the Development Agreements, the Plans, and/or the Design Standards, or otherwise described in this Declaration;

(ii) Maintain model residences within the Property for use in Declarant's sales activities, and maintain sales offices and construction offices within the Property which may be relocated from time to time;

(iii) Maintain signs advertising the Property, which signs may be maintained anywhere on the Property, excluding Units owned by Owners other than Declarant;

(iv) Use easements through the Common Elements for the purpose of making Improvements within the Property or to the Annexable Property;

(v) Maintain storage facilities and parking facilities within the Property for its materials, equipment, staff, and contractors;

(vi) Create and Record Supplemental Declarations against any portion of the Property owned by Declarant, or, in Declarant's sole and absolute discretion, against any other portion of the Property upon the request of the owner thereof, which Supplemental Declarations may, among other things, (i) exercise any Development Right, and/or (ii) create a Cost Center and allocate thereto (A) Limited Common Elements or (B) Cost Center Improvements, or (C) services to be performed by the Association, and/or (ii) set forth additional restrictions, easements, or covenants that may be applicable to some or all of the Units subject to such Supplemental Declaration, and may provide for the creation of an Additional Association;

(vii) Merge or consolidate the Clear Creek Tahoe Community with another common interest community of the same form of ownership;

(viii) Appoint or remove any officer of the Association or any member of the Board at any time and from time to time prior to the Declarant's Control Termination Date, and designate, from time to time, a person or persons who are entitled to exercise such appointment and removal right; provided, however, that the foregoing rights shall be subject to the mandatory turnover provisions set forth in NRS 116.31032(3); and

(ix) Until expiration of Declarant's development rights under Section 10.3, Declarant shall have the right to use all Common Elements, including any recreational

facilities, for up to fifteen (15) days each year to sponsor special events for charitable, philanthropic, political, or marketing purposes as determined by Declarant in its sole discretion. Any such event shall be subject to the following conditions:

(A) the availability of the facilities at the time a request is submitted to the Association;

(B) Declarant shall pay all costs and expenses incurred and shall indemnify the Association against any loss or damage (excluding lost revenue) resulting from the special event; and

(C) Declarant shall return the facilities and personal property owned by the Association and used in conjunction with the special event to the Association in the same condition as existed prior to the special events.

Declarant shall have the right to assign the rights contained in this subsection to charitable organizations or foundations selected by Declarant. Declarant's right to use the Common Elements for special events shall be enforceable by injunction, by any other remedy in law or equity, and by the terms of this Declaration.

(b) **Reservation in Favor of Participating Builders.** Declarant hereby reserves unto each Participating Builder (subject to Article 5) the rights to:

(i) Complete Improvements within the portion of the Property owned by such Participating Builder, including, but not limited to, those indicated on a Plat or in the Development Agreements, the Plans, and/or the Design Standards, or otherwise described in this Declaration;

(ii) Maintain model residences upon such Participating Builder's Units for use in such Participating Builder's sales activities, and maintain sales offices and construction offices upon such Participating Builder's Units which may be relocated from time to time;

(iii) Maintain signs advertising the Property, which signs may be maintained anywhere on the Property, excluding Units owned by Owners other than the Participating Builder;

(iv) Use easements through the Common Elements for the purpose of making Improvements to Units owned by such Participating Builder; and

(v) Maintain storage facilities upon such Participating Builder's Units.

10.3 **Declarant's Development Rights.** Declarant hereby reserves unto itself the following Development Rights:

(a) The right to add real estate to the Property and to create Units and Common Elements (including Limited Common Elements) within such real estate as follows:

(i) **Property Subject to Annexation.** Declarant hereby reserves unto itself the right to cause to be annexed to this Declaration as part of the Property from time to time all or a portion of the Annexable Property, as well as unspecified real property in the manner provided in Section 116.2122 of the Act, and to create within the real property so annexed additional Units, together with Common Elements (including Limited Common Elements), for a maximum total of four hundred fifty (450) Units in the Property. No assurances are made by Declarant prior to the annexation of any portion of a parcel of such real property as to the size or configuration of such portion, or the order in which any such portion may be annexed. If any portion of a parcel of such real property is annexed to the Property, there are no assurances that any other portion or all of such parcel will be annexed.

(ii) **Manner of Annexation.** Annexation shall be accomplished by Recordation of a Supplemental Declaration, executed by Declarant and any owner of the real property being annexed, describing the real property to be so annexed and declaring that such property shall thereafter be deemed to be part of the Property, and shall be held, conveyed, sold, encumbered, leased, rented, used, occupied, improved or otherwise affected in any manner subject to the provisions of this Declaration. Any such Supplemental Declaration may, among other things, (i) create a Cost Center and allocate thereto (A) Limited Common Elements or (B) Cost Center Improvements, or (C) services to be performed by the Association, and/or (ii) set forth additional restrictions, easements, or covenants that may be applicable to some or all of the Units subject to such Supplemental Declaration, and may provide for the creation of an Additional Association; provided, however, that any additional restrictions or other provisions contained in such Supplemental Declaration shall not be in any manner inconsistent with the provisions of this Declaration. In the event of any inconsistency between the provisions of this Declaration and those of any Supplemental Declaration, the provisions of this Declaration shall control.

(iii) **Effect of Annexation.** Upon recordation of a Supplemental Declaration described in subsection (ii) above, the real property described in such Supplemental Declaration shall become part of the Property, as defined herein, and shall be subject to all of the provisions of this Declaration. Without limiting the generality and effect of the foregoing, all Units created in such real property shall have the voting rights and a share of Common Expenses in accordance with the provisions of this Declaration, and the share of Common Expenses of all other Units shall be adjusted accordingly.

(b) The right to create Areas of Common Responsibility with respect to the Property, including, without limitation, creation by means of the Development Agreements, Plans, Design Standards, permits, licenses, certificates, consents and approvals issued by the County or other governmental authorities in connection with development of the Property, and creation by means of servitudes entered into with property owners outside of the Clear Creek Tahoe Community;

(c) The right, but not the obligation, to subdivide Units or convert any Unit owned by Declarant into Common Elements or Limited Common Elements.

(d) As to each portion of the Property that is not a Unit, the right, but not the obligation, to withdraw such portion of the Property from this Declaration at any time prior to the sale or conveyance of a Unit created by a Plat covering that portion of the Property; and as to each portion of the Property that is a Unit, the right, but not the obligation, to withdraw such Unit from this Declaration at any time prior to the sale or conveyance of such Unit.

(e) The right, but not the obligation, to annex unspecified real estate into this Declaration and the jurisdiction of the Association, as provided in Section 116.2122 of the Act, upon which all the provisions of this Declaration shall apply to such annexed property.

(f) The right, but not the obligation, to unilaterally amend this Declaration at any time prior to the close of the first sale of a Residential Unit.

The Development Rights reserved in this Section may be exercised at any time within thirty (30) years after the recording of the initial Declaration, and shall be exercised in accordance with Section 116.211 of the Act. The Development Rights reserved in this Section may be exercised with respect to different parcels of real estate at different times, and no assurances are made as to the boundaries of such parcels or the order in which they may be subjected to the exercise of a development right, nor is any representation made that a development right must be exercised as to an entire parcel if such right is exercised as to a portion of that parcel.

10.4 **Declarant's Right to Complete.** No provision of this Declaration (including, without limitation, any Supplemental Declaration) or the Rules shall be construed to prevent or limit Declarant's rights to complete the development, construction, promotion, maintenance, marketing, and sale of properties within the Property; to construct or alter Improvements on any property owned by Declarant or the Association; to maintain construction equipment, model homes, offices for construction, sales or leasing purposes or similar facilities on any property owned by Declarant or owned by the Association; or to post signs incidental to the development, construction, promotion, marketing, sale and leasing of property. Nothing contained in this Declaration or the Rules shall limit the right of Declarant or require Declarant to obtain approval to: (a) excavate, cut, fill or grade any property owned by Declarant or to construct, alter, remodel, demolish or replace any Improvements on any part of the Property or any property owned by Declarant; (b) use any structure on any part of the Property or any property owned by Declarant as a construction, model home or real estate sales or leasing office in connection with the sale of any property within such boundaries; or (c) require Declarant to seek or obtain the approval of the Board, the DRC, the Association, or any Additional Association for any such activity or Improvement to property by Declarant on any part of the Property or any property owned by Declarant. Nothing in this Section shall limit or impair the reserved rights of Declarant or a Participating Builder as elsewhere provided in this Declaration.

10.5 **Right to Approve Additional Covenants.** No person or entity shall Record any declaration (as defined in the Act) or similar instrument affecting any portion of the Property without Declarant's review and consent. The granting or withholding of such consent shall be within Declarant's sole discretion. Any Recording without such consent shall result in such

instrument being void and of no force and effect unless subsequently approved by Recorded consent signed by Declarant. Once approved by Declarant and Recorded, any declaration (as defined in the Act) or similar instrument affecting any portion of the Property shall be in addition to and not in limitation of, the provisions of this Declaration. In the event of any conflict between the Governing Documents and any such declaration (as defined in the Act) or similar instrument affecting any portion of the Property which is Recorded, the terms of the Governing Documents shall control.

10.6 **Priority of Declarant's Rights.** Declarant shall have, and hereby retains and reserves, certain rights as set forth in this Declaration with respect to the Association and the Property. The rights and reservations of Declarant set forth in this Declaration shall be deemed excepted and reserved in each recorded amendment and supplement to this Declaration, in each deed or other instrument by which any property encumbered hereby is conveyed, whether or not specifically stated therein. The rights, reservations and easements of Declarant set forth in this Declaration shall be prior and superior to any other provisions of this Declaration.

10.7 **Assignment of Declarant's Rights.** Any and all of the rights, powers and reservations of Declarant herein contained may be fully or partially assigned by Declarant to any person or entity that will assume any or all of the duties of Declarant hereunder, and upon any such assignee's evidencing consent in writing to accept such assignment, said assignee shall, to the extent of such assignment, assume Declarant's duties hereunder, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by Declarant herein. Upon such assignment, and to the extent thereof, Declarant shall be relieved from all liabilities, obligations and duties hereunder.

10.8 **Limitations on Rights.** Nothing in this Article shall give Declarant or a Participating Builder the right to damage any Unit or Improvement not owned by Declarant or such Participating Builder, or to interfere unreasonably with the Owners' use of the Areas of Common Responsibility. Declarant's and each Participating Builder's rights under this Article 10 shall terminate thirty (30) years from the recordation of this Declaration, except as required for maintenance and repair obligations conducted by Declarant which may continue after such date. None of the Association, any Additional Association, or any Owner may take any action or adopt any rule that will interfere with or diminish any of Declarant's rights, including special declarant's rights and Development Rights, or any Participating Builder's rights without the prior written consent of Declarant or such Participating Builder, as applicable.

ARTICLE 11 RECREATION UNIT RIGHTS

11.1 **The Recreation Unit Generally.** The Recreation Unit is part of the Property, but is not Common Area or otherwise an Area of Common Responsibility or Additional Association Property. Instead, the Recreation Unit is private property owned and operated by the Recreation Unit Owner and administered according to its policies and rules and regulations adopted from time to time. The Recreation Unit, and any Recreation Facilities thereon (including, without limitation, any Golf Course), shall be developed and provided at the discretion of the Recreation Unit Owner. The Recreation Unit Owner has the exclusive right to

determine from time to time, in its sole discretion and without notice or approval of any change, how and by whom the Recreation Unit shall be used, if at all. By way of example, but not limitation, the Recreation Unit Owner has the right to approve users and determine eligibility for use, to reserve use rights, to terminate use rights, to change, eliminate or cease operations of any Recreation Facilities, to limit the availability of use privileges, and to require the payment of a purchase price, membership contribution, initiation fee, membership deposit, dues, use charges and other charges for use privileges. Ownership of a Residential Unit or any other portion of the Property or membership in the Association or an Additional Association shall not, in and of itself, give any vested right, license, or easement, prescriptive or otherwise, to use the Recreation Unit or the Recreation Facilities, and does not grant any ownership or membership interest therein.

11.2 **Rights of Access and Parking.** Without limiting any other rights herein in favor of the Recreation Unit or the Recreation Unit Owner, the Recreation Unit Owner, its employees, agents, contractors and designees, and the persons permitted to use the Recreation Unit Property and/or the Recreation Facilities by the Recreation Unit Owner (regardless of whether such persons are Owners hereunder) and their guests shall at all times have the right and non-exclusive easement of access and use over all roadways within the Property, whether by automobile, maintenance vehicle, golf cart, or other means, as reasonably necessary to travel to and from the entrances to the Property from and to the Recreation Unit (including, without limitation, maintenance facilities thereon) respectively, and further, over those portions of the Common Elements and/or Additional Association Property reasonably necessary to the use, operation, maintenance, repair and replacement of the Recreation Unit and the Recreation Facilities thereon. Without limiting the generality of the foregoing, persons who are permitted to use the Recreation Unit and permitted members of the public shall have the right to park their vehicles on the roadways located within and coadjacent to the Property at reasonable times before, during and after golf tournaments and other similar functions held by or at the Recreation Unit so long as such parking does not impede or obstruct access to any Unit.

11.3 **Additional Recreation Unit Easements.** Without limiting any other rights herein in favor of the Recreation Unit or the Recreation Unit Owner, there is hereby reserved for the benefit of the Recreation Unit and the Recreation Unit Owner and its successors and assigns, and for the benefit of its employees, contractors, agents, guests, invitees, licensees or members (collectively referred to as "beneficiaries") a perpetual non-exclusive easement over the Property for (i) maintenance of a clean, attractive fairway edge and transition from any Golf Course facilities on the Recreation Unit to the unimproved areas, if any, of adjacent Units, Areas of Common Responsibility, and Additional Association Property, and (ii) all those adverse impacts on neighboring property associated with the operation of any Golf Course facilities upon the Recreation Unit, including, without limitation, overspray of irrigation water, golf ball intrusion, and the noise, odors, and sights associated with the use of golf course maintenance and operating equipment and supplies (such as irrigation systems, compressors, blowers, mulchers, tractors, mowers, fertilizers, sod, reclaimed water, pesticides, utility vehicles and pumps), and the negative impacts related to the conduct of tournaments and events upon any Golf Course located on the Recreation Unit (collectively, "Golf Course Impacts"). The phrase "Golf Course Impacts" is intended to be construed liberally to include all adverse consequences of golf course operation

and activity which might be an annoyance or nuisance, particularly without limitation water overspray and maintenance activities. Any person or entity for whose benefit the right and easement herein is reserved shall not be liable to any Owner, the Association, any Additional Association, or any other real property within the Property for any damage to person or property occasioned by the exercise of such right. Notwithstanding the foregoing, the easements reserved in this Section are not intended to confer on any beneficiary (as defined in this Section) the right to enter any Unit for the purpose of retrieving or playing any golf ball that falls within the boundaries of the Unit.

11.4 **Issues Resulting from Proximity to Recreation Unit.** Each Owner who acquires a Unit or utilizes an Area of Common Responsibility or Additional Association Property that is near or adjacent to any portion of the Recreation Unit, by acceptance of a deed to a Unit, acknowledges, accepts and assumes the risk of the special benefits and burdens associated with any Recreation Facilities now or hereafter located on the Recreation Unit, including, without limitation, those matters more particularly described below. Declarant hereby disclaims, for its own benefit and the benefit of the Recreation Unit Owner and each and every member, guest, golfer, user, employee or agent of the Recreation Unit or Recreation Facilities, any liability for personal injury or property damage resulting in any way, all or in part, from any of the following items set forth in subparagraphs (a) through (h), inclusive, and each Owner accepts such disclaimer and agrees to release and waive any claims that the Owner, or any guest, invitee, employee or contractor of Owner, may have as a result of any such following items:

(a) **Errant Golf Balls.** Owners of Units, particularly Units abutting the Recreation Unit, acknowledge the inherent risk of errant golf balls (including, without limitation, the risk of personal injury or property damage, broken windows, and house damage) and assume and accept such risk, as to themselves, the members of their family, lessees, guests and invitees. Owners acknowledge and accept the risk that golfers may attempt to retrieve or play errant golf balls from any Unit and each Owner agrees to release and waive any claims that the Owner or any person visiting or residing on the Owner's Unit may have as a result of such retrieval.

(b) **View Impairment/Privacy.** Owners of Units, including Owners of Units abutting the Recreation Unit, have no guarantee that their view over and across the Recreation Unit will be forever preserved without impairment or that the view from the Recreation Unit will not be impaired. The Recreation Unit Owner has no obligation to prune or not prune trees or other landscaping and Declarant hereby reserves for the benefit of the Recreation Unit and the Recreation Unit Owner the right, at the Recreation Unit Owner's sole and absolute discretion, to add, change or reconfigure the Recreation Unit and the Recreation Facilities and other Improvements thereon, including, without limitation, any Golf Course facilities, any trees, landscapes, tees, bunkers, fairways and greens of the Golf Course, regardless of whether such changes diminish or obstruct the view from any Unit. In addition, Owners of Units accept and assume the risk of noise and a reduction in privacy caused by vehicular traffic and exterior audio systems customarily associated with the operation and maintenance of recreational facilities, and golf and clubhouse facilities, including traffic and noise associated with golf tournaments.

(c) **Pesticides and Fertilizers.** Pesticides, fertilizers and other chemicals may be utilized in connection with the maintenance and operation of the Recreation Unit and the Owners acknowledge, accept the use, and assume the risk of such pesticides, fertilizers and chemicals, including, without limitation, the risk that such pesticides, fertilizers and chemicals may migrate or be blown onto a Residential Unit, and the risk that some pesticides, fertilizers and chemicals may produce unpleasant odors.

(d) **Over Spray.** Owners of Units, particularly Owners of Units abutting the Recreation Unit, may experience “over spray” from the irrigation systems and/or water features on the Recreation Unit, particularly when the wind blows, and the Owners acknowledge, accept and assume the risk of such “over spray.” Additionally, Owners acknowledge that treated effluent will be used to irrigate landscaping on the Recreation Unit.

(e) **Noise and Light.** Owners of Units, particularly Owners of Units in proximity to any structures, clubhouse, or maintenance facilities on the Recreation Unit, may be exposed to lights, noise or activities resulting from use of such structures, clubhouse, or maintenance activities (including, without limitation, use of a clubhouse for dining and entertainment, and use of a parking lot), and the Owners acknowledge, accept and assume the risk of such light, noise or activities.

(f) **No Direct Access to Recreation Unit from Adjacent Units.** Notwithstanding the proximity of the Recreation Unit to any other Unit, and notwithstanding that the Owner of any Unit may have a right to use the Recreation Unit or Recreation Facilities as a result of membership or other rights acquired separately from ownership of a Unit or membership in the Association, neither the Association, any Additional Association, nor any Owner, resident or occupant of a Unit has a right of access to the Recreation Unit or Recreation Facilities directly from their Unit, Additional Association Property, or the Areas of Common Responsibility without the prior written consent of the Recreation Unit Owner, which consent may be revoked at any time. The foregoing prohibition includes, without limitation, access for walking, hiking, or jogging. Neither the Association, any Additional Association, nor any Owner may permit any irrigation water to over spray or drain from the Areas of Common Responsibility, Additional Association Property, or a Residential Unit, respectively, onto any portion of the Recreation Unit except through storm drainage Improvements provided for in connection with or pursuant to the Plans, Development Agreements, and/or Design Standards. Neither the Association, any Additional Association, nor any Owner shall cause any fertilizer, pesticides or other chemical substances to over spray, drain, flow or be disposed of in any manner upon the Recreation Unit. If the Association, any Additional Association, or any Owner violates the provisions of this subparagraph, they shall be liable to the Recreation Unit Owner for all damages to any turf resulting from their violation and all damages, including consequential damages, suffered by the Recreation Unit Owner.

(g) **Maintenance.** Any Golf Course on the Recreation Unit will require daily maintenance, including mowing, irrigation and grooming, during early morning and evening hours, including without limitation the use of tractors, blowers, pumps, compressors and utility vehicles. Owners of Units, particularly Owners of Units in proximity to the Recreation Unit, will

be exposed to the noise and other effects of such maintenance, and the Owners acknowledge, accept and assume the risk of such noise and effects.

(h) **Water Features.** The Recreation Unit may include or be improved with one or more water features, including lakes and ponds. Each Owner shall be strictly prohibited from accessing any such water features, and accepts all risks imposed by such water features, including, without limitation, the risk that such water features may present an attractive nuisance to children and pets.

Each Owner expressly assumes the above detriments and risks of owning property adjacent to the Recreation Unit and the Recreation Facilities and other Improvements thereon, and agrees that neither Declarant, the Recreation Unit Owner or manager, the architect or designer of any Recreation Facilities, nor any of their successors or assigns shall be liable to such Owner or to anyone claiming any loss, damage or personal injury, destruction of property, trespass or any other alleged wrong or entitlement to remedy based upon or arising out of the proximity of the Owner's Unit to the Recreation Unit or alleged errors in the design of any Recreation Facilities (including, without limitation, any golf course fairways) in relation to Units, Areas of Common Responsibility, Additional Association Property, or other real property in the Property. Each Owner of a Unit hereby agrees to indemnify and to hold harmless, the Declarant and the Recreation Unit Owner and manager and their successors and assigns, against any and all such claims by the Owner or his or her family, guests, or invitees.

11.5 **Change in Ownership or Operation; No Representations.** Ownership or operation of the Recreation Unit or Recreation Facilities may change at any time. No consent shall be required of the Association or any Owner to effect any change in the ownership or operation of the Recreation Unit. No representation or warranty has been made or is made by Declarant, the Association, any Additional Association, or any Owner with regard to the continuing ownership, use, operation, or availability of any Recreation Facilities or other Improvements upon the Recreation Unit.

11.6 **General Recreation Unit Easements.** Without limiting any other rights herein in favor of the Recreation Unit or the Recreation Unit Owner, the following easement rights are hereby reserved in favor of the Recreation Unit and Recreation Unit Owner: (i) a perpetual, non-exclusive easement over the Property for such access and use as the Recreation Unit Owner may require in exercising its rights and obligations under this Declaration (including, without limitation, its maintenance rights and obligations under Section 6.4), and (ii) a perpetual, non-exclusive easement over the Common Area and any Additional Association Property for the installation, construction, improvement, repair, replacement, use, and maintenance of any cart paths in existence at the time such real property is conveyed to the Association or Additional Association, as applicable, or as otherwise described in the Development Agreements, Plans, Design Standards, or other approvals issued by the County in connection with the development of the Property, and for such ingress and egress as may be necessary or useful in exercising such rights.

As a condition to exercising the rights reserved under this Section 11.6, the Recreation Unit Owner shall (i) except in the event of emergency, provide reasonable notice to the Owner, the Association, or the Additional Association, as applicable, (ii) not unreasonably interfere with any Owner's use and enjoyment of his or her Unit, and (iii) promptly repair, at the Recreation Unit Owner's expense, any damage resulting from such entry (it being understood that the maintenance work or work related to an exercise of valid rights hereunder in connection with such entry shall not be deemed damage resulting from such entry).

11.7 Right to Require Owner Purchase of Social Membership. As noted above, no representation or warranty has been made or is made with regard to the continuing ownership, use, operation, or availability of any Recreation Facilities or other Improvements upon the Recreation Unit. Also as above-noted, the Recreation Unit, and any Recreation Facilities thereon (including, without limitation, any Golf Course), shall be developed and provided at the discretion of the Recreation Unit Owner, and the Recreation Unit Owner alone has the exclusive right to determine from time to time, in its sole discretion and without notice or approval of any change, how and by whom the Recreation Unit shall be used, if at all.

Subject to the foregoing, it is acknowledged that, as of the Effective Date, there is a Golf Course located upon the Recreation Unit. In connection with its ownership and operation of said Golf Course, or any future Golf Course, it is possible, though by no means assured, that the Recreation Unit Owner will create various categories of membership for the purpose of marketing and selling rights to the use of the Golf Course. One such category of membership may be of a type commonly referred to in the golf club industry as a "social membership." A social membership is generally a non-equity membership that affords its owner the right to use certain non-golf facilities at a golf club (such as a swimming pool, exercise room, dining room, and/or meeting room), and may provide some preferences as to the use of golf facilities (for example, preference for tee times, or reduced green fees or cart fees during certain times of the week or the year).

In the event the Recreation Unit Owner elects to offer a social membership in connection with any Golf Course located upon the Recreation Unit, each Owner of a Residential Unit shall, upon receipt of a written request from the Recreation Unit Owner to do so, purchase a social membership for use in connection with such Owner's Residential Unit. The price, terms, conditions, method of payment, additional fees, rights, and obligations attendant to such purchase and the related social membership shall be the same as those offered by the Recreation Unit Owner to members of the general public at the time such purchase is made, and shall be set forth in a written membership agreement between the Recreation Unit Owner and the relevant Residential Unit Owner, the form of such agreement to be provided by the Recreation Unit Owner.

It is possible that the Recreation Unit Owner may cease to offer social memberships for a period of time, and then begin to offer them again in the future. It is also possible that the Recreation Unit Owner may not require some Owners, or the prior Owner of a Unit, to purchase a social membership, but may impose that requirement on other or future Owners. Finally, it is possible that the Owner of a Residential Unit may have his or her social

membership suspended or terminated as a result of a breach of the membership agreement between that Owner and the Recreation Unit Owner. Notwithstanding each of the foregoing possibilities, the rights and obligations under this Section shall continue to be binding upon the Owners of the Residential Units during any time the Recreation Unit Owner elects to offer social memberships for any Golf Course upon the Recreation Unit, and shall pass with title to each Residential Unit in the Property.

The Recreation Unit Owner and each Residential Unit Owner acknowledge and agree that neither the Association nor any Additional Association shall have any liability for any amounts due in connection with a social membership described herein, nor shall the Association or any Additional Association have any right or responsibility to enforce the terms of this Section. A default by any Owner under this Section shall be a default under this Declaration for purposes of Section 14.1, but shall be a matter solely between the defaulting Owner and the Owner injured by such default, who shall have the remedies described in Section 14.2(a).

ARTICLE 12
ADDITIONAL PROPERTY RIGHTS AND EASEMENTS

12.1 Rights Related to Common Elements.

(a) **Owner Easements in Common Elements.** Each Owner shall have, and Declarant and the Association hereby grant to each Owner, a non-exclusive easement, appurtenant to such Owner's Unit, of use and enjoyment in, to, and throughout all Common Elements for recreation, ingress, egress, support, and all other appropriate purposes consistent with the Development Agreements, Plans, Design Standards, and other development approvals issued by the County and other applicable governmental authorities in connection with such Common Elements. The foregoing easement is, in each instance, subject to the following:

(i) All easements, covenants, liens, limitations, and other items of record or apparent against the real property at the time such real property is conveyed to the Association, or created in the deed by which such conveyance is made;

(ii) The right of the Owners to whom any Limited Common Elements have been allocated, hereby reserved to such Owners, to the exclusive use of those Limited Common Elements, except as otherwise provided in the Supplemental Declaration pursuant to which such allocation is made;

(iii) The Governing Documents, including, without limitation, the Board's right to adopt and enforce the Rules as provided in Article 3;

(iv) The Board's right to impose reasonable admission requirements and/or to charge reasonable fees for the use of any recreational facility situated upon the Common Elements;

(v) The Board's right to permit the use of any recreational facility situated upon the Common Elements by persons other than the Owners, their families, lessees, and guests upon satisfaction of reasonable admission requirements and/or payment of reasonable fees, and to designate other areas and facilities within the Areas of Common Responsibility as open for the use and enjoyment of the public;

(vi) Declarant's rights under Section 12.1(d) below;

(vii) The Association's rights under Section 12.1(d) below;

(viii) The Recreation Unit Owner's right to control access and use over the golf cart path system situated on the Common Elements and serving the Recreation Unit, as provided in Section 4.4(b); and

(ix) The limitation, hereby declared, that such easement shall not extend to any portion of the Common Elements located on an individual Unit, other than a portion constituting an access easement over Unit, as shown on a Plat, that provides access from a street or roadway in the Property to a portion of the Common Area owned in fee by the Association.

An Owner may extend his or her right under this Section to the other members of his or her household and to guests, subject to reasonable Board regulation. If the Owner of a Residential Unit does not reside in the Residential Unit, the Owner shall be deemed to have assigned all of the Owner's rights under this Section to the occupants of the Residential Unit, who may extend the privilege of use and enjoyment to their guests, subject to reasonable Board regulation. Notwithstanding any aforementioned extension or assignment, each Owner shall at all times be responsible for any and all activities of his family, tenants, guests and invitees using the Areas of Common Responsibility.

(b) **Indemnification.** Each Owner shall indemnify, protect, defend and hold harmless Declarant, without limitation, on any claims arising from the negligence or willful misconduct of that Owner, his or her family, relatives, tenants, guests, or invitees, for damages sustained on the Areas of Common Responsibility, except to the extent any such claims arise from the negligence or willful misconduct of Declarant. Similarly, each Owner shall indemnify, protect, defend and hold harmless the Association, without limitation, on any claims arising from the negligence or willful misconduct of that Owner, his or her family, relatives, tenants, guests, or invitees, for damages sustained on the Areas of Common Responsibility, except to the extent any such claims arise from the negligence or willful misconduct of the Association, and shall reimburse the Association for any damage to the Areas of Common Responsibility caused intentionally or negligently by such Owner or his or her family, relatives, tenants, guests, or invitees.

(c) **Reservation of Common Elements Easements In Favor of Declarant and Participating Builders.**

(i) **Declarant.** Without limiting any other rights of Declarant herein, Declarant hereby reserves unto itself such easements over, through and under the Common Elements as may be reasonably necessary to (i) discharge Declarant's obligations under this Declaration, (ii) exercise any rights of Declarant described in Section 10.2, (iii) construct any Improvement, complete any Improvement, replace any Improvement, perform any maintenance, or make any repair Declarant deems desirable on the Common Elements or any Unit owned by Declarant, (iv) complete any Improvement or make any repair on the Common Elements necessary for the provision of adequate access, support and drainage for the Units or Areas of Common Responsibility, and (v) such access as may be required to enjoy any of the foregoing rights.

(ii) **Participating Builders.** Without limiting any other rights of a Participating Builder herein, Declarant hereby reserves unto each Participating Builder such easements over, through and under the Common Elements as may be reasonably necessary to (i) discharge such Participating Builder's obligations under this Declaration, or (ii) exercise any rights of such Participating Builder described in Section 10.2, or (iii) complete any Improvement on any Unit owned by such Participating Builder (subject to the terms of Article 5 hereof).

(d) **Future Encumbrance and Conveyance of Common Elements.**

(i) **Future Encumbrance by Declarant.** Declarant hereby reserves unto itself the right to grant unto third parties easements and rights of way on, over, through and under the Common Elements for the purpose of constructing, erecting, operating, using, or maintaining on the Common Elements, at any time: (i) roads, streets, trails, walks, driveways, vehicle parking areas, parkways, and park areas; (ii) utility lines, utility facilities, poles, wires, or conduits for transmission of electricity, telephonic communication or cable or master antenna television for any portion of the Property and the necessary apparatus incident thereto; (iii) public and/or private sewers, sewage disposal systems, storm drains, land drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes, and any and all equipment and other apparatus relating thereto; and (iv) cart paths, tee boxes, and any other golf course facilities and improvements necessary or desirable to the Recreation Unit Owner in the operation of the Recreation Unit and/or the Recreation Facilities. The Association does hereby agree to execute and deliver and does hereby irrevocably constitute and appoint Declarant as its lawful attorney in fact to execute and deliver any and all documents, agreements, deeds, instruments or assignments that may be necessary to effectuate any grant described herein, and any and all remuneration, credits or reimbursement that may result or arise from or in connection with any dedication, transfer and conveyance described in this Section shall be paid, credited or reimbursed solely to Declarant. The rights reserved by Declarant in this Section shall permanently expire upon expiration of Declarant's Development Rights under Section 10.3.

(ii) **Future Encumbrance by the Association.** Subject to the Board's duty to exercise business judgment on behalf of the Association and its Members, the Board may grant unto third parties easements and rights of way on, over, through and under the Common Elements; provided, however, that prior to granting any such easement over Limited Common Elements, Owners representing a majority of the Units to which such Limited Common Elements

are allocated have approved such action. The Association shall also have the right to convey and encumber the Common Elements from time to time, subject to compliance with the requirements of NRS Section 116.3112 (as amended or superseded).

12.2 **Additional Easement Rights.**

(a) **Construction Access Easement.** Declarant hereby reserves for itself a temporary, non-exclusive easement over the Property for such access, ingress and egress as may be necessary for Declarant to complete or inspect any work or Improvement on the Property, or to make any repair or replacement Declarant deems necessary or appropriate to any Improvement on the Property, or to modify any completed Improvement on the Property to correct any defect therein or to make such Improvement conform to Declarant's governmentally approved plans for such Improvement; provided that, in exercising the rights reserved under this Section, Declarant shall (i) except in the event of emergency, provide reasonable notice to the Owner, Association, or Additional Association, as applicable, (ii) not unreasonably interfere with any non-Declarant Owner's use and enjoyment of his or her Unit, and (iii) promptly repair, at Declarant's expense, any damage resulting from such entry. The easement reserved by Declarant in this Section shall permanently expire one (1) year from the date Declarant's Development Rights expire under Section 10.3.

(b) **Encroachment Easements.** Declarant hereby reserves over each Unit, portion of the Common Elements, and Additional Association Property reciprocal easements for the purpose of accommodating and maintaining any encroachment which occurs due to engineering errors, errors in original construction, settlement, or shifting of structures, or any other cause as long as the encroachment remains. In the event a Unit, Common Elements, Additional Association Property, or any Improvement thereon is partially or totally destroyed, and then repaired and rebuilt, minor encroachments over adjoining Units, Common Elements, and/or Additional Association Property shall be permitted and there shall be valid easements for the maintenance of the encroachments as long as they shall exist. Notwithstanding the preceding sentence, in no event shall a valid easement exist pursuant to this Section in favor of Declarant, an Owner, the Association, or an Additional Association if the encroachment occurred due to the willful misconduct of such party.

(c) **Drainage Easements.** Declarant hereby reserves over the Common Elements, each Unit, and the Additional Association Property reciprocal easements for drainage according to the drainage patterns created or required by the grading plans for the Property approved by Douglas County, as well as the actual, natural, and existing patterns for drainage; subject, however, to the understanding that neither the Association, any Additional Association, nor any Residential Unit Owner may permit any irrigation water to over spray or drain from the Areas of Common Responsibility, Additional Association Property, or a Residential Unit, respectively, onto any portion of the Recreation Unit except through storm drainage Improvements provided for in connection with or pursuant to the Plans, Development Agreements, and/or Design Standards. Declarant hereby further reserves over the Common Elements, Additional Association Property, and each Unit, for the Annexable Property, easements for drainage according to the drainage patterns created or required by the grading

plans for the Property approved by Douglas County, as well as the actual, natural, and existing patterns for drainage; again, subject to the understanding that the Annexable Property shall not permit any irrigation water to over spray or drain from the Annexable Property onto any portion of the Recreation Unit except through storm drainage Improvements provided for in connection with or pursuant to the Plans, Development Agreements, and/or Design Standards.

(d) **Construction Impacts Easement.** During development of the Property, the construction of streets, utilities, homes, structures and other Improvements (generally, the “Construction”) will produce substantial dust, noise, light (during nighttime hours) and other adverse impacts (“Impacts”) within the Property to Owners and their guests, invitees and licensees which may be alleged in the future to constitute a nuisance or otherwise impair the use and enjoyment of the Areas of Common Responsibility, Additional Association Property, Units, and Improvements thereon. The term “Impacts” is intended to be construed liberally to include all adverse consequences of Construction activity which might be an annoyance or nuisance, particularly without limitation dust and noise. An easement is hereby reserved by Declarant, from each Unit, Additional Association Property, and the Common Elements, for itself and each Participating Builder, and their respective agents, to cause such Impacts to occur.

(e) **Solid Waste Collection Easement.** Declarant hereby reserves over the Common Elements and Additional Association Property, for each solid waste collection company (e.g. Waste Management or Capital Sanitation) providing service to the Property, a perpetual, non-exclusive easement for such ingress and egress as may be necessary or useful in the ordinary course of its trash collection service to Units within the Property, as well as a perpetual, non-exclusive easement for such trash collection.

(f) **Snow Berm Easement.** Declarant hereby reserves over the portion of each Unit within twenty (20) feet of any street, Area of Common Responsibility, or Additional Association Property, for itself, the Association, and any Additional Association, an easement for the placement of snow plowed from the adjacent street, Area of Common Responsibility, or Additional Association Property; provided that this easement is not intended to create a snow storage or dumping area on any Unit, but only to allow the berming of snow plowed from a street, Area of Common Responsibility, or Additional Association Property adjacent to a Unit in order to clear such area of snow for the safe passage of vehicles and pedestrians on the street, Area of Common Responsibility, or Additional Association Property.

(g) **Access Easements for Annexable Property.** Declarant hereby reserves over all improved streets and roadways within the Property a perpetual, non-exclusive easement for access, ingress and egress, drainage, and utilities, without limitation, water, sewer, power, and telecommunications, for the benefit of the Annexable Property, whether or not such real property is made subject to this Declaration. The easements reserved herein shall be of a scope sufficient to allow for development upon the Annexable Property of a density and use consistent with any entitlements and other approvals issued by the County from time to time for such real property.

Declarant agrees that it and its successors or assigns shall be responsible for any damage caused to the Common Area or Additional Association Property as a result of their respective actions in connection with the development of such property. Declarant further agrees that if the easements in this subsection (g) are put to permanent use as to a portion of the Annexable Property, and such real property is not made subject to this Declaration, Declarant, its successors or assigns as to such real property shall enter into a reasonable agreement with the Association and/or any applicable Additional Association to reasonably share the cost of any maintenance performed by the Association or such Additional Association on the Common Areas or Additional Association Property, as applicable, burdened by such easements.

(h) **Easements for Utility Services**

(i) **Community Water and Sewer.** Declarant hereby reserves over the Common Elements and Additional Association Property, for Douglas County, a perpetual, non-exclusive easement for the installation, construction, improvement, repair, replacement, use, and maintenance of any community water and/or sanitary sewer system facilities or improvements required pursuant to the Development Agreements, Plans, Design Standards, or other approvals issued by the County in connection with the development of the Property, and for such ingress and egress as may be necessary or useful in exercising such rights.

(ii) **Utilities.** Declarant hereby reserves over the Common Elements and Additional Association Property, for the benefit of utility providers serving the Property, a perpetual, non-exclusive easement for the installation, construction, improvement, repair, replacement, use, and maintenance of any utility facilities or improvements required pursuant to the Development Agreements, Plans, Design Standards, or other approvals issued by the County in connection with the development of the Property, and for such ingress and egress as may be necessary or useful in exercising such rights.

(iii) **Minimal Interference.** All work associated with the exercise of the easements described in this subsection (h) shall be performed in such a manner as to minimize interference with the use and enjoyment of the Common Elements and Additional Association Property. Upon completion of the work, the party exercising the easement right shall restore the property disturbed, to the extent reasonably possible, to its condition prior to the commencement of the work. Notwithstanding the foregoing, nothing herein shall modify or alter any rights or obligations of any party benefitted or burdened by the easements in this subsection (h) to the extent such rights or obligations are more specifically covered in a separate document relating to such rights and obligations.

(i) **Public Trail Access Easement.** Subject to the terms of this Section, Declarant hereby reserves over any trail within the Common Elements or Additional Association Property and noted as a "trail" or "Trail Easement" (or words of similar import) on a Plat, for the benefit of the general public, an easement for ingress and egress (the "Public Trail Access Easement"). The Public Trail Access Easement may be used solely between the hours of 6:00 am and 6:00 pm from November 1 until March 31, and between the hours of 6:00 am and 9:00

pm from April 1 until October 31, and shall be strictly limited to those members of the general public traveling over such trails by foot. Furthermore, any animal brought upon the Property pursuant the Public Trail Access Easement shall at all times be kept on a leash or other restraint being held by a person capable of controlling the animal, and who then has in his possession a proper or adequate utensil or other means of cleaning up immediately all feces of such animal, and it shall be the absolute duty and responsibility of such person to clean up immediately after such animal that has left waste on any portion of the Property. Any member of the general public using the Public Trail Access Easement in violation of this Section shall be deemed a trespasser upon the Common Elements or Additional Association Property, as applicable. Each member of the general public making use of the Public Trail Access Easement, whether or not in violation of this Section, shall indemnify, protect, defend and hold harmless Declarant, the Association, and each applicable Additional Association Property on any claims arising from the negligence or willful misconduct of that member of the public for damages sustained by any party as a result of said member of the general public's use of the Public Trail Access Easement.

(j) **Association Easement for Maintenance and Enforcement.** Declarant hereby reserves, for the benefit of the Association, a perpetual, non-exclusive easement over the Property for such access and use as the Association may require in performing its maintenance obligations or exercising its maintenance rights hereunder (including, without limitation, under any Supplemental Declaration). Additionally, Declarant hereby reserves, for the benefit of the Association, a perpetual, non-exclusive easement over the Property, except the Recreation Unit, for the purpose of ensuring compliance with and enforcing the Governing Documents (including, without limitation, the exercise of the Association's rights under Section 14.2(b)(iii)(C) below). In exercising the rights reserved under this Section, the Association shall (i) except in the event of emergency, provide reasonable notice to the Owner or Additional Association, as applicable, (ii) not unreasonably interfere with any Owner's use and enjoyment of his or her Unit, and (iii) promptly repair, at the Association's expense, any damage resulting from such entry (it being understood that the maintenance work or corrective action being taken by the Association in connection with such entry shall not be deemed damage resulting from such entry). Notwithstanding the foregoing, the Association's rights hereunder shall not come into existence as to a particular Unit until such time as Declarant has conveyed the Unit to a third party.

(k) **Easements Created by Plat.** Without limiting any other easement rights created herein, each Unit, Common Area, and Additional Association Property within the Property shall be subject to any easement which is identified and described as encumbering that Unit, Common Area, and/or Additional Association Property on the Plat pursuant to which such Unit, Common Area, and/or Additional Association Property, as applicable, was created.

12.3 **Miscellaneous Rights.**

(a) **DRC's Right to Inspect.** Any member or authorized consultant of the DRC, or any authorized officer, employee or agent of the Association may enter upon any Residential Unit, Additional Association Property, or Area of Common Responsibility at any reasonable time after notice to the relevant Applicant, without being deemed guilty of trespass, in order to inspect any structural addition, alteration or Improvement constructed or under

construction thereon to determine whether the work has been or is being built in compliance with the DRC's approval (including all terms and conditions thereof).

(b) **Rights to Stormwater Runoff, Effluent and Water Reclamation.**

Declarant hereby reserves for itself and its designees all rights to ground water, surface water, storm water runoff, and effluent located or produced within the Property, except as to the Recreation Unit, and each Owner of a Residential Unit, the Association, and any Additional Association agrees, by acceptance of a deed to real property within the Property, that Declarant shall retain all such rights. Such rights shall include the reservation of an easement over the Property, other than the Recreation Unit, for access, and for installation and maintenance of facilities and equipment to capture and transport such water, runoff, and effluent. The rights created in this Section shall survive termination of this Declaration.

(c) **Right to Indemnification for County Roads.** Each Owner (including, without limitation, each Participating Builder) shall indemnify, protect, defend and hold harmless Declarant, without limitation, on any claims arising from any damage caused by such Owner to any right-of-way owned and/or maintained by Douglas County.

(d) **Right to Notice of Defect Claims.** Neither the Association nor any Owner shall retain or allow the retention of an expert for the purpose of inspecting the design or construction of any Improvement within the Property in connection with or in anticipation of any potential or pending claim, demand, or litigation involving such design or construction unless Declarant and any builder involved in the design or construction have been first notified in writing and given an opportunity to meet with the Association or the Owner, as applicable, to discuss the Association's or Owner's concerns, as applicable, and conduct their own inspection and possible curative efforts pursuant to the rights reserved in Section 12.2(a).

(e) **Reservation of Rights to Name and Marks.** Notwithstanding anything else herein to the contrary, no Owner may use the name "Clear Creek Tahoe" or "Clear Creek Ranch", the logo or mark of either of these, in any advertisement or promotional material of any kind or nature whatsoever without first obtaining the prior written consent of Declarant. Declarant hereby reserves all rights associated with the names "Clear Creek Tahoe" and "Clear Creek Ranch", and the logo and/or mark of each, and expressly reserves the right to use such names in relation to the Recreation Unit and/or other real estate developments undertaken by Declarant, its subsidiaries, and its affiliates.

(f) **Covenant Not to Object to Development.** Each person or entity that acquires any interest in the Property acknowledges that the Clear Creek Tahoe Community is a planned community, the development of which is likely to extend over many years, and that changes in the Development Agreements, the Plans, the Design Standards, and other governmental approvals for the Property will likely occur as the development of the Clear Creek Tahoe Community proceeds. Each such person or entity therefore agrees not to protest, challenge or otherwise object to changes made or proposed by Declarant or any affiliate of Declarant in the Development Agreements, the Plans, the Design Standards, and other governmental approvals or allowed uses for the Property, except to the extent such changes

related specifically to the Plat applicable to the Unit in which such person or entity holds an interest.

12.4 **Self-Operative Provisions.** The rights and easements granted or reserved herein for Units, Common Elements, Areas of Common Responsibility, and any other real property shall be deemed automatically created, modified, or terminated, as applicable, as such Units, Common Elements, Areas of Common Responsibility, and/or other real property are added to, converted under, or withdrawn from the jurisdiction of this Declaration.

PART FIVE: COMMUNITY RELATIONSHIPS

Creating a neighborhood, as opposed to a mere subdivision, requires that those within a neighborhood work together to resolve disputes amicably. It also requires a commitment to respect the rights of those outside the community who have regular interactions with the neighborhood. The Articles in this Part Five establish rules and rights for facilitating positive interactions for those within the Clear Creek Tahoe Community, as well as those who have regular dealings with the Clear Creek Tahoe Community.

ARTICLE 13 RIGHTS OF LENDERS

13.1 **Encumbrance of Units Permitted.** Any Owner may encumber such Owner's Unit and the Improvements thereon with a Deed of Trust.

13.2 **Priority Issues.**

(a) **First Deeds of Trust.** Any party who acquires title to a Unit pursuant to the judicial or non-judicial foreclosure remedies provided in a First Deed of Trust on that Unit shall take the Unit free of any claims for unpaid assessments or Association charges against such Unit other than those for which the Association holds a prior lien under the Act; provided, however, that after the foreclosure of said First Deed of Trust, such Unit shall remain subject to this Declaration; and the amount of all subsequent assessments, installments of assessments not yet due, penalties, fees, charges, late charges, fines, interest, and other amounts due to the Association shall be assessed, collected, and enforced as provided herein.

(b) **Non-First Deeds of Trust.** Any party who acquires title to a Unit pursuant to the judicial or non-judicial foreclosure remedies provided in a Deed of Trust that is not a First Deed of Trust on that Unit shall take the Unit subject to this Declaration and to all unpaid assessments, unpaid installments thereof, and unpaid penalties, fees, charges, late charges, fines, interest, or other amounts due to the Association, which shall be assessed, collected, and enforced as provided herein. The Unit shall further be subject all subsequent assessments, installments of assessments not yet due, penalties, fees, charges, late charges, fines, interest, and other amounts due to the Association shall be assessed, collected, and enforced as provided herein.

(c) **Breach of Covenants.** A breach by an Owner of any of the provisions of this Declaration, shall not defeat or render invalid the lien of any Deed of Trust made in good faith and for value as to the Property or any portion thereof; provided, however, the provisions of this Declaration shall be binding upon the Owners whose title thereto is acquired under foreclosure, trustee's sale, or otherwise.

13.3 **Notice to Eligible Mortgage Holders.** Each Beneficiary shall be entitled to become an "Eligible Mortgage Holder" pursuant to the provisions of this Declaration by notifying the Association of its name, address and the address of the Unit encumbered by the Deed of Trust which it holds in the manner provided in Section 16.3 below. Such notification shall be deemed to be a request with respect to such Unit for written notice from the Association of: (i) any default in the payment of assessments which remains uncured for a period of sixty (60) days; (ii) any condemnation or casualty loss that affects a material portion of the Property or the Unit; and (iii) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association. The Association shall give written notice to Eligible Mortgage Holders in accordance with the provisions of this Section and in the manner prescribed in Section 16.3 below. Nothing herein shall limit any other notice rights to which a Beneficiary is entitled under the Act.

13.4 **Insurance Proceeds and Condemnation Awards.** No provision of this Declaration or the Articles shall give an Owner, or any other party, priority over any rights of the Beneficiaries of First Deeds of Trust in the case of a distribution to Owners of insurance proceeds or condemnation awards.

13.5 **Appearance at Meetings.** Because of its financial interest in the Property, a Beneficiary of a Deed of Trust may appear (but cannot vote) at meetings of the Members and the Board, and may draw attention to violations of this Declaration that have not been corrected or made the subject of remedial proceedings or assessments.

13.6 **Examination of Records.** Each Beneficiary shall have the right to examine at reasonable times the books and records of the Association and can require the submission of financial data concerning the Association, including annual audit reports and operating statements as and when furnished to the Owners.

ARTICLE 14

DISPUTE RESOLUTION AND ENFORCEMENT OF GOVERNING DOCUMENTS

14.1 **General.** The failure of a Bound Party to perform its obligations under the Governing Documents, as and when due, shall constitute a default by such Bound Party under this Declaration.

14.2 **Remedies.**

(a) **Non-Association Remedies.** In the event of a Bound Party's default under Section 14.1, each other Bound Party, except for the Association, shall have, on its own behalf, the power and authority to pursue any remedy available at law or in equity against such

defaulting Bound Party, all of which shall be cumulative; provided, however, that prior to commencing any civil action, such enforcing Bound Party shall comply with the applicable provisions of NRS Chapter 38.

(b) **Association Remedies.** In the event of a Bound Party's default under Section 14.1, the Association, shall have, on its own behalf, the power and authority to enforce liens, remove vehicles parked in violation of the Governing Documents, impose fines and construction penalties, undertake corrective actions to cure the default of the defaulting Bound Party, and pursue any other remedy available at law or in equity against such defaulting Bound Party, all of which shall be cumulative, but subject to the following terms and conditions:

(i) **Assessments.** In enforcing its lien for delinquent assessments and all other amounts owed to the Association, the Board shall comply with the provisions of Section 9.3 above;

(ii) **Removal of Vehicles.** In directing the removal of vehicles parked in violation of the Governing Documents, removal shall be done in accordance with the requirements of NRS 487.038, and the Association shall, at least 48 hours before having the vehicle removed, post written notice of the impending removal and the basis thereof in a conspicuous place on the vehicle, or otherwise provide such information to the owner or operator of the vehicle orally or in writing; provided, however, that no such prior notice or information shall be required if the vehicle (i) is blocking a fire hydrant, fire lane or parking space designated for the handicapped, or (ii) poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the Owners or residents of the Property;

(iii) **Remedies Requiring Notice and Hearing.** Prior to exercising any of the following remedies, each of which the Association is hereby empowered and authorized to pursue, the Association shall provide the relevant defaulting Bound Party with notice and hearing. The Association shall be deemed to have provided a defaulting Bound Party with notice and hearing if it provides such party with (1) a notice of the relevant violation, which notice conforms to the requirements described in NRS Section 116.31031(4)(b), and (2) a reasonable opportunity to contest the violation at a Board hearing scheduled and held in conformance with the requirements of NRS Section 116.31031, and otherwise conducted in accordance with the Act.

Notwithstanding the foregoing, as to subsections (A) and (B) below, if the relevant default has not been cured within 14 days after the Board's imposition of the applicable suspension and/or fine, such default shall be deemed a continuing default, and thereafter the Board may impose further suspensions and additional fines, except as prohibited by the Act, until the default is cured, all without further notice and hearing.

(A) **Suspension of Voting Rights and Use of Areas of Common Responsibility.** The Association shall have the power and authority to suspend, for a reasonable time, an Owner's voting rights and/or right to use any of the Areas of Common

Responsibility; provided, however, that any such suspension shall not apply to an area used for parking, or for vehicular or pedestrian ingress or egress to go to or from such Owner's Unit.

(B) **Fines.** The Association shall have the power and authority to assess monetary penalties and fines, as allowed pursuant to the Act. The fine for any default must be commensurate with the severity of the default, as determined by the Board (but subject to limitations in the Act for default that do not pose an imminent threat of causing a substantial adverse effect on the health, safety, or welfare of Owners or residents within the Property).

(C) **Corrective Action.** The Association shall have the power and authority to take such corrective action as is necessary to cure any default existing on or within a Unit (excluding the Recreation Unit), any Additional Association Property, any of the Areas of Common Responsibility, or any Improvements thereon; provided, however, that such power and authority shall extend only to a default that remains uncured more than thirty (30) days after such default has been the subject of a hearing referenced in this initial paragraph of this Section 14.2(b)(iii). All costs incurred by the Association in connection with corrective action hereunder shall be reimbursed to the Association promptly by the Owner of the relevant Unit, or the defaulting Additional Association, as applicable. None of the Association, the Board, or any of the Association's agents or employees shall be liable for any damage which may result from any work performed by the Association to cure a default.

(D) **Construction Penalty.** Following the expiration of Declarant's right to appoint the DRC under Section 5.1, the Association shall have the power and authority to assess and collect a construction penalty for failure to adhere to a schedule established by the DRC, as allowed pursuant to the Act.

(iv) **Civil Actions.** Prior to commencing any civil action, the Association shall comply with the applicable provisions of NRS Chapter 38 and NRS Section 116.31088 (each as amended or superseded). Additionally, in connection with any Major Controversy, prior to seeking the vote or written agreement of a majority of the Voting Power of the Association, the Board shall first comply with the following provisions, the intent of which is to ensure voluntary and well-informed consent and clear and express authorization by the Owners:

(A) **Negotiation.** The Board shall first endeavor to resolve any Major Controversy by good faith negotiations with the adverse party or parties.

(B) **Alternative Dispute Resolution.** In the event that good faith negotiations fail to reasonably resolve the Major Controversy, the Board shall then endeavor in good faith to resolve such controversy by mediation, provided that the Board shall not incur liability for or spend more than Three Thousand Dollars (\$3,000.00) in connection therewith (provided that, if more than said sum is reasonably required in connection with such mediation, then the Board shall be required first to reasonably seek approval of a majority of the Voting Power of the Association for such additional amount for mediation before proceeding to arbitration or litigation). In the event that the adverse party or parties refuse mediation, or if such

good faith mediation still fails to reasonably resolve the Major Controversy, the Board shall not be authorized to commence, institute or maintain any arbitration or litigation of such Major Controversy until the Board has fully complied with the following procedures:

(I) The Board shall first investigate the legal merit, feasibility and expense of prosecuting the Major Controversy, and shall obtain, if reasonably available, the written opinions of each and every one of: (1) a licensed Nevada attorney regularly residing in Douglas County, Nevada, with a Martindale-Hubbell rating of "AV", expressly stating that such attorney has reviewed the underlying facts and data in sufficient, verifiable detail to render the opinion, and expressly opining that the Association has a substantial likelihood of prevailing on the merits with regard to the Major Controversy, without substantial likelihood of incurring any material liability with respect to any counterclaim which may be asserted against the Association ("Legal Opinion"); and (2) a reputable appraiser and/or real estate consultant regularly conducting business in Douglas County, Nevada, expressly opining how the marketability and market value of Units will likely be affected by such Major Controversy ("Appraiser's Opinion"). (The Legal Opinion and Appraiser's Opinion are sometimes collectively referred to herein as the "Opinions"). The Board shall be authorized to spend up to an aggregate of Four Thousand Dollars (\$4,000.00) to obtain such Opinions, including all amounts paid to said attorney therefor, and all amounts paid to any consultants, contractors and/or experts preparing or processing reports and/or information in connection therewith. The Board may increase said \$4,000.00 limit, with the express consent of majority of the Voting Power of the Association, at a special meeting called for such purpose.

(II) The Legal Opinion shall also contain the attorney's best good faith estimate of the aggregate maximum "not-to-exceed" amount of legal fees and costs, including without limitation court costs, costs of investigation and all further reports or studies, costs of court reporters and transcripts, and costs of expert witnesses and forensic specialists (all collectively, "Quoted Litigation Costs") which are reasonably expected to be incurred for prosecution to completion (including appeal) of the Major Controversy. Said Legal Opinion shall also include a draft of any proposed fee agreement with such attorney. If the attorney's proposed fee arrangement is contingent, the Board shall nevertheless obtain the Quoted Litigation Costs with respect to all costs other than legal fees, and shall also obtain a written draft of the attorney's proposed contingent fee agreement. (Such written Legal Opinion, including the Quoted Litigation Costs, and also including any proposed fee agreement, contingent or non-contingent, are collectively referred to herein as the "Attorney Letter").

(III) Upon receipt and review of the Attorney Letter and the Appraiser's Opinion, if two-thirds (2/3) or more of the Board affirmatively vote to proceed with the institution or prosecution of, intervention in, or maintenance of the Major Controversy, the Board thereupon shall duly notice and call a special meeting of the Members. The written notice to each Member of the Association shall include a copy of the Attorney Letter, including the Quoted Litigation Costs and any proposed fee agreement, contingent or non-contingent, and the Appraiser's Opinion together with a written assessment report prepared by the Board itemizing the amount of additional Common Expenses to be allocated to such Member's Unit, in

accordance with the allocations in Section 9.1 above, and estimating the probable time and method of collecting such amount (for example, through a single special assessment, through a series of special assessments, or as part of the annual assessments). At said special meeting, following review of the Attorney Letter, Quoted Litigation Costs, the Appraiser's Opinion, and the Board's assessment report, and full and frank discussion thereof, including balancing the desirability of instituting, prosecuting and/or intervening in the Major Controversy against the desirability of accepting any settlement proposals from the adversary party or parties, the Board shall call for a vote of the Members, whereupon: (i) if less than a majority of the Voting Power of the Association vote in favor of pursuing such Major Controversy, then the Major Controversy shall not be pursued further, but (ii) if a majority of the Voting Power of the Association affirmatively vote in favor of pursuing such Major Controversy, then the Board shall be authorized to proceed to institute, prosecute, maintain, and/or intervene in the Major Controversy. In such event, the Board shall engage the attorney who gave the opinion and quote set forth in the Attorney Letter, which engagement shall be expressly subject to the Attorney Letter. The terms of such engagement shall require (x) that said attorney shall be responsible for all attorneys' fees and costs and expenses whatsoever in excess of one hundred ten percent (110%) of the Quoted Litigation Costs, and (y) that said attorney shall provide, and the Board shall distribute to the Members, not less frequently than monthly, a written update of the progress and current status of, and the attorney's considered prognosis for, the Major Controversy, including any offers of settlement and/or settlement prospects, together with an itemized summary of attorneys fees and costs incurred to date in connection therewith.

(C) — **Settlement**. In the event of any bona fide settlement offer from the adverse party or parties in the Major Controversy, if the Association's attorney advises the Board that acceptance of the settlement offer would be reasonable under the circumstances, or would be in the best interests of the Association, or that said attorney no longer believes that the Association is assured of a substantial likelihood of prevailing on the merits without prospect of material liability on any counterclaim, then the Board shall have the authority to accept such settlement offer. In all other cases, the Board shall submit any settlement offer to the Owners, who shall have the right to accept any such settlement offer upon assent by a Majority of the Members. If any civil action in which the Association is a party is settled (whether or not a Major Controversy), the Board shall disclose the terms and conditions of the settlement at the next regularly scheduled meeting of the Board after the settlement has been reached.

(D) — **No Use of Reserves**. In no event shall any Association reserves be used as the source of funds to institute, prosecute, maintain and/or intervene in proceeding, including any Major Controversy.

(E) — **Failure to Comply**. Any institution, prosecution, or maintenance of, or intervention in, a Major Controversy by the Board without first strictly complying with, and thereafter continuing to comply with, each of the provisions of this Section 14.2(b)(iv) shall be unauthorized and ultra vires as to the Association, and shall subject any Director who voted or acted in any manner to violate or avoid the provisions and/or requirements of this Article to personal liability to the Association for all costs and liabilities incurred by

reason of the unauthorized institution, prosecution, or maintenance of, or intervention in, the Major Controversy.

14.3 **Expenses and Attorneys Fees.** The prevailing party in any legal proceeding relating to a claim under Section 14.1 shall be entitled to receive from each non-prevailing opposing party reimbursement for such prevailing party's reasonable expenses in prosecuting such action, including reasonable attorneys' fees.

14.4 **No Implied Waiver.** The failure to enforce or delay in enforcement of the provisions of any covenant, condition, or restriction contained in the Governing Documents shall not constitute a waiver of any right to enforce any such provisions or any other provisions of the Governing Documents.

PART SIX: COMMUNITY DISCLOSURES

The informed acquisition of real estate requires the consideration of a number of factors. These include, without limitation, the physical condition of the relevant property and any improvements thereon, matters on title to the real property, surrounding land uses and the likelihood of certain types of future development, availability and proximity of public and private amenities, and the suitability of the property for a buyer's intended use. Each person or entity planning to acquire real property within the Clear Creek Tahoe Community should consider these factors, as well as any other factors that such party may deem important to making a purchase within the Property. If a buyer is uncertain about what factors may be important, or has difficulty understanding information or materials related to such factors, the buyer should retain the services of qualified real estate professionals to assist with the buyer's considerations.

In addition to the above-described factors, Declarant believes that any party contemplating a purchase of real property within the Clear Creek Tahoe Community should be aware of and take into account the matters set forth in this Part Six.

ARTICLE 15 DISCLOSURES

15.1 **Security Disclaimer.** Neither the Association nor Declarant shall in any way be considered insurers or guarantors of security within the Property, nor shall either 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 (including, without, limitation, operation of the entry gate). No representation or warranty is made that any fire protection or 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 occupants that the Association, the Board, and Declarant are not insurers or liable to persons living in or visiting the Property for conduct resulting from acts of third parties.

15.2 **School Disclosure.** The Douglas County School District ("School District") operates schools nearby the Property. The School District is solely responsible for the timing of any new public school construction and whether or not new schools are built. No representation or warranty is given by Declarant that the School District will construct new schools in the future in the vicinity of the Property. Similarly, the School District is solely responsible for and controls attendance zoning for all schools, and the Association and Declarant make no representation, warranty or guaranty that the children living in the Property will be allowed to attend any particular school. Furthermore, Owner hereby acknowledges that students within the Property may not be zoned for the closest elementary, middle, or high school and may be bused to the nearest school with the capacity to accept new students. All potential buyers should contact the School District for the latest attendance zoning information before purchasing a Unit within the Property.

15.3 **ockery Wall Rodent Disclosure.** Each Owner, by acceptance of a deed to a Unit, acknowledges that rockery walls provide a favorable habitat for wild rodents such as ground squirrels, chipmunks, and others that can acquire plague through the bite of an infected flea. The rock surface provides an urban interface with these wild rodents. There is a risk of disease transmission to humans and domestic animals, especially cats. For this reason the public should not handle any wild rodents. An awareness of this risk by residents moving into developments having rockery walls will reduce the risk of disease transmission.

15.4 **Notice to Bulk Purchasers.** Any potential purchaser of a portion of the Property, other than a consumer homebuyer purchasing a Unit, is hereby directed to contact the Douglas County Department of Community Development to review conditions of approval for the Property prior to the finalization of such sale.

15.5 **Disclosure Regarding Agricultural Uses.** Douglas County has declared it a policy to protect and encourage agricultural operations. If any portion of the Property is located near an agricultural operation, the Owners near that portion 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 and discomforts do not constitute a nuisance for purposes of the Douglas County Code.

15.6 **Disclosure Regarding Growth Restrictions.** Declarant makes no representation, covenant, or warranty of any type whatsoever that any Owner (including, without limitation, any Participating Builder) will be able to obtain a building permit from Douglas County within any particular timeframe. Declarant encourages each Owner to consult with qualified planning and legal professionals to determine how any applicable growth restrictions may impact such Owner's plans for development of any Unit. Each Owner, by acceptance of a deed to a Unit, agrees to release Declarant from any and all liability related to application to such Owner's Unit of any growth restrictions now or hereafter in place in Douglas County.

15.7 **Golf Course Disclosure.** As noted elsewhere herein, a Golf Course may now or hereafter be located and operated upon the Recreation Unit. Ownership of property near a golf course has special considerations and risks attached to it. Owner and Owner's family, guests, pets, house, yard, furniture, vehicles, equipment, facilities and other property may be damaged

by golf balls which are hit into a Unit or Area of Common Responsibility. Golf balls can cause serious injury or death as well as broken glass and other house damage. Golfers may trespass on property to retrieve their golf balls. Water used to irrigate the Golf Course may spray over on a Unit, particularly when the wind blows. Golf course maintenance and operating equipment (such as irrigation systems, compressors, blowers, mulchers, tractors, mowers, utility vehicles and pumps, including those vehicles using the Golf Course maintenance path along the northerly boundary of the Property) may be noisy and may be operated at all times of the day and night. Light from nighttime clubhouse activities or maintenance operations may be offensive to nearby residents. There may be odors caused by irrigation and fertilizer on the turf of the Golf Course, including, without limitation, odors caused by the treated effluent used to irrigate the Golf Course. An Owner may be disturbed or suffer a loss of privacy because of golf cart traffic and golfers. Tournaments and other events held on the Golf Course are likely to increase the noise and traffic and result in further loss of privacy. Pesticides and chemicals may be applied to the Golf Course throughout the year and reclaimed water, treated wastewater or other sources of nonpotable water may be used for irrigation on the Golf Course. Access directly from any home site in the Property to the Golf Course is prohibited, including, hiking or jogging. Views of the Golf Course may be obscured in the future by growth and planting of trees and foliage, and changes in the location of holes and other features may impair views or advantages to proximity of the Golf Course.

None of Declarant, the Recreation Unit Owner, any Additional Association, or the Association has any obligation to provide insurance, indemnity or other protection to homeowners or residents within the Property, or their guests and pets, from any such light, noise, damage or injury. Furthermore, no representations or warranties of any kind have been or are being made with respect to the continued existence, use, physical condition, operation or regulation of the Golf Course or any other Recreation Facilities upon the Recreation Unit. Each Owner, by acceptance of a deed to a Unit, expressly assumes the risk of damage from golf balls and other golf course activities, including activities detrimental to the use and enjoyment of Owner's property.

Each Owner agrees to hold harmless Declarant and affiliated companies, the Recreation Unit Owner, and their respective officers, directors, employees and agents or any of them, from any liability for all injury, damage, costs or expenses caused by any activity on or in connection with any Golf Course causing injury or damage to Owner and Owner's family, guests, property and pets.

15.8 View Obstructions. Each Owner, by accepting a deed to a Unit, hereby acknowledges that any construction or installation by Declarant, the Association, any Additional Association, the Recreation Unit Owner, or a Participating Builder may impair the view of such Owner, and hereby consents to such impairment. No representation or warranties, covenants or agreements are made by Declarant or the Association or their agents, with respect to the presence or absence of any current or future view, scene or location advantage from any portion of a Unit within the Property. The view, scene or location advantage may be adversely affected currently or in the future by construction or changes to the following, including, without limitation, residential homes or other structures and facilities, utility facilities, landscaping, Areas of

Common Responsibility, Recreation Facilities, public facilities, streets, neighborhood amenities and other activities, development or occurrences whether on other land, including without limitation, the Recreation Unit, or on adjacent and nearby Residential Units. No representations, warranties, covenants or agreements are made by Declarant, the Association or their agents concerning the preservation or permanence of any view, scene or location advantage for a Unit. The Association, Declarant and the Recreation Unit Owner are not responsible or liable for any impairment of such view, scene or location advantage for any perceived or actual loss of value of the lot resulting from such impairment. Owners are solely responsible for analyzing and determining all risks concerning the current and future value of any view, scene or location advantage and the potential or existing impairment thereof and the risks of preserving the view, scene or location advantage.

PART SEVEN: GENERAL PROVISIONS

ARTICLE 16 GENERAL PROVISIONS

16.1 **Amendment.** This Declaration may be amended by vote or agreement of not less than a majority of the Voting Power of the Association and in accordance with the Act, or to the extent otherwise permitted hereunder and pursuant to those sections of the Act identified in NRS Section 116.2117(1), but subject to the following:

(a) Declarant shall have the right to amend this Declaration unilaterally prior to the close of the first sale of a Residential Unit;

(b) Declarant shall have the right to amend this Declaration unilaterally through recordation of Supplemental Declarations, as allowed pursuant to the terms hereof or otherwise in accordance with the Act;

(c) Declarant shall have the right to amend a Supplemental Declaration unilaterally prior to the close of the first sale of a Residential Unit covered by that Supplemental Declaration;

(d) Following the close of the first sale of a Residential Unit covered by a Supplemental Declaration, the provisions of that Supplemental Declaration may be amended only by the vote or agreement of (i) a majority of the Voting Power of the Association, (ii) a majority of the votes allocated under the Declaration to the Units covered by such Supplemental Declaration, (iii) Declarant, until Declarant's Development Rights expire under Section 10.3, Declarant, which consent must be evidenced in writing, (iv) if such amendment relates to the use or development restrictions specific to a particular Unit covered by such Supplemental Declaration, the Owner of that Unit, evidenced in writing, and (v) if such amendment relates to a nondevelopment area, no build zone, or other use or development restriction on a Residential Unit imposed for the benefit of the Recreation Unit, the Recreation Unit Owner, evidenced in writing;

(e) No amendment to this Declaration may remove, revoke, or modify any right or privilege of Declarant, a Participating Builder, or the Recreation Unit Owner without the respective prior written consent of Declarant, Participating Builder, or the Recreation Unit Owner, as applicable;

(f) Section 14.2(b)(iv) may not be amended or deleted at any time without the express prior written approval of both: (1) Members representing not less than seventy-five percent (75%) of the Voting Power of the Association, and (2) not less than seventy-five percent (75%) of the total voting power of the Board; and any purported amendment or deletion of said Section, or any portion hereof, without both of such express prior written approvals shall be void; and

(g) Section 12.2(i) may not be amended without the written approval of the Douglas County Department of Community Development.

All amendments shall be Recorded. No action to challenge the validity of an amendment may be brought more than one year after the amendment is Recorded, unless the challenge is brought under Section 16.1(e), in which case the limitation period shall be five (5) years after the amendment is Recorded. If an Owner consents to any amendment, it will be conclusively presumed that such Owner has the authority to consent and no contrary provision in any Deed of Trust or contract between such Owner and any third party will affect the validity of such amendment.

16.2 **Termination of Former Owner's Liability for Assessments.** Upon the conveyance, sale, assignment, or other transfer of a Unit to a new Owner, the transferring Owner shall not be liable for any assessments levied, or non-delinquent installments of previously levied assessments, with respect to such Unit after notification of the Association of such transfer in the manner provided in Section 16.3 and the payment of a transfer fee as provided in Section 9.4. No person, after the termination of his status as an Owner and prior to his again becoming an Owner, shall incur any of the obligations or enjoy any of the benefits of an Owner under this Declaration.

16.3 **Notices.** All notices hereunder to the Association or the Board shall be sent by regular mail, or registered or certified mail, return receipt requested, addressed to the Board at the address of the Manager, or to such other place as the Board may designate from time to time by notice in writing to the Owners of all of the Units. Until the Owners are notified otherwise, all notices to the Association or to the Board shall be addressed as follows:

Clear Creek Tahoe Community Association
c/o Clear Creek Residential, LLC
199 Old Clear Creek Road
Carson City, Nevada 89705

All notices given by the Association to any Owner shall be provided in the manner required by the Act, or, in the absence of any such requirement, in any manner a notice required under the

Act may be provided to such Owner. All notices to Eligible Mortgage Holders shall be sent by registered or certified mail, return receipt requested, at the address to which such Eligible Mortgage Holder has last requested that notice be sent by notifying the Association in the manner provided in this Section. All notices shall be deemed to have been received within seventy-two (72) hours after the mailing thereof, except notices of change of address which shall be deemed to have been given when actually received.

16.4 **Approvals.** Any consent or approvals by the Board or DRC shall be in writing.

16.5 **Construction and Severability; Singular and Plural; Titles.**

(a) **Restrictions and Easements Construed Together.** All of the covenants, conditions, restrictions and easements of this Declaration shall be liberally construed together to promote the purposes of this Declaration as set forth herein.

(b) **Restrictions and Easements Severable.** The covenants, conditions, restrictions and easements contained in this Declaration shall be deemed independent and severable; and the invalidity or partial invalidity of any provision or portion hereof shall not affect the validity or enforceability of any other provision.

(c) **Singular Includes Plural.** The singular shall include the plural and the plural the singular unless the context requires the contrary; and the masculine, feminine, or neuter shall each include the masculine, feminine, and neuter.

(d) **Captions.** All captions or titles used in this Declaration are intended solely for convenience of reference and shall not affect that which is set forth in any of the provisions of any Section.

(e) **Interpretation.** The Association, acting through the Board, shall have sole right and authority to interpret any of the provisions of this Declaration, which interpretation shall, so long as the same is reasonable, be conclusive.

16.6 **Grantee's Acceptance.** Each grantee or purchaser of any Unit within the Property shall, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from Declarant or a subsequent owner of such Unit, accept such deed or contract upon and subject to each and all of the provisions of this Declaration and to the jurisdiction, rights, powers, privileges and immunities of Declarant and of the Association. By acceptance, such grantee or purchaser shall for himself (his heirs, personal representatives, successors and assigns) covenant, consent and agree to and with Declarant, and to and with the grantees and subsequent owners of each of the other Units in the Property, to keep, observe, comply with and perform all of the provisions of this Declaration and shall further agree to the continuation to completion of the Property and all parts and projected Units therein in substantially the manner heretofore approved by Douglas County.

16.7 **Amendment and Restatement.** Reference is hereby made to that certain Declaration of Covenants, Conditions and Restrictions for Clear Creek Tahoe, which document was Recorded on July 28, 2008, as Document Number 0727575 (as previously amended or supplemented in anyway, including, without limitation, by that certain First Amendment to Declaration of Covenants, Conditions and Restrictions for Clear Creek Tahoe, Recorded on October 24, 2008, as Document Number 731856, the "Original Declaration"). Declarant is the assignee of the rights of "Declarant" under the Original Declaration, pursuant to a Recorded assignment of such rights. Declarant, Clear Creek OS, and Clear Creek Golf collectively own all of the real property encumbered and bound by the Original Declaration, and hereby declare that the Original Declaration is completely amended, restated, and superseded by this Declaration, and that Declarant shall hold all rights of Declarant herein and under the Act, subject to the terms and conditions set forth herein. Declarant, Clear Creek OS, and Clear Creek Golf further acknowledge, agree to, and approve of all the effects of such amendment and restatement, including, without limitation, that such amendment and restatement, because of changes in the legal descriptions of real property that is bound or subject to annexation, may result in certain real property that was subject to the Original Declaration being withdrawn and not subject to this Declaration as of the Effective Date, and subjecting certain real property that was not bound by the Original Declaration to the terms of this Declaration.

IN WITNESS WHEREOF, Declarant, Clear Creek OS, and Clear Creek Golf have executed this Declaration as of the day and year set forth with their respective signatures. Clear Creek OS and Clear Creek Golf are executing this Declaration for the express purpose of evidencing their consent to and approval of all the terms and conditions hereof, including, without limitation, (i) the provisions of Section 16.7 regarding the amendment and restatement of the Original Declaration by this Declaration, and (ii) the encumbering by this Declaration of all portions of the Phase One Property owned by Clear Creek Golf, LLC, a Delaware limited liability company.

[Signatures and Acknowledgements on Following Pages]

DECLARANT:

Clear Creek Residential, LLC, a
Delaware limited liability company

By: James S. Taylor
Its: Managing Member

Date: 9/13, 2016

CLEAR CREEK OS:

Clear Creek OS, LLC, a
Delaware limited liability company

By: James S. Taylor
Its: Managing Member

Date: 9/13, 2016

CLEAR CREEK GOLF:

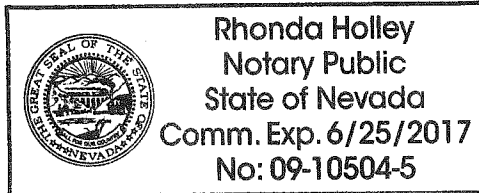
Clear Creek Golf, LLC, a
Delaware limited liability company

By: James S. Taylor
Its: Managing Member

Date: 9/13, 2016

STATE OF NEVADA)
)
COUNTY OF DOUGLAS)

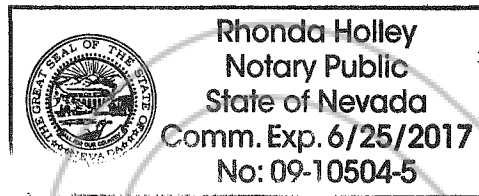
This instrument was acknowledged before me on Sept 13, 2016, by James S. Taylor as Managing Member of Clear Creek Residential, LLC, a Delaware limited liability company.



Rhonda Holley
Notary Public
My Commission Expires: 6-25-2017

STATE OF NEVADA)
)
COUNTY OF DOUGLAS)

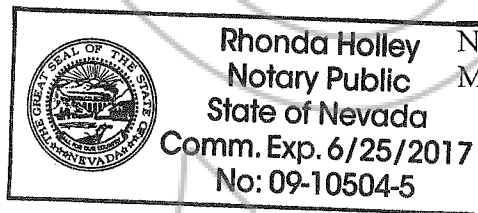
This instrument was acknowledged before me on Sept 13, 2016, by James S. Taylor as Managing Member of Clear Creek OS, LLC, a Delaware limited liability company.



Rhonda Holley
Notary Public
My Commission Expires: 6-25-2017

STATE OF NEVADA)
)
COUNTY OF DOUGLAS)

This instrument was acknowledged before me on Sept 13, 2016, by James S. Taylor as Managing Member of Clear Creek Golf, LLC, a Delaware limited liability company.



Rhonda Holley
Notary Public
My Commission Expires: 6-25-2017

EXHIBIT "A"
LEGAL DESCRIPTION OF PHASE ONE PROPERTY

All that certain real property situate in the County of Douglas, State of Nevada, described as follows:

Parcel 8 as shown on the Record of Survey in Support of a Boundary Line Adjustment for Clear Creek Ranch, L.L.C., filed in the office of the County Recorder of Douglas County, State of Nevada on June 27, 2008, in Book 608, Page 7354, as File No. 725936 of Official Records, situate in Section 3, Township 14 North, Range 19 East, Mount Diablo Meridian, Douglas County, Nevada and being more particularly described as follows:

COMMENCING at the Southwest corner of said Section 3;

Thence North 25°42'17" East a distance of 2438.19 feet to the POINT OF BEGINNING;

Thence North 16°38'50" East a distance of 95.61 feet;

Thence North 10°52'22" East a distance of 117.98 feet;

Thence North 45°00'41" East a distance of 112.75 feet;

Thence North 66°57'11" East a distance of 86.33 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of South 29°36'26" East, a radius of 372.50 feet, a central angle of 36°17'40", a distance of 235.96 feet;

Thence along the arc of a reverse curve to the right having a radius of 1477.50 feet, a central angle of 13°33'47", a distance of 349.75 feet;

Thence along the arc of a compound curve to the right having a radius of 28.50 feet, a central angle of 111°41'32", a distance of 55.56 feet;

Thence along the arc of a reverse curve to the left having a radius of 322.50 feet, a central angle of 27°43'31", a distance of 156.06 feet;

Thence North 73°21'10" West a distance of 591.78 feet to the POINT OF BEGINNING.

Containing 3.96 acres, more or less.

Parcel 17 as shown on the Record of Survey in Support of a Boundary Line Adjustment for Clear Creek Ranch, L.L.C., filed in the office of the County Recorder of Douglas County, State of Nevada on June 27, 2008, in Book 608, Page 7354, as File No. 725936 of Official Records, situate in Sections 3, 4, 9 and 10, Township 14 North, Range 19 East, Mount Diablo Meridian, Douglas County, Nevada and being more particularly described as follows:

COMMENCING at the Southwest corner of said Section 3;

Thence South 69°45'34" East a distance of 1330.40 feet to the POINT OF BEGINNING;

Thence South 86°49'18" East a distance of 309.87 feet;

Thence along the arc of a curve to the left having a radius of 247.50 feet, a central angle of $59^{\circ}33'55''$, a distance of 257.30 feet;

Thence along the arc of a reverse curve to the right having a radius of 277.50 feet, a central angle of $48^{\circ}35'57''$, a distance of 235.38 feet;

Thence along the arc of a reverse curve to the left having a radius of 572.50 feet, a central angle of $16^{\circ}06'40''$, a distance of 160.98 feet;

Thence North $66^{\circ}06'04''$ East a distance of 140.48 feet;

Thence along the arc of a curve to the right having a radius of 627.50 feet, a central angle of $36^{\circ}16'17''$, a distance of 397.24 feet;

Thence along the arc of a reverse curve to the left having a radius of 222.50 feet, a central angle of $122^{\circ}13'33''$, a distance of 474.65 feet;

Thence along the arc of a reverse curve to the right having a radius of 427.50 feet, a central angle of $04^{\circ}50'44''$, a distance of 36.15 feet;

Thence along the arc of a compound curve to the right having a radius of 25.50 feet, a central angle of $96^{\circ}51'28''$, a distance of 43.11 feet;

Thence North $81^{\circ}51'00''$ East a distance of 52.27 feet;

Thence North $08^{\circ}09'00''$ West a distance of 45.00 feet;

Thence South $81^{\circ}51'00''$ West a distance of 52.27 feet;

Thence along the arc of a curve to the right having a radius of 25.50 feet, a central angle of $96^{\circ}51'28''$, a distance of 43.11 feet;

Thence along the arc of a compound curve to the right having a radius of 427.50 feet, a central angle of $19^{\circ}56'47''$, a distance of 148.83 feet;

Thence North $18^{\circ}39'15''$ East a distance of 227.97 feet;

Thence along the arc of a curve to the left having a radius of 1522.50 feet, a central angle of $11^{\circ}14'20''$, a distance of 298.65 feet;

Thence along the arc of a reverse curve to the right having a radius of 477.50 feet, a central angle of $17^{\circ}26'19''$, a distance of 145.33 feet;

Thence along the arc of a reverse curve to the left having a radius of 522.50 feet, a central angle of $18^{\circ}13'47''$, a distance of 166.24 feet;

Thence North $06^{\circ}37'27''$ East a distance of 160.14 feet;

Thence along the arc of a curve to the left having a radius of 322.50 feet, a central angle of $39^{\circ}45'11''$, a distance of 223.76 feet;

Thence along the arc of a reverse curve to the right having a radius of 25.50 feet, a central angle of $84^{\circ}38'56''$, a distance of 37.67 feet;

Thence along the arc of a compound curve to the right having a radius of 227.50 feet, a central angle of $00^{\circ}51'15''$, a distance of 3.39 feet;

Thence North $37^{\circ}37'33''$ West a distance of 45.00 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of South $52^{\circ}22'27''$ West, a radius of 272.50 feet, a central angle of $01^{\circ}41'11''$, a distance of 8.02 feet;

Thence along the arc of a reverse curve to the right having a radius of 25.50 feet, a central angle of $80^{\circ}18'58''$, a distance of 35.75 feet;

Thence along the arc of a reverse curve to the left having a radius of 322.50 feet, a central angle of $40^{\circ}28'09''$, a distance of 227.79 feet;

Thence along the arc of a reverse curve to the right having a radius of 25.50 feet, a central angle of $75^{\circ}56'33''$, a distance of 33.80 feet;

Thence along the arc of a reverse curve to the left having a radius of 172.50 feet, a central angle of $07^{\circ}26'18''$, a distance of 22.39 feet;

Thence South $69^{\circ}02'20''$ West a distance of 45.00 feet;

Thence along the arc of a non-tangent curve to the right having a tangent bearing of South $20^{\circ}57'40''$ East, a radius of 127.50 feet, a central angle of $01^{\circ}41'27''$, a distance of 3.76 feet;

Thence along the arc of a compound curve to the right having a radius of 25.50 feet, a central angle of $93^{\circ}46'26''$, a distance of 41.73 feet;

Thence along the arc of a reverse curve to the left having a radius of 322.50 feet, a central angle of $00^{\circ}35'33''$, a distance of 3.33 feet;

Thence South $73^{\circ}54'40''$ West a distance of 121.58 feet;

Thence along the arc of a curve to the right having a radius of 527.50 feet, a central angle of $68^{\circ}52'38''$, a distance of 634.13 feet;

Thence along the arc of a reverse curve to the left having a radius of 1522.50 feet, a central angle of $28^{\circ}41'24''$, a distance of 762.37 feet;

Thence along the arc of a reverse curve to the right having a radius of 327.50 feet, a central angle of $66^{\circ}58'07''$, a distance of 382.79 feet;

Thence North $01^{\circ}04'01''$ East a distance of 381.06 feet;

Thence along the arc of a curve to the left having a radius of 352.50 feet, a central angle of $111^{\circ}37'46''$, a distance of 686.78 feet;

Thence along the arc of a reverse curve to the right having a radius of 287.50 feet, a central angle of $147^{\circ}34'19''$, a distance of 740.49 feet;

Thence along the arc of a compound curve to the right having a radius of 51.50 feet, a central angle of $46^{\circ}38'06''$, a distance of 41.92 feet;

Thence along the arc of a reverse curve to the left having a radius of 352.00 feet, a central angle of $32^{\circ}50'41''$, a distance of 201.78 feet;

Thence along the arc of a curve to the right having a radius of 66.50 feet, a central angle of $46^{\circ}55'42''$, a distance of 54.47 feet;

Thence South $82^{\circ}16'19''$ East a distance of 104.19 feet;

Thence along the arc of a curve to the left having a radius of 297.50 feet, a central angle of $86^{\circ}05'35''$, a distance of 447.03 feet;

Thence along the arc of a reverse curve to the right having a radius of 28.50 feet, a central angle of $65^{\circ}42'06''$, a distance of 32.68 feet;

Thence North $77^{\circ}20'12''$ East a distance of 5.00 feet;

Thence North $14^{\circ}03'31''$ West a distance of 17.78 feet to a point on the centerline of Clear Creek Road;

Thence along said centerline, along the arc of a non-tangent curve to the right having a tangent bearing of South $75^{\circ}56'29''$ West. A radius of 500.00 feet, a central angle of $12^{\circ}53'40''$, a distance of 112.53 feet;

Thence departing said centerline, South $01^{\circ}09'51''$ East a distance of 18.51 feet;

Thence North $87^{\circ}53'03''$ East a distance of 5.00 feet;

Thence along the arc of a curve to the right having a radius of 28.50 feet, a central angle of $113^{\circ}23'21''$, a distance of 56.40 feet;

Thence along the arc of a compound curve to the right having a radius of 252.50 feet, a central angle of $76^{\circ}27'17''$, a distance of 336.93 feet;

Thence North $82^{\circ}16'19''$ West a distance of 36.21 feet;

Thence along the arc of a curve to the right having a radius of 28.50 feet, a central angle of $78^{\circ}44'13''$, a distance of 39.17 feet;

Thence North $65^{\circ}56'11''$ West a distance of 53.79 feet;

Thence along the arc of a non-tangent curve to the right having a tangent bearing of South $15^{\circ}46'51''$ East, a radius of 28.50 feet, a central angle of $107^{\circ}46'41''$, a distance of 53.61 feet;

Thence along the arc of a reverse curve to the left having a radius of 332.50 feet, a central angle of $00^{\circ}32'58''$, a distance of 3.19 feet;

Thence along the arc of a reverse curve to the right having a radius of 91.50 feet, a central angle of $19^{\circ}22'28''$, a distance of 30.94 feet;

Thence along the arc of a reverse curve to the left having a radius of 108.50 feet, a distance of $35^{\circ}07'11''$, a distance of 66.51 feet;

Thence along the arc of a compound curve to the left having a radius of 353.00 feet, a central angle of $17^{\circ}52'07''$, a distance of 110.09 feet;

Thence along the arc of a compound curve to the left having a radius of 108.50 feet, a central angle of $35^{\circ}07'11''$, a distance of 66.51 feet;

Thence along the arc of a reverse curve to the right having a radius of 91.50 feet, a central angle of $19^{\circ}22'28''$, a distance of 30.94 feet;

Thence along the arc of a reverse curve to the left having a radius of 332.50 feet, a central angle of $152^{\circ}39'04''$, a distance of 885.87 feet;

Thence along the arc of a reverse curve to the right having a radius of 307.50 feet, a central angle of $111^{\circ}37'46''$, a distance of 599.10 feet;

Thence South $01^{\circ}04'01''$ West a distance of 381.06 feet;

Thence along the arc of a curve to the left having a radius of 372.50 feet, a central angle of $66^{\circ}58'07''$, a distance of 435.39 feet;

Thence along the arc of a reverse curve to the right having a radius of 1477.50 feet, a central angle of $13^{\circ}33'47''$, a distance of 349.75 feet;

Thence along the arc of a compound curve to the right having a radius of 28.50 feet, a central angle of $111^{\circ}41'32''$, a distance of 55.56 feet;

Thence along the arc of a reverse curve to the left having a radius of 322.50 feet, a central angle of $27^{\circ}43'31''$, a distance of 156.06 feet;

Thence along the arc of a reverse curve to the right having a radius of 377.50 feet, a central angle of $48^{\circ}38'31''$, a distance of 320.48 feet;

Thence along the arc of a reverse curve to the left having a radius of 272.50 feet, a central angle of $09^{\circ}31'15''$, a distance of 45.28 feet;

Thence North $20^{\circ}23'08''$ West a distance of 27.59 feet;

Thence North $87^{\circ}41'11''$ West a distance of 439.95 feet;

Thence along the arc of a curve to the right having a radius of 150.00 feet, a central angle of $46^{\circ}45'37''$, a distance of 122.42 feet;

Thence North $40^{\circ}55'34''$ West a distance of 73.05 feet;

Thence South $49^{\circ}41'07''$ West a distance of 343.67 feet;

Thence North $68^{\circ}42'00''$ West a distance of 295.69 feet;

Thence along the arc of a curve to the left having a radius of 322.50 feet, a central angle of $11^{\circ}44'24''$, a distance of 66.08 feet;

Thence along the arc of a reverse curve to the right having a radius of 277.50 feet, a central angle of $06^{\circ}12'11''$, a distance of 30.04 feet;

Thence North $61^{\circ}58'38''$ East a distance of 276.39 feet;

Thence North $36^{\circ}35'53''$ West a distance of 194.88 feet;

Thence South $71^{\circ}44'39''$ West a distance of 107.51 feet;

Thence South $80^{\circ}11'32''$ West a distance of 83.62 feet;

Thence South $88^{\circ}48'52''$ West a distance of 30.27 feet;

Thence North $72^{\circ}40'31''$ West a distance of 14.68 feet;

Thence South $62^{\circ}13'07''$ West a distance of 189.17 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of North $75^{\circ}48'58''$ West, a radius of 322.50 feet, a central angle of $12^{\circ}46'03''$, a distance of 71.86 feet;

Thence along the arc of a curve to the right having a radius of 277.50 feet, a central angle of $31^{\circ}20'11''$, a distance of 151.77 feet;

Thence North $74^{\circ}04'28''$ East a distance of 169.17 feet;

Thence North $08^{\circ}49'37''$ East a distance of 67.76 feet;

Thence North $75^{\circ}25'24''$ East a distance of 308.30 feet;

Thence North $70^{\circ}28'48''$ East a distance of 595.82 feet;

Thence North $07^{\circ}44'18''$ East a distance of 234.97 feet;

Thence North $85^{\circ}58'00''$ West a distance of 873.38 feet;

Thence North $87^{\circ}23'11''$ West a distance of 226.13 feet;

Thence North $79^{\circ}48'06''$ West a distance of 219.12 feet;

Thence South $44^{\circ}21'15''$ West a distance of 173.27 feet;

Thence South $89^{\circ}04'30''$ West a distance of 180.31 feet;

Thence South $31^{\circ}37'15''$ West a distance of 310.39 feet;

Thence North $64^{\circ}18'43''$ West a distance of 383.46 feet;

Thence North $00^{\circ}26'56''$ West a distance of 120.89 feet;

Thence North $88^{\circ}57'09''$ West a distance of 1126.33 feet;

Thence South $26^{\circ}56'31''$ West a distance of 164.39 feet;

Thence South $63^{\circ}02'22''$ East a distance of 65.29 feet;

Thence South $56^{\circ}34'18''$ East a distance of 57.53 feet;

Thence South $13^{\circ}31'46''$ East a distance of 231.61 feet;

Thence South $05^{\circ}17'16''$ West a distance of 878.37 feet;

Thence South $87^{\circ}41'38''$ East a distance of 159.24 feet;

Thence South $26^{\circ}48'06''$ East a distance of 222.07 feet;

Thence South $48^{\circ}57'17''$ East a distance of 205.33 feet;

Thence South $61^{\circ}44'44''$ East a distance of 283.36 feet;

Thence along the arc of a non-tangent curve to the right having a tangent bearing of South 45°27'14" West, a radius of 187.50 feet, a central angle of 07°10'40", a distance of 23.49 feet;

Thence along the arc of a reverse curve to the left having a radius of 672.50 feet, a central angle of 13°08'44", a distance of 154.29 feet;

Thence South 50°30'50" East a distance of 45.00 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of South 39°29'10" West, a radius of 627.50 feet, a central angle of 07°42'42", a distance of 84.46 feet;

Thence along the arc of a reverse curve to the right having a radius of 1622.50 feet, a central angle of 00°39'51", a distance of 18.81 feet;

Thence South 67°27'15" East a distance of 221.90 feet;

Thence North 58°54'05" East a distance of 108.17 feet;

Thence South 31°51'37" East a distance of 279.81 feet;

Thence North 64°46'58" East a distance of 250.07 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of South 48°51'07" East, a radius of 372.50 feet, a central angle of 22°10'16", a distance of 144.14 feet;

Thence South 13°03'16" West a distance of 57.96 feet;

Thence South 43°10'33" East a distance of 410.79 feet;

Thence South 65°59'00" East a distance of 830.67 feet;

Thence North 22°33'05" East a distance of 39.91 feet;

Thence along the arc of a curve to the right having a radius of 215.00 feet, a central angle of 57°01'15", a distance of 213.97 feet;

Thence North 79°34'20" East a distance of 265.30 feet;

Thence South 83°49'43" East a distance of 234.37 feet;

Thence North 65°07'48" East a distance of 324.52 feet;

Thence North 22°11'41" West a distance of 37.34 feet;

Thence along the arc of a non-tangent curve to the right having a tangent bearing of South 82°04'30" West, a radius of 310.00 feet, a central angle of 48°47'14", a distance of 263.96 feet;

Thence along the arc of a reverse curve to the left having a radius of 365.00 feet, a central angle of 28°02'36", a distance of 178.65 feet;

Thence along the arc of a reverse curve to the right having a radius of 240.00 feet, a central angle of 52°59'50", a distance of 221.99 feet;

Thence along the arc of a reverse curve to the left having a radius of 150.00 feet, a central angle of 42°21'11", a distance of 110.88 feet;

Thence North 29°00'30" East a distance of 120.56 feet;

Thence along the arc of a curve to the left having a radius of 322.50 feet, a central angle of $48^{\circ}15'35''$, a distance of 271.64 feet;

Thence along the arc of a reverse curve to the right having a radius of 177.50 feet, a central angle of $32^{\circ}14'34''$, a distance of 99.89 feet;

Thence South $50^{\circ}39'58''$ East a distance of 705.40 feet;

Thence North $89^{\circ}15'43''$ East a distance of 401.46 feet;

Thence along the arc of a curve to the right having a radius of 150.00 feet, a central angle of $61^{\circ}28'23''$, a distance of 160.94 feet;

Thence South $29^{\circ}15'54''$ East a distance of 8.03 feet;

Thence North $74^{\circ}22'53''$ East a distance of 321.90 feet;

Thence North $13^{\circ}33'21''$ West a distance of 418.99 feet;

Thence North $13^{\circ}00'35''$ West a distance of 208.16 feet;

Thence North $06^{\circ}15'21''$ East a distance of 198.49 feet;

Thence North $10^{\circ}23'00''$ East a distance of 480.75 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of North $63^{\circ}07'05''$ East, a radius of 422.50 feet, a central angle of $31^{\circ}29'23''$, a distance of 232.21 feet;

Thence along the arc of a reverse curve to the right having a radius of 277.50 feet, a central angle of $27^{\circ}49'16''$, a distance of 134.75 feet;

Thence along the arc of a reverse curve to the left having a radius of 222.50 feet, a central angle of $08^{\circ}01'37''$, a distance of 31.17 feet;

Thence along the arc of a reverse curve to the right having a radius of 28.50 feet, a central angle of $80^{\circ}25'13''$, a distance of 40.00 feet;

Thence along the arc of a compound curve to the right having a radius of 1477.50 feet, a central angle of $10^{\circ}56'44''$, a distance of 282.26 feet;

Thence along the arc of a reverse curve to the left having a radius of 572.50 feet, a central angle of $23^{\circ}49'21''$, a distance of 238.03 feet;

Thence along the arc of a reverse curve to the right having a radius of 25.50 feet, a central angle of $94^{\circ}29'13''$, a distance of 42.05 feet;

Thence along the arc of a compound curve to the right having a radius of 137.50 feet, a central angle of $01^{\circ}32'28''$, a distance of 3.70 feet;

Thence South $55^{\circ}00'22''$ East a distance of 45.00 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of North $34^{\circ}59'38''$ East, a radius of 182.50 feet, a central angle of $05^{\circ}45'59''$, a distance of 18.37 feet;

Thence along the arc of a reverse curve to the right having a radius of 25.50 feet, a central angle of $80^{\circ}28'02''$, a distance of 35.81 feet;

Thence along the arc of a reverse curve to the left having a radius of 572.50 feet, a central angle of $35^{\circ}47'01''$, a distance of 357.55 feet;

Thence North $73^{\circ}54'40''$ East a distance of 121.58 feet;

Thence along the arc of a curve to the right having a radius of 277.50 feet, a central angle of $112^{\circ}42'47''$, a distance of 545.90 feet;

Thence South $06^{\circ}37'27''$ West a distance of 160.14 feet;

Thence along the arc of a curve to the right having a radius of 477.50 feet, a central angle of $18^{\circ}13'47''$, a distance of 151.93 feet;

Thence along the arc of a reverse curve to the left having a radius of 522.50 feet, a central angle of $17^{\circ}26'19''$, a distance of 159.03 feet;

Thence along the arc of a reverse curve to the right having a radius of 1477.50 feet, a central angle of $05^{\circ}52'23''$, a distance of 151.45 feet;

Thence along the arc of a compound curve to the right having a radius of 25.50 feet, a central angle of $110^{\circ}04'52''$, a distance of 48.99 feet;

Thence along the arc of a compound curve to the right having a radius of 177.50 feet, a central angle of $10^{\circ}05'21''$, a distance of 31.26 feet;

Thence South $43^{\circ}27'31''$ West a distance of 45.00 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of South $46^{\circ}32'29''$ East, a radius of 222.50 feet, a central angle of $17^{\circ}13'24''$, a distance of 66.88 feet;

Thence along the arc of a reverse curve to the right having a radius of 25.50 feet, a central angle of $80^{\circ}57'36''$, a distance of 36.03 feet;

Thence along the arc of a compound curve to the right having a radius of 1477.50 feet, a central angle of $01^{\circ}27'32''$, a distance of 37.62 feet;

Thence South $18^{\circ}39'15''$ West a distance of 178.21 feet;

Thence along the arc of a curve to the right having a radius of 25.50 feet, a central angle of $90^{\circ}00'00''$, a distance of 40.06 feet;

Thence North $71^{\circ}20'45''$ West a distance of 12.00 feet;

Thence along the arc of a curve to the left having a radius of 322.50 feet, a central angle of $10^{\circ}57'02''$, a distance of 61.64 feet;

Thence South $07^{\circ}42'13''$ West a distance of 45.00 feet;

Thence along the arc of a non-tangent curve to the right having a tangent bearing of South $82^{\circ}17'47''$ East, a radius of 277.50 feet, a central angle of $10^{\circ}57'02''$, a distance of 53.04 feet;

Thence South $71^{\circ}20'45''$ East a distance of 14.15 feet;

Thence along the arc of a curve to the right having a radius of 25.50 feet, a central angle of $84^{\circ}40'20''$, a distance of 37.68 feet;

Thence along the arc of a reverse curve to the left having a radius of 472.50 feet, a central angle of $33^{\circ}10'47''$, a distance of 273.62 feet;

Thence along the arc of a reverse curve to the right having a radius of 177.50 feet, a central angle of $122^{\circ}13'33''$, a distance of 378.65 feet;

Thence along the arc of a reverse curve to the left having a radius of 672.50 feet, a central angle of $36^{\circ}16'17''$, a distance of 425.73 feet;

Thence South $66^{\circ}06'04''$ West a distance of 140.48 feet;

Thence along the arc of a curve to the right having a radius of 527.50 feet, a central angle of $16^{\circ}06'40''$, a distance of 148.33 feet;

Thence North $47^{\circ}18'21''$ West a distance of 67.11 feet;

Thence South $80^{\circ}22'34''$ West a distance of 474.82 feet;

Thence South $04^{\circ}27'19''$ East a distance of 192.36 feet;

Thence North $86^{\circ}49'18''$ West a distance of 252.56 feet;

Thence along the arc of a curve to the left having a radius of 274.50 feet, a central angle of $32^{\circ}24'16''$, a distance of 155.25 feet;

Thence South $68^{\circ}51'58''$ West a distance of 188.80 feet;

Thence South $65^{\circ}50'16''$ West a distance of 353.47 feet;

Thence South $23^{\circ}47'33''$ East a distance of 334.23 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of North $74^{\circ}51'05''$ East, a radius of 302.50 feet, a central angle of $10^{\circ}49'08''$, a distance of 57.12 feet;

Thence South $25^{\circ}58'06''$ East a distance of 45.00 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of North $64^{\circ}01'54''$ East, a radius of 347.50 feet, a central angle of $25^{\circ}23'48''$, a distance of 154.03 feet;

Thence South $42^{\circ}28'35''$ East a distance of 266.97 feet;

Thence South $54^{\circ}46'19''$ West a distance of 214.17 feet;

Thence South $19^{\circ}33'34''$ East a distance of 153.33 feet;

Thence North $71^{\circ}52'48''$ East a distance of 383.67 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of South $31^{\circ}52'25''$ East, a radius of 322.50 feet, a central angle of $13^{\circ}04'56''$, a distance of 73.64 feet;

Thence South $66^{\circ}21'21''$ West a distance of 445.22 feet;

Thence South $33^{\circ}34'49''$ East a distance of 161.94 feet;

Thence South $18^{\circ}09'34''$ East a distance of 157.47 feet;

Thence North $72^{\circ}59'38''$ East a distance of 171.93 feet;

Thence South $85^{\circ}10'02''$ East a distance of 339.19 feet;

Thence South $12^{\circ}59'43''$ East a distance of 110.39 feet;

Thence along the arc of a non-tangent curve to the right having a tangent bearing of South $70^{\circ}59'30''$ West, a radius of 777.50 feet, a central angle of $21^{\circ}36'58''$, a distance of 293.33 feet;

Thence along the arc of a reverse curve to the left having a radius of 222.50 feet, a central angle of $99^{\circ}38'14''$, a distance of 386.93 feet;

Thence South $66^{\circ}06'49''$ West a distance of 300.78 feet;

Thence South $65^{\circ}09'05''$ West a distance of 272.90 feet;

Thence South $31^{\circ}34'52''$ East a distance of 276.31 feet;

Thence North $89^{\circ}12'38''$ East a distance of 1278.35 feet;

Thence North $19^{\circ}04'56''$ West a distance of 157.36 feet;

Thence North $60^{\circ}08'27''$ West a distance of 504.99 feet;

Thence North $45^{\circ}41'12''$ West a distance of 254.66 feet;

Thence South $87^{\circ}11'10''$ West a distance of 62.67 feet;

Thence North $48^{\circ}43'34''$ West a distance of 71.37 feet;

Thence along the arc of a non-tangent curve to the right having a tangent bearing of North $52^{\circ}21'40''$ East, a radius of 177.50 feet, a central angle of $40^{\circ}14'48''$, a distance of 124.68 feet;

Thence along the arc of a reverse curve to the left having a radius of 822.50 feet, a central angle of $22^{\circ}41'53''$, a distance of 325.84 feet;

Thence South $20^{\circ}05'25''$ East a distance of 221.51 feet;

Thence South $89^{\circ}41'55''$ East a distance of 242.05 feet;

Thence North $77^{\circ}37'58''$ East a distance of 202.15 feet;

Thence North $07^{\circ}49'37''$ West a distance of 204.84 feet;

Thence North $28^{\circ}18'38''$ East a distance of 131.62 feet;

Thence North $65^{\circ}35'22''$ East a distance of 246.75 feet;

Thence North $22^{\circ}55'09''$ West a distance of 520.09 feet;

Thence North $77^{\circ}09'37''$ East a distance of 39.62 feet;

Thence along the arc of a curve to the left having a radius of 222.50 feet, a central angle of $27^{\circ}24'31''$, a distance of 106.44 feet;

Thence South $17^{\circ}00'43''$ East a distance of 388.80 feet;

Thence South $77^{\circ}20'33''$ East a distance of 227.19 feet;

Thence North $48^{\circ}03'07''$ East a distance of 603.96 feet;

Thence North 88°47'11" East a distance of 332.64 feet;

Thence North 03°15'33" East a distance of 152.47 feet;

Thence North 56°21'23" West a distance of 350.44 feet;

Thence South 52°11'03" West a distance of 126.80 feet;

Thence North 89°59'02" West a distance of 139.18 feet;

Thence North 45°36'05" West a distance of 167.23 feet;

Thence North 66°27'30" West a distance of 546.81 feet;

Thence South 75°01'43" West a distance of 698.78 feet;

Thence along the arc of a non-tangent curve to the right having a tangent bearing of South 18°00'42" West, a radius of 210.00 feet, a central angle of 135°28'23", a distance of 496.53 feet;

Thence North 02°48'16" West a distance of 247.01 feet to the POINT OF BEGINNING;

EXCEPTING THEREFROM all that certain parcel described as "Parcel 13" on said Record of Survey being more particularly described as follows:

COMMENCING at the Southwest corner of said Section 3;

Thence North 02°17'38" West a distance of 677.88 feet to the POINT OF BEGINNING;

Thence South 85°00'14" West a distance of 534.04 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of North 65°49'46" West, a radius of 222.50 feet, a central angle of 16°27'06", a distance of 63.89 feet;

Thence North 07°43'08" East a distance of 29.40 feet;

Thence North 46°20'38" West a distance of 49.78 feet;

Thence North 68°02'52" West a distance of 618.70 feet;

Thence North 50°16'20" West a distance of 291.77 feet;

Thence North 45°23'56" West a distance of 550.14 feet;

Thence North 28°04'26" West a distance of 97.08 feet;

Thence North 01°10'43" West a distance of 128.24 feet;

Thence North 36°11'32" East a distance of 172.82 feet;

Thence North 67°19'25" East a distance of 626.05 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of South 68°41'59" East, a radius of 272.50 feet, a central angle of 44°47'51", a distance of 213.06 feet;

Thence South 61°11'42" East a distance of 933.74 feet;

Thence North 40°18'09" East a distance of 293.13 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of South 60°24'31" East, a radius of 322.50 feet, a central angle of 20°01'53", a distance of 112.75 feet;

Thence along the arc of a reverse curve to the right having a radius of 277.50 feet, a central angle of 11°44'24", a distance of 56.86 feet;

Thence South 68°42'00" East a distance of 260.74 feet;

Thence South 47°08'37" West a distance of 532.92 feet;

Thence along the arc of a non-tangent curve to the right having a tangent bearing of South 40°40'26" East, a radius of 205.00 feet, a central angle of 137°48'08", a distance of 493.05 feet;

Thence North 73°26'00" West a distance of 773.35 feet;

Thence South 68°03'39" West a distance of 457.83 feet;

Thence South 00°37'40" West a distance of 32.62 feet;

Thence South 61°24'58" East a distance of 620.39 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of South 35°59'42" East, a radius of 223.07 feet, a central angle of 38°53'48", a distance of 151.44 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of South 20°44'56" East, a radius of 50.00 feet, a central angle of 122°54'51", a distance of 107.26 feet;

Thence along the arc of a reverse curve to the right having a radius of 25.50 feet, a central angle of 45°30'42", a distance of 20.26 feet;

Thence North 81°50'55" East a distance of 28.01 feet;

Thence South 67°19'03" East a distance of 188.26 feet;

Thence along the arc of a curve to the right having a radius of 160.00 feet, a central angle of 60°22'49", a distance of 168.61 feet;

Thence South 06°56'14" East a distance of 43.86 feet;

Thence North 64°46'43" East a distance of 434.49 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of South 85°41'44" East, a radius of 437.50 feet, a central angle of 00°34'52", a distance of 4.44 feet;

Thence along the arc of a reverse curve to the right having a radius of 302.50 feet, a central angle of 21°57'01", a distance of 115.89 feet;

Thence South 64°19'35" East a distance of 7.54 feet;

Thence along the arc of a curve to the right having a radius of 25.50 feet, a central angle of 78°50'25", a distance of 35.09 feet;

Thence along the arc of a reverse curve to the left having a radius of 222.50 feet, a central angle of 33°45'55", a distance of 131.12 feet;

Thence along the arc of a reverse curve to the right having a radius of 277.50 feet, a central angle of $48^{\circ}15'35''$, a distance of 233.74 feet;

Thence South $29^{\circ}00'30''$ West a distance of 67.42 feet;

Thence North $47^{\circ}39'18''$ West a distance of 101.73 feet to the POINT OF BEGINNING.

Containing 229.00 acres net, more or less.

Parcel 18 as shown on the Record of Survey in Support of a Boundary Line Adjustment for Clear Creek Ranch, L.L.C., filed in the office of the County Recorder of Douglas County, State of Nevada on June 27, 2008, in Book 608, Page 7354, as File No. 725936 of Official Records, situate in Sections 4, 9 and 10, Township 14 North, Range 19 East, Mount Diablo Meridian, Douglas County, Nevada and being more particularly described as follows:

BEGINNING at the North Quarter corner of said Section 9;

Thence along the South line of the Southwest Quarter of said Section 4, South $88^{\circ}59'58''$ West a distance of 1763.32 feet;

Thence departing said South line, North $01^{\circ}00'02''$ West a distance of 500.52 feet;

Thence North $61^{\circ}22'11''$ East a distance of 255.88 feet;

Thence North $85^{\circ}17'33''$ East a distance of 352.35 feet;

Thence North $29^{\circ}04'35''$ East a distance of 257.50 feet;

Thence North $15^{\circ}59'13''$ East a distance of 1018.32 feet;

Thence North $83^{\circ}57'07''$ East a distance of 132.37 feet;

Thence North $43^{\circ}34'46''$ East a distance of 75.90 feet;

Thence North $06^{\circ}09'45''$ East a distance of 314.73 feet;

Thence North $39^{\circ}21'07''$ East a distance of 317.38 feet;

Thence South $72^{\circ}20'47''$ East a distance of 262.36 feet;

Thence South $39^{\circ}46'59''$ East a distance of 347.54 feet;

Thence South $05^{\circ}17'16''$ West a distance of 608.59 feet;

Thence South $87^{\circ}41'38''$ East a distance of 159.24 feet;

Thence South $26^{\circ}48'06''$ East a distance of 222.07 feet;

Thence South $48^{\circ}57'17''$ East a distance of 205.33 feet;

Thence South $61^{\circ}44'44''$ East a distance of 283.36 feet;

Thence along the arc of a non-tangent curve to the right having a tangent bearing of South $45^{\circ}27'14''$ West, a radius of 187.50 feet, a central angle of $07^{\circ}10'40''$, a distance of 23.49 feet;

Thence along the arc of a reverse curve to the left having a radius of 672.50 feet, a central angle of $13^{\circ}08'44''$, a distance of 154.29 feet;

Thence South $50^{\circ}30'50''$ East a distance of 45.00 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of South $39^{\circ}29'10''$ West, a radius of 627.50 feet, a central angle of $07^{\circ}42'42''$, a distance of 84.46 feet;

Thence along the arc of a reverse curve to the left having a radius of 1622.50 feet, a central angle of $00^{\circ}39'51''$, a distance of 18.81 feet;

Thence South $67^{\circ}27'15''$ East a distance of 221.90 feet;

Thence North $58^{\circ}54'05''$ East a distance of 108.17 feet;

Thence South $31^{\circ}51'37''$ East a distance of 279.81 feet;

Thence South $64^{\circ}46'58''$ West a distance of 636.80 feet;

Thence South $29^{\circ}30'12''$ West a distance of 207.42 feet;

Thence South $25^{\circ}32'10''$ West a distance of 68.64 feet;

Thence South $25^{\circ}36'13''$ East a distance of 116.47 feet;

Thence South $32^{\circ}34'32''$ East a distance of 114.56 feet;

Thence North $54^{\circ}11'24''$ East a distance of 346.67 feet;

Thence North $50^{\circ}41'00''$ East a distance of 357.90 feet;

Thence South $21^{\circ}00'53''$ East a distance of 25.90 feet;

Thence along the arc of a curve to the left having a radius of 80.00 feet, a central angle of $68^{\circ}59'07''$, a distance of 96.32 feet;

Thence South $90^{\circ}00'00''$ East a distance of 28.33 feet;

Thence along the arc of a curve to the right having a radius of 60.00 feet, a central angle of $107^{\circ}26'33''$, a distance of 112.51 feet;

Thence South $17^{\circ}26'33''$ West a distance of 23.22 feet;

Thence along the arc of a curve to the left having a radius of 40.00 feet, a central angle of $74^{\circ}00'00''$, a distance of 51.66 feet;

Thence South $56^{\circ}33'27''$ East a distance of 29.30 feet;

Thence South $03^{\circ}00'37''$ East a distance of 2.63 feet;

Thence along the arc of a curve to the left having a radius of 80.00 feet, a central angle of $96^{\circ}00'50''$, a distance of 134.06 feet;

Thence North $80^{\circ}58'33''$ East a distance of 25.01 feet;

Thence South $30^{\circ}11'41''$ East a distance of 89.77 feet;

Thence South $35^{\circ}15'29''$ West a distance of 100.57 feet;

Thence South $30^{\circ}58'50''$ West a distance of 200.22 feet;

Thence North $58^{\circ}39'12''$ West a distance of 601.85 feet;

Thence South $53^{\circ}16'52''$ West a distance of 249.86 feet;

Thence South $44^{\circ}07'51''$ East a distance of 451.25 feet;

Thence South $47^{\circ}17'26''$ East a distance of 598.02 feet;

Thence South $04^{\circ}56'54''$ East a distance of 223.97 feet;

Thence South $15^{\circ}02'27''$ East a distance of 331.55 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of North $88^{\circ}31'41''$ East, a radius of 402.50 feet, a central angle of $17^{\circ}51'58''$, a distance of 125.51 feet;

Thence along the arc of a reverse curve to the right having a radius of 872.50 feet, a central angle of $09^{\circ}56'46''$, a distance of 151.46 feet;

Thence North $33^{\circ}54'49''$ East a distance of 200.32 feet;

Thence along the arc of a curve to the left having a radius of 250.00 feet, a central angle of $45^{\circ}32'37''$, a distance of 198.72 feet;

Thence North $11^{\circ}37'48''$ West a distance of 370.70 feet;

Thence North $17^{\circ}56'11''$ West a distance of 240.68 feet;

Thence North $51^{\circ}44'09''$ East a distance of 89.47 feet;

Thence South $46^{\circ}59'26''$ East a distance of 666.05 feet;

Thence South $70^{\circ}20'38''$ East a distance of 472.32 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of South $71^{\circ}01'42''$ East, a radius of 190.24 feet, a central angle of $132^{\circ}21'15''$, a distance of 439.46 feet;

Thence along the arc of a non-tangent reverse curve to the right having a tangent bearing of North $21^{\circ}23'31''$ West, a radius of 350.00 feet, a central angle of $00^{\circ}54'03''$, a distance of 5.50 feet;

Thence North $20^{\circ}29'28''$ West a distance of 199.68 feet;

Thence North $60^{\circ}37'57''$ West a distance of 63.14 feet;

Thence North $79^{\circ}30'35''$ West a distance of 80.02 feet;

Thence South $67^{\circ}49'41''$ West a distance of 100.01 feet;

Thence North $86^{\circ}07'21''$ West a distance of 77.83 feet;

Thence North $62^{\circ}40'45''$ West a distance of 825.79 feet;

Thence North $27^{\circ}29'02''$ East a distance of 38.46 feet;

Thence South 78°38'33" East a distance of 589.01 feet;
Thence North 55°47'42" East a distance of 82.54 feet;
Thence South 82°59'40" East a distance of 591.92 feet;
Thence South 59°36'49" West a distance of 291.94 feet;
Thence South 23°01'02" East a distance of 65.53 feet;
Thence South 51°38'14" East a distance of 48.93 feet;
Thence South 20°29'28" East a distance of 206.77 feet;
Thence North 65°50'16" East a distance of 367.11 feet;
Thence South 23°47'33" East a distance of 334.23 feet;
Thence along the arc of a non-tangent curve to the left having a tangent bearing of North 74°51'05" East, a radius of 302.50 feet, a central angle of 10°49'08", a distance of 57.12 feet;
Thence South 25°58'06" East a distance of 45.00 feet;
Thence along the arc of a non-tangent curve to the left having a tangent bearing of North 64°01'54" East, a radius of 347.50 feet, a central angle of 25°23'48", a distance of 154.03 feet;
Thence South 42°28'35" East a distance of 266.97 feet;
Thence South 54°46'19" West a distance of 214.17 feet;
Thence South 46°13'22" West a distance of 165.58 feet;
Thence South 21°07'41" West a distance of 236.11 feet;
Thence South 02°25'17" East a distance of 369.11 feet;
Thence South 35°14'49" East a distance of 192.44 feet;
Thence South 00°57'54" East a distance of 183.86 feet;
Thence South 65°09'05" West a distance of 272.90 feet;
Thence North 31°34'52" West a distance of 257.65 feet;
Thence South 73°42'36" West a distance of 150.46 feet;
Thence South 05°30'33" East a distance of 213.63 feet;
Thence South 41°21'31" West a distance of 277.29 feet;
Thence South 89°12'38" West a distance of 120.46 feet;
Thence South 88°27'48" West a distance of 253.72 feet;
Thence North 00°19'56" West a distance of 218.89 feet;
Thence North 44°59'13" West a distance of 122.09 feet;
Thence South 68°12'46" West a distance of 223.25 feet;

Thence North 87°21'11" West a distance of 401.73 feet;

Thence North 18°35'42" West a distance of 355.78 feet;

Thence North 48°10'38" East a distance of 250.56 feet;

Thence North 33°02'41" West a distance of 97.44 feet;

Thence North 03°16'11" West a distance of 102.76 feet;

Thence North 36°06'05" West a distance of 182.48 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of South 80°23'29" West, a radius of 827.50 feet, a central angle of 09°43'46", a distance of 140.52 feet;

Thence along the arc of a reverse curve to the right having a radius of 447.50 feet, a central angle of 03°43'19", a distance of 29.07 feet;

Thence South 00°00'44" West a distance of 360.19 feet;

Thence South 84°16'51" West a distance of 200.65 feet;

Thence North 39°52'47" West a distance of 240.95 feet;

Thence North 04°06'30" East a distance of 235.44 feet;

Thence along the arc of a non-tangent curve to the right having a tangent bearing of North 61°00'31" West, a radius of 447.50 feet, a central angle of 19°33'06", a distance of 152.71 feet;

Thence South 04°06'30" West a distance of 309.64 feet;

Thence South 41°44'56" West a distance of 122.39 feet;

Thence South 07°09'01" East a distance of 99.58 feet;

Thence South 49°01'05" East a distance of 112.90 feet;

Thence South 65°01'01" East a distance of 350.51 feet;

Thence South 29°44'43" West a distance of 273.84 feet;

Thence South 75°04'27" East a distance of 272.32 feet;

Thence South 01°58'29" East a distance of 164.85 feet;

Thence South 88°27'48" West a distance of 754.75 feet;

Thence North 58°25'55" West a distance of 358.95 feet;

Thence North 26°26'09" West a distance of 102.30 feet;

Thence North 37°47'17" West a distance of 279.89 feet;

Thence South 89°53'12" West a distance of 129.49 feet to a point on the West line of the Northeast Quarter of said Section 9;

Thence along said West line, North 00°06'48" West a distance of 2120.31 feet to the POINT OF BEGINNING.

Containing 210.87 acres, more or less.

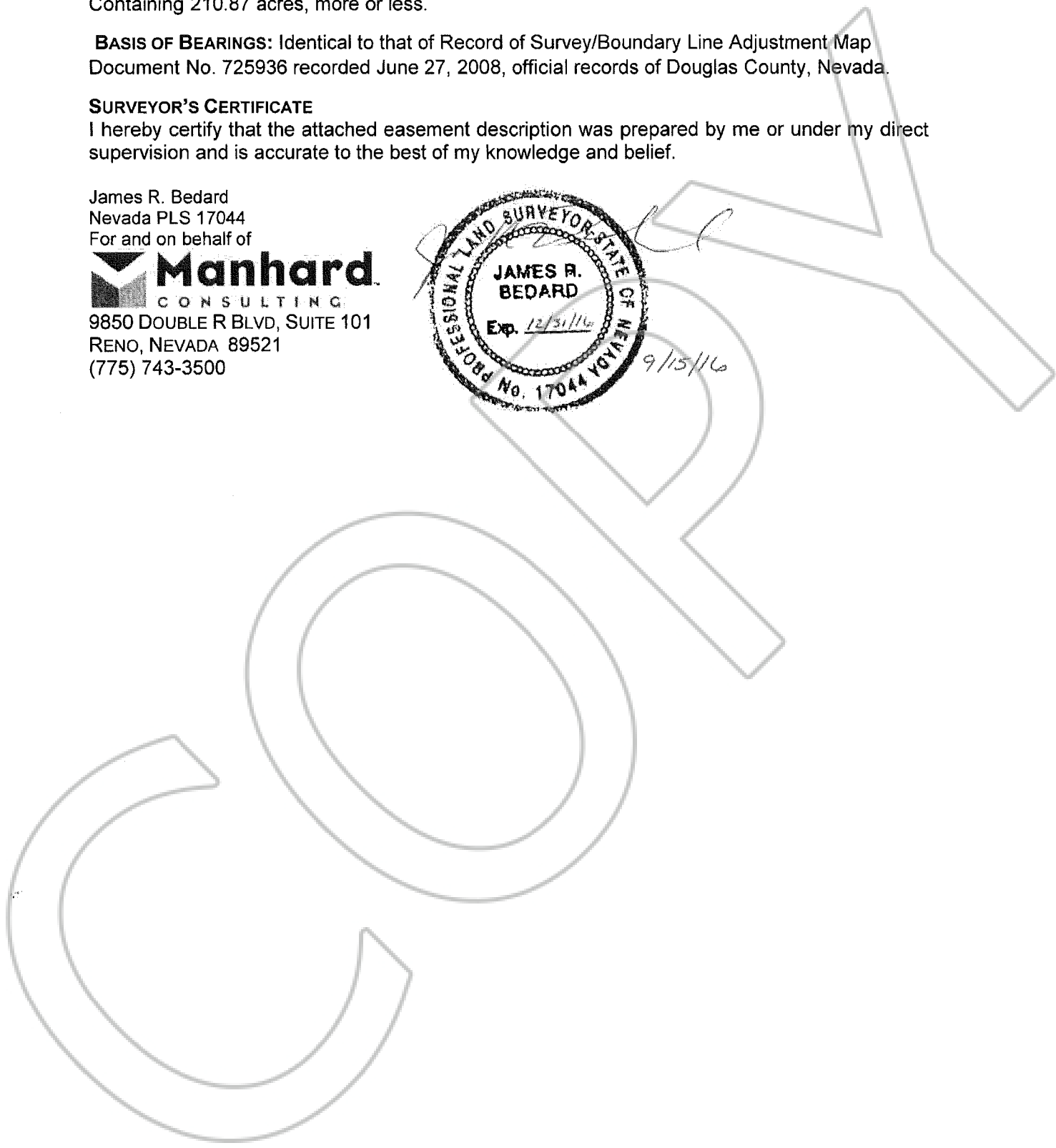
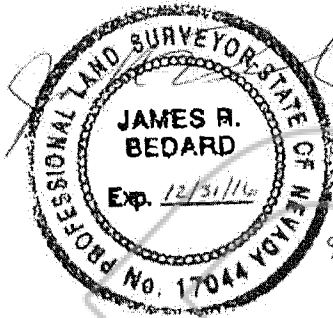
BASIS OF BEARINGS: Identical to that of Record of Survey/Boundary Line Adjustment Map Document No. 725936 recorded June 27, 2008, official records of Douglas County, Nevada.

SURVEYOR'S CERTIFICATE

I hereby certify that the attached easement description was prepared by me or under my direct supervision and is accurate to the best of my knowledge and belief.

James R. Bedard
Nevada PLS 17044
For and on behalf of

 **Manhard**
CONSULTING
9850 DOUBLE R BLVD, SUITE 101
RENO, NEVADA 89521
(775) 743-3500



[EXHIBIT "A" , CONTINUED]

Real property in the County of Douglas, State of Nevada, described as follows:

Parcel 11 as shown on that Record of Survey in Support of a Boundary Line Adjustment for Clear Creek Ranch, L.L.C., filed in the office of the County Recorder of Douglas County, State of Nevada on June 27, 2008, in Book 608, Page 7354, as File No. 725936 of Official Records, situate in Section 3, Township 14 North, Range 19 East, Mount Diablo Meridian, Douglas County, Nevada and being more particularly described as follows:

COMMENCING at the Southwest Corner of said Section 3;

Thence North 43°42'39" East a distance of 2828.67 feet to the POINT OF BEGINNING;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of North 42°38'58" West, a radius of 1522.50 feet, a central angle of 23°15'08", a distance of 617.87 feet;

Thence along the arc of a reverse curve to the right having a radius of 327.50 feet, a central angle of 59°57'58", a distance of 342.76 feet to a point on the north line of the Southwest Quarter of said Section 3;

Thence along the north line of said Southwest Quarter, North 89°13'59" East a distance of 1436.81 feet;

Thence departing said north line and along the north line of the Northwest Quarter of the Southeast Quarter of said Section 3, North 89°12'25" East a distance of 273.07 feet;

Thence departing said North line, South 01°38'41" East a distance of 110.72 feet;

Thence South 06°08'05" West a distance of 99.36 feet;

Thence South 27°32'44" West a distance of 107.74 feet;

Thence South 03°18'44" West a distance of 98.96 feet;

Thence South 70°40'55" West a distance of 202.10 feet;

Thence South 66°44'07" West a distance of 117.97 feet;

Thence North 88°18'58" West a distance of 475.67 feet;

Thence South 57°11'57" West a distance of 105.37 feet;

Thence South 47°21'02" West a distance of 127.01 to the POINT OF BEGINNING.

Containing 16.97 acres, more or less.

Parcel 12 as shown on that Record of Survey in Support of a Boundary Line Adjustment for Clear Creek Ranch, L.L.C., filed in the office of the County Recorder of Douglas County, State of Nevada on June 27, 2008, in Book 608, Page 7354, as File No. 725936 of Official Records, situate in Section 3, Township 14 North, Range 19 East, Mount Diablo Meridian, Douglas County, Nevada and being more particularly described as follows:

COMMENCING at the Southwest Corner of said Section 3;

Thence North $14^{\circ}28'03''$ East a distance of 1828.01 feet to the POINT OF BEGINNING;

Thence North $68^{\circ}42'00''$ West a distance of 295.69 feet;

Thence along the arc of a curve to the left having a radius of 322.50 feet, a central angle of $11^{\circ}44'24''$, a distance of 66.08 feet;

Thence along the arc of a reverse curve to the right having a radius of 277.50 feet, a central angle of $06^{\circ}12'11''$, a distance of 30.04 feet;

Thence North $61^{\circ}58'38''$ East a distance of 278.39 feet;

Thence North $36^{\circ}35'53''$ West a distance of 14.28 feet;

Thence North $59^{\circ}39'19''$ East a distance of 352.28 feet;

Thence along the arc of a curve to the right having a radius of 117.02 feet, a central angle of $57^{\circ}34'32''$, a distance of 117.59 feet;

Thence along the arc of a non-tangent curve to the right having a tangent bearing of North $49^{\circ}16'12''$ East, a radius of 161.05 feet, a central angle of $59^{\circ}14'49''$, a distance of 166.53 feet;

Thence South $73^{\circ}21'10''$ East a distance of 759.79 feet;

Thence along the arc of non-tangent curve to the right having a tangent bearing of South $31^{\circ}37'42''$ West, a radius of 377.50 feet, a central angle of $48^{\circ}38'31''$, a distance of 320.48 feet;

Thence along the arc of a reverse curve to the left having a radius of 272.50 feet, a central angle of $09^{\circ}31'15''$, a distance of 45.28 feet;

Thence North $20^{\circ}23'08''$ West a distance of 27.59 feet;

Thence North $87^{\circ}41'11''$ West a distance of 439.95 feet;

Thence along the arc of a curve to the right having a radius of 150.00 feet, a central angle of $45^{\circ}45'37''$, a distance of 122.42 feet;

Thence North $40^{\circ}55'34''$ West a distance of 73.05 feet;

Thence South $49^{\circ}41'07''$ West a distance of 343.67 feet to the POINT OF BEGINNING.

Containing 8.75 acres, more or less.

Parcel 13 as shown on the Record of Survey in Support of a Boundary Line Adjustment for Clear Creek Ranch, L.L.C., filed in the office of the County Recorder of Douglas County, State of Nevada on June 27, 2008, in Book 608, Page 7354, as File No. 725936 of Official Records, situate in Sections 3 and 4, Township 14 North, Range 19 East, Mount Diablo Meridian, Douglas County, Nevada and being more particularly described as follows:

COMMENCING at the Southwest Corner of said Section 3:

Thence North $02^{\circ}17'38''$ West a distance of 677.08 feet to the POINT OF BEGINNING;

Thence South $85^{\circ}00'14''$ West a distance of 534.04 feet:

Thence along the arc of a non-tangent curve to the left having a tangent bearing of North 65°49'46" West, a radius of 222.50 feet, a central angle of 16°27'06", a distance of 63.89 feet;

Thence North 07°43'08" East a distance of 29.40 feet;

Thence North 46°20'38" West a distance of 49.78 feet;

Thence North 68°02'52" West a distance of 618.70 feet;

Thence North 50°16'20" West a distance of 291.77 feet;

Thence North 45°23'56" West a distance of 550.14 feet;

Thence North 28°04'26" West a distance of 97.08 feet;

Thence North 01°10'43" West a distance of 128.24 feet;

Thence North 36°11'32" East a distance of 172.82 feet;

Thence North 67°19'25" East a distance of 626.05 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of South 68°41'59" East, a radius of 272.50 feet, a central angle of 44°47'51", a distance of 213.06 feet;

Thence South 61°11'42" East a distance of 933.74 feet;

Thence North 40°18'09" East a distance of 293.13 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of South 60°24'31" East, a radius of 322.50 feet, a central angle of 20°01'53", a distance of 112.75 feet;

Thence along the arc of a reverse curve to the right having a radius of 277.50 feet, a central angle of 11°44'24", a distance of 56.86 feet;

Thence South 68°42'00" East a distance of 260.74 feet;

Thence South 47°08'37" West a distance of 532.92 feet;

Thence along the arc of a non-tangent curve to the right having a tangent bearing of South 40°40'26" East, a radius of 205.00 feet, a central angle of 137°48'08", a distance of 493.05 feet;

Thence North 73°26'00" West a distance of 773.35 feet;

Thence South 68°03'39" West a distance of 457.83 feet;

Thence South 00°37'40" West a distance of 32.62 feet;

Thence South 61°24'58" East a distance of 620.39 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of South 35°59'42" East, a radius of 223.07 feet, a central angle of 38°53'48", a distance of 151.44 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of South 20°44'56" East, a radius of 50.00 feet, a central angle of 122°54'51", a distance of 107.26 feet;

Thence along the arc of a reverse curve to the right having a radius of 25.50 feet, a central angle of 45°30'42", a distance of 20.26 feet;

Thence North 81°50'55" East a distance of 28.01 feet;

Thence South 67°19'03" East a distance of 188.26 feet;

Thence along the arc of a curve to the right having a radius of 160.00 feet, a central angle of $60^{\circ}22'49''$, a distance of 168.61 feet;

Thence South $06^{\circ}56'14''$ East a distance of 43.86 feet;

Thence North $64^{\circ}46'43''$ East a distance of 434.49 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of South $85^{\circ}41'44''$ East, a radius of 437.50 feet, a central angle of $00^{\circ}34'52''$, a distance of 4.44 feet;

Thence along the arc of a reverse curve to the right having a radius of 302.50 feet, a central angle of $21^{\circ}57'01''$, a distance of 115.89 feet;

Thence South $64^{\circ}19'35''$ East a distance of 7.54 feet;

Thence along the arc of a curve to the right having a radius of 25.50 feet, a central angle of $78^{\circ}50'25''$, a distance of 35.09 feet;

Thence along the arc of a reverse curve to the left having a radius of 222.50 feet, a central angle of $33^{\circ}45'55''$, a distance of 131.12 feet;

Thence along the arc of a reverse curve to the right having a radius of 277.50 feet, a central angle of $48^{\circ}15'35''$, a distance of 233.74 feet;

Thence South $29^{\circ}00'30''$ West a distance of 67.42 feet;

Thence North $47^{\circ}39'18''$ West a distance of 101.73 feet to the POINT OF BEGINNING.

Containing 34.05 acres, more or less.

Parcel 14 as shown on the Record of Survey in Support of a Boundary Line Adjustment for Clear Creek Ranch, L.L.C., filed in the office of the County Recorder of Douglas County, State of Nevada on June 27, 2008, in Book 608, Page 7354, as File No. 725936 of Official Records, situate in Sections 3 4, 9, and 10, Township 14 North, Range 19 East, Mount Diablo Meridian, Douglas County, Nevada and being more particularly described as follows:

COMMENCING at the Southwest Corner of said Section 3;

Thence South $52^{\circ}45'23''$ West a distance of 303.22 feet to the POINT OF BEGINNING;

Thence North $22^{\circ}33'05''$ East a distance of 39.91 feet;

Thence along the arc of a curve to the right having a radius of 215.00 feet, a central angle of $57^{\circ}01'15''$, a distance of 213.97 feet;

Thence North $79^{\circ}34'20''$ East a distance of 265.30 feet;

Thence South $83^{\circ}49'43''$ East a distance of 234.37 feet;

Thence North $65^{\circ}07'48''$ East a distance of 324.52 feet;

Thence North $22^{\circ}11'41''$ West a distance of 37.34 feet;

Thence along the arc of a non-tangent curve to the right having a tangent bearing of South $82^{\circ}04'30''$ West, a radius of 310.00 feet, a central angle of $48^{\circ}47'14''$, a distance of 263.96 feet;

Thence along the arc of a reverse curve to the left having a radius of 365.00 feet, a central angle of $28^{\circ}02'36''$, a distance of 178.65 feet;

Thence along the arc of a reverse curve to the right having a radius of 240.00 feet, a central angle of $52^{\circ}59'50''$, a distance of 221.99 feet;

Thence along the arc of a reverse curve to the left having a radius of 150.00 feet, a central angle of $42^{\circ}21'11''$, a distance of 110.88 feet;

Thence North $29^{\circ}00'30''$ East a distance of 120.56 feet;

Thence along the arc of a curve to the left having a radius of 322.50 feet, a central angle of $48^{\circ}15'35''$, a distance of 271.64; '

Thence along the arc of a reverse curve to the right having a radius of 177.50 feet, a central angle of $32^{\circ}14'34''$, a distance of 99.89 feet;

Thence South $50^{\circ}39'58''$ East a distance of 705.40 feet;

Thence North $89^{\circ}15'43''$ East a distance of 401.46 feet;

Thence along the arc of a curve to the right having a radius of 150.00 feet; a central angle of $61^{\circ}28'23''$, a distance of 160.94 feet;

Thence South $29^{\circ}15'54''$ East a distance of 8.03 feet;

Thence North $74^{\circ}22'53''$ East a distance of 321.90 feet;

Thence North $13^{\circ}33'21''$ West a distance of 418.99 feet;

Thence North $13^{\circ}00'35''$ West a distance of 208.16 feet;

Thence North $06^{\circ}15'21''$ East a distance of 198.49 feet;

Thence North $10^{\circ}23'00''$ East a distance of 480.75 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of North $63^{\circ}07'05''$ East, a radius of 422.50 feet, a central angle of $31^{\circ}29'23''$ a distance of 232.21 feet;

Thence along the arc of a reverse curve to the right having a radius of 277.50 feet, a central angle of $27^{\circ}49'16''$, a distance of 134.75 feet;

Thence along the arc of a reverse curve to the left having a radius of 222.50 feet; a central angle of $08^{\circ}01'37''$, a distance of 31.17 feet;

Thence along the arc of a reverse curve to the right having a radius of 28.50 feet, a central angle of $80^{\circ}25'13''$, a distance of 40.00 feet;

Thence along the arc of a compound curve to the right having a radius of 1477.50 feet, a central angle of $10^{\circ}10'09''$, a distance of 262.23 feet;

Thence South $52^{\circ}00'43''$ West a distance of 110.26 feet;

Thence South $27^{\circ}03'03''$ West a distance of 215.25 feet;

Thence South $09^{\circ}28'15''$ West a distance of 419.47 feet;

Thence South $08^{\circ}37'32''$ East a distance of 806.80 feet;

Thence South $06^{\circ}53'04''$ West a distance of 46.51 feet;

Thence South $35^{\circ}48'00''$ West a distance of 42.21 feet;

Thence South $60^{\circ}28'16''$ West a distance of 54.92 feet;

Thence North $88^{\circ}56'22''$ West a distance of 43.02 feet;
Thence South $05^{\circ}49'43''$ East a distance of 39.22 feet;
Thence South $11^{\circ}56'56''$ West a distance of 42.32 feet;
Thence South $31^{\circ}57'03''$ West a distance of 115.43 feet;
Thence North $78^{\circ}50'35''$ East a distance of 298.06 feet;
Thence South $86^{\circ}37'44''$ East a distance of 888.56 feet;
Thence along the arc of a non-tangent curve to the right having a tangent bearing of South $19^{\circ}51'12''$ East, a radius of 177.50 feet, a central angle of $122^{\circ}13'33''$, a distance of 378.65 feet;
Thence along the arc of a reverse curve to the left having a radius of 672.50 feet, a central angle of $36^{\circ}16'17''$, a distance of 425.73 feet;
Thence South $16^{\circ}06'40''$ West a distance of 140.48 feet;
Thence along the arc of a curve to the right having a radius of 527.50 feet, a central angle of $16^{\circ}06'40''$, a distance of 148.33 feet;
Thence North $47^{\circ}18'21''$ West a distance of 67.11 feet;
Thence South $80^{\circ}22'34''$ West a distance of 474.82 feet;
Thence South $04^{\circ}27'19''$ East a distance of 192.36 feet;
Thence North $86^{\circ}49'18''$ West a distance of 252.56 feet;
Thence along the arc of a curve to the left having a radius of 274.50 feet, a central angle of $32^{\circ}24'16''$, a distance of 155.25 feet;
Thence South $68^{\circ}51'58''$ West a distance of 188.80 Feet;
Thence South $65^{\circ}50'16''$ West a distance of 720.59 feet;
Thence North $20^{\circ}29'28''$ West a distance of 206.77 feet;
Thence North $51^{\circ}38'14''$ West a distance of 48.93 feet;
Thence North $23^{\circ}01'02''$ West a distance of 65.53 feet;
Thence North $59^{\circ}36'49''$ East a distance of 291.94 feet;
Thence North $82^{\circ}59'40''$ West a distance of 591.93 feet;
Thence South $55^{\circ}47'42''$ West a distance of 82.54 feet;
Thence North $78^{\circ}38'33''$ West a distance of 589.01 feet;
Thence South $27^{\circ}29'02''$ West a distance of 38.46 feet;
Thence South $62^{\circ}40'45''$ East a distance of 825.79 feet;
Thence South $86^{\circ}07'21''$ East a distance of 77.83 feet;
Thence North $67^{\circ}49'41''$ East a distance of 100.01 feet;
Thence South $79^{\circ}30'35''$ East a distance of 80.02 feet;

Thence South 60°37'57" East a distance of 63.14 feet;

Thence South 20°29'28" East a distance of 199.68 feet;

Thence along the arc of a curve to the left having a radius of 350.00 feet, a central angle of 00°54'03", a distance of 5.50 feet;

Thence along the arc of a non-tangent reverse curve to the right having a tangent bearing of South 23°22'57" West, a radius of 190.24 feet, a central angle of 132°21'15", a distance of 439.46 feet;

Thence North 70°20'38" West a distance of 472.32 feet;

Thence North 46°59'26" West a distance of 666.05 feet;

Thence South 51°44'09" West a distance of 89.47 feet;

Thence South 17°56'11" East a distance of 240.68 feet;

Thence South 11°37'48" East a distance of 370.70 feet;

Thence along the arc of a curve to the right having a radius of 250.00 feet, a central angle of 45°32'37", a distance of 198.72 feet;

Thence South 33°54'49" West a distance of 200.32 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of South 80°36'29" West, a radius of 872.50 feet, a central angle of 09°56'46", a distance of 151.46 feet;

Thence along the arc of a reverse curve to the right having a radius of 402.50 feet, a central angle of 17°51'58", a distance of 125.51 feet;

Thence North 15°02'27" West a distance of 331.55 feet;

Thence North 04°56'54" West a distance of 223.97 feet;

Thence North 47°17'26" West a distance of 598.02 feet;

Thence North 44°07'51" West a distance of 451.25 feet;

Thence North 53°16'52" East a distance of 249.86 feet;

Thence South 58°39'12" East a distance of 601.85 feet;

Thence North 30°58'50" East a distance of 200.22 feet;

Thence North 35°15'29" East a distance of 100.57 feet;

Thence North 30°11'41" West a distance of 89.77 feet;

Thence South 80°58'33" West a distance of 25.01 feet;

Thence along the arc of a curve to the right having a radius of 80.00, a central angle of 96°00'50", a distance of 134.06 feet;

Thence North 03°00'37" West a distance of 2.63 feet;

Thence North 56°33'27" West a distance of 29.30 feet;

Thence along the arc of a curve to the right having a radius of 40.00 feet, a central angle of 74°00'00", a distance of 51.66 feet;

Thence North 17°26'33" East a distance of 23.22 feet;

Thence along the arc of a curve to the left having a radius of 60.00 feet, a central angle of 107°26'33", a distance of 112.51 feet;

Thence North 90°00'00" West a distance of 28.33 feet;

Thence along the arc of a curve to the right having a radius of 80.00 feet, a central angle of 68°59'07", a distance of 96.32 feet;

Thence North 21°00'53" West a distance of 25.90 feet;

Thence South 50°41'00" West a distance of 357.90 feet;

Thence South 54°11'24" West a distance of 346.67 feet;

Thence North 32°34'32" West a distance of 114.56 feet;

Thence North 25°36'13" West a distance of 116.47 feet;

Thence North 25°32'10" East a distance of 68.64 feet;

Thence North 29°30'12" East a distance of 207.42 feet;

Thence North 64°46'58" East a distance of 886.88 feet;

Thence along the arc of non-tangent curve to the left having a tangent bearing of South 48°51'07" East, a radius of 372.50 feet, a central angle of 22°10'16", a distance of 144.14 feet;

Thence South 13°03'16" West a distance of 57.96 feet;

Thence South 43°10'33" East a distance of 410.79 feet;

Thence South 65°59'00" East a distance of 830.67 feet to the POINT OF BEGINNING.

Containing 110.08 acres, more or less.

Parcel 15 as shown on the Record of Survey in Support of a Boundary Line Adjustment for Clear Creek Ranch, L.L.C., filed in the office of the County Recorder of Douglas County, State of Nevada on June 27, 2008, in Book 608, Page 7354, as File No. 725936 of Official Records, situate in Section 10, Township 14 North, Range 19 East, Mount Diablo Meridian, Douglas County, Nevada and being more particularly described as follows:

COMMENCING at the Northwest Corner of said Section 10;

Thence South 69°45'34" East a distance of 1330.40 feet to the POINT OF BEGINNING;

Thence South 86°49'18" East a distance of 309.87 feet;

Thence along the arc of a curve to the left having a radius of 247.50 feet, a central angle of 59°33'55", a distance of 257.30 feet;

Thence along the arc of a reverse curve to the right having a radius of 277.50 feet, a central angle of 48°35'57", a distance of 235.38 feet;

Thence along the arc of a reverse curve to the left having a radius of 572.50 feet, a central angle of 16°06'40", a distance of 160.98 feet;

Thence North 66°06'04" East a distance of 140.48 feet;

Thence along the arc of a curve to the right having a radius of 627.50 feet, a central angle of $04^{\circ}36'22''$, a distance of 50.45 feet;

Thence South $69^{\circ}06'18''$ East a distance of 729.87 feet;

Thence South $51^{\circ}38'15''$ East a distance of 230.44 feet;

Thence South $05^{\circ}03'22''$ East a distance of 226.16 feet;

Thence South $52^{\circ}11'03''$ West a distance of 126.80 feet;

Thence North $89^{\circ}59'02''$ West a distance of 139.18 feet;

Thence North $45^{\circ}36'05''$ West a distance of 167.23 feet;

Thence North $66^{\circ}27'30''$ West a distance of 546.81 feet;

Thence South $75^{\circ}01'43''$ West a distance of 698.78 feet;

Thence along the arc of a non-tangent curve to the right having a tangent bearing of South $18^{\circ}00'42''$ West, a radius of 210.00 feet, a central angle of $135^{\circ}28'23''$, a distance of 496.53 feet;

Thence North $02^{\circ}48'16''$ West a distance of 247.01 feet to the POINT OF BEGINNING.

Containing 15.33 acres, more or less.

Parcel 16 as shown on the Record of Survey in Support of a Boundary Line Adjustment for Clear Creek Ranch, L.L.C., filed in the office of the County Recorder of Douglas County, State of Nevada on June 27, 2008, in Book 608, Page 7354, as File No. 725936 of Official Records, situate in Sections 3 and 10, Township 14 North, Range 19 East, Mount Diablo Meridian, Douglas County, Nevada and being more particularly described as follows:

COMMENCING at the Southwest Corner of said Section 3;

Thence South $86^{\circ}50'49''$ East a distance of 2304.14 feet to the POINT OF BEGINNING;

Thence along the arc of a non-tangent curve to the right having a tangent bearing of North $70^{\circ}42'26''$ East, a radius of 627.50 feet, a central angle of $31^{\circ}39'55''$, a distance of 346.80 feet;

Thence along the arc of a reverse-curve to the left having a radius of 222.50 feet, a central angle of $122^{\circ}13'33''$, a distance of 474.65 feet;

Thence along the arc of a reverse curve to the right having a radius of 427.50 feet, a central angle of $04^{\circ}50'44''$, a distance of 36.15 feet;

Thence along the arc of a compound curve to the right having a radius of 25.50 feet, a central angle of $96^{\circ}51'28''$, a distance of 43.11 feet;

Thence North $81^{\circ}51'00''$ East a distance of 52.27 feet;

Thence along the arc of a curve to the right having a radius of 177.50 feet, a central angle of $55^{\circ}30'26''$, a distance of 171.96 feet;

Thence along the arc of a reverse curve to the left having a radius of 322.50 feet, a central angle of $24^{\circ}48'51''$, a distance of 139.67 feet;

Thence South $13^{\circ}45'40''$ West a distance of 121.96 feet;

Thence South $22^{\circ}40'01''$ East a distance of 186.87 feet;

Thence South 65°01'02" East a distance of 192.69 feet;

Thence South 73°12'58" West a distance of 486.50 feet;

Thence North 69°06'18" West a distance of 729.87 feet to the POINT OF BEGINNING.

Containing 6.80 acres, more or less.

A non-exclusive easement for ingress and egress as set forth in that certain "Declaration of Covenants, Conditions and Restrictions for Clear Creek Tahoe Recorded July 28, 2008 in Book 0708, Page 5829 as Instrument No. 727575, as Amended by Document recorded October 24, 2008 in Book 1008, Page 3659 as Instrument no. 731858, in the office of the Douglas County Recorder:

BASIS OF BEARINGS: Identical to that of Record of Survey/Boundary Line Adjustment Map Document No. 725936 recorded June 27, 2008, official records of Douglas County, Nevada.

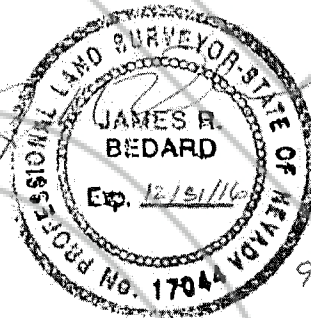
SURVEYOR'S CERTIFICATE

I hereby certify that the attached easement description was prepared by me or under my direct supervision and is accurate to the best of my knowledge and belief.

James R. Bedard
Nevada PLS 17044
For and on behalf of



9850 DOUBLE R BLVD, SUITE 101
RENO, NEVADA 89521
(775) 743-3500



9/15/16

EXHIBIT "B"
Legal Description Of The Annexable Property

Any real property located in Douglas County, Nevada, lying within a 5-mile radius of the perimeter boundaries of the property described on Exhibit "A" of this Declaration.

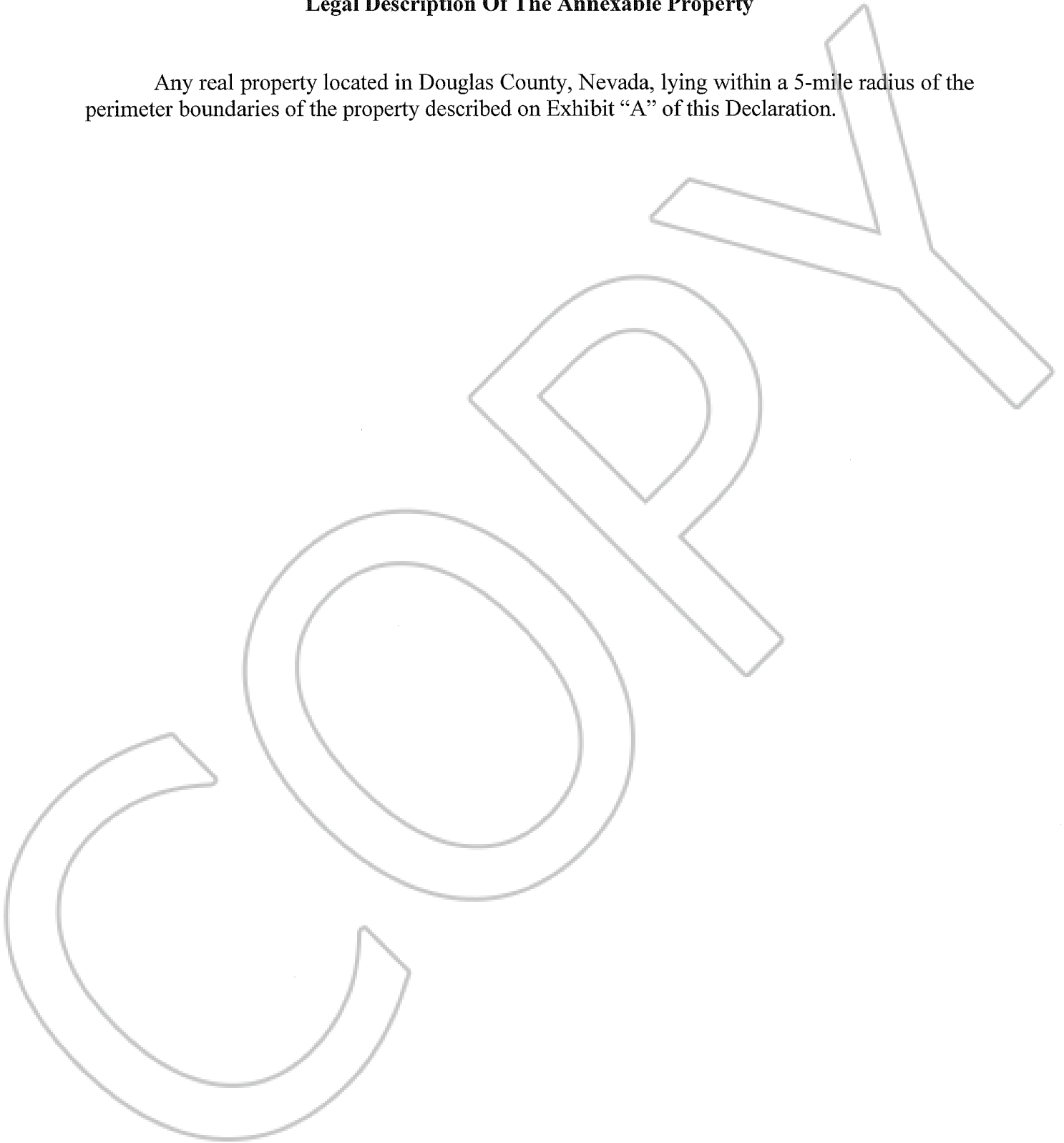


EXHIBIT "C"
LEGAL DESCRIPTION - RECREATION UNITS

Real property in the County of Douglas, State of Nevada, described as follows:

Parcel 11 as shown on that Record of Survey in Support of a Boundary Line Adjustment for Clear Creek Ranch, L.L.C., filed in the office of the County Recorder of Douglas County, State of Nevada on June 27, 2008, in Book 608, Page 7354, as File No. 725936 of Official Records, situate in Section 3, Township 14 North, Range 19 East, Mount Diablo Meridian, Douglas County, Nevada and being more particularly described as follows:

COMMENCING at the Southwest Corner of said Section 3;

Thence North 43°42'39" East a distance of 2828.67 feet to the POINT OF BEGINNING;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of North 42°38'58" West, a radius of 1522.50 feet, a central angle of 23°15'08", a distance of 617.87 feet;

Thence along the arc of a reverse curve to the right having a radius of 327.50 feet, a central angle of 59°57'58", a distance of 342.76 feet to a point on the north line of the Southwest Quarter of said Section 3;

Thence along the north line of said Southwest Quarter, North 89°13'59" East a distance of 1436.81 feet;

Thence departing said north line and along the north line of the Northwest Quarter of the Southeast Quarter of said Section 3, North 89°12'25" East a distance of 273.07 feet;

Thence departing said North line, South 01°38'41" East a distance of 110.72 feet;

Thence South 06°08'05" West a distance of 99.36 feet;

Thence South 27°32'44" West a distance of 107.74 feet;

Thence South 03°18'44" West a distance of 98.96 feet;

Thence South 70°40'55" West a distance of 202.10 feet;

Thence South 66°44'07" West a distance of 117.97 feet;

Thence North 88°18'58" West a distance of 475.67 feet;

Thence South 57°11'57" West a distance of 105.37 feet;

Thence South 47°21'02" West a distance of 127.01 to the POINT OF BEGINNING.

Containing 16.97 acres, more or less.

Parcel 12 as shown on that Record of Survey in Support of a Boundary Line Adjustment for Clear Creek Ranch, L.L.C., filed in the office of the County Recorder of Douglas County, State of Nevada on June 27, 2008, in Book 608, Page 7354, as File No. 725936 of Official Records, situate in Section 3, Township 14 North, Range 19 East, Mount Diablo Meridian, Douglas County, Nevada and being more particularly described as follows:

COMMENCING at the Southwest Corner of said Section 3;

Thence North $14^{\circ}28'03''$ East a distance of 1828.01 feet to the POINT OF BEGINNING;

Thence North $68^{\circ}42'00''$ West a distance of 295.69 feet;

Thence along the arc of a curve to the left having a radius of 322.50 feet, a central angle of $11^{\circ}44'24''$, a distance of 66.08 feet;

Thence along the arc of a reverse curve to the right having a radius of 277.50 feet, a central angle of $06^{\circ}12'11''$, a distance of 30.04 feet;

Thence North $61^{\circ}58'38''$ East a distance of 278.39 feet;

Thence North $36^{\circ}35'53''$ West a distance of 14.28 feet;

Thence North $59^{\circ}39'19''$ East a distance of 352.28 feet;

Thence along the arc of a curve to the right having a radius of 117.02 feet, a central angle of $57^{\circ}34'32''$, a distance of 117.59 feet;

Thence along the arc of a non-tangent curve to the right having a tangent bearing of North $49^{\circ}16'12''$ East, a radius of 161.05 feet, a central angle of $59^{\circ}14'49''$, a distance of 166.53 feet;

Thence South $73^{\circ}21'10''$ East a distance of 759.79 feet;

Thence along the arc of non-tangent curve to the right having a tangent bearing of South $31^{\circ}37'42''$ West, a radius of 377.50 feet, a central angle of $48^{\circ}38'31''$, a distance of 320.48 feet;

Thence along the arc of a reverse curve to the left having a radius of 272.50 feet, a central angle of $09^{\circ}31'15''$, a distance of 45.28 feet;

Thence North $20^{\circ}23'08''$ West a distance of 27.59 feet;

Thence North $87^{\circ}41'11''$ West a distance of 439.95 feet;

Thence along the arc of a curve to the right having a radius of 150.00 feet, a central angle of $45^{\circ}45'37''$, a distance of 122.42 feet;

Thence North $40^{\circ}55'34''$ West a distance of 73.05 feet;

Thence South $49^{\circ}41'07''$ West a distance of 343.67 feet to the POINT OF BEGINNING.

Containing 8.75 acres, more or less.

Parcel 13 as shown on the Record of Survey in Support of a Boundary Line Adjustment for Clear Creek Ranch, L.L.C., filed in the office of the County Recorder of Douglas County, State of Nevada on June 27, 2008, in Book 608, Page 7354, as File No. 725936 of Official Records, situate in Sections 3 and 4, Township 14 North, Range 19 East, Mount Diablo Meridian, Douglas County, Nevada and being more particularly described as follows:

COMMENCING at the Southwest Corner of said Section 3:

Thence North $02^{\circ}17'38''$ West a distance of 677.08 feet to the POINT OF BEGINNING;

Thence South $85^{\circ}00'14''$ West a distance of 534.04 feet:

Thence along the arc of a non-tangent curve to the left having a tangent bearing of North 65°49'46" West, a radius of 222.50 feet, a central angle of 16°27'06", a distance of 63.89 feet;

Thence North 07°43'08" East a distance of 29.40 feet;

Thence North 46°20'38" West a distance of 49.78 feet;

Thence North 68°02'52" West a distance of 618.70 feet;

Thence North 50°16'20" West a distance of 291.77 feet;

Thence North 45°23'56" West a distance of 550.14 feet;

Thence North 28°04'26" West a distance of 97.08 feet;

Thence North 01°10'43" West a distance of 128.24 feet;

Thence North 36°11'32" East a distance of 172.82 feet;

Thence North 67°19'25" East a distance of 626.05 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of South 68°41'59" East, a radius of 272.50 feet, a central angle of 44°47'51", a distance of 213.06 feet;

Thence South 61°11'42" East a distance of 933.74 feet;

Thence North 40°18'09" East a distance of 293.13 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of South 60°24'31" East, a radius of 322.50 feet, a central angle of 20°01'53", a distance of 112.75 feet;

Thence along the arc of a reverse curve to the right having a radius of 277.50 feet, a central angle of 11°44'24", a distance of 56.86 feet;

Thence South 68°42'00" East a distance of 260.74 feet;

Thence South 47°08'37" West a distance of 532.92 feet;

Thence along the arc of a non-tangent curve to the right having a tangent bearing of South 40°40'26" East, a radius of 205.00 feet, a central angle of 137°48'08", a distance of 493.05 feet;

Thence North 73°26'00" West a distance of 773.35 feet;

Thence South 68°03'39" West a distance of 457.83 feet;

Thence South 00°37'40" West a distance of 32.62 feet;

Thence South 61°24'58" East a distance of 620.39 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of South 35°59'42" East, a radius of 223.07 feet, a central angle of 38°53'48", a distance of 151.44 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of South 20°44'56" East, a radius of 50.00 feet, a central angle of 122°54'51", a distance of 107.26 feet;

Thence along the arc of a reverse curve to the right having a radius of 25.50 feet, a central angle of 45°30'42", a distance of 20.26 feet;

Thence North 81°50'55" East a distance of 28.01 feet;

Thence South 67°19'03" East a distance of 188.26 feet;

Thence along the arc of a curve to the right having a radius of 160.00 feet, a central angle of $60^{\circ}22'49''$, a distance of 168.61 feet;

Thence South $06^{\circ}56'14''$ East a distance of 43.86 feet;

Thence North $64^{\circ}46'43''$ East a distance of 434.49 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of South $85^{\circ}41'44''$ East, a radius of 437.50 feet, a central angle of $00^{\circ}34'52''$, a distance of 4.44 feet;

Thence along the arc of a reverse curve to the right having a radius of 302.50 feet, a central angle of $21^{\circ}57'01''$, a distance of 115.89 feet;

Thence South $64^{\circ}19'35''$ East a distance of 7.54 feet;

Thence along the arc of a curve to the right having a radius of 25.50 feet, a central angle of $78^{\circ}50'25''$, a distance of 35.09 feet;

Thence along the arc of a reverse curve to the left having a radius of 222.50 feet, a central angle of $33^{\circ}45'55''$, a distance of 131.12 feet;

Thence along the arc of a reverse curve to the right having a radius of 277.50 feet, a central angle of $48^{\circ}15'35''$, a distance of 233.74 feet;

Thence South $29^{\circ}00'30''$ West a distance of 67.42 feet;

Thence North $47^{\circ}39'18''$ West a distance of 101.73 feet to the POINT OF BEGINNING.

Containing 34.05 acres, more or less.

Parcel 14 as shown on the Record of Survey in Support of a Boundary Line Adjustment for Clear Creek Ranch, L.L.C., filed in the office of the County Recorder of Douglas County, State of Nevada on June 27, 2008, in Book 608, Page 7354, as File No. 725936 of Official Records, situate in Sections 3 4, 9, and 10, Township 14 North, Range 19 East, Mount Diablo Meridian, Douglas County, Nevada and being more particularly described as follows:

COMMENCING at the Southwest Corner of said Section 3;

Thence South $52^{\circ}45'23''$ West a distance of 303.22 feet to the POINT OF BEGINNING;

Thence North $22^{\circ}33'05''$ East a distance of 39.91 feet;

Thence along the arc of a curve to the right having a radius of 215.00 feet, a central angle of $57^{\circ}01'15''$, a distance of 213.97 feet;

Thence North $79^{\circ}34'20''$ East a distance of 265.30 feet;

Thence South $83^{\circ}49'43''$ East a distance of 234.37 feet;

Thence North $65^{\circ}07'48''$ East a distance of 324.52 feet;

Thence North $22^{\circ}11'41''$ West a distance of 37.34 feet;

Thence along the arc of a non-tangent curve to the right having a tangent bearing of South $82^{\circ}04'30''$ West, a radius of 310.00 feet, a central angle of $48^{\circ}47'14''$, a distance of 263.96 feet;

Thence along the arc of a reverse curve to the left having a radius of 365.00 feet, a central angle of $28^{\circ}02'36''$, a distance of 178.65 feet;

Thence along the arc of a reverse curve to the right having a radius of 240.00 feet, a central angle of $52^{\circ}59'50''$, a distance of 221.99 feet;

Thence along the arc of a reverse curve to the left having a radius of 150.00 feet, a central angle of $42^{\circ}21'11''$, a distance of 110.88 feet;

Thence North $29^{\circ}00'30''$ East a distance of 120.56 feet;

Thence along the arc of a curve to the left having a radius of 322.50 feet, a central angle of $48^{\circ}15'35''$, a distance of 271.64; '

Thence along the arc of a reverse curve to the right having a radius of 177.50 feet, a central angle of $32^{\circ}14'34''$, a distance of 99.89 feet;

Thence South $50^{\circ}39'58''$ East a distance of 705.40 feet;

Thence North $89^{\circ}15'43''$ East a distance of 401.46 feet;

Thence along the arc of a curve to the right having a radius of 150.00 feet, a central angle of $61^{\circ}28'23''$, a distance of 160.94 feet;

Thence South $29^{\circ}15'54''$ East a distance of 8.03 feet;

Thence North $74^{\circ}22'53''$ East a distance of 321.90 feet;

Thence North $13^{\circ}33'21''$ West a distance of 418.99 feet;

Thence North $13^{\circ}00'35''$ West a distance of 208.16 feet;

Thence North $06^{\circ}15'21''$ East a distance of 198.49 feet;

Thence North $10^{\circ}23'00''$ East a distance of 480.75 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of North $63^{\circ}07'05''$ East, a radius of 422.50 feet, a central angle of $31^{\circ}29'23''$ a distance of 232.21 feet;

Thence along the arc of a reverse curve to the right having a radius of 277.50 feet, a central angle of $27^{\circ}49'16''$, a distance of 134.75 feet;

Thence along the arc of a reverse curve to the left having a radius of 222.50 feet; a central angle of $08^{\circ}01'37''$, a distance of 31.17 feet;

Thence along the arc of a reverse curve to the right having a radius of 28.50 feet, a central angle of $80^{\circ}25'13''$, a distance of 40.00 feet;

Thence along the arc of a compound curve to the right having a radius of 1477.50 feet, a central angle of $10^{\circ}10'09''$, a distance of 262.23 feet;

Thence South $52^{\circ}00'43''$ West a distance of 110.26 feet;

Thence South $27^{\circ}03'03''$ West a distance of 215.25 feet;

Thence South $09^{\circ}28'15''$ West a distance of 419.47 feet;

Thence South $08^{\circ}37'32''$ East a distance of 806.80 feet;

Thence South $06^{\circ}53'04''$ West a distance of 46.51 feet;

Thence South $35^{\circ}48'00''$ West a distance of 42.21 feet;

Thence South $60^{\circ}28'16''$ West a distance of 54.92 feet;

Thence North $88^{\circ}56'22''$ West a distance of 43.02 feet;
Thence South $05^{\circ}49'43''$ East a distance of 39.22 feet;
Thence South $11^{\circ}56'56''$ West a distance of 42.32 feet;
Thence South $31^{\circ}57'03''$ West a distance of 115.43 feet;
Thence North $78^{\circ}50'35''$ East a distance of 298.06 feet;
Thence South $86^{\circ}37'44''$ East a distance of 888.56 feet;
Thence along the arc of a non-tangent curve to the right having a tangent bearing of South $19^{\circ}51'12''$ East, a radius of 177.50 feet, a central angle of $122^{\circ}13'33''$, a distance of 378.65 feet;
Thence along the arc of a reverse curve to the left having a radius of 672.50 feet, a central angle of $36^{\circ}16'17''$, a distance of 425.73 feet;
Thence South $16^{\circ}06'40''$ West a distance of 140.48 feet;
Thence along the arc of a curve to the right having a radius of 527.50 feet, a central angle of $16^{\circ}06'40''$, a distance of 148.33 feet;
Thence North $47^{\circ}18'21''$ West a distance of 67.11 feet;
Thence South $80^{\circ}22'34''$ West a distance of 474.82 feet;
Thence South $04^{\circ}27'19''$ East a distance of 192.36 feet;
Thence North $86^{\circ}49'18''$ West a distance of 252.56 feet;
Thence along the arc of a curve to the left having a radius of 274.50 feet, a central angle of $32^{\circ}24'16''$, a distance of 155.25 feet;
Thence South $68^{\circ}51'58''$ West a distance of 188.80 Feet;
Thence South $65^{\circ}50'16''$ West a distance of 720.59 feet;
Thence North $20^{\circ}29'28''$ West a distance of 206.77 feet;
Thence North $51^{\circ}38'14''$ West a distance of 48.93 feet;
Thence North $23^{\circ}01'02''$ West a distance of 65.53 feet;
Thence North $59^{\circ}36'49''$ East a distance of 291.94 feet;
Thence North $82^{\circ}59'40''$ West a distance of 591.93 feet;
Thence South $55^{\circ}47'42''$ West a distance of 82.54 feet;
Thence North $78^{\circ}38'33''$ West a distance of 589.01 feet;
Thence South $27^{\circ}29'02''$ West a distance of 38.46 feet;
Thence South $62^{\circ}40'45''$ East a distance of 825.79 feet;
Thence South $86^{\circ}07'21''$ East a distance of 77.83 feet;
Thence North $67^{\circ}49'41''$ East a distance of 100.01 feet;
Thence South $79^{\circ}30'35''$ East a distance of 80.02 feet;

Thence South $60^{\circ}37'57''$ East a distance of 63.14 feet;

Thence South $20^{\circ}29'28''$ East a distance of 199.68 feet;

Thence along the arc of a curve to the left having a radius of 350.00 feet, a central angle of $00^{\circ}54'03''$, a distance of 5.50 feet;

Thence along the arc of a non-tangent reverse curve to the right having a tangent bearing of South $23^{\circ}22'57''$ West, a radius of 190.24 feet, a central angle of $132^{\circ}21'15''$, a distance of 439.46 feet;

Thence North $70^{\circ}20'38''$ West a distance of 472.32 feet;

Thence North $46^{\circ}59'26''$ West a distance of 666.05 feet;

Thence South $51^{\circ}44'09''$ West a distance of 89.47 feet;

Thence South $17^{\circ}56'11''$ East a distance of 240.68 feet;

Thence South $11^{\circ}37'48''$ East a distance of 370.70 feet;

Thence along the arc of a curve to the right having a radius of 250.00 feet, a central angle of $45^{\circ}32'37''$, a distance of 198.72 feet;

Thence South $33^{\circ}54'49''$ West a distance of 200.32 feet;

Thence along the arc of a non-tangent curve to the left having a tangent bearing of South $80^{\circ}36'29''$ West, a radius of 872.50 feet, a central angle of $09^{\circ}56'46''$, a distance of 151.46 feet;

Thence along the arc of a reverse curve to the right having a radius of 402.50 feet, a central angle of $17^{\circ}51'58''$, a distance of 125.51 feet;

Thence North $15^{\circ}02'27''$ West a distance of 331.55 feet;

Thence North $04^{\circ}56'54''$ West a distance of 223.97 feet;

Thence North $47^{\circ}17'26''$ West a distance of 598.02 feet;

Thence North $44^{\circ}07'51''$ West a distance of 451.25 feet;

Thence North $53^{\circ}16'52''$ East a distance of 249.86 feet;

Thence South $58^{\circ}39'12''$ East a distance of 601.85 feet;

Thence North $30^{\circ}58'50''$ East a distance of 200.22 feet;

Thence North $35^{\circ}15'29''$ East a distance of 100.57 feet;

Thence North $30^{\circ}11'41''$ West a distance of 89.77 feet;

Thence South $80^{\circ}58'33''$ West a distance of 25.01 feet;

Thence along the arc of a curve to the right having a radius of 80.00, a central angle of $96^{\circ}00'50''$, a distance of 134.06 feet;

Thence North $03^{\circ}00'37''$ West a distance of 2.63 feet;

Thence North $56^{\circ}33'27''$ West a distance of 29.30 feet;

Thence along the arc of a curve to the right having a radius of 40.00 feet, a central angle of $74^{\circ}00'00''$, a distance of 51.66 feet;

Thence North 17°26'33" East a distance of 23.22 feet;

Thence along the arc of a curve to the left having a radius of 60.00 feet, a central angle of 107°26'33", a distance of 112.51 feet;

Thence North 90°00'00" West a distance of 28.33 feet;

Thence along the arc of a curve to the right having a radius of 80.00 feet, a central angle of 68°59'07", a distance of 96.32 feet;

Thence North 21°00'53" West a distance of 25.90 feet;

Thence South 50°41'00" West a distance of 357.90 feet;

Thence South 54°11'24" West a distance of 346.67 feet;

Thence North 32°34'32" West a distance of 114.56 feet;

Thence North 25°36'13" West a distance of 116.47 feet;

Thence North 25°32'10" East a distance of 68.64 feet;

Thence North 29°30'12" East a distance of 207.42 feet;

Thence North 64°46'58" East a distance of 886.88 feet;

Thence along the arc of non-tangent curve to the left having a tangent bearing of South 48°51'07" East, a radius of 372.50 feet, a central angle of 22°10'16", a distance of 144.14 feet;

Thence South 13°03'16" West a distance of 57.96 feet;

Thence South 43°10'33" East a distance of 410.79 feet;

Thence South 65°59'00" East a distance of 830.67 feet to the POINT OF BEGINNING.

Containing 110.08 acres, more or less.

Parcel 15 as shown on the Record of Survey in Support of a Boundary Line Adjustment for Clear Creek Ranch, L.L.C., filed in the office of the County Recorder of Douglas County, State of Nevada on June 27, 2008, in Book 608, Page 7354, as File No. 725936 of Official Records, situate in Section 10, Township 14 North, Range 19 East, Mount Diablo Meridian, Douglas County, Nevada and being more particularly described as follows:

COMMENCING at the Northwest Corner of said Section 10;

Thence South 69°45'34" East a distance of 1330.40 feet to the POINT OF BEGINNING;

Thence South 86°49'18" East a distance of 309.87 feet;

Thence along the arc of a curve to the left having a radius of 247.50 feet, a central angle of 59°33'55", a distance of 257.30 feet;

Thence along the arc of a reverse curve to the right having a radius of 277.50 feet, a central angle of 48°35'57", a distance of 235.38 feet;

Thence along the arc of a reverse curve to the left having a radius of 572.50 feet, a central angle of 16°06'40", a distance of 160.98 feet;

Thence North 66°06'04" East a distance of 140.48 feet;

Thence along the arc of a curve to the right having a radius of 627.50 feet, a central angle of $04^{\circ}36'22''$, a distance of 50.45 feet;

Thence South $69^{\circ}06'18''$ East a distance of 729.87 feet;

Thence South $51^{\circ}38'15''$ East a distance of 230.44 feet;

Thence South $05^{\circ}03'22''$ East a distance of 226.16 feet;

Thence South $52^{\circ}11'03''$ West a distance of 126.80 feet;

Thence North $89^{\circ}59'02''$ West a distance of 139.18 feet;

Thence North $45^{\circ}36'05''$ West a distance of 167.23 feet;

Thence North $66^{\circ}27'30''$ West a distance of 546.81 feet;

Thence South $75^{\circ}01'43''$ West a distance of 698.78 feet;

Thence along the arc of a non-tangent curve to the right having a tangent bearing of South $18^{\circ}00'42''$ West, a radius of 210.00 feet, a central angle of $135^{\circ}28'23''$, a distance of 496.53 feet;

Thence North $02^{\circ}48'16''$ West a distance of 247.01 feet to the POINT OF BEGINNING.

Containing 15.33 acres, more or less.

Parcel 16 as shown on the Record of Survey in Support of a Boundary Line Adjustment for Clear Creek Ranch, L.L.C., filed in the office of the County Recorder of Douglas County, State of Nevada on June 27, 2008, in Book 608, Page 7354, as File No. 725936 of Official Records, situate in Sections 3 and 10, Township 14 North, Range 19 East, Mount Diablo Meridian, Douglas County, Nevada and being more particularly described as follows:

COMMENCING at the Southwest Corner of said Section 3;

Thence South $86^{\circ}50'49''$ East a distance of 2304.14 feet to the POINT OF BEGINNING;

Thence along the arc of a non-tangent curve to the right having a tangent bearing of North $70^{\circ}42'26''$ East, a radius of 627.50 feet, a central angle of $31^{\circ}39'55''$, a distance of 346.80 feet;

Thence along the arc of a reverse-curve to the left having a radius of 222.50 feet, a central angle of $122^{\circ}13'33''$, a distance of 474.65 feet;

Thence along the arc of a reverse curve to the right having a radius of 427.50 feet, a central angle of $04^{\circ}50'44''$, a distance of 36.15 feet;

Thence along the arc of a compound curve to the right having a radius of 25.50 feet, a central angle of $96^{\circ}51'28''$, a distance of 43.11 feet;

Thence North $81^{\circ}51'00''$ East a distance of 52.27 feet;

Thence along the arc of a curve to the right having a radius of 177.50 feet, a central angle of $55^{\circ}30'26''$, a distance of 171.96 feet;

Thence along the arc of a reverse curve to the left having a radius of 322.50 feet, a central angle of $24^{\circ}48'51''$, a distance of 139.67 feet;

Thence South $13^{\circ}45'40''$ West a distance of 121.96 feet;

Thence South $22^{\circ}40'01''$ East a distance of 186.87 feet;

Thence South 65°01'02" East a distance of 192.69 feet;

Thence South 73°12'58" West a distance of 486.50 feet;

Thence North 69°06'18" West a distance of 729.87 feet to the POINT OF BEGINNING.

Containing 6.80 acres, more or less.

A non-exclusive easement for ingress and egress as set forth in that certain "Declaration of Covenants, Conditions and Restrictions for Clear Creek Tahoe Recorded July 28, 2008 in Book 0708, Page 5829 as Instrument No. 727575, as Amended by Document recorded October 24, 2008 in Book 1008, Page 3659 as Instrument no. 731858, in the office of the Douglas County Recorder.

BASIS OF BEARINGS: Identical to that of Record of Survey/Boundary Line Adjustment Map Document No. 725936 recorded June 27, 2008, official records of Douglas County, Nevada.

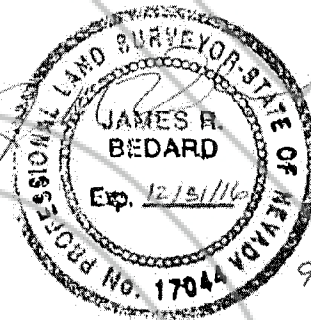
SURVEYOR'S CERTIFICATE

I hereby certify that the attached easement description was prepared by me or under my direct supervision and is accurate to the best of my knowledge and belief.

James R. Bedard
Nevada PLS 17044
For and on behalf of



9850 DOUBLE R BLVD, SUITE 101
RENO, NEVADA 89521
(775) 743-3500



9/15/16