

DOUGLAS COUNTY, NV

2017-902102

Rec:\$137.00

\$137.00 Pgs=124

07/31/2017 11:39 AM

FIRST CENTENNIAL - RENO (MAIN OFFICE)

KAREN ELLISON, RECORDER

APN 1318-23-301-001

Recording requested and
when recorded return to:

Sierra Colina, LLC
P.O. Box 460
Glenbrook, NV 89413-0460

*The undersigned hereby
affirms that this document
does not contain the social
security number of any
person.*

**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS OF
SIERRA COLINA HOMEOWNERS' ASSOCIATION**

TABLE OF CONTENTS

Article I. GENERAL PROVISIONS 8

1.1 Applicability 8

1.2 Definitions..... 8

1.3 Other Basic Provisions..... 12

Article II. DECLARANT'S RESERVED RIGHTS 13

2.1 Development and Special Rights 13

Article III. PROPERTY RIGHTS..... 15

3.1 Ownership 15

3.2 Townhouse Buildings 16

3.3 Recording Data 16

3.4 Lot Boundary Relocations 16

3.5 Modification..... 16

3.6 Conveyance and Encumbrance of Common Area 16

3.7 Taxes and Assessments..... 16

3.8 Indemnification 17

Article IV. PROPERTY USE..... 17

4.1 Single Family Only 17

4.2 No Group Homes 18

4.3 No Interferences with Drainage 18

4.4 Yard Objects 18

4.5 New structures Only/No Prefabricated or Ancillary Structures 18

4.6 Square Footage Minimums 18

4.7 Restriction on Number of Dwellings 18

4.8 No Water Pollution 18

4.9 No Garbage/Trash Receptacles..... 19

4.10 Repair of Damaged Structures 19

4.11 Excavation Restrictions 19

4.12 Paints and Finishes..... 19

4.13 Storage Restrictions 19

4.14 Prohibition on Clothes Lines 20

4.15 Sign and Flag Restrictions 20

4.16 Garage Requirements..... 20

4.17 Separation of Ownerships 21

4.18 No Occupancy without C of O..... 21

4.19 No Violation of Law 21

4.20 Weeds..... 21

4.21 Subdividing and Land Use..... 21

4.22 Paved Surface Requirements 21

4.23 Parking and Storage of Vehicles..... 21

4.24 Completion of Construction..... 22

4.25 Maintenance of Residences..... 22

4.26 Fences and Obstructions 22

4.27 Animals..... 23

4.28	<u>Antennae/Exterior Or Roof-Mounted Equipment</u>	23
4.29	<u>Pools, Sports and Play Equipment</u>	24
4.30	<u>Defacing of Common Area</u>	24
4.31	<u>Limited Lot Access</u>	24
4.32	<u>Operation of Motor Vehicles</u>	24
4.33	<u>Use of Water Features</u>	24
4.34	<u>Impairment of Wildlife</u>	24
4.35	<u>Disturbing Activities</u>	25
4.36	<u>Discharge of Weapons</u>	25
4.37	<u>No Temporary Structures</u>	25
4.38	<u>Prohibition of Noxious Activities</u>	25
4.39	<u>Business Activities</u>	25
4.40	<u>Machinery and Equipment</u>	27
4.41	<u>Disease and Pests</u>	27
4.42	<u>Children</u>	27
4.43	<u>Activities Affecting Insurance</u>	27
4.44	<u>Window Coverings</u>	27
4.45	<u>Variances</u>	27
4.46	<u>Rentals</u>	28
4.47	<u>Drones; UAVs</u>	28
<u>Article V. TRPA AND DOUGLAS COUNTY REQUIREMENTS</u>		28
5.1	<u>TRPA Conditions of Approval</u>	28
5.1.1	<u>Landscaping Standards</u>	28
5.1.2	<u>Exterior Lighting Standards</u>	28
5.1.3	<u>Parking</u>	29
5.1.4	<u>Best Management Practices; SEZ Protection</u>	29
5.1.5	<u>Combustion Appliances</u>	29
5.1.6	<u>Snow Storage Standards</u>	29
5.1.7	<u>Underground Utilities</u>	29
5.1.8	<u>TRPA Enforcement</u>	30
5.2	<u>Douglas County Conditions of Approval</u>	30
5.2.1	<u>Maintenance of Common Area and Improvements</u>	30
5.2.2	<u>Maintenance of Private Roads</u>	30
5.2.3	<u>Shared Water Quality Facility #3</u>	30
5.2.4	<u>Water and Sewer</u>	31
5.2.5	<u>Building Envelope</u>	31
5.2.6	<u>Fire Sprinklers</u>	31
5.2.7	<u>Common Area Uses</u>	31
5.2.8	<u>Parking and Gates</u>	32
5.2.9	<u>Douglas County Enforcement</u>	32
<u>Article VI. EASEMENTS</u>		32
6.1	<u>Reservation</u>	32
6.1.1	<u>Easement Right of Declarant Incident to Construction and/or Marketing or Sales Activities</u>	32

6.1.2 Utilities and Drainage	32
6.1.3 Maintenance Easement	33
6.1.4 Easements for and Restriction on Landscape Alteration	33
6.1.5 Fencing Facing Common Area	33
6.1.6 Streets and Signs	34
6.1.7 Snow Removal and Snow Placement	34
6.1.8 Emergency Right of Entry	34
6.1.9 Construction Impact Easement	34
6.1.10 Ingress and Egress.....	35
6.1.11 Easements for Encroachments	35
6.1.12 Exclusive Use Limited Common Area	35
6.2 Transfer of Easements.....	36
6.3 Use or Maintenance by Owners	36
6.4 Liability for Use of Easement	36
6.5 Modification.....	36
Article VII. ASSOCIATION ORGANIZATION, POWERS AND DUTIES.....	36
7.1 Formation and Management	36
7.2 Association Powers.....	37
7.3 Discretionary Powers of the Association.....	38
7.4 Membership	39
7.5 Rights and Duties of Members	39
7.6 Action by the Association.....	39
7.7 Declarant Control.....	39
7.8 Title to Common Area	40
7.9 Meetings.....	40
7.10 Notice of Meeting to Consider Capital Improvements or Certain Civil Actions	40
7.11 Minutes of Meetings of Members.....	41
7.12 Audiotape of Meeting	42
7.13 Definition of Emergency.....	42
7.14 Quorums and Voting.....	42
7.15 Members' Approval	42
7.16 Inspection of Association Books and Records.....	43
7.17 Ownership of Common Area	43
7.18 Notices	43
7.19 Insurance	43
7.20 Fines.....	43
7.21 Rules and Regulations.....	43
7.22 Transfer of Voting Power	43
7.23 Suspension of Voting Rights	44
Article VIII. BOARD OF DIRECTORS.....	44
8.1 Officers and Members of Board	44
8.2 Elected Directors and Officers.....	44
8.3 Terms of Directors	44
8.4 Qualifications of Directors.....	44

8.5 Election Ballot	45
8.6 Conduct of Election	46
8.7 Removal of Director	46
8.8 Certification by Director	46
8.9 Meetings of Board of Directors	46
8.10 Notice of Meeting of the Board	46
8.11 Agenda of Board Meeting.....	47
8.12 Right of Owner to Have Certain Complaints Placed on Agenda	48
8.13 Right of Owners to Speak at Certain Board Meetings.....	48
8.14 Executive Session	48
8.15 Periodic Review of Financial and Legal Matters.....	49
8.16 Minutes of Meetings of the Board	50
8.17 Quorum	51
8.18 Duty of Board to Act on Behalf of the Association.....	51
8.19 Limitations on Authority of the Board.....	51
8.20 Indemnification	51
8.21 Prohibition Against Improper Influence.....	51
8.22 Prohibition Against Certain Contracts.....	51
8.23 Maintenance and Availability of Association's Records.....	52
8.24 Maintenance and Availability of Certain Financial Records.....	53
8.25 Retaliatory Action Prohibited	53
Article IX. MAINTENANCE, REPAIR AND REPLACEMENT	53
9.1 Obligations of Owners	53
Article X. ARCHITECTURAL CONTROLS	56
10.1 Committee Establishment and Membership.....	56
10.2 Written Approval of Plans	56
10.3 Committee Powers	56
10.4 Time of Decision.....	57
10.5 No Improvements Without Approval	57
10.6 Grounds for Disapproval.....	57
10.7 Rules and Regulations.....	57
10.8 No Inspection Required	58
10.9 Conformance to Plans Required	58
10.10 Variances.....	58
10.11 Certification of Compliance.....	58
10.12 Filing Fee	58
10.13 Liability.....	58
10.14 Enforcement.....	59
Article XI. FINANCES	59
11.1 Preparation, Adoption, and Distribution of Budget by the Board	59
11.2 Budget Summary Copies	60
11.3 Ratification of Budget.....	60
11.4 Reserves	61
11.4.1 Establishment of Adequate Reserves.....	61

11.4.2 Duty of the Board Regarding Study of Reserves.....	61
11.4.3 Study of Reserves	61
11.4.4 Withdrawals for Reserve Accounts.....	62
Article XII. ASSESSMENTS	62
12.1 Agreement to Pay.....	62
12.2 Personal Obligations	62
12.3 Purpose and Amount of Assessments	63
12.4 Annual Assessments	63
12.5 Special Assessments By revised Budget.....	63
12.6 Special Assessments	63
12.7 Uniform Rate of Assessment	64
12.8 Assessment Period	65
12.9 Notice of Assessments; Time for Payment.....	65
12.10 Statement of Account.....	65
12.11 Collection of Assessments	66
12.12 Lien for Assessments	66
12.13 Priority of Liens	66
12.14 Perfection of a Lien.....	66
12.15 Exempt Property	66
12.16 Suspension of Owner's Rights.....	67
12.17 Fiscal Year	67
12.18 Transfer Fees.....	67
Article XIII. PROTECTION OF LENDERS.....	67
13.1 General.....	67
13.2 Encumbrance of Residences Permitted.....	67
13.3 Subordination	68
13.4 Limited Liability for Unpaid Assessments	68
13.5 Breach of Covenants	68
13.6 Notice of Default.....	68
13.7 Other Notices	68
13.8 Insurance Proceeds and Condemnation Awards.....	69
13.9 Appearance at Meetings.....	69
13.10 Right to Examine Books and Records; Agreements.....	69
13.11 Right to Consent to Termination.....	69
13.12 Amendments of a Material Nature.....	69
13.13 Participation of Eligible Mortgage Holders.....	70
Article XIV. INSURANCE	70
14.1 Insurance which the Association is Obligated to Obtain.....	70
14.1.1 Fire and Property Insurance.....	71
14.1.2 Commercial General Liability Insurance.....	72
14.1.3 Worker's Compensation and Employer's Liability Insurance.....	73
14.1.4 Director's and Officers' Liability Insurance.....	73
14.1.5 Crime Insurance	73
14.1.6 Additional Insurance.....	73

14.1.7 Premiums and Review	73
14.1.8 Unavailability of Insurance.....	73
14.1.9 Certificates of Insurance	73
14.1.10 Adjustment of Losses.....	74
14.2 Owner’s Insurance Responsibilities Which Each Owner is Obligated to Obtain (and Prohibited to Obtain)	74
14.2.1 Individual Owner Fire, Casualty & Liability Policy Prohibitions	74
14.2.2 Owner’s HO6 Policy of Insurance Obligations	74
14.2.3 Owner Responsibility for Losses Exceeding Association Insurance Proceeds	75
Article XV. <u>CONDEMNATION</u>	75
Article XVI. <u>LIMITATION OF RESTRICTIONS</u>	75
16.1 General/Assignment.....	75
16.2 Limitations on Restrictions	75
16.3 Modification.....	76
Article XVII. <u>ADDITIONAL DISCLOSURES, DISCLAIMERS AND RELEASES</u> ..	76
17.1 Additional Disclosures, Disclaimers and Releases.....	76
17.2 Releases.....	82
Article XVIII. <u>MISCELLANEOUS</u>	82
18.1 Enforcement.....	82
18.2 Suspension of Privileges	83
18.3 Severability	83
18.4 Amendment.....	83
18.5 Declarant Consent to Withdrawal of Real Estate	84
18.6 Approval or Consent of Declarant	84
18.7 Compliance with the Act	84
18.8 Declarant’s Right to Repair	84
18.9 Liability.....	85
18.10 Attorneys Fees and Costs.....	85
18.11 Cumulative Rights/Waiver.....	85
18.12 Grantee’s Acceptance	85
18.13 Use of the Words “Sierra Colina”.....	86
18.14 Interpretation.....	86
18.15 Choice of Law/Venue	86
18.16 Gender and Number.....	86
18.17 Conflicts.....	86

**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS OF
SIERRA COLINA HOMEOWNERS' ASSOCIATION**

This Declaration of Covenants, Conditions and Restrictions (this "Declaration") is made this 26th day of July, 2017, by SIERRA COLINA HOMEOWNERS' ASSOCIATION, a Nevada nonprofit corporation, and SIERRA COLINA, LLC, a Nevada limited liability company, hereinafter referred to collectively as "Declarant".

Declarant is the owner of certain real property (the "Property") located in Stateline, Douglas County, Nevada, as more particularly described on Exhibits "A" and A-1 attached hereto and incorporated herein by this reference. Developer intends to develop the Property into a common interest community (as that is defined in NRS Chapter 116) known as "Sierra Colina" (such common interest community as it may be developed, the "Project").

Declarant hereby declares that the Original Property (defined below) and any and all additional real estate annexed thereto pursuant to the provisions of this Declaration, together with any and all improvements thereon and appurtenances thereunto, shall be held, sold, and conveyed subject to the following covenants, conditions, and restrictions contained in this Declaration. Such covenants, conditions and restrictions ("Declaration") are for the purpose of protecting the value and desirability of the real property in the Project. This Declaration shall inure to the benefit and bind all parties having any right, title or interest in the real property or any part thereof, their heirs, executors, administrators, successors and assigns.

The provisions of this Declaration are intended to create mutual equitable servitudes upon each of the Lots in the Project in favor of each and all other Lots; to create reciprocal rights between the respective Owners of all such Lots; to create a privity of contract and estate between the grantees of such parcels, their heirs, successors and assigns; and shall, as to the Owners of each parcel, its heirs, successors or assign, operate as covenants running with the land for the benefit of each and all other parcels in the Project and their respective Owners, present and future.

Article I. GENERAL PROVISIONS

1.1 Applicability. This Declaration is made in compliance with the Uniform Common-Interest Ownership Act, Chapter 116 of the Nevada Revised Statutes (the "Act").

1.2 Definitions. The following terms as used in this Declaration are defined as follows:

1.2.1 “Act” shall mean Nevada’s Uniform Common Interest Ownership Act, set forth in Chapter 116 of Nevada Revised Statutes, as the same may be amended from time to time. Except as otherwise indicated, capitalized terms herein shall have the same meanings ascribed to such terms in the Act.

1.2.2 “Adjacent Wall” means the wall of a Townhouse Building that is located immediately adjacent to a Lot boundary line shared with the adjacent Residence within a Townhome Building. The rights and responsibilities of Owners with respect to Adjacent Walls shall be governed by Section 9.1.1.1, below.

1.2.3 “Allocated Interest” shall mean the following interests allocated to each Lot: a non-exclusive easement of enjoyment of all Common Area; certain easements and the right to the benefits, use and enjoyment of Limited Common Area and Exclusive Use Common Area; liability for assessments pro-rata (based on the number of Lots) for Common Expenses (in addition to any special assessments as set forth herein); and membership and one vote in the Association, per Lot owned, which membership and vote shall be appurtenant to the Lot; all of which are subject to the covenants conditions and restrictions contained in this Declaration, as may be amended from time to time.

1.2.4 “Annexable Property” mean the real property described in Exhibit "A-1" attached hereto, together with any unspecified additional real property added thereto by Declarant, all or any portion of which may from time-to-time be made subject hereto pursuant to the provisions hereof.

1.2.5 “Articles” means the Articles of Incorporation of the Association.

1.2.6 “Association” means Sierra Colina Homeowners’ Association, the property owners’ association, which is a Nevada nonprofit corporation, and its successors and assigns.

1.2.7 “Board” means the Board of Directors of the Association.

1.2.8 “Bylaws” mean the Bylaws of the Association.

1.2.9 “Committee” means a committee appointed by the Board of Directors pursuant to the Bylaws or the Articles.

1.2.10 “Common Area” shall mean all that real property identified on a Final Map as “Common Area” together with all improvements which may at any time be located or constructed thereon and designated as such in this Declaration or pursuant to any maps recorded within the Project which may include the following types of improvements in the Common Area: fencing, seating areas, paths, walkways, sidewalks, trails, open space, gates, gatehouses, signs, (e.g. street signs, regulatory signs, traffic signs, monument and project signs, “for Sale” and “for lease” signs), entry ways,

drainage ways and drainage facilities, private streets and curbs, private security, lighting, snow removal and storage areas, landscaping, fire modification and fuel breaks, residential parking areas, surface water retention areas, access roads, water and sewer facilities, and a community building.

1.2.11 “County” shall mean Douglas County, State of Nevada.

1.2.12 “Common Expenses” shall mean expenditures made by, or financial liabilities of, the Association, together with any allocation to reserves, including the actual and estimated costs of: maintenance, insurance, management, operation, repair and replacement of Common Areas and Limited Common Areas; unpaid special or capital assessment; irrigation and maintenance of landscaping and/or ground cover on Common Area; the costs of any commonly metered utilities; costs of management and administration of the Association including but not limited to, compensation paid by the Association to a community manager, accountants, attorneys, consultants, and employees; costs of all utilities, gardening, trash pickup and disposal, and other services benefiting the Common Area; costs of fire, casualty and liability insurance, workers’ compensation insurance, and any other insurance covering the Association, Common Area, Lots or Residences or deemed prudent and necessary by the Board; costs of bonding the Board, Officers, Manager or any other person handling the funds of the Association; any statutorily required ombudsman fees; taxes paid by the Association; amount paid by the Association for discharge of any lien or encumbrance levied against the Common Area or Lots or deemed prudent and necessary by the Board; costs of any other item or items incurred by the Association for any reason whatsoever in connection with the Project for the benefit of the Owners; prudent reserves; costs to maintain and or reimburse County to maintain Shared Water Quality Improvements and any other expenses for which the Association is responsible pursuant to this Declaration or pursuant to any applicable provision of NRS Chapter 116.

1.2.13 “Community Building” shall mean a Common Area building, which, if built, would be a community use building for occasional use by the Owners, subject to this Declaration and any rules and regulations adopted by the Board.

1.2.14 “Declaration” means this Declaration and any future amendments hereto.

1.2.15 “Development Rights” means any right or combination of rights reserved by Declarant in the Declaration to:

1.2.15.1 add real estate to the Project;

1.2.15.2 create Residences, Common Elements, Common Area, Limited Common Area or Exclusive Use Common Area within the Project; and

1.2.15.3 withdraw real property from the Project.

1.2.16 "Division" means the Nevada Real Estate Division.

1.2.17 "Exclusive Use Common Area" means the driveway of each Residence and the walkway from such driveway to the door of each Residence (to the extent not located on the Lot) in the location originally built, and, where applicable, the area in which any effluent lift station is located beneath or adjacent to a Residence, which areas shall be a subset of Limited Common Area and are intended for the exclusive use of that Residence Owner (subject to the easements, maintenance obligations and other covenants, conditions and restrictions contained in this Declaration).

1.2.18 "Governing Documents" shall mean this Declaration, the Articles, the Bylaws, Rules and Regulations and any other documents that govern the operation of the common interest community and amendments thereto.

1.2.19 "Improvements" mean all buildings, out buildings, garages, streets, roads, trails, pathways, driveways, parking areas, gates, monuments, fences, retaining and other walls, decks, exterior air conditioning, signs, landscaping, light standards, antennae/satellite dishes, walls, drainage facilities, water, electric, sewer and natural gas facilities, and any other structure of any type or kind.

1.2.20 "Limited Common Area" means that portion of Common Area intended for the exclusive use of one (1) or more but fewer than all of the Lots, for which the Association shall be responsible, as a Common Expense, to maintain, inclusive of building exteriors and foundations, lift stations, gutters, heat tape, driveways, roofs, walkways, appurtenant yard areas (as shown on a Final Map), and decks. Limited Common Area includes Exclusive Use Common Area. Nothing herein will require that Declarant or the Association separately allocate the expenses of maintaining Limited Common Area to the Owners of Lots benefited by such Limited Common Area.

1.2.21 "Lot" means any legal lot that is to be used for residential purposes created pursuant to a Final Map. The number and configuration of Lots may change pursuant to the process of approval of tentative or final subdivision maps by the County, or as otherwise specified herein.

1.2.22 "Member" or "Membership". "Member" shall mean any person or legal entity holding a membership in the Association, as provided in this Declaration. "Membership" shall mean the property, voting and other rights and privileges of Members as provided herein, together with the correlative duties and obligations, including liability for assessments, contained in the Governing Documents. Each Owner is a Member.

1.2.23 “Owner” means any person or legal entity, including Declarant, who holds fee simple title to any Lot within the Project. “Owner” does not include the Association. The term “Residence Owner” when used herein shall mean specifically the Owners of a Residence. A lessee, renter or other occupant of a Residence (even if said lessee, renter or occupant has long term rights of possession and control of the Residence) is not an Owner and has no rights or obligations of the Owner; except that an Owner may assign to a lessee, renter or occupant who actually occupies the Residence all rights of a Member for the Residence by express, written assignment delivered to Association. All said assignments are revocable by the Owner at any time by express, written revocation delivered to Association. No Owner who has assigned the Owner’s rights as a Member as specified herein shall also be entitled to exercise membership rights for that Owner’s Residence. At the time a lessee, renter or occupant ceases to occupy a Residence for which membership rights have been assigned, said assigned rights shall automatically terminate for the lessee, renter or occupant and return to Owner. The Association Board, in its sole discretion, may refuse to recognize partial assignments of membership rights (except voting proxies).

1.2.24 “Final Map” means a final subdivision map for Sierra Colina filed by Declarant in the office of the County Recorder of Douglas County, Nevada, subdividing the property described on Exhibits A or A-1 and any and all other final subdivision maps of the Project recorded by Declarant, as said Final Maps may be amended or supplemented by Declarant.

1.2.25 “Project” has the meaning given to it in the introduction to this Declaration.

1.2.26 “Residence” means a residential building located on a Lot.

1.2.27 “Townhouse Building” shall mean those buildings containing two (2) Residences each with an Adjacent Wall. As envisioned by Declarant, the Project would contain fifteen (15) Townhouse Buildings, containing thirty (30) Residences.

1.2.28 “TRPA Code” means the Tahoe Regional Planning Agency Code of Ordinances made effective February 9, 2013, as may be amended from time to time.

1.3 Other Basic Provisions:

1.3.1 The name of the Project shall be Sierra Colina and the name of the association formed under Article VII hereof to own and manage the Common Area shall be the Sierra Colina Homeowners’ Association (“Association”). The Project is a common interest community, as defined in the Act.

1.3.2 The Project is located entirely within Douglas County, Nevada.

1.3.3 The real estate included in the Project (the “Original Property”) is described in Exhibit “A,” to which additional real estate may be expanded by future annexation as and to the extent further set forth herein.

1.3.4 The maximum number of Lots within the Project that Declarant may create or has created is forty-four (44).

1.3.5 The boundaries of each Lot are shown on the Plat, which document is incorporated herein by reference.

1.3.6 The Association shall, as a Common Expense, be responsible for the maintenance of the Common Area and Limited Common Area to promote ease of ownership, uniformity and continuity of the quality and upkeep of the Project.

1.3.7 Certain Limited Common Area elements may be within the boundaries of a Lot, such as decks and roofs, but shall be designated as Limited Common Area for which the Association shall be responsible for the maintenance, repair, and upkeep thereof as a Common Expense, as set forth in this Declaration; provided, however, that any personal property of any kind located in or on an Exclusive Use Common Area or any deck of a Residence will be the sole responsibility of the relevant Owner, and such Owner shall indemnify the Association for any damages suffered or incurred by Association to the extent related to such personal property. Other than on the decks of a Residence as and to the extent expressly allowed hereby or per the Rules and Regulations, no personal property of an Owner may be affixed or displayed anywhere on the exterior of any structure located on a Lot or on the Lot itself. Nothing in this Section 1.3.7 is intended to grant or expand any right to place personal property within an Exclusive Use Common Area.

Article II. DECLARANT'S RESERVED RIGHTS

2.1 Development and Special Rights. Declarant reserves all Development Rights and special Declarant rights on real estate within the Project, including real estate annexed to the Project, and other real estate as provided below, in this Project (which rights may be exercised in Declarant’s or any assignee of such right’s, sole discretion), for a period of thirty (30) years from the date hereof even after conveyance of Common Area to the Association if use of Common Area is reasonably necessary to exercise of the right, including without limitation; the rights:

2.1.1 To create Residences or Common Area, subdivide Lots or convert Lots into Common Area and to add or withdraw real estate from the Project at any time within the term of this Declaration;

2.1.2 To complete improvements within the Project at any time within the term of this Declaration;

2.1.3 To exercise as a special Declarant's right any Development Right reserved in this Declaration;

2.1.4 To maintain model homes, sales offices (including within the Community Building), management offices, watchmen's quarters or security offices, construction offices, equipment and material storage areas, signs advertising the Project, and to conduct other activities reasonably related to Project development on the Property at any time within the term of this Declaration. The right of the Declarant to decide the number, size, location and relocation thereof, shall be exercised in its sole discretion;

2.1.5 To exclusively or non-exclusively use the Community Building;

2.1.6 To use easements through the Project, including Common Area, for the purpose of making improvements within the Project whether said easements exist now or are hereafter created, within the term of this Declaration;

2.1.7 To merge or consolidate the Project with another common-interest community on adjacent real property of this same form of ownership at any time within the term of this Declaration;

2.1.8 To appoint or remove any officer of the Association or any member of its Executive Board during any period of Declarant's Control (as hereinafter defined);

2.1.9 To add any Annexable Property to the Project. Any portion of the Annexable Property may be added to the Project by recording a declaration of annexation in the office of the Douglas County, Nevada, Recorder on one or more occasions with respect to the property to be so annexed or added to the Project. Upon the Recording of a declaration of annexation that contains the provisions set forth herein, all of the terms and provisions contained in this Declaration shall apply to the annexed property from and after the recording of said declaration of annexation in the same manner as if it were originally covered in this Declaration and originally constituted a portion of the Project. Thereafter, the rights, obligations, privileges, duties, and liabilities of the parties to this Declaration with respect to the Original Property and the rights, obligations, privileges, duties, and liabilities of the Owners, tenant, users, occupants, and Mortgagees (defined in Article XIII) of land within the annexed property shall be the same as in the case of such land originally affected by this Declaration. As a condition precedent to any annexation of the Annexable Property, VA and HUD/FHA, if either of such agencies so require, shall be advised of any such annexation, and such annexation shall be in accordance with any requirements of VA and HUD/FHA. Each declaration of annexation must include the following:

2.1.9.1 A reference to this Declaration, which reference shall state the date of recordation hereof and the instrument number or other relevant Recording data of the Douglas County Recorder's Office;

2.1.9.2 Except as otherwise provided herein, a statement that the provisions of this Declaration shall fully apply to the annexed property;

2.1.9.3 A description of the annexed property; and

2.1.9.4 A description or designation of any land to become Common Area, included within the annexed property, if identifiable at the time of recording.

2.1.10 As to any Development Right which may be exercised with regard to different parcels of real estate at different times;

2.1.10.1 Declarant makes no assurance regarding the boundaries of those parcels or the order in which those parcels may be subjected to the exercise of each Development Right; and

2.1.10.2 Any Development Right exercised in any portion of the real estate subject to that Development Right does not require the exercise of that Development Right in any other portion of the remainder of the real estate.

2.1.11 Declarant reserves all other easements, rights, powers and authority of Declarant set forth in this Declaration, and the Act, including, but not limited to, all Development Rights and all Special Declarant's Rights as set forth or referenced therein, and hereby reserves any and all easements over the project necessary or appropriate for Declarant and/or Association to perform any work under this Declaration.

2.1.12 There are no other conditions or limitations under which the rights described in Section 2.1 may be exercised or will lapse.

Article III. PROPERTY RIGHTS

3.1 Ownership. Ownership of a Lot within the Project shall include a fee interest in the Lot. Ownership of each Lot within the Project shall include: (a) the Lot, (b) one Membership in the Association, (c) any easements appurtenant to such Lot over the Common Area as described in this Declaration, any Final Map and/or in the deed to the Lot, and (d) the right to certain easements and the benefits, use and enjoyment of the Limited Common Area and Exclusive Use Common Area appurtenant to the Lot (subject to the covenants, conditions and restrictions, contained herein). Each Owner shall have a non-exclusive right and easement on ingress and egress and of use and enjoyment in, to and over the Common Area (subject to the covenants, conditions and restrictions

contained herein), which easements shall be appurtenant to and shall pass with title to the Owner's Lot, all of which are subject to the covenants, conditions and restrictions contained in this Declaration.

3.2 Townhouse Buildings. Residences within a Townhouse Buildings may contain shared Limited Common Area such as heat tape or gutters, the maintenance, repair and other rights and obligations incident to ownership thereof, are set forth in Section 9.1.1.

3.3 Recording Data. The Project will be located solely within Douglas County, Nevada, and, therefore, the recording office for all amendments or additions hereto is the office of the Douglas County Recorder, State of Nevada.

3.4 Lot Boundary Relocations. Boundaries of Lots may be relocated as follows:

3.4.1 For Lots owned by Declarant or owned by another, with the Owner's consent, and subject to a recorded final map, by amendment to the final map, by parcel map or by boundary line adjustment pursuant to the procedures prescribed by the County or the State of Nevada (the "State"); or

3.4.2 For Lots not delineated on a final map, by recordation of a final map or parcel map delineating the Lots and incorporating the boundary relocation.

For purposes of clarification, so long as Declarant owns any Lot, in no event may Lots be combined or further subdivided without the consent of Declarant, given or withheld in Declarant's sole discretion. After Declarant no longer owns any Lot, no such combination or subdivision may occur without amendment of this Declaration to expressly allow combination or subdivision of a Lot or Lots.

3.5 Modification. The provisions of this Article III may not be modified, amended, terminated or abridged without the written consent of Declarant during the period of Declarant's control.

3.6 Conveyance and Encumbrance of Common Area. Portions of the Common Area may be conveyed or subjected to a security interest by the Association if persons entitled to cast at least a majority of the votes in the Association, including a majority of the votes allocated to Lots not owned by a Declarant, agree to that action; but all owners of Lots to which any Limited Common Area is allocated must agree in order to convey that Limited Common Area or subject it to a security interest.

3.7 Taxes and Assessments. Each Owner shall execute such instruments and take such actions as may reasonably be requested by the Association to obtain separate real property tax assessments for the Owner's Lot. Each Owner shall pay the taxes or assessments assessed against the Owner's Lot. Unless the County Assessor fails to allocate among the Lots the taxes and assessments levied against the Common Area, the

Association shall pay all such taxes and assessments as a Common Expense, except that any portion of the Common Area for which Declarant has reserved any Development Rights shall be separately taxed and assessed against Declarant.

3.8 Indemnification. Each Owner shall be liable to the other Owners and the Association for any damage to the Common Area and any Limited Common Area that may be sustained by reason of the negligence of such Owner, members of his/her family, his/her contract purchasers, tenants, guests, or invitees, but only to the extent that any such damage is not covered by insurance. Each Owner, by acceptance of his/her deed, agrees for him/herself and for the members of his/her family, including his/her children, his/her contract purchaser, tenants, guests, or invitees (and children of the same), to indemnify the other Owners, and to hold them harmless from, and to defend them against any claim of any person for personal injury or property damage occurring upon the Lot or Exclusive Use Common Area allocated to that Owner, unless the injury or damage occurred by reason of the negligence of another Owner or is fully covered by insurance held by the Association; provided, however, the decision to file any claim upon any insurance policies of the Association shall be determined by the Board in its sole discretion.

Article IV. PROPERTY USE

All uses by Residence Owners other than Declarant shall comply with the conditions and restrictions of this Article IV.

4.1 Single Family Only . Except as provided in Section 2 of this Article, only single - family dwelling units used solely for residential purposes shall be permitted. Other than as may be required by applicable law, the maximum number of persons that may reside in a Residence is set forth in the following table:

Number of Bedrooms in Residence as Originally constructed	Maximum Number of Persons
4	10
3	8

Nothing in this Section 4.1 or Section 4.2 is intended to prohibit Owners or tenants with leases with a term of 30 days or more from allowing occasional overnight guests staying no more than seven consecutive days in a Residence, who would otherwise cause the Occupancy Limit of the Residence to be exceeded.

4.2 No Group Homes. No Residence in the Project (a) may be rented for less than the full Residence (e.g., a single bedroom may not be rented); or (b) may be used for a public boarding house, dormitory or home or for group uses similar to the WeLive concept displayed on WeLive.com. Notwithstanding the foregoing, “transient commercial use” (as that is defined in NRS 116.340) in the form of vacation rental or other form of transient lodging of all or part of a Residence is allowed, subject to the provisions of Section 4.1 and 4.46 hereof.

4.3 No Interferences with Drainage. Each Residence Owner agrees that they will accept the burden of, and not in any way interfere with, the established public drainage pattern, any drainage improvements built by Declarant, or BMP’s that Declarant has installed on such Owner’s Lot, and established drainage from adjoining or other Lots in the Project and the Common Area. No structure or other material shall be placed or permitted to remain which may damage, interfere with, obstruct, or retard the flow of water through drainage channels or improvements, or which may change the direction or flow of such channels or improvements. For the purposes hereof, “established” drainage is defined as the drainage, which occurred at the time of the overall grading of a Lot, including, if applicable, the landscaping of the Common Area.

4.4 Yard Objects. Art, statuary, decorations and other objects continuously used, placed or displayed on or around a Lot or within Exclusive Use Common Area are prohibited unless approved as part of the Association’s landscaping plan, or otherwise approved in writing by the Committee.

4.5 New Structures Only/No Prefabricated or Ancillary Structures. No existing, used, constructed, or partially constructed structure of any type or nature shall be moved from another place to the Project for any purpose whatsoever. No prefabricated or ancillary structures of any kind, including without limitation, manufactured homes, mobile homes, storage or tool sheds, doll houses for children, tree forts and similar structures or equipment and modular homes may be installed in the Project.

4.6 Square Footage Minimums. No principal residential dwelling shall be constructed or maintained upon any Lot which shall have a total floor area of less than Two Thousand (2,000) square feet of conditioned floor area, exclusive of decks, porches, patios, garages, outbuildings, breezeways or walks.

4.7 Restriction on Number of Dwellings. No building, structure or improvements shall be constructed, erected, altered, placed or permitted to remain on any Lot other than one (1) dwelling designed for principal residential use for not more than one (1) Family.

4.8 No Water Pollution. No use of any of the Project shall be allowed which in any manner or for any purpose would result in the drainage or dumping of any refuse, sewage or other material which might tend to pollute surface or subterranean waters.

4.9 No Garbage/Trash Receptacles. No garbage, refuse, rubbish or obnoxious or offensive material shall be permitted to accumulate, be dumped or buried on any Lots or in any Residences, and Owners shall cause garbage and other like material to be disposed of by and in accordance with accepted sanitary practice and applicable law. Trash receptacles shall be kept hidden from public view at all times, except when placed out for collection. Without limitation of the foregoing, trash for collection may be placed on the street at the end of each Residence's driveway for a period beginning on the morning of the day of collection service pick-up and ending not later than eight (8) hours subsequent to the collection service pick-up time. All Owners, at their own cost and expense, shall comply with TRPA and/or County regulations regarding refuse collection, inclusive of any required bear proof containers. If an Owner fails to so comply, the Association may take such action, at the relevant Owner's expense (the obligation to pay constituting an assessment), as the Association may deem reasonably necessary to prevent adverse action by TRPA or County. If TRPA or County were to take any such adverse action, including requiring a bear-proof container or bin to be installed, the Association may assess a fine against the relevant Owner that is reasonably calculated either to address the adverse impact on all other Owners caused by the unsightly appearance of such container or bin or to fund remedial actions which could persuade TRPA or County to rescind or avoid its adverse action in a manner that results in no requirement that a bear-proof container be installed, but in no event may such fine exceed \$500 per month (increased by the increase in All Items Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average, 1982-84 = 100, from the date hereof to the date the fine is levied).

4.10 Repair of Damaged Structures. No building or garage damaged by fire or otherwise damaged so that it becomes unsightly (as determined by the Board or Committee) shall be permitted to remain on any Lot. Such structures shall either be promptly rebuilt, refinished or torn down and removed, and in no case shall the unsightly damage remain longer than six (6) months. Any tear down or removal and refurbishment must have Committee approval.

4.11 Excavation Restrictions. No excavating or drilling for water, minerals, stone, gravel, oil or other hydrocarbons, or earth or any other artifacts or materials shall be made upon any Lot, Common Area or Limited Common Area.

4.12 Paints and Finishes. The exterior portions of all houses, buildings, and structures erected or constructed on a Lot shall be painted with a finish coat of varnish, stain or paint approved by the Declarant or after the period of Declarant's control by the Committee, and maintenance of exteriors finish shall be the responsibility of the Association. At no time will the exterior of any houses, building structure or accessory improvements be allowed to approach a state of aesthetic deterioration such that they become a visual nuisance (as determined by the Board or Committee).

4.13 Storage Restrictions. The storage on the exterior of a Residence or Lot of tools, household effects, inoperable vehicles, machinery and machinery parts, empty or filled

containers of trash or other materials, boxes or bags, trash, materials, or other items is prohibited. All such items, including any others that may detract from the aesthetic values of the Project (as determined by the Board or Committee, shall be placed and stored inside a Residence or its Garage.

4.14 Prohibition on Clothes Lines. No exterior clothes line shall be installed on any Lot, or any portion of the Residence, Common Area or Limited Common Area.

4.15 Sign and Flag Restrictions. No sign, flag or billboard of any kind shall be displayed to the public view on any portion of any Lot or the Project, except: a) a flag of the United States of America may be displayed within or on a Residence that is no larger than three feet (3') by five feet (5'); or b) any other sign, flag or billboard the display of which may not be prohibited pursuant to NRS 116.325 or 116.330. No freestanding flagpoles shall be allowed on any Lot Limited Common Area or Exclusive Use Common Area. No signs, flags or billboards of any other kinds shall be permitted on Common Area unless placed by Declarant during Declarant's period of control or otherwise approved by the Board and/or Architectural Committee.

All Residences shall display, and no Owner shall cover up, deface or hide, the Residence's Association maintained and designated street address so that it is easily viewable from the road, of such design that is consistent with the community and approved by the Committee. Private or realtor "for sale" or "for lease" signs shall be no larger than 144 square inches or as otherwise limited in size by Douglas County Ordinance and/or TRPA. All "for sale" or "for lease" signs shall only be displayed from Residence windows unless otherwise approved by the Committee. Only one For Sale or For Lease sign shall be permitted per Residence.

Signs not meeting the standards of size, color and other specifications set forth by the Committee, or signs and flags not approved by the Committee may be removed by the Association or the Association may require the Owner of the relevant Lot to remove them. Removed signs may be destroyed by the Association.

4.16 Garage Requirements. Every Residence constructed must have enclosed automobile storage space (a "Garage") suitable for at least two (2) passenger cars or light trucks less than twenty feet in length and, with respect to trucks, one ton or less in cargo capacity (such vehicles, "Allowed Vehicles"). Carports are prohibited. Garage doors shall be closed at all times except when entering or exiting the Garage or cleaning the Garage. Garages shall not be converted to living space or used exclusively for storage. The principal use of Garages must be for storage of vehicles, and Owners must use the Garage as their principal storage place for Owner vehicles. If the Board reasonably determines that an Owner is violating this Section 4.16, it may levy reasonable fines as and to the extent set forth in any rules and regulations the Association may adopt from time to time ("Rules and Regulations").

4.17 Separation of Ownerships. No Lot or Residence may be subject to a deed, conveyance, agreement or other document, that directly or indirectly would effect, cause or allow a separation into different ownerships of surface and subsurface rights, or any portion thereof or providing for fractional ownership (such as time shares). No Lot or Residence may be, directly or indirectly, introduced or used in any private, non-deeded destination or vacation club with members who receive access to properties owned by the club operator.

4.18 No Occupancy without Certificate of Occupancy. No building, any part of which is designed for dwelling purposes, shall be in any manner occupied while in the course of construction or until it is completed and the building has received a temporary or final certificate of occupancy from the applicable government agency.

4.19 No Violation of Law. Nothing shall be permitted to occur on a Lot or Residence, which violates any law, ordinance, statute, rule or regulation of any local, county, state or federal entity.

4.20 Weeds. Subject to the provisions of Article V, below, no weeds, uncultivated, diseased or infected vegetation of any kind or character shall be placed or permitted to grow upon the Project or any Lot or any portion thereof. The Association will use reasonable efforts to control the growth of such vegetation growing naturally on a Lot and to cut or otherwise remove any such vegetation in accordance with applicable governmental regulations and laws.

4.21 Subdividing and Land Use. Except as otherwise provided herein, regardless of any action of any governmental agency, no Lot may be divided, subdivided or resubdivided to a size less than the size of the Lot created by the final subdivision map creating such Lot, except by Declarant. The zoning and use of any of the Lots in the Project subject to any such final subdivision map may not be changed or amended to commercial use. Each owner waives any right or claim to partition of any portion of the Common Area or Limited Common Area.

4.22 Paved Surface Requirements. All driveways, walkways, parking areas and other areas of similar nature shall be paved with a suitable "all-weather" material approved by the Committee such as asphalt, concrete, paving stones, bomanite, brick or other materials approved by the Committee. Gravel or loose rock is prohibited. All said surfaces shall be repaired and maintained to a high standard of care and safety by the Association. All paving (including pervious decks and paving) must comply with applicable TRPA and County regulations.

4.23 Parking and Storage of Vehicles. As currently approved, the Project will not include any on-street or Common Area parking other than the driveway of a particular Residence. Owner's may park their Allowed Vehicles in the Garage or (subject to Section 4.16) on the driveway of the Owner's Residence. Guests of a Residence Owner

may park their Allowed Vehicle in the Residence's driveway while visiting such Residence for a reasonable period of time. Automobiles, trucks, trailers, campers, boats, recreational vehicles, machinery, motor vehicles (except as specified below), whether they are operative, under repair, junk, inoperative, licensed or unlicensed, or other similar type objects, may not be placed, stored or parked on streets or in driveways and, subject to the above and Section 4.16 relating to Allowed Vehicles, shall only be permitted to be parked or stored if kept in a fully enclosed Garage. Notwithstanding the foregoing, the active loading and unloading on a Residence's driveway of trailers, campers, boats and recreational vehicles is allowed. In addition to the foregoing, no more than one vehicle displaying commercial advertising of any kind may be parked in a driveway at one time other than vendor vehicles parked in a driveway while vendors are providing cleaning, repair or maintenance services to a Residence. There shall be no parking of any type of vehicle, truck or recreational vehicle at any time on any street within the Project.

4.24 Completion of Construction. Construction of any improvements or repairs by an Owner of his/her Residence, once commenced, shall be pursued diligently to completion. Improvements not so completed or upon which construction has ceased for ninety (90) consecutive days, or which have been partially or totally destroyed and not rebuilt within a reasonable period, shall be deemed nuisances. Declarant or the Association may remove any such nuisance or repair or complete the same at the cost of the Owner provided the Residence Owner has not commenced required work within fourteen (14) days from the date the Association or the Declarant posts a notice on the Residence requiring the Owner to commence such work and provides written notice to the Owner in the manner required by this Declaration. Such notice shall state the steps to be taken to eliminate the nuisance. Costs of the work shall be added to and become part of the assessments to which the Lot is subject. The Association and Declarant, or any of their agents, employees or contractors, shall not be liable for any damage which may result from any work performed, nor shall the Association or Declarant, or any of their agents or employees, be liable for any failure to exercise the right to so perform such work on any Residence.

4.25 Maintenance of Residences. Other than as expressly provided herein, the Association will maintain the exterior of Residences, and no Owner will take any action to impair the Association in performing such maintenance obligation. Owners do not have a "self-help" right to perform such maintenance.

4.26 Fences and Obstructions. Other than fencing that constitutes a Common Area improvement that is maintained by the Association and private fencing that may be approved in unusual circumstances by the Committee, in its sole discretion, no fencing shall be allowed. The Declarant may construct a boundary fence around all or any part of the Project. This boundary fence shall not be removed, replaced or changed in any way by Residence Owners. Nothing herein contained shall prevent the Association from constructing additional fencing and/or necessary erection of retaining walls required by topography or by security or privacy needs and approved by the Declarant and/or Committee. No hedge, tree, plant, shrub, lawn, or foliage shall be planted, kept or

maintained by any Residence Owner on any part of the Common Area, without the approval of the Committee, which approval may be denied or made conditional.

4.27 Animals. No livestock or other animals (excluding fish) or fowl, including without limitation, horses, mules, cows, sheep, goats, pigs, ducks, geese, chickens, and exotic pets shall be allowed or maintained in any Residence. Notwithstanding the foregoing, no more than two (2) typical household pets (e.g., dogs, cats, small birds, rabbits, hamsters, turtles, frogs, lizards, gerbils, nonpoisonous snakes) may be allowed or maintained in any Residence. Visitors may not bring animals into a Residence if the presence of such animal would cause the total number of pets present in such Residence to exceed two. The permitted pets shall be kept, bred, or raised solely as household pets for private use and not for commercial purposes. No animal shall be allowed to make unreasonably loud noises or shall otherwise be allowed to be a nuisance. No animal shall be permitted out of a Residence unless such animal is under the control of a person by means of a leash or “invisible fencing.” Unattended animals may not be left on a Residence’s exterior deck or rear porch for extended periods. No pets shall be kept upon a Lot until such time as a certificate of occupancy has been issued for the Residence. No dog houses or dog runs are allowed on any Lot or Common Area. Upon request of any Residence Owner, the Committee, in its sole discretion, may determine for the purposes of this Section (i) whether a particular animal qualifies as a permitted pet, (ii) whether it is a nuisance or (iii) whether, after it is designated as a permitted pet, it later becomes a nuisance.

Each Residence Owner must immediately clean up any feces of such Owner’s pet(s) that are deposited outside the Owner’s Residence on the Project.

4.28 Antennae/Exterior or Roof-Mounted Equipment. Notwithstanding the provisions of this Declaration prohibiting affixing items to the exterior of a Residence or on a Lot, to the extent required by applicable law, television antennae and satellite dishes may be mounted on rear or side exterior walls of a Residence in the least obtrusive manner feasible. No television antennae and satellite dishes or antennae for shortwave or ham radio installations may be mounted on any roof, without the express consent of the Committee. No air-conditioning units, ducting or other equipment (except antennae and satellite dishes as allowed under this Section) may be mounted by a Residence Owner on any roof, or on the front exterior wall or windows of a dwelling; provided that, and notwithstanding the provisions hereof prohibiting affixing items to a Residence or on a Lot, any such equipment mounted on side or rear exterior walls or windows may be allowed if screened from view and approved by the Committee. Any conflict between the provisions of this Section and federal laws or regulations shall be governed by federal laws and regulations. Residence Owners shall be solely responsible for the maintenance, upkeep and repair of any antennae or satellite dishes or other equipment mounted on the exterior of a Residence, and shall indemnify the Association for any damage caused to any Limited Common Area as a result of the installation, use, failure or repair of any such equipment mounted on the exterior of a Residence.

4.29 Pools, Sports and Play Equipment. No above-grade or below-grade swimming or wading pools, hot tubs, trampolines, other sports apparatus, swing sets, doll houses for children, tree forts and similar structures or children's play equipment may be placed, installed, erected, or attached to any structure in the Project or on either the Limited Common Area or on the Exclusive Use Common Area of a Lot, provided, however, that free standing hot tubs, and gas or propane heated outdoor grills may be installed on a Residence's deck subject to Association Rules and Regulations and Committee approval, which may be denied or conditionally approved. All bicycles, toys and children's play equipment, jungle-gyms, swing sets, sports apparatus and equipment, motorcycles, ATV's, snowmobiles, personal watercraft and similar vehicles and equipment must be garaged and hidden from public view when not in use.

4.30 Defacing of Common Area. No tree, shrub, other landscaping or improvement within a Common Area shall be damaged, defaced or removed except at the express direction of the Association.

4.31 Limited Lot Access. There shall be no vehicular access to or from any Lot on the perimeter of the Project or through Common Area except from designated streets or roads as shown on recorded final maps of the Project, unless prior written approval is obtained from the Association.

4.32 Operation of Motor Vehicles. Except for authorized maintenance vehicles, no motor vehicle shall be operated in any area within the Project, except on a street or driveway. All speed limit and other traffic control signs erected within the Project shall be observed at all times. Motorized vehicles, except authorized maintenance vehicles or emergency vehicles, are specifically prohibited on all open space, paths, trails, walkways or Common Areas (except streets or parking areas), unless on an access road subject to an access easement for public or private travel.

4.33 Use of Water Features. Action use (e.g., wading, fishing, swimming or boating) of any ponds, wetlands, streams or other bodies of water, including any man-made water features, within the Project is prohibited. Neither the Declarant, the Association nor any Owner shall be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of lakes, ponds, wetlands, streams, or other bodies of water, including any man-made water features, within to the Project.

4.34 Impairment of Wildlife. Capturing, trapping or killing wildlife within the Project is prohibited, except all common rodents (e.g., rats, mice, moles, gophers), insects and other animals normally considered pests, which, within a Residence, are the responsibility of the Lot's Owner.

4.35 Disturbing Activities. Activities which materially disturb or destroy the vegetation, wildlife, or air quality within the Project or which use excessive amounts of water or which result in unreasonable levels of sound or light are prohibited.

4.36 Discharge of Weapons. The discharge or use of firearms or other weapons within the Project is prohibited. The terms “firearms and weapons” includes without limitation “B-B” guns, pellet guns, bows and arrows, slingshots, pistols, rifles, shotguns, slingshots and other firearms and weapons of all types, regardless of size. Nothing in this Section shall be construed to prohibit or limit the ownership or possession of firearms or other weapons, in accordance with all applicable laws, within the Project.

4.37 No Temporary Structures. No temporary structure of any form or type, including self-contained camper trailer units, shall be permitted on any Lot, driveway or Common Area. No trailer, Garage, basement, outbuilding or other structure other than the completed main dwelling unit shall be used for temporary or permanent living quarters, except as provided herein. No covering or tent is permitted on any Lot for a period longer than twenty-four (24) hours. Temporary construction-related structures on a Lot for office, storage and other construction uses shall be allowed, but only during the period of construction.

4.38 Prohibition of Noxious Activities. No illegal, public or private nuisance, noxious or offensive activities shall be carried out or conducted upon any Lot, Residence or Common Area nor shall anything be done within the Project, which is or could become an unreasonable annoyance or nuisance to neighboring property Owners. All pertinent provisions of federal, state or county law are specifically incorporated into this Section. Without limiting the foregoing, no Owner shall permit any excessive light, strong odors and smells (e.g., dog feces, compost pile), or noise, including but not limited to barking dogs, the operation of excessively noisy air conditioners, stereo amplifier systems, television systems, motor vehicles or power tools, to emanate from either the interior or exterior of an Owner’s Residence or from activities within the Common Area or Limited Common Area, which would or does unreasonably disturb any other Owner’s or resident’s enjoyment of his or her Lot or the Common Area, excepting approved construction activities that occur solely during permitted hours under TRPA and Douglas County codes, laws and ordinances and any applicable Rules and Regulations of the Association.

4.39 Business Activities. No business or commercial activities of any kind whatsoever shall be conducted in any Lot or on any portion of any Lot without the prior written approval of the Board, provided that the foregoing restriction shall not apply to the activities, signs or activities of the Association in the discharge of its responsibilities, or to the activities of Declarant during the development and sale of Lots within the Project. Furthermore, no restrictions contained in this Section shall be construed in such a manner so as to prohibit any Owner from:

4.39.1 Handling his or her personal, business or professional telephone calls, communication or correspondence, or maintaining a home office used only by the Owner or tenant and to which no employees and/or contractors/clients come;

4.39.2 Conducting any other activities otherwise compatible with a residential use and the provisions of this Declaration which are permitted under applicable zoning laws, by permit or under specific government authorization, provided all necessary government permits or approvals for the use have been obtained and the Board, in its sole discretion, approves any use requiring a government permit or business license as not impairing the quiet use and enjoyment of nearby Residences or other Owners.

The uses described in these subparagraphs 4.39.1-4.39.2 are expressly declared to be allowed uses and to be customarily incidental to the principal residential use of the Lot and not in violation of this Section.

In addition, an approved or allowed use under this Section 4 shall also comply with the following restrictions, unless approved otherwise by the Board:

4.39.3 The use shall be operated entirely within a Residence by a person or persons residing in the Residence as clearly secondary and incidental use of such Residence for single family residential purposes and must not change the residential character thereof;

4.39.4 There should be no use, including storage, of any accessory building, yard space or activity outside the Residence not normally associated with residential use;

4.39.5 There shall not be a substantial amount of stock-in-trade, supplies or goods stored within the Residence and/or Garage;

4.39.6 The use shall not generate vehicular traffic measurably in excess of that normally associated with single family residential use, including a prohibition against frequent or continuous visits by employees, consultants, agents, licensees and invitees;

4.39.7 There shall be no indication of the use on the exterior of the Residence, including visual indications, noise, smell or other exterior manifestations;

4.39.8 No signs, nor other advertising, including social media or internet exposure, may be used to inform the public of the address or location of such a use;

4.39.9 There shall be no manufacturing, processing or other similar activity on or about the Residence or Common Area which generates noise, odor, dust, vibrations, fumes, smoke, electrical interference or other interference with nearby properties; and

4.39.10 The use shall not be conducted without the permission of the Owner of the Residence.

4.40 Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Lot, except such machinery or equipment as is usual or customary in connection with the use, maintenance or repair of a private residence, or is associated with a hobby (but not a business) of a Lot Owner, provided that such machinery or equipment is always stored in a Residence's Garage when not in use (including motorcycles, personal watercraft, ATVs, and other similar items), and provided that no such machinery or equipment may exceed six (6) feet in height or weigh more than one (1) ton.

4.41 Disease and Pests. No Owner shall permit anything or any condition to exist on his or her Lot, which may reasonably induce, breed, or harbor infectious plant or animal diseases rodents or noxious insects.

4.42 Children. Each Owner and resident shall be responsible for and accountable to the Association and the remaining Owners, residents, their families, visitors, guests and invitees, for the conduct and behavior of their children and any children temporarily residing in or visiting the Owner/resident and for any property damaged caused by such children.

4.43 Activities Affecting Insurance. Nothing shall be done or kept in or on any Residence, on any Lot or within the Common Area which will increase the rate of insurance on any policy maintained by the Association without the prior written consent of the Association, and no Owner shall permit anything to be done or kept on his or her Lot, Residence or within the Common Area which would cause any improvements to be uninsurable against loss by fire or causally or result in the cancellation of insurance covering any Lot or any part of the Common Area.

4.44 Window Coverings. No windows visible from a public street or a Common Area, shall be covered, in whole or in part, by materials or shades not manufactured or made to be window coverings. Such inappropriate materials include, but are not limited to, blankets, sheets, newspaper, traps, towels, rugs and flags. Any portion of any window covering that is visible from the outside of the Residence must be white or off-white or an otherwise neutral color such as tan, taupe, beige, etc., unless otherwise approved by the Committee.

4.45 Variances. The Committee may, in its sole discretion, grant variances to the provisions of this Article over which it exercises the power of approval, and the Board may grant variances to any other provisions of this Article. Variances may be granted under circumstances where in the opinion and sole discretion of the Committee or Board (as the case may be) the literal application of the restriction results in unnecessary inconvenience and the granting of a variance will not be materially detrimental or

injurious to other Lot Owners. No variance granted shall constitute a waiver or restrict enforcement of any other provision hereof, constitute a precedent for granting another variance, nor be deemed consent to violate any federal, state or local law, rule or regulation.

4.46 Rentals. Leasing of Residences for a period of 30 or more consecutive days is allowed. Transient commercial use (as that phrase is defined in NRS 116.340) and leasing of Residences for a period of less than 30 consecutive days is allowed, provided that the Residence is properly zoned for such use, the use complies with all applicable laws, the Owner has any and all required licenses and permits for such use and the Owner complies with all requirements of the Association related to such use. The Board may establish rules, regulations and requirements for transient commercial use of a Residence, including requiring applications for such use, additional rules and restrictions for such use and/or payment of additional fees related to increased service or costs associated with such use. Owners shall remain responsible for all acts, omissions and violations of all Association documents (inclusive of this Declaration and the Rules and Regulations) of their tenants or Residence occupants. Every lease, whether transient use or long-term, must provide that the tenant has received and reviewed and agrees to comply with the Declaration and the Rules and Regulations of the Association.

4.47 Drones; UAVs. The Association shall have the authority to implement any rules, regulations or restriction on the use of unmanned aerial vehicles (commonly known as drones) within the Project so long as such rules, regulations and restrictions comply with any applicable federal, state or local laws or regulations.

Article V. TRPA AND DOUGLAS COUNTY REQUIREMENTS

5.1 TRPA Conditions of Approval. The Association shall comply with and enforce the following TRPA Special Conditions of Approval set forth in TRPA Permit Nos. ERSP2013-1123 and SUBD2013-1183:

5.1.1 Landscaping Standards. All landscaping within the Development shall be consistent with the standards set forth in Section 36.7 of the TRPA Code. Plant species on the TRPA Recommended Native and Adapted Plant List shall be used for lawns and landscaping. Plant species not found on the TRPA Recommended Native and Adapted Plant List may be used for landscaping as accent plantings. Such plants shall be limited to borders, entryways, flower-beds, and other similar locations to provide accents to the overall native or adapted landscape design. The Project's fertilizer and irrigation management plan shall be consistent with Section 60.1.8 of the TRPA Code.

5.1.2 Exterior Lighting Standards. All exterior lighting within the Development shall be consistent with the standards set forth in Section 36.8 of the TRPA Code. Exterior lights shall not blink, flash or change intensity. String lights, building or roofline tube lighting, reflective or luminescent wall surfaces are prohibited. Exterior lighting

shall not be attached to trees except for the Christmas season. Parking lot, walkway, and building lights shall be directed downward. Fixture mounting height shall be appropriate to the purpose. The height shall not exceed the limitations set forth in Chapter 37 of the TRPA Code. Outdoor lighting shall be used for purposes of illumination only, and shall not be designed for, or used as, an advertising display. Illumination for aesthetic or dramatic purposes of any building or surrounding landscape utilizing exterior light fixtures projected above the horizontal is prohibited. The commercial operation of searchlights for advertising or any other purpose is prohibited. Seasonal lighting displays and lighting for special events that conflict with other provisions of this section may be permitted on a temporary basis pursuant to Chapter 22 of the TRPA Code.

5.1.3 Parking. All parking within the Project shall be consistent with Chapter 34 of the TRPA Code and the provisions of this Declaration and any applicable Rules and Regulations. Each Lot shall be designated two enclosed (2) parking spaces (consisting of the Residence's Garage), and two (2) exterior parking spaces (consisting of the Residence's driveway).

5.1.4 Best Management Practices Maintenance and Monitoring; Stream Environmental Zone Protection. The Association shall implement Best Management Practices ("BMPs") throughout the Development, including, without limitation, installation of water quality and drainage improvements (including culverts) and protection of the stream environment zone in accordance generally with the TRPA Code, and specifically with the BMP Maintenance Plan approved by TRPA for the Project. The Association shall adopt a plan and budget for routine and non-routine maintenance of all BMPs (including the adjustment of BMP inspection and maintenance intervals as may be necessary from time to time to ensure BMPs are functioning properly). Failed or damaged permanent BMP improvements shall be corrected in a timely fashion.

5.1.5 Combustion Appliances. All combustion appliances within the Development shall be consistent with the air quality standards for combustion appliances set forth in Section 65.1.4 of the TRPA Code.

5.1.6 Snow Removal and Storage Standards. Association will be responsible for snow removal and storage within the private roadways within the Project and within the driveway and walkways of each Residence. All snow removal and storage within the Project shall be consistent with the snow removal and storage standards set forth in the TRPA Code or such other standards as may be approved by TRPA and Douglas County Code 20.702.200 or its successor code section. No snow storage is permitted within the stream environment zone or against trees. The Association will provide reasonably sufficient snow storage within the Project in accordance with the Douglas County Code.

5.1.7 Underground Utilities. All new utilities within the Project shall be placed underground.

5.1.8 TRPA Enforcement. The provisions of this Section 5.1 may not be revoked or modified without the prior express written and recorded consent of the Tahoe Regional Planning Agency or its successor party, if any. TRPA is deemed and agreed to be a third party beneficiary of this Section 5.1 and, as such, can enforce the provisions of this Section 5.1.

5.2 Douglas County Conditions of Approval. The Association shall comply with and enforce the following Douglas County Special Conditions of Approval set forth in Douglas County Planned Development PD15-002.

5.2.1 Maintenance of Common Area and Improvements. The Association shall perpetually fund, maintain and repair and in the event of loss, damage or destruction, repair and restore, the Common Area and all improvements, facilities, equipment, furnishings, and landscaping thereon, including, without limitation, all landscaping, fencing, entrance features, irrigation facilities, water quality and drainage improvements (including detention basins and overflow channels), private roads, streetscapes, snow storage areas, water and sewer facilities, exterior lighting, and fire and fuel breaks in the common open space. Maintenance of detention basins and overflow channels shall include, without limitation, removal of sediment, vegetation and debris from the low flow channel. The Association shall perpetually fund the maintenance of the Common Area and all improvements, facilities, equipment, furnishings, and landscaping thereon by assessing the costs thereof to the Owners pursuant to Article XI of this Declaration. In the event this Amended Declaration terminates for any reason, the Owners shall be obligated to fund, at their sole expense, the maintenance of the Common Area and all improvements, facilities, equipment, furnishings, and landscaping thereon.

5.2.2 Maintenance of Private Roads. The Association shall be responsible for maintenance and repair of the private roads and their BMPs and any shared driveway, if any, within the Project.

5.2.3 Shared Water Quality Facility #3 Easement and Maintenance Obligations. Declarant and the Association acknowledge the Shared Water Quality Facility #3 Easement dated May 20, 2010 and recorded in the Office of the County Recorder of Douglas County on May 28, 2010 as document number 764429. Declarant and the Association acknowledge that the Association is the successor in interest to Declarant and is responsible to perform all of "Landowner's" obligations under Section 4 of that certain Development Agreement entered into between Douglas County and Declarant and recorded in the Office of the County Recorder of Douglas County on June 22, 2009 as document number 745582 and re-recorded on September 23, 2009 as document number 751093 (the "DA"). The Shared Water Quality Facilities #3 is a shared facility used by both Douglas County to treat and detain public stormwater runoff and by the Association to treat and detain private stormwater runoff from the Project. For a term beginning on the date that the Declaration is recorded until the date that is twenty (20) years after construction of Shared Water Quality Facility #3 was completed (the "Maintenance

Term”), the Association shall reimburse to Douglas County the County’s cost to maintain Shared Water Quality Facilities #3. From and after the end of the Maintenance Term, the Association and its successors or assigns will be responsible only for the maintenance costs associated with the water flows entering into and/or being treated by Shared Water Quality Facilities #3. Other obligations of the Landowner to Douglas County that the Association acknowledges and assumes are set forth in Section 4 of the DA. From and after the date that the Declaration is recorded, the Association shall perform all of Landowner’s obligations to Douglas County under Section 4 of the DA.

5.2.4 Water and Sewer. The Association shall perpetually fund, maintain and repair water and sewer lines serving the Project from the taps at the mains to the shut off valves and clean-outs located on the exterior of each Residence. Each Owner shall perpetually fund, maintain and repair water and sewer lines from the shut-off or clean-out to and including the line within his/her Residence.

5.2.5 Building Envelope. All Residences and other structures constructed upon a Lot shall be constructed entirely within the building envelope for the particular Lot as identified on the Map.

5.2.6 Fire Sprinklers. Each Owner shall perpetually fund, maintain and repair the Type 13-D fire suppression sprinkler systems within such Owner’s Residence. If the Association determines an Owner has failed to do so, the Association may enter the Residence to conduct, at the Owner’s expense, any necessary maintenance. Further, the Association may, upon reasonable notice and at reasonable times, enter a Residence to inspect such system and determine compliance with the foregoing.

5.2.7 Common Area Uses. The entire Common Area shall be available for the Project and its infrastructure to use, as necessary, to support and host both present and future Project drainage facilities, underground utilities, BMPs, detention basins and vaults, and every other building or life safety system necessary or required to adequately serve the Project and lawfully comply with all health and safety laws and ordinances applicable to the Project, its Residences and its residents. The entire Common Area shall remain open to pedestrian and bicycle uses exclusively by Owners and guests of Owners or in-residence tenants of Owners, but not to the general public, other than to the extent any public use is expressly allowed under this Declaration. Declarant has made an offer to dedicate three easements within the Project for three pedestrian and bicycle trails. If Douglas County elects to build and maintain any such trails, such trails would be available for use by the public. At the time relevant Common Area is conveyed to the Association, the Association assumes the obligation to convey such easements to Douglas County, takes such Common Area subject to the offer of dedication and agrees to abide by, comply with and enter into any reasonably necessary documents to consummate Declarant’s offer of dedication. Such obligation is subject to the condition that the grantor of the easement and Douglas County enter into mutually acceptable definitive easement documentation which provides that Douglas County shall have the sole responsibility and liability to survey, design, entitle, construct and maintain all such

easements. Motorized vehicles shall be prohibited in the Common Areas, except roadways and driveways and except as necessary for the Association to maintain and repair the Common Area and all improvements, facilities, equipment, furnishings, and landscaping thereon.

5.2.8 Parking and Gates. The Association shall (i) prohibit (and enforce such prohibition) any parking on any of the private roads within the Project; (ii) prohibit (and enforce such prohibition) any on-site recreational vehicle parking within the Project; and (iii) if not constructed at the time of conveyance of the relevant Common Area to the Association, construct and, in any event, maintain two 10-foot wide gates at each of the two Project entrances along Lake Village/Echo Drive.

5.2.9 Douglas County Enforcement The provisions of this Section 5.2 may not be revoked or modified without the prior express written and recorded consent of Douglas County. Douglas County is deemed and agreed to be a third-party beneficiary of this Section 5.2 and, as such, can enforce the provisions of this Section 5.2.

Article VI. EASEMENTS

6.1 Reservation. The following easements (also constituting irrevocable licenses) over all Common Areas and to a limited extent over all Limited Common Areas, and the right of ingress and egress to the extent reasonably necessary to exercise such easements, are reserved to Declarant and are granted for the benefit of the utility purveyors, Association and the Declarant:

6.1.1 Easement Right of Declarant Incident to Construction and/or Marketing or Sales Activities. An easement is hereby reserved by and granted to Declarant, its successors and assigns, and their respective officers, managers, employees, agents, contractors, sales representatives, prospective purchasers, guests, and other invitees, for access, ingress, and egress over, in upon under and across the Project, including Common Area, including by not limited or the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incidental to Declarant's use, development, advertising, marketing and/or sales related to the Project, or any portions thereof; provided, however, that no such rights or easements shall be exercised by Declarant in such a manner as to interfere unreasonably with the occupancy, use, enjoyment, or access by any Owner, his or her family, guests, or invitees, to or of that Owner's Lot, or the Common Area. The easement created pursuant to this Section, shall automatically terminate twelve months after the later of completion of the Project or the closing of the sale of the last Lot by Declarant;

6.1.2 Utilities and Drainage. Declarant hereby reserves and grants to itself, the Association and local, county, state and federal public services, including but not limited to the right of postal, law enforcement and the fire protection services and their respective

employees and agents, an easement for the installation, maintenance and operation of all drainage facilities and utilities as shown on recorded final maps of the Project or otherwise specified in this Section, together with the right to extend all utility services within such easements to other areas being developed within the Project and to any annexed property (including street lights) and the right to cut, trim or remove structures, trees and plantings wherever necessary in connection with such installation, maintenance and operation. Utilities for purpose of this Section shall include without limitation water, sewer, gas, electric power, cable, TV, telephone and communications. Utilities shall also include telecommunications and electronic communication lines and facilities of Declarant;

6.1.3 Maintenance Easement. An easement is hereby granted to Declarant, the Association, its officers, agents, employees and to any management company or contractor selected by Declarant or Association, on, in, over or across the Common Area, any Lot or Residence and any Limited Common Area for the purposes of performing the Association's duties of maintenance and/or repair of Common Area or Limited Common Area, as provided herein. The maintenance easement rights granted hereunder shall include the right of the Association and Declarant and their respective agents and contractors to enter any Residence for the purpose of performing maintenance on Roofs, other exterior surfaces, fire sprinkler systems (including any required testing) as set forth in this Declaration. Except in cases of an emergency entry made pursuant to Section 6.1.8, below that presents a threat of damage or destruction to persons or property, any entry into a Residence shall be performed in a manner that does not unreasonably disturb the quiet enjoyment of any occupants.

6.1.4 Easements for and Restriction on Landscape Alteration. Declarant hereby reserves for the benefit of the Association an easement on over and across the Common Area, Limited Common Area (inclusive of Exclusive Use Common Area) for the purposes of installing, maintaining, irrigating and replacing landscaping and BMP's. No Owner shall have a right to remove, alter, modify or augment any landscaping or BMPs on any Common Area, Limited Common Area, or Exclusive Use Common Area, without the express written approval, by the Committee, which approval may be withheld or conditioned. The Association reserves the exclusive right to remove, at Owner's expense, any landscaping or BMPs installed in violation of this Section. The restriction contained in this Section is designed to comply with TRPA landscape/planting conditions, enhance the appearance and value of the overall Project, promote water conservation and use of TRPA approved plant species;

6.1.5 Fencing Facing Common Area. Declarant reserves, for itself and the Association, the right (including an easement for any necessary access across the exterior of any Lot) to install or maintain (including repair and reconstruction) fencing that is on, over or about any portion of the Common Area or Lots, including the perimeter fencing and entry gates. The Association shall decide, in the Association's sole discretion, whether any said fencing shall be installed, relocated or maintained, in order to enhance

or preserve the general appearance, safety and security of the Project. The Association shall have the right, but not the obligation to do so;

6.1.6 Streets and Signs. Declarant reserves and grants to itself and the Association, an easement for the installation, maintenance and repair of all roadways within the Project as may be constructed pursuant to any Final Map or as may be constructed in the future. Declarant further reserves and grants for the benefit of the Association, an easement for the installation of street signs, regulatory signs, wildlife signs and traffic signs (or other signs reasonably related to the regulation or enforcement of provisions of this Declaration), together with the right to cut, trim or remove trees and plantings wherever necessary in connection with such installation, maintenance, repair and reconstruction;

6.1.7 Snow Removal and Snow Placement. Without creating any additional obligations with respect to snow removal, Declarant hereby reserves and grants to itself and the Association an easement for snow removal and snow storage on, over and across Common Area (including Limited Common Area and Exclusive Use Common Area), provided that the Association will use reasonable efforts to prevent any such snow storage from unreasonably interfering with any Owner's use of the Common Area or such Owner's Lot or Exclusive Use Common Area;

6.1.8 Emergency Right of Entry. The Declarant, and after the period of Declarant's Control, the Association, shall have the right, but not the obligation, to enter upon or into any Lot or Residence for emergency, security, and safety reasons or to perform maintenance allowed or required of the Association pursuant to provisions of this Declaration or pursuant to County requirements, as well as for the purpose of insuring or enforcing compliance with this Declaration, which right may be exercised by any member of the Board or the Committee, officers, agents, employees and Managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their duties. Except in an emergency situation (as "emergency" is defined in Section 7.13 hereof), entry shall only be during reasonable hours and after notice to the Residence Owner. This right of entry shall include the right of the Declarant to enter into or upon any Lot or Residence to cure any condition which may increase the possibility of a fire or other hazard in the event a Residence Owner fails or refuses to cure the condition within a reasonable time after request by the Board. However, the right granted by this Subsection shall not authorize entry into any occupied single-family dwelling without permission of the occupant, except by emergency personnel acting in accordance with law in their official capacities; and

6.1.9 Construction Impact Easement. During development of the Project, the construction of streets, utilities, homes, structures and other improvements (generally, the "Construction") will produce substantial dust, noise, light (if done before or after it is fully light) and other adverse impacts ("Impacts") within the Project 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 Residences. 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 granted to Declarant (including its agents, and their employees, representatives, officers, directors, subcontractors, consultants and agents) for creating Impacts during Construction in the Project and to cause Impacts to occur. The easement granted in this Section is also a negative covenant running with the land and burdening all Lots. The Easement rights granted herein do not allow or provide a defense against violations of state, federal or local laws.

6.1.10 Ingress and Egress. In addition to those Easements set forth in this Article VI, the Declarant and Association grant to each other and each Owner, their guests, invitees and licensees, a non-exclusive easement on, over and across the Common Area and specifically all roadways within the Project for access, ingress and egress to an Owner’s Residence for uses that are consistent with the permitted uses of a Residence. Notwithstanding the foregoing, such grant of easement to the Association and each Owner as to any portion of the Common Area upon which improvements (including landscaping) are planned will not become effective until any such improvements (including landscaping) are complete or Declarant abandons its intent to construction such improvements.

6.1.11 Easements for Encroachments. The physical boundaries of an existing Residence or of a Residence constructed or reconstructed in substantial accordance with the original plans thereof (to the extent such Residence encroaches beyond the lot lines shown on the relevant Final Map), shall be conclusively presumed to be its boundaries rather than any metes and bounds expressed in any subdivision or parcel map or in an instrument conveying, granting, or transferring a Lot, regardless of settling or lateral movement and regardless of minor variance between boundaries shown on the subdivision or parcel map or reflected in the instrument of grant, assignment or conveyance and the actual boundaries existing from time to time. In the event of any minor encroachment of a Residence upon the Common Area or other Lot (or vice versa), as a result of original construction, or as a result of reconstruction, repair, shifting, settlement, or movement of any portion of the Project, an easement for minor encroachment and for the maintenance of the same shall exist, so long as the minor encroachment exists. Declarant and each Owner of a Residence, shall have an easement appurtenant to such encroaching Residence to and over the Common Area, for the purposes of accommodating any natural movement or settling of any Residence, any encroachment of any Residence due to minor engineering or construction variances, and any encroachment of eaves, roof overhangs, Limited Common Area, and architectural features comprising parts of the original construction of any Residence.

6.1.12 Exclusive Use Common Area. Each Owner is granted the right to use that portion of the Exclusive Use Common Area adjacent to such Owner’ Residence, to the exclusion of the other Owners, for any purpose consistent with this Declaration. No

Owner shall have the right to place, store or use any furniture, pavers, landscaping or other objects within its designated Exclusive Use Common Area. It is expressly intended that the Exclusive Use Common Areas are for limited personal and parking use, and each Owner shall keep such area free from objects and debris. The Association shall have authority to issue rules and regulations for the use of Exclusive Use Common Area.

6.2 Transfer of Easements. A conveyance of Common Area (including without limitation Limited Common Area and Exclusive Use Common Area) to the Association shall also transfer to the Association all access and, to the extent necessary or appropriate, easements herein reserved to Declarant which are necessary or convenient to the obligation of the Association to carry out its duties prescribed herein. Such transfer shall not, so long as Declarant owns any property within the Project, diminish the rights in and to said easements herein reserved to Declarant. Nothing set forth herein shall be construed to impose on Declarant any duty or obligation of maintenance of Common Areas or improvements thereon after conveyance of the Common Areas to the Association.

6.3 Use or Maintenance by Owners. The areas of any Lot, Limited Common Area or Exclusive Use Common Area affected by the easements reserved in this Article shall not be improved, modified, altered or augmented in any manner which may damage or interfere with the use of said easements for the purposes herein set forth. Any modification or alteration to any Limited Common Area element (including any Exclusive Use Common Area element) must be approved by the Board or Committee, which approval may be denied or made conditional. The Association reserves the exclusive right to remove, at Owner's expense, any such Owner improvement, modification or alteration installed in violation of this Section.

6.4 Liability for Use of Easement. No Owner shall have any claim or cause of action against the Declarant or the Association arising out of the use or nonuse by any person of any easement reserved or created by this Declaration.

6.5 Modification. None of the easements and rights granted under this Article may be modified, terminated or abridged without the written consent of the persons in whose favor such easements run.

Article VII. ASSOCIATION ORGANIZATION, POWERS AND DUTIES

7.1 Formation and Management. The Association shall be a nonprofit Nevada corporation formed under Chapter 82 of the Nevada Revised Statutes. The Association is not authorized to have and shall not issue any capital stock. Not later than the date of recordation of this Declaration, Declarant shall cause the Articles of Incorporation to be filed with the Nevada Secretary of State. The Association shall be charged with the duties and vested with the powers set forth in the Articles, Bylaws, and this Declaration.

7.2 Association Powers. The Association shall have the power to:

7.2.1 Adopt and amend bylaws, rules and regulation;

7.2.2 Adopt and amend budgets for revenues, expenditures and reserves and collect assessments for Common Expenses from Residences' Owners;

7.2.3 With the vote of at least two-thirds (2/3) of the voting power of the Association and a majority of the voting power of the Board, borrow money for the purpose of improving or adding to the Common Area, and in aid thereof, and subject further to the provisions contained in this Declaration relating to the protection of mortgagees, to mortgage, pledge or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provided that the rights of such mortgagee shall be subordinated to the right of the Owners;

7.2.4 Hire and discharge management agents and other employees, agents and independent contractors;

7.2.5 Institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself or two (2) or more Lots' owners on matters affecting the Project;

7.2.6 Make contracts and incur liabilities;

7.2.7 Regulate the use, maintenance, repair, replacement and modification of Common Area, Limited Common Area and Exclusive Use Common Area.

7.2.8 Cause additional improvements to be made as a part of the Common Area;

7.2.9 Acquire, hold, encumber and convey in its own name any right, title or interest to real estate or personal property pursuant to the Act;

7.2.10 Grant easements, leases, licenses and concessions through or over the Common Area;

7.2.11 Impose and receive any payments, fees or charges for the use rental or operation of the Common Area, other than Limited Common Area, and for services provided to Residences' Owners;

7.2.12 Impose charges for late payment of assessments;

7.2.13 Impose construction penalties when allowed by the Act and the Governing Documents;

7.2.14 Impose reasonable fines for violations of the Governing Documents;

7.2.15 Impose reasonable charges for the preparation and recordation of amendments to the Declaration, the information required by the Act or statements of unpaid assessments;

7.2.16 Provide for the indemnification of its officers and executive board and maintain directors' and officers' liability insurance;

7.2.17 Assign its right to future income, including the right to receive assessments for Common Expenses;

7.2.18 Exercise any other powers conferred by the Governing Documents;

7.2.19 Direct the removal of vehicles improperly parked on property owned or leased by the Association; and

7.2.20 Exercise any other powers necessary and proper for the governance and operation of the Association.

7.3 Discretionary Powers of the Association:

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

7.3.2 The Association, in the discretion of the Board, may allow certain Common Areas to be used by the public.

7.3.3 The Association may, but shall not be obligated, to maintain or support certain activities within the Project designed to make the Project safer than it otherwise might be. However, each Owner and occupant of a Residence, and their respective guests, licensees and invitees, shall be responsible for their own personal safety and the security of their property in the Project. The Association may, but shall not be obligated to, maintain or support certain activities within the Project designed to enhance the level of safety or security for persons or property which each Owner or person provides. Neither the Association nor the Declarant shall in any way be considered insurers or guarantors of safety or security within the Project, nor shall either be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

7.3.4 No representation or warranty is made that any systems or measures, including any mechanism or system for limiting access to the Project or any Limited Common Areas, 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 shall be responsible for informing its tenants and all occupants of its Residence that the Association, its Board and committees, and Declarant are not insurers or guarantors of security or safety and that each person within the Project assumes all risks of personal injury and loss or damage to property, including Residences and the contents of Residences, resulting from acts of third parties.

7.4 Membership. The membership of the Association shall consist exclusively of a) Declarant (during any period of Declarant's Control); b) a bona fide Residence Owner (including Declarant if Declarant is a Residence Owner); c) following termination of the common interest community, all Owners of former Residences entitled to distributions of proceeds pursuant to the Governing Documents and the Act; or d) their heirs, successors or assigns. Persons or entities who hold an interest in a Lot merely as security for performance of an obligation are not to be regarded as members; however, a buyer of a Lot under a recorded installment sale contract shall be a Member. The Association membership of each person or entity who owns, or owns an interest in, one (1) or more Lots shall be appurtenant to each such Lot, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except on a transfer of title to each such Lot or interest in it and then only to the transferee. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Lot or interest in it shall operate automatically to transfer the appurtenant membership rights in the Association to the new owner. Immediately after any transfer of title to a Lot, either the transferring Owner of the acquiring owner shall give notice to the Board of such transfer, including the name and address of the acquiring Owner and the date of transfer.

7.5 Rights and Duties of Members. Each Member shall have the rights, duties and obligations set forth in the Governing Documents (including the right to vote as a Member of the Association), as may be amended from time to time.

7.6 Action by the Association. The powers, duties and governance of the affairs of the Association shall be conducted by and through the Board, by such officers and committees appointed by the Board in accordance with this Declaration and the Bylaws, except as otherwise provided herein or in the Act.

7.7 Declarant Control. Declarant reserves to itself the right to appoint members of the Board and officers of the Association as and to the extent allowed by NRS 116.31032. The period during which Declarant may appoint or remove the officers and members of the Board pursuant to NRS 116.31032 is referred to in this Declaration as the "Declarant Control" period.

7.8 Title to Common Area. Declarant shall deed to the Association all its right, title and interest to the Common Area and all other property required to be delivered to the Association pursuant to NRS 116.31038 and 116.31039 at or prior to the times required by law. All real property not constituting a Lot or portion thereof and not dedicated to a public entity or utility purveyor shall be Common Area.

At the time the Association's and Owners' easement to use Common Area becomes effective as to any portion of Common Area pursuant to Section 6.1.10, the Association will be solely responsible for maintenance of that portion of the Common Area and Declarant shall have no liability for such portion of the Common Area.

7.9 Meetings. A meeting of Owners with voting power in the Association must be held at least once each year, or as otherwise specified by law. Special meetings of the Association may be called and held in the manner set forth in NRS 116.3108. The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to this Declaration or Bylaws, any budgetary changes and any proposal to remove an officer or member of the Board. The notice must also include notification of the Owner's rights granted by NRS 116.3108(3).

7.10 Notice of Meeting to Consider Certain Civil Actions:

7.10.1 The Association shall provide written notice to each Owner of a meeting at which an assessment for a capital improvement is to be considered at least twenty-one (21) days before the meeting. Except as otherwise provided in this Section 7.10, the Association may commence a civil action only upon a vote or written agreement of the owners of Lots to which at least a majority of the votes of the Members of the Association are allocated. The provisions of this Section 7.10 do not apply to a civil action that is commenced:

- 7.10.1.1 To enforce the payment of an assessment;
- 7.10.1.2 To enforce the Declaration, Bylaws or Rules and Regulations;
- 7.10.1.3 To proceed with a counterclaim; or
- 7.10.1.4 To protect the health, safety, and welfare of the Members. If a civil action is commenced pursuant to this paragraph 7.10.1.4 without the required vote or agreement, the action must be ratified within ninety (90) days after the commencement of the action by a vote or written agreement of the Owners of the Lots to which at least a majority of the votes of the Members of the Association are

allocated. If the Association, after making a good faith effort, cannot obtain the required vote or agreement to commence or ratify such a civil action, the Association may thereafter seek to dismiss the action without prejudice for that reason, only if a vote, or written agreement of the Owners of the Lots to which at least a majority of votes of the Members of the Association are allocated, was obtained at the time the approval to commence or ratify the action was sought.

7.10.2 At least ten (10) days before the Association commenced or seeks to ratify the commencement of a civil action, the Association shall provide a written statement to all Owners that includes:

7.10.2.1 A reasonable estimate of the costs of the civil action, including reasonable attorney's fees;

7.10.2.2 An explanation of the potential benefits of the civil action and the potential adverse consequences if the Association does not commence the action or if the outcome of the action is not favorable to the Association; and

7.10.2.3 All disclosures that are required to be made upon the sale of any Lot.

7.11 Minutes of Meetings of Members:

7.11.1 The secretary or other officer specified in the Bylaws shall cause minutes to be recorded or otherwise taken at each meeting of the Members. Not more than thirty (30) days after each such meeting, the secretary or other officer specified in the Bylaws shall cause the minutes or a summary of the minutes of the meeting to be made available to the Owners. A copy of the minutes or a summary of the minutes must be provided to any Owner upon request and, if required by the Board, upon payment to the Association of the costs of providing the copy to the Owner.

7.11.2 Except as otherwise provided in Section 7.11.3, the minutes of each meeting of the owners must be included:

7.11.2.1 The date, time, and place of the meeting;

7.11.2.2 The substance of all matters proposed, discussed, or decided at the meeting; and

7.11.2.3 The substance of remarks made by any Owner at the meeting if he requests that the minutes reflect his remarks or, if he has prepared written remarks, a copy of his prepared remarks if he submits a copy for inclusion.

7.11.3 The Board may establish reasonable limitations on materials, remarks, or other information to be included in the minutes of a meeting of the Owners.

7.11.4 The Association shall maintain the minutes of each meeting of the Owners until the common-interest community is terminated.

7.12 Audiotape of Meeting. An Owner may record an audiotape or any other means of sound reproduction of a meeting of the owners or the Board if the Owner, before recording the meeting, provides notice of such Owner's intent to record the meeting.

7.13 Definition of Emergency. As used in this Declaration, "emergency" means any occurrence or combination of occurrences that:

7.13.1 Could not have been reasonably foreseen;

7.13.2 Affects the health, welfare, and safety of the Owners of the Association or constitutes a threat to of harm, injury, damage or death to persons or property;

7.13.3 Requires the immediate attention of, and possible action by the Board; and

7.13.4 Makes it impracticable to comply with the provisions of Section 6.1.8 or any other provision of this Agreement that requires notice to an Owner.

In the event of an emergency (as defined above), no such notice will be required and Declarant or the Association, as applicable, must then provide only such notice as would be reasonably practicable under the circumstances.

7.14 Quorums and Voting. Quorums and voting at meetings shall be as specified in NRS 116.3109 and 116.311, and as provided in the Bylaws. Only the Owners of Lots have voting power. Lessees of Lots may not, except by written proxy, as specified in NRS 116.311, exercise voting power.

7.15 Members' Approval. Except as otherwise provided in the Act or the Governing Documents, all matters requiring the approval of Owners shall be deemed approved if Owners holding a majority of the total voting rights assent to them by written consent as provided in the Bylaws or if approved by a majority vote of a quorum of Owners at any regular or special meeting held in accordance with the Governing Documents.

7.16 Inspection of Association Books and Records. Books, records and other papers of the Association shall be made available for inspection and copying by any Owner, or his duly appointed representative, or any beneficiary of a deed of trust encumbering real estate in the Project for review as provided in NRS 116.31175 and 116.31177. The Association may charge a reasonable fee for any copies made at an Owner's request.

7.17 Ownership of Common Area. Owners and the Association shall make no attempt to divert or alter the platted configuration of any Common Area or change the equal voting power, as defined herein, of Owners, except as otherwise provided herein.

7.18 Notices. All notices hereunder to the Association or its Board shall be sent by registered or certified mail to the Board at such places as the Board may designate from time to time by notice in writing to all members. Except as provided otherwise in the Act, all notices to any Owner shall be hand delivered or sent prepaid by mail to the Owner's Residence or to such other address as may be designated by an Owner from time to time, in writing, to the Board. If an Owner consents in writing (including by electronic mail from the Owner's email address) to notices given by electronic mail, notices may be provided by electronic mail and shall be deemed given on the date sent if sent before 5:00 p.m., Pacific Time, Monday through Friday, other than dates upon which banks are required or allowed to be closed in the State of Nevada (a "Business Day"). If sent at any other time, the notice will be deemed given on the following Business Day. All notices to other interested persons shall be mailed to such addresses as such person shall designate in writing to the Board. All notices shall be deemed to have been given when mailed or hand delivered except notices of change of address, which shall be deemed to have been given when received, unless as otherwise provided herein.

7.19 Insurance. The insurance requirements and provisions of NRS 116.3113-116.31138 shall be complied with by the Association and shall be Common Expenses.

7.20 Fines. Subject to provisions of the Act, the Association shall have the power to levy fines and other charges against Owners, as a monetary penalty and to reimburse the Association for the costs of enforcement of any provisions of this Declaration, for the violations of any provisions of the Declaration, including the violation of any rules or regulations or other requirements promulgated by the Board or the Committee. The Board shall be obligated to enforce the terms of this provision in accordance with the Act.

7.21 Rules and Regulations. The Board may promulgate rules and regulations, which elaborate on or add to the provisions of the Declaration without first obtaining membership approval or consent, unless prohibited by the Act.

7.22 Transfer of Voting Power. Voting power in the Association is vested in each person or entity who owns a Lot, and shall be appurtenant to the Lot, and shall not be assigned, transferred, pledged, hypothecated, conveyed, or alienated in any way except on a transfer of title to such real estate, and then only to the transferee. Any attempt to

make a prohibited transfer shall be void. Any transfer of title or interest shall be operated automatically to transfer the appurtenant membership rights and obligations in the Association to the new Owner. Immediately after any transfer of title, either the transferring Owner or the acquiring Owner shall give notice to the Association of such transfer, including the name and address of the acquiring Owner and the date of transfer.

7.23 Suspension of Voting Rights. Except as provided in the Act, if an Owner, tenant or guest of an Owner violates a provision of the Governing Documents as determined by the Board, the Board may prohibit, for a reasonable time, such Owner from voting (whether in person or by proxy) on matters related to the common interest community. Such suspension of voting rights shall not constitute a waiver or discharge of the member's obligations to comply with the provisions of the Governing Documents.

Article VIII. BOARD OF DIRECTORS

8.1 Officers and Members of Board. The governing body of the Association shall be called the Executive Board, the Board of Directors or the Board (all of which names shall refer to the same entity). The Board may act in all instances on behalf of the Association, subject to the provisions of this Declaration, the Association Articles, the Bylaws, and the applicable provisions of Nevada law.

8.2 Elected Directors and Officers. Not later than the termination of any period of Declarant's Control, the Owners shall elect a Board of Directors of at least three (3) Directors, at least a majority of whom must be Owners. The Board shall elect the officers of the Association. The Directors and the officers of the Association shall take office upon election.

8.3 Terms of Directors. The term of office of a Director may not exceed three (3) years, except for Directors who are appointed by Declarant. Unless the Governing Documents provide otherwise, there is no limitation on the number of terms that a person may serve as a Director. The Governing Documents of the Association must provide for terms of office (for Directors that are not appointed by Declarant) that are staggered in such a manner that, to the extent possible, an equal number of Directors are elected at each election. The provisions of this Section 8.3 do not apply to:

8.3.1 Directors who are appointed by Declarant; and

8.3.2 Directors who serve a term of one (1) year or less.

8.4 Qualifications of Directors:

8.4.1 A Director must be at least eighteen (18) years of age.

8.4.2 An officer, employee, agent, or Director of a corporate Owner of a Lot, a trustee or designated beneficiary of a trust that owns a Lot, a partner of a partnership that owns a Lot, a fiduciary of an estate that owns a Lot, and a manager, officer, employee, agent or member of a limited liability company that owns a Lot, may be an officer or Director. In all events where the person serving or offering to serve as an officer or Director is not the record Owner, he shall file proof of authority in the records of the Association that: a) the person is associated with the corporate owner, trust, partnership, limited liability company, or estate as required by this subsection; and b) identifies the Lot or Lots owned by the corporate owner, trust, partnership, limited liability company, or estate.

8.4.3 Unless a person is appointed by Declarant, a person may not be a Director or an officer of the Association if the person, his spouse, or his parent or child, by blood, marriage, or adoption, performs the duties of a community manager for the Association.

8.4.4 Each person who is nominated as a candidate for membership on the Board must (a) make a good faith effort to disclose any financial, business, professional or personal relationship or interest that would result or would appear to a reasonable person to result in a potential conflict of interest for the candidate if the candidate were to be elected to serve as a member of the executive board; and (b) disclose whether the candidate is a member in good standing. For the purposes of this paragraph, a candidate shall not be deemed to be in "good standing" if the candidate has any unpaid and past due assessments or construction penalties that are required to be paid to the Association. The candidate must make all disclosures required pursuant to this section in writing to the Association with his or her candidacy information. The Association shall distribute the disclosures, on behalf of the candidate, to each member of the Association with the ballot or, in the event ballots are not prepared and mailed, in the next regular mailing of the Association. The Association is not obligated to distribute any disclosure pursuant to this subsection if the disclosure contains information that is believed to be defamatory, libelous, profane or false.

8.5 Election Ballot. Not less than thirty (30) days before the preparation of a ballot for the election of Directors, the secretary or other officer specified in the Bylaws shall cause notice to be given to each Owner of his eligibility to serve as a Director. Each Owner who is qualified to serve as a Director may have his name placed on the ballot along with the names of the nominees selected by the current Board or a nominating committee established by the Association. Each person whose name is placed on the ballot as a candidate for Director must make a good faith effort to disclose any financial, business, professional, or personal relationship or interest that would result or would appear to a reasonable person to result in a potential conflict of interest for the candidate if the candidate were to be elected to serve as a Director. The candidate must make the disclosure, in writing, to each Member of the Association in the manner established in the Bylaws and in section 8.4.4.

8.6 Conduct of Election. The election of any Director must be conducted by secret written ballot as follows:

8.6.1 The secretary or other officer specified in the Bylaws shall cause a secret ballot and a return envelope to be sent, by United States Postal Service mail, to the mailing address of each Residence within the common-interest community or to any other mailing address designated in writing by the Residence's Owner.

8.6.2 Each Residence's Owner must be provided with at least fifteen (15) days after the date the secret written ballot is mailed to the Residence's Owner to return the secret written ballot to the Association.

8.6.3 A quorum is not required for the election of any Director.

8.6.4 Only the secret written ballots that are returned to the Association may be counted to determine the outcome of the election.

8.6.5 The incumbent Directors and each person whose name is placed on the ballot as a candidate for Director may not possess, be given access to, or participate in the opening or counting of the secret written ballots that are returned to the Association before those secret written ballots have been opened and counted at a meeting of the Association.

8.6.6 The Directors shall be elected as provided by this Declaration and the Act; in case of any inconsistencies between the two, the provisions of the Act shall prevail.

8.7 Removal of Director. Other than members of the Board appointed by Declarant, members of the Board may only be removed in accordance with NRS 116.31036.

8.8 Certification by Director. Each Director shall, within ninety (90) days after his appointment or election, certify in writing to the Association, on a form prescribed by the Real Estate Administrator, that he has read and understands the governing documents of the Association and the provisions of the Act to the best of his ability.

8.9 Meetings of Board of Directors. A meeting of the Board must be held at least once every ninety (90) days.

8.10 Notice of Meeting of the Board:

8.10.1 Except in an emergency or unless the Bylaws require a longer period of notice, the secretary or other officer specified in the Bylaws shall, not less than ten (10) days before the date of a meeting of the Board, cause notice of the meeting to be given to the Owners. Such notice must be:

- 8.10.1.1 sent by United States Postal Service mail to the mailing address of each Lot or to any other mailing address designated in writing by the Lot's Owner; or
- 8.10.1.2 8.10.1.2 if the Association offers to send notice by electronic mail and an Owner so requests, sent by electronic mail to an electronic mail address designated in writing by such Owner; or
- 8.10.1.3 8.10.1.3 Published in a newsletter or other similar publication that is circulated to each Owner.

8.10.2 In an emergency, the secretary or other officer specified in the Bylaws shall, if practicable, cause notice of the meeting to be sent by United States mail to the mailing address of each Residence. If delivery of the notice in this manner would not be timely in light of the emergency, the notice must be hand-delivered to each Residence or posted in a prominent place or places within the Common Area of the Project.

8.10.3 The notice of a meeting of the Board must state the time and place of the meeting and include a copy of the agenda for the meeting or the date on which and the locations where copies of the agenda may be conveniently obtained by the Owners. The notice must include notification of the right of an Owner to:

- 8.10.3.1 Have a copy of the minutes or a summary of the minutes of the meeting provided to the Owner upon request and, if required by the Board, upon the Owner's payment to the Association of the cost of providing the copy to the Owner; and
- 8.10.3.2 Speak to the Association or Board, unless the Board is meeting in Executive Session.

8.11 Agenda of Board Meeting. The agenda for a meeting of the Board must include:

8.11.1 A clear and complete statement of the topics scheduled to be considered during the meeting, including, without limitation, any proposed amendment to the Declaration or Bylaws, any fees or assessments to be imposed or increased by the Association, any budgetary changes, and any proposal to remove an officer or member of the Board.

8.11.2 A list describing the items on which action may be taken and clearly denoting that action may be taken on those items. In an emergency, the Board may take action on an item that is not listed on the agenda as an item on which action may be taken.

8.11.3 A period devoted to comments by Owners and discussion of those comments. Except in emergencies, no action may be taken upon a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken pursuant to Section 8.11.2.

8.11.4 The period required to be devoted to comments by Owners and discussion of those comments must be scheduled for the beginning of each meeting. The Board may establish reasonable limitations on the time an Owner may speak at such a meeting.

8.12 Right of Owner to Have Certain Complaints Placed on Agenda:

8.12.1 If the Board receives a written complaint from an Owner alleging that the Board or any Owner has violated any provision of the Act or any provision of the Governing Documents of the Association, the Board shall, if action is required by the Board, place the subject of the complaint on the agenda of the next regularly scheduled meeting of the Board.

8.12.2 Not later than ten (10) business days after the date that the Association receives such a complaint, the Board or an authorized representative of the Association shall acknowledge the receipt of the complaint and notify the Owner that, if action is required by the Board, the subject of the complaint will be placed on the agenda of the next regularly scheduled meeting of the Board.

8.13 Right of Owners to Speak at Certain Board Meetings. Except as otherwise provided in this Article VIII, an Owner may attend any meeting of the Board and speak at such meeting. The Board may establish reasonable limitations on the time an Owner may speak at such a meeting.

8.14 Executive Session:

8.14.1 Except as allowed by the Act or Section 8.14.2 hereof, the Board may not meet without the opportunity for all other members of the Association to attend (any such closed meeting, an "Executive Session").

8.14.2 The Board may meet in Executive Session only to:

8.14.2.1 Consult with the attorney for the Association on matters relating to proposed or pending litigation if the contents of the discussion would otherwise be governed by the privilege set forth in NRS 49.035 to 49.115, inclusive, or to enter into, review, modify, terminate, or take any other action regarding a contract between the Association and the attorney. Notwithstanding the foregoing, upon request, a Member is entitled to receive a copy of any contract or

agreement between the Association and its attorney. If such contract or agreement contains information that would jeopardize the attorney-client privilege, the Association may redact, to the minimum extent necessary, information that would create such jeopardy.

- 8.14.2.2 Discuss the character, alleged misconduct, professional competence, or physical or mental health of the Manager or an employee of the Association.
- 8.14.2.3 Except as otherwise provided herein or by the Act, to discuss a violation of the Governing Documents, including, without limitation, the failure to pay an assessment.
- 8.14.2.4 Discuss the alleged failure of an Owner to adhere to a schedule required pursuant to NRS 116.310305 if the alleged failure may subject the Owner to a construction penalty.

8.14.3 The Board must meet in Executive Session to hold a hearing on any alleged violation of the Governing Documents unless the Owner who allegedly committed the violation requests in writing that the hearing be conducted by the Board at an open meeting. The Owner who is alleged to have committed the violation may attend the hearing and testify concerning the alleged violation, but may be excluded by the Board from any other portion of the hearing, including, without limitation, the deliberations of the Board.

8.14.4 Except as otherwise provided in this Section 8.14, any matter discussed in executive session must be generally noted in the minutes of the meeting of the Board. The Board shall maintain minutes of any decision made pursuant to Section 7.11.4 and, upon request, provide a copy of the decision to the Owner who was the subject of the hearing or to his designated representative.

8.14.5 Except as otherwise provided in Section 7.11.3, an Owner is not entitled to attend or speak at a meeting of the Board held in executive session.

8.15 Periodic Review of Financial and Legal Matters. At least once every ninety (90) days, the Board shall review at one of its meetings:

8.15.1 A current reconciliation of the operating account of the Association;

8.15.2 A current reconciliation of the reserve account of the Association;

8.15.3 The actual revenues and expenses for the reserve account, compared to the budget for that account for the current year;

8.15.4 The latest account statements prepared by the financial institutions in which the accounts of the Association are maintained;

8.15.5 An income and expense statement, prepared on at least a quarterly basis, for the operating and reserve accounts of the Association; and

8.15.6 The current status of any civil action or claim submitted to arbitration or mediation in which the Association is a party.

8.16 Minutes of Meetings of the Board:

8.16.1 The secretary or other officer specified in the Bylaws shall cause minutes to be recorded or otherwise taken at each meeting of the Board. Not more than thirty (30) days after each such meeting, the secretary or other officer specified in the Bylaws shall cause the minutes or a summary of the minutes of the meetings to be made available to the Owners (other than with respect to meetings held as Executive Sessions). A copy of the minutes or a summary of the minutes must be provided to any Owner upon request (other than with respect to meetings held as Executive Sessions), and, if required by the Board, upon the Owner's payment to the Association of the cost of providing the copy to the Owner.

8.16.2 Except as otherwise provided in this Article VIII, the minutes of each meeting of the Board must include:

- 8.16.2.1 The date, time, and place of the meeting;
- 8.16.2.2 Those Directors who were present and those Directors who were absent at the meeting;
- 8.16.2.3 The substance of all matters proposed, discussed, or decided at the meeting.
- 8.16.2.4 A record of each Director's vote on any matter decided by vote at the meeting; and
- 8.16.2.5 The substance of remarks made by any Owner who addresses the Board at the meeting if he requests that the minutes reflect his remarks or, if he has prepared written remarks, a copy of his prepared remarks if he submits a copy for inclusion.

8.16.3 The Board may establish reasonable limitations on materials, remarks, or other information to be included in the minutes of its meetings.

8.16.4 The Association shall maintain the minutes of each meeting of the Board until the common-interest community is terminated.

8.17 Quorum. A quorum is deemed present throughout any meeting of the Board of Directors entitled to cast a majority of the votes on the Board are present at the beginning of the meeting.

8.18 Duty of Board to Act on Behalf of the Association. Except as otherwise provided in the Declaration, the Bylaws, or the Act, the Board may act in all instances on behalf of the Association. In the performance of their duties, the officers and Directors are fiduciaries. The Directors are required to exercise the ordinary and reasonable care of directors of a corporation, subject to the business-judgment rule.

8.19 Limitations on Authority of the Board. The Board may not act on behalf of the Association to amend the Declaration, to terminate the common-interest community, or to elect Directors or determine their qualifications, powers, and duties or terms of office; but the Board may fill vacancies in its membership for the unexpired portion of any term.

8.20 Indemnification. If a Director is named as a respondent or sued for liability for actions undertaken in his role as a Director, the Association shall indemnify him for his losses or claims, and undertake all costs of defense, unless it is proven that he acted willfully or with gross negligence. After such proof, the Association is no longer liable for the cost of defense and may recover costs already expended from the Director who so acted.

8.21 Prohibition Against Improper Influence. A Director, officer, or Manager shall not solicit or accept any form of compensation, gratuity, or other remuneration that:

8.21.1 Would improperly influence or would appear to a reasonable person to improperly influence the decisions made by those persons; or

8.21.2 Would result or would appear to a reasonable person to result in a conflict of interest for those persons.

8.22 Prohibition Against Certain Contracts: Other than the Declarant, no Director or officer of the Association shall:

8.22.1 Enter into a contract or renew a contract with the Association to provide goods or services to the Association; or

8.22.2 Otherwise accept any commission, personal profit, or compensation of any kind from the Association for providing goods or services to the Association.

8.23 Maintenance and Availability of Association's Records:

8.23.1 Except as otherwise provided in Section 8.16 and this Section 8.25, the Board shall, upon the written request of an Owner, make available the books, records, and other papers of the Association for review during the regular working hours of the Association, including, without limitation, all contracts to which the Association is a party and all records filed with a court relating to a civil or criminal action to which the Association is a party. The provisions of this Section 8.25 do not apply to:

- 8.23.1.1 The personnel records of the employees of the Association, except for those records relating to number of hours worked and the salaries and benefits of those employees;
- 8.23.1.2 The records of the Association relating to another Owner, except for those records described in Section 8.25.2.2 below; and

8.23.2 The Board shall maintain a general record concerning each violation of the Governing Documents, other than a violation involving failure to pay an assessment, for which the Board has imposed a fine, a construction penalty, or any other sanction. The general record:

- 8.23.2.1 Must contain a general description of the nature of the violation and the type of the sanction imposed. If the sanction imposed was a fine or construction penalty, the general record must specify the amount of the fine or construction penalty.
- 8.23.2.2 Must not contain the name or address of the person against whom the sanction was imposed or any other personal information that may be used to identify the person or the location of the Lot, if any, that is associated with the violation.
- 8.23.2.3 Must be maintained in an organized and convenient filing system or data system that allows an Owner to search and review the general records concerning violations of the Governing Documents.

8.23.3 Except as provided in NRS 116.31308 and NRS 116.31083, the books, records, and other papers of the Association must be maintained for at least 10 years.

8.23.4 The Board shall not require an Owner to pay an amount in excess of the greater of the then current Federal Minimum Wage or FIFTEEN DOLLARS AND

NO/100 (\$15.00) per hour or the actual contract rate charged by any independent property management company hired by the Association, whichever is greater, to review any books, records, contracts, or other papers of the Association pursuant to the provisions of this Section 8.25.

8.24 Maintenance and Availability of Certain Financial Records:

8.24.1 The Board shall maintain and make available for review at the business office of the Association or some other suitable location within the county where the common-interest community is situated.

- 8.24.1.1 The financial statement of the Association;
- 8.24.1.2 The budgets of the Association required to be prepared pursuant to NRS 116.31151; and
- 8.24.1.3 The study of the reserves of the Association required to be conducted pursuant to NRS 116.31152.

8.24.2 The Board shall provide a copy of any of the records required to be maintained pursuant to Section 8.25 to an Owner within fourteen (14) days after receiving a written request therefore. The Board may charge a fee to cover the actual costs of preparing a copy, but not to exceed the amount allowed by law.

8.25 Retaliatory Action Prohibited. The Board, a Director, or an officer, employee, or agent of the Association shall not take, or direct or encourage another person to take, any retaliatory action against an Owner because the Owner has:

8.25.1 Complained in good faith about any alleged violation of any provision of the Act or the Governing Documents of the Association; or

8.25.2 Requested in good faith to review the books, records, or other papers of the Association.

Article IX. MAINTENANCE, REPAIR AND REPLACEMENT

8.26 Obligations of Owners and Association. Except as otherwise provided herein:

8.26.1 Each Owner, at his or her own expense, shall be responsible for maintenance, repair, and replacement of the interior of the Owner's Residence. The interior of a Residence is the area that begins 1/4 inch inside the roof and exterior walls of a Residence but does not include the foundation of a Residence. Each Owner's maintenance obligations include, but are not limited to, the maintenance, repair and replacement of any water line from the shut off valve and any sewer line from the clean

out roughly 5' outside the Residence, HVAC, plumbing, electric and lighting systems, low voltage systems, and hot tubs (the installation of gas or propane heated outdoor grills and hot tubs must be approved by Declarant or Committee), and snow removal on decks. In addition, each Owner will be responsible for the elements of the fire suppression system within such Owner's Residence. While the Association shall be responsible for the maintenance of the landscaping within Exclusive Use Common Area and within Lots (if any), each Owner shall be responsible at his/her own expense, for keeping Exclusive Use Common Areas Clean and free of debris and pet feces and for the maintenance, repair or replacement of any "invisible" pet fence installed by Owner. No Owner shall do or allow any work to be done or any condition to exist on his Lot that will impair the structural soundness or safety of any improvement located thereon. If any improvements in the Residence are damaged or destroyed by fire or other calamity, the respective Owner will cooperate with the Association to rebuild or repair the damage or otherwise restore or replace the Residence with the Association responsible for rebuilding and repairing the Residence to the extent of insurance proceeds received by the Association. No Owner shall do or allow any work to be done or condition to exist that will impair, damage or otherwise deteriorate the condition of any Limited Common Area or Adjacent Wall on any Residence and shall promptly notify the Association in the event that a condition exists that may cause damage or further damage to any Limited Common Area.

- 8.26.1.1 For Residences with Adjacent Walls, the Owners of the adjoining Lots shall have reciprocal, mutual, nonexclusive easements for the maintenance of said wall, the reconstruction of said wall in the event of the partial or total destruction of the same, sewer and water lines contained within the wall, drainage associated with said wall or the Residence of which said wall is a part, and an easement to accommodate the foundation and/or roof or eaves encroachment as depicted on the Plat. As and to the extent any repair or reconstruction of an Adjacent Wall is the responsibility of the Association (or the Association elects to conduct any repairs) the Association will have an easement on the adjoining property for the purposes set forth above. With respect to the foregoing, the Association may elect to conduct repairs to an Adjacent Wall if such repair requires access to an adjacent Residence. The above easements are subject to the requirement that, prior to exercising any rights thereunder, the Owner of the Lot benefitted by any such easement (or, if applicable, the Association) will provide reasonable notice to the Owner of the adjoining Residence and will take all reasonable steps to minimize inconvenience to the Owner of the adjoining Residence, including repairing any resulting damage to the adjoining Residence and restoring any damaged finishes on

the interior of the adjoining Residence to as near to their original condition as economically feasible.

8.26.2 The Association, at its expense, shall be responsible for maintenance, repair, and replacement (but not cleaning—which shall be the responsibility of the Owner) of the exterior of each Residence (other than those portions expressly made the responsibility of the Residence Owner pursuant to this Declaration) and is hereby granted an easement on, over and under each Lot to perform such responsibility. For example, the Association shall be responsible for repair and maintenance of exterior windows, foundations, effluent lift stations, doors and garage doors, but not garage door openers or tracks. The Association, as a Common Expense, shall maintain the Common Area in a clean and attractive condition and good state of repair. The Association shall be responsible for the maintenance and repair of the portions of the common water, sewer and life, health and safety systems that are not the responsibility of an Owner. For the avoidance of doubt, each Residence Owner is responsible for maintenance of the fire detection and suppression system in such Owner's Residence. The Association shall be responsible for maintaining the landscaping and other elements of all Common Area. The Association shall be responsible for snow removal on all Common Areas (including without limitation Limited Common Areas such as driveways and walkways but excluding decks on a Residence). Although a Common Expense, the Association may (but shall not be required to) assess a non-uniform rate of assessment for the maintenance of Limited Common Area pursuant to Section 12.7, below.

8.26.3 The Association, at its expense, shall maintain and shall keep all shrubs, grass, and other plantings in the Common Area and upon any Lot properly cultivated, neatly trimmed, and free from weeds, and shall maintain all trees in the Common Area and upon any Lot (in each case, as and to the extent such plants or trees were installed by Declarant or the Association or approved by the Association or the Committee). The Association's maintenance obligation will include replacement of plant material that dies or becomes diseased. The Association shall not allow or permit in the Common Area anything or any condition to exist that shall induce, breed, or harbor infectious plant or tree diseases or noxious insects.

8.26.4 Shared Limited Common Area. The Association, as a Common Expense, shall be responsible for maintenance, repair and replacement of Limited Common Areas, including shared roofs, and snow melt systems. The Association may assess Common Expenses associated with Limited Common Area in accordance with NRS 116.3115. Unless the Association elects to assume such responsibility in a particular case, Owners with Adjacent Walls are solely responsible for the maintenance, repair and replacement of such Adjacent Walls and for any repairs necessary to the adjoining Residence's Adjacent Wall resulting in connection with the Owner's use of the reciprocal easement reserved under Section 9.1.1.1, above.

Article X. ARCHITECTURAL CONTROLS

8.27 Committee Establishment and Membership. The Sierra Colina Architectural Review Committee of the Association is hereby established (the "Committee"). Each Committee member shall have an indefinite term and serve at the discretion of the Board and, during the period of Declarant Control specified in Article VII, Section 7.7 of this Declaration shall be subject to approval by Declarant, which approval may be withheld or withdrawn at any time at Declarant's sole discretion.

The Committee shall be composed of not less than three (3) nor more than five (5) members, to be appointed by the Board. The Board shall consider whether a nominee for the Committee is a qualified member of one of the allied physical design professions (e.g., civil engineer, architect, landscape architect, land planner, etc.). Until the members of the Committee are appointed by the Board, the Board shall act as and shall have the responsibilities and authority of the Committee.

8.28 Written Approval of Plans. Before commencing any building operations, Owners other than Declarant must obtain written approval from the Committee of any improvements, alterations, renovations, or remodels of any component of a Residence or (with respect to landscaping) Limited Common Areas in the Project, including garages, walks, decks, patios, and all other exterior painting, decorations or appendages. For purposes of clarification, as the Association is responsible for maintaining the exterior of Residences, only very minor alterations of a Residence exterior (e.g., addition of a screen or glass door at the entrance to a Residence) are intended to be permitted. Any plans submitted to the Committee which contain features or elements not in compliance with provisions of this Declaration or any design guidelines adopted by the Committee or the Association ("Design Guidelines") must prominently identify and describe the non-compliance, and request a variance. In determining whether to grant its approval, the Committee may consider, among other things, style, design, location, appearance, harmony of external design and building materials. No approval shall be construed as modifying, altering, or waiving any of the provisions of this Declaration or the Design Guidelines unless a variance is issued by the Committee and expressly set forth in the Committee's approval. No such approval of a variance will be deemed precedential in effect.

Committee approval may be granted only after written application has been made to the Committee in the manner and form prescribed by it. Remodeling or adding to existing structures or making structural or architectural changes shall require the Residence Owner to submit complete architectural and structural plans therefor to the Committee, as in the case of erecting new structures.

8.29 Committee Powers. The Committee shall have the power to adopt Design Guidelines as well as rules and regulations, and to render decisions on such matters as are subject to approval, review, or consideration of the Committee under this Declaration, or

as may be referred to the Committee by the Association, in accordance with such rules, Design Guidelines and regulations as may from time to time be adopted by the Committee. Committee comments and requirements with respect to any application must be strictly adhered to by any Owner proceeding with any approved building operation, alternation or construction. If requested by the Committee, applications must be resubmitted to the Committee.

8.30 Time of Decision. The decision of a majority of a quorum of the Committee, acting in good faith in its sole discretion, upon any matters submitted or referred to it, shall be final. It is further provided that if no approval shall have been sent by the Committee to an applicant within forty-five (45) days from the date of receipt of a submittal or as otherwise provided in the Design Guidelines, such inaction shall be deemed to constitute approval. Any decision or approval by the Committee shall not relieve an applicant or Residence Owner from complying with any requirement of a public authority having jurisdiction, and shall not constitute any representation or guaranty by the Committee or a member thereof of compliance of the submitted matter with any statute, ordinance, or regulation pertaining thereto.

8.31 No Improvements Without Approval. No exterior alterations or construction of any element of any Residence or structural alteration of any element of the interior of any Residence included in a Residence or Limited Common Area shall be commenced, erected, placed or altered on any Residence or Common Area in the Project until the building plans and specifications thereof have been submitted to and approved in writing by the Committee. Any disapproval by the Committee will be final, binding and non-appealable.

8.32 Grounds for Disapproval. The Committee may disapprove any application for the following reasons:

8.32.1 If such application does not comply with this Declaration, the Design Guidelines, any rules or regulations promulgated by the Association or the Committee or any ordinance or regulation of any governing agency (such as TRPA or Douglas County);

8.32.2 Because of the dissatisfaction of the Committee, in the Committee's sole discretion, with, location of the proposed improvements on a Residence, color scheme, exterior finish, design, proportions, architecture, shape, height or style of the proposed improvement, the materials used therein, the kind, pitch or type of roof proposed to be placed thereon, or for purely aesthetic reasons.

8.33 Rules and Regulations. The Committee may from time to time adopt written rules and regulations of general application governing its procedures and approval criteria, whether as a portion of the Design Guidelines or as separate provisions, which may include, among other things, provisions for the form and content of application; required number of copies of plans and specifications; additional architectural guidelines;

construction rules and conduct; provisions for notice of approval or disapproval, and various approval criteria.

8.34 No Inspection Required. No inspection of construction for which plans and specifications have been or should be approved by the Committee shall be required of the Committee, although all Committee members or Committee designated representative shall have the right to inspect all improvements to ascertain compliance with the provisions of Articles V and X. Subject to applicable law, any member of the Committee also has the right at all reasonable times and places to enter on a Lot or Residence and inspect any structure for purposes of compliance with approved plans and specifications provided such right of entry shall not include the right to enter a completed occupied dwelling without the consent of the occupant.

8.35 Conformance to Plans Required. After any Owner improvement plans and specifications and other data submitted have been approved by the Committee, no structure, landscaping or feature approved by the Committee of any kind shall be erected, constructed, placed, altered, or maintained upon a Lot unless the same shall be erected, constructed, or altered in conformity with the plans and specifications, color scheme, and plot plan approved by the Committee. If any structure of any kind shall be erected, constructed, placed, altered, or maintained on a Lot other than in accordance with the plans and specifications, color scheme and plot plan theretofore approved by the Committee, such erection, construction, placing alterations and maintenance shall be deemed to have been undertaken without the approval of the Committee ever having been obtained.

8.36 Variances. The Committee may grant reasonable variances or adjustments from the provisions in this Article where literal application thereof results in unnecessary inconvenience and if the granting thereof in the opinion and sole discretion of the Committee will not be materially detrimental or injurious to other Residence Owners.

8.37 Certification of Compliance. At any time prior to completion of construction of an improvement, the Committee may require a certification upon such form as it shall furnish from the builder, contractor, Residence Owner, or a licensed surveyor that such improvement does not violate any height restriction, envelope or set-back rule, Design Guidelines, ordinance or statute, nor encroach upon any easement or right-of-way of record and/or that all construction is in strict compliance with plans approved by the Committee.

8.38 Filing Fee. The Committee may require a filing fee set by the Committee to accompany the submission of Owner improvement plans and specifications.

8.39 Liability. Notwithstanding the approval by the Committee of plans and specifications, neither it, the Declarant, the Association nor any person acting on behalf of any of them shall be responsible in any way for any defects in any plans or

specifications or other material submitted to the Committee, nor for any defects in any work done pursuant thereto. Each person submitting such plans or specifications shall be solely responsible for the sufficiency thereof and the adequacy of improvements constructed pursuant thereto. No member of the Committee shall be held liable to any person, whether a Residence Owner or not, on account of any action or decision of the Committee or failure of the Committee to take any action or make any decision.

8.40 Enforcement. In the event any improvement shall be commenced without Committee approval as herein required, or in the event any improvement is constructed not in conformance with plans therefore approved by the Committee, or not in conformance with this Declaration, the same shall constitute a violation of this Declaration. In addition to the remedies for violation of any portions of this Declaration set forth herein, the Committee shall also have the power and authority to institute arbitration, legal or other appropriate proceedings to enjoin or otherwise prevent a violation of the provisions of this Declaration, and to recommend fines for levy by the Board. All costs of dispute resolution, including attorney's fees, shall be charged to and paid by the Residence Owner as assessments if the Association prevails.

Article XI. FINANCES

8.41 Preparation, Adoption, and Distribution of Budget by the Board. Not less than thirty (30) days or more than sixty (60) days before the beginning of the fiscal year of the Association, the Board shall prepare and distribute to each Owner a copy of:

8.41.1 The budget for the daily operation of the Association. The budget must include, without limitation, the estimated annual revenue and expenditures of the Association and any contributions to be made to the reserve account of the Association.

8.41.2 The budget to maintain the reserve shall include without limitation:

8.41.2.1 The current estimated replacement cost, estimated remaining life and estimated useful life of each major component of the Common Area and any other portion of the Limited Common Area that the Association is obligated to maintain, repair, replace or restore;

8.41.2.2 As of the end of the fiscal year for which the budget is prepared, the current estimate of the amount of cash reserves that are necessary, and the current amount of accumulated cash reserves that are set aside, to repair, replace or restore the major components of the Common Area and any other portion of the Limited Common Area

that the Association is obligated to maintain, repair, replace or restore;

8.41.2.3 A statement as to whether the Board has determined or anticipates that the levy of one or more special assessments will be necessary to repair, replace or restore any major component of the Common Area or Limited Common Area that the Association is obligated to maintain, repair, replace or restore or to provide adequate funding for the reserves designated for that purpose; and

8.41.2.4 A general statement describing the procedures used for the estimation and accumulation of cash reserves, including, without limitation, the qualifications of the person responsible for the preparation of the study of the reserves required by NRS 116.31152.

8.42 Budget Summary Copies. In lieu of distributing copies of the budgets of the Association required by Section 11.1, the Board may distribute to each Owner a summary of those budgets, accompanied by a written notice that:

8.42.1 The budgets are available for review at the business office of the Association or some other suitable location within the county where the Project is situated; and

8.42.2 Copies of the budgets will be provided upon request.

8.43 Ratification of Budget. Within 60 days after adoption of any proposed budget for the Association, the Board shall provide a summary of the proposed budget to each Owner and shall set a date for a meeting of the Owners to consider ratification of the proposed budget not less than 14 days or more than 30 days after the mailing of the summaries. Unless at that meeting a majority of all Owners reject the proposed budget, the proposed budget is ratified, whether or not a quorum is present. If the proposed budget is rejected, the periodic budget last ratified by the Owners must be continued until such time as the Residences' Owners ratify a subsequent budget proposed by the Board.

8.43.1 The Board shall, at the same time and in the same manner that the Board makes the budget available to the Owners pursuant to this section, make available to each Owner the policy established for the Association concerning the collection of any fees, fines, assessments or costs imposed against an Owner pursuant to the Act. The policy must include, without limitation:

8.43.1.1 The responsibility of Owner's to pay any such fees, fines, assessments or costs in a timely manner; and

8.43.1.2 The Association's rights concerning the collection of such fees, fines, assessments or costs if an Owner fails to pay the fees, fines, assessments or costs in a timely manner.

8.44 Reserves:

8.44.1 Establishment of Adequate Reserves. The Association shall establish an adequate reserve, funded on a reasonable basis, for the repair, replacement, and restoration of the major components of the Common Area and Limited Common Area. The reserve may be used only for those purposes, including, without limitation, repairing, replacing, and restoring BMPs, roofs, roads, driveways, trails, etc. that are part of the Common Area or Limited Common Area, and must not be used for daily maintenance.

8.44.2 Duty of the Board Regarding Study of Reserves. The Board shall:

8.44.2.1 Cause to be conducted, at least once every five (5) years, a study of the reserves required to repair, replace, and restore the major components of the Common Area and Limited Common Area;

8.44.2.2 Review the results of that study at least annually to determine if those reserves are sufficient; and

8.44.2.3 At least annually, make any adjustments it deems necessary to maintain the required reserves.

11.4.3 Study of Reserves:

8.44.2.4 The study of the reserves required by Section 11.4 must be conducted by a person who is qualified pursuant to NRS 116.31152.

8.44.2.5 The study of reserves must include, without limitation:

8.44.2.5.1 A summary of an inspection of the major components of the Common Area and Limited Common Area that the Association is obligated to repair, replace, or restore;

8.44.2.5.2 An identification of the major components of the Common Area that the Association is obligated to repair, replace, or restore that have a remaining useful life of less than thirty (30) years;

- 8.44.2.5.3 An estimate of the remaining useful life of each major component identified pursuant to Section 11.4.1;
 - 8.44.2.5.4 An estimate of the cost of repair, replacement, or restoration of each major component identified pursuant to Section 11.4.1 during and at the end of its useful life; and
 - 8.44.2.5.5 An estimate of the total annual assessment that may be required to cover the cost of repairing, replacement, or restoration of the major components identified pursuant to 11.4.1, after subtracting the reserves of the Association as of the date of the study, and an estimate of the funding plan that may be necessary to provide adequate funding for required reserves.
- 8.44.2.6 Pursuant to NRS 116.31152(4), the results of the study of the reserves required by Section 11.4 must be submitted to the Division not later than forty-five (45) days after the date that the Board adopts the results of the study.

11.4.4 Withdrawals for Reserve Accounts. Money in the reserve account of the Association required by Section 11.4 may not be withdrawn without the signatures of at least two (2) Directors.

Article XII. ASSESSMENTS

12.1 Agreement to Pay. Declarant, for each Lot and/or Residence owned by it in the Project that is expressly made subject to assessments as set forth in this Declaration, and each Owner, by its acceptance of a deed to a Lot, covenants and agrees to pay to the Association such regular and special assessments as are established, made, and collected as provided in this Declaration. Transfer fees, fines and all other sums charged or levied by the Association to an Owner pursuant to the provisions of this Declaration shall be deemed assessments for purposes of this Article.

12.2 Personal Obligations. Each assessment, together with any late charge, interest, collection costs, and reasonable attorneys' fees, shall be the personal obligation of the person or entity who was an Owner subject to the assessment at the time such assessment or installment became due and payable. If more than one (1) person or entity was the Owner, the personal obligation to pay such assessment or installment respective such real estate shall be both joint and several. A purchaser of a Lot shall be jointly and severally liable with the seller for all unpaid assessments against the real estate 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 abandonment of its real estate.

12.3 Purpose and Amount of Assessments. The assessments levied by the Association shall be determined by the Board and shall be the amount estimated to be required, on an annual basis, and shall be used exclusively, to promote the Association purposes specified in the preamble of this Declaration, for the performance of the duties of the Association as set forth in this Declaration, and for the repair, maintenance and upkeep of Association property. Funds held by the Association shall be held, deposited at a financial institution in accordance with NRS 116.31195.

12.4 Annual Assessments. Not less than sixty (60) days before the beginning of each fiscal year of the Association, the Board shall meet for the purpose of preparing the proposed operating statement or budget for the forthcoming fiscal year, and establishing the annual assessment for the forthcoming fiscal year, subject to the power of disapproval of the Residence Owners, as specified in Article VII.

12.5 Special Assessments by Revised Budget. If the Board determines that the regular assessments based on the ratified budget for a given fiscal year are or will become inadequate to meet expenses for any reason, including, but not limited to, unanticipated delinquencies, costs of construction, unexpected repairs, or replacements of capital improvements on the Common Area, then, if such special assessment was not so included in the budget, then, following the procedures and requirements set forth in Article XI, the Board may prepare, adopt, and distribute a revised budget and submit it to the members for ratification. If the revised budget is ratified by the Members, then the Board may determine appropriate special assessments based on the revised budget in an amount necessary to defray such expenses. The Board may, in its discretion, prorate such special assessment over the remaining months of the fiscal year or immediately levy the assessment against each Lot.

12.6 Special Assessments. Without engaging in the revised budget procedure set forth in Section 12.5, above, the Board may assess a special assessment against the Owner of a Lot under the following circumstances:

12.6.1 The Association shall have the power to incur expenses for maintenance and repair of any Residence, provided such maintenance and repair is necessary, in the sole opinion of the Board, to protect the Common Area, Limited Common Area, or any other portion of the Project, or provided such repair or maintenance is required by Article IX and provided the Owner of such Residence has failed or refused to perform such maintenance or repair within a reasonable time after written notice of the necessity of such maintenance or repair has been delivered by the Board to such Owner. The Board

shall levy a special assessment against the Owner of any such Residence to pay for the cost of such maintenance, repair and any other costs or expenses arising out of or incident to such maintenance and repair, and the assessment therefore. Additionally, the Board may levy a special assessment against a Lot to collect a fine imposed on the Owner by the Board.

12.6.2 The Board may levy a special assessment to pay for any common expense caused by the misconduct of any Owner.

12.6.3 Upon approval of a proposed capital improvement and the estimated total cost thereof, such estimated total costs shall be assessed as a capital improvement assessment to the Owners of each Lot in proportion to their Allocated Interest as provided in Section 12.7. If at any time and from time to time a capital improvement assessment proves or appears likely to prove inadequate for any reason, including nonpayment of any Owner's share thereof, the Board may, without obtaining any further approval from the Owners, levy a further capital improvement assessment in the amount of such actual or estimated inadequacy, which shall be assessed to all owners in the same proportions as the original assessment. Capital improvement assessments shall be due and payable by all Owners in such installments and during such periods as the Board shall designate.

12.7 Uniform Rate of Assessment. Except for assessments listed below in this Section 12.7, or as otherwise specifically provided in this Declaration, annual and special assessments of the Association must be fixed at the uniform rate for all real estate subject to assessments. The following assessments shall not be assessed uniformly among the Lots:

12.7.1 Any Common Expense associated with the maintenance, repair restoration or replacement of a Limited Common Area must be assessed against the Lots to which that Limited Common Area is assigned, equally or in any other proportion of this Declaration provides;

12.7.2 Any Common Expense or portion thereof benefiting fewer than all of the Residences may be (but is not required to be) assessed exclusively against the Lots benefited (it being understood that the Board may determine that, given the similarity of Limited Common Areas benefitting each Residence, it would be equitable and more economic to assess Limited Common Areas equally against all Lots);

12.7.3 The cost of insurance must be assessed in proportion to the risk; and the cost of utilities must be assessed in proportion to usage;

12.7.4 If any Common Expense is caused by the misconduct or negligence of any owner, the Association may assess that expense exclusively against his Residence;

12.7.5 Assessments to pay a judgment against the Association may be made only against the Lots in the common interest community at the time the judgment was entered, in proportion to their liabilities for Common Expenses;

12.7.6 If liabilities for Common Expenses are reallocated, assessments for Common Expenses, and any installment thereof not yet due must be recalculated in accordance with the reallocated liabilities; and

12.7.7 No assessment shall be due on any Lots not yet annexed into the Project.

12.8 Assessment Period. Unless changed by action of the Board pursuant to Section 12.17 hereof, the annual assessment period shall commence on January 1 of each year and shall terminate on December 31 of such year. Annual assessments shall be payable in advance monthly unless the Board adopts some other basis for collection. However, the initial annual assessment for each Lot shall be prorated for the fiscal year in which the assessment becomes due and, if possible, shall be paid in escrow on the purchase of the Lot.

12.9 Notice of Assessments; Time for Payment. The Association may, in its discretion, give written notice of assessments to each Owner, which notice shall specify the amount of the assessment and the date of dates of payment of the same. No payment shall be due fewer than fifteen (15) days after such written notice has been given. Each assessment delinquent for sixty (60) days or more shall bear interest at the lesser of (a) eighteen percent (18%) per annum from the date it becomes due; or (b) such rate as may be allowed under the Act. An assessment payment is delinquent if not paid within fourteen (14) days after its due date. All delinquent assessments will incur a late charge in an amount equal to TWENTY-FIVE DOLLARS AND NO/100 (\$25.00). Failure of the Association to give notice of the assessment shall not affect the liability of the Owner for such assessment, but the date when payment shall become due in such a case shall be deferred to a date fifteen (15) days after such notice shall have been given.

12.10 Statement of Account. Upon payment of a reasonable fee, and upon written request of an Owner or any beneficiary of a deed of trust, prospective beneficiary, or prospective purchaser of a Lot, the Association shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such real estate, the amount of the current periodic assessment, transfer fees, and the date that such assessment becomes or became due, which statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within thirty (30) days, all unpaid assessments, which became due prior to the date of making such request, shall be subordinate to the lien of a deed of trust of the requesting beneficiary, which acquired its interest subsequent to requesting such statement.

12.11 Collection of Assessments. The right to collect and enforce assessments is vested in the Board acting for and on behalf of the Association. The Board of Directors or its authorized representative, including any Manager, may, to the extent and in the manner allowed by the Act, enforce the obligations of the Owners to pay assessments provided for in this Declaration by commencement and maintenance of a suit at law or in equity, through the exercise of the power of sale granted to the Board, or both. Suit to recover a money judgment against an Owner for unpaid assessments together with all other amounts allowed by law or described in this Article shall be maintainable without first foreclosing against the real estate subject to the lien for such assessment or waiving the lien rights granted hereby.

12.12 Lien for Assessments. All sums assessed on each Lot pursuant to this Article or for any fines or construction penalty imposed pursuant to the Act or this Declaration, together with interest, fees, charges, fines and other expenses allowed by law shall be secured by a lien on that Lot in favor of the Association as provided in the Act. Any penalties, fees, charges, late charges, fines and interest charged pursuant to this Article XII are enforceable as assessments under this Article XII. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment thereof becomes due.

12.13 Priority of Liens. A lien under this Article XII is prior to all other liens and encumbrances on a Lot except:

12.13.1 Liens and encumbrances recorded before the recordation of the Declaration;

12.13.2 A first security interest on the Lot recorded before the date on which the assessment ought to be enforced became delinquent; except that a lien is prior to a security interest to the extent set forth in NRS 116.3116(3);

12.13.3 Liens for real estate taxes and other governmental assessments or charges against the Lot;

12.13.4 Liens for any fee or charge pursuant to NRS 444.520(1).

12.14 Perfection of a Lien. The recording of this Declaration shall constitute record notice and perfection of the lien. No further recordation of any claim of lien for assessment under this Article XII is required, unless otherwise required by the Act.

12.15 Exempt Property. The following property shall be exempt from payment of assessments:

12.15.1 All Common Areas (including the Community Building); and

12.15.2 Any property dedicated to and accepted by any government entity or public utility.

12.16 Suspension of Owner's Rights. Subject to the provisions of Article VII, Section 7.4 and Article XVII, Section 17.2, the Association shall not be required to transfer memberships on its books or to allow the exercise of any rights or privileges of membership, including voting rights, to any Owner or to any person claiming under said Owner unless or until: a) all assessments due on an Owner's real estate for which the Owner is liable have been brought current; and (b) the Owner has cured any continuing violation of this Declaration found to exist by the Board.

12.17 Fiscal Year. The Board may adopt a fiscal year other than the calendar year.

12.18 Transfer Fees. When a transfer of ownership occurs, a transfer fee shall be charged to said transferee by the Association. The transfer fee (for a transfer from Declarant or any subsequent Owner to a bona fide purchaser) for each Lot shall be equal to two (2) months of the current monthly assessment which shall be used to pay any document preparation costs charged incurred by the Association and/or to fund the Operating Account and/or the Reserve Fund. The Board may set different transfer fees of uniform application to all Lots. Those transfers exempted from transfer tax under NRS 375.090 and transfers of Lots by Declarant to a successor Declarant at one (1) time to a single entity shall also be exempt from all transfer fees.

12.19 Declarant Subsidy. Nothing herein is intended to prevent Declarant from subsidizing the Association, which it may do in such manner as it may determine in its sole discretion.

Article XIII. PROTECTION OF LENDERS

13.1 General. Notwithstanding any other provisions in this Declaration to the contrary, no amendment or violation of this Declaration shall operate to defeat or render invalid the rights of the beneficiary under any deed of trust or the mortgagee under any mortgage upon any of the Project made in good faith and for value, and recorded in the office of the Douglas County, Nevada, recorder (the "Recorder's Office"), prior to the recordation of such amendment in such office, provided that after the foreclosure of any such deed of trust or mortgage or recordation in the Recorder's Office of a deed or assignment in lieu thereof such property shall remain subject to this Declaration, as amended.. To the extent that the provisions of Article XIII conflict with any other provisions in this Declaration, the provisions of Article XIII shall control. To the extent the provisions of this Article XIII conflict with the provisions of the Act, the Act shall control.

13.2 Encumbrance of Lots Permitted. Any Owner may encumber a Lot with a deed of trust.

13.3 Subordination. Any lien created or claimed under Article XII of this Declaration is subject and subordinate to the lien of any bona fide first deed of trust made for value encumbering any Lot or other property in the Project and recorded before the date on which the assessment sought to be enforced became delinquent, unless the priority of such first deed of trust is expressly subordinated to such assessment lien, and except as otherwise provided in this Declaration and NRS 116.3116(3).

13.4 Limited Liability for Unpaid Assessments. Any beneficiary of a bona fide first deed of trust made for value who comes into possession of a Lot pursuant to the remedies provided in the deed of trust shall take such Lot free of any claims for unpaid assessments or charges against the encumbered Lot except to the extent set forth in NRS 116.3116(3). After the foreclosures of any such deed of trust or conveyance of any Lot to such beneficiary by deed in lieu of foreclosure, such Lot shall remain subject to the Declaration; and the amount of all regular, special, and capital improvement assessments, to the extent they related to expenses incurred subsequent to such foreclosure, shall be assessed hereunder to the grantee or purchaser at such foreclosure sale.

13.5 Breach of Covenants. No breach of any of the provisions of this Declaration or the re-entry by reason of any such breach shall defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value as to any Lot; provided, however, the provisions of the Declaration shall be binding upon the Owner whose title thereto is acquired under foreclosure, trustee's sale, or otherwise.

13.6 Notice of Default. Upon written request to the Association the beneficiary of a bona fide first deed of trust (any such beneficiary providing such request, an "Eligible Mortgage Holder") made for value encumbering a Lot shall be entitled to written notification from the Association of any default by the trustor in the performance of trustor's obligations under the Declaration, Articles, Bylaws, or Rules and Regulations that is not cured within thirty (30) days after notice of such default is provided to such trustor. The Association may not foreclose a lien unless it has provided all required notices to the holder of each security interest as required by the Act.

13.7 Other Notices. Any Institutional Holder, insurer, or guarantor of a bona fide first deed of trust made for value encumbering a Lot shall be entitled to timely written notification from the Association of: any condemnation or casualty loss that affects either a material portion of the Project or the Lot securing its deed of trust; a lapse, cancellation, or material modification of any insurance policy maintained by the Association; and any proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders. Such holder, insurer, or guarantor may send a written request for such information to the Association and state its name and address and the number or address of the Lot that such deed of trust encumbers.

13.8 Insurance Proceeds and Condemnation Awards. Except as otherwise provided by NRS 116.2119, no provision of this Declaration or the Articles shall give an Owner, or any other party, priority over any rights of a beneficiary pursuant to its deed of trust in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of the encumbered Lot or Common Area.

13.9 Appearance at Meetings. Any Institutional Holder of a first deed of trust on a Lot, upon request, shall be entitled to written notice of all meetings of the Members of the Association and shall be permitted to designate a representative to attend all such meetings.

13.10 Right to Examine Books and Records; Agreements. Any Institutional Holder of a first deed of trust can examine the books and records of the Association during normal business hours and, upon request, shall be entitled to have an annual audited financial statement of the Project prepared at its own expense. In addition to the foregoing, the Board may enter into such contracts or agreements on behalf of the Association as are required to satisfy the guidelines of FHLMC, FNMA, GNMA, VA, and HUD/FHA, or any similar entity, so as to allow for the purchase, guaranty, or insuring, as the case may be, by such entities of first priority mortgages or deeds of trust (each, a "Mortgage" and the beneficiary or mortgagee, a "Mortgagee") encumbering Lots. Each Owner including Declarant hereby agrees that such action will benefit the Association and the membership of the Association, as a class of potential borrowers and potential sellers of their respective property, if such agencies approve the Project as a qualifying community under their respective policies, rules and regulations, as adopted from time to time. Mortgagees are hereby authorized to furnish information to the Board concerning the status of any Mortgage encumbering a Lot so insured or guaranteed.

13.11 Right to Consent to Termination. The effectiveness of the Owner's vote to terminate the common-interest community pursuant to this Declaration is conditioned upon the concurrent agreement of Eligible Mortgage Holders who represent at least fifty-one percent (51%) of the Lots that are subjected to deeds of trust held by Eligible Mortgage Holders; provided, however if the termination is for reasons other than substantial destruction or condemnation of the Project, then the agreement of at least sixty-seven percent (67%) of the Eligible Mortgage Holders is required.

13.12 Amendments of a Material Nature. Amendments to the Declaration of a material nature must be agreed to by Eligible Mortgage Holders who represent at least fifty-one percent (51%) of the Lots encumbered by a first deed of trust held by an Eligible Mortgage Holder. An implied approval may be assumed when an Eligible Mortgage Holder fails to submit a response to any written proposal for an amendment (including an agreement to terminate pursuant to this Declaration) within thirty (30) days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail with a return receipt requested. Any change to the Declaration provisions governing the following is considered as material:

- 13.12.1 The method of allocating voting rights;
- 13.12.2 Increases in assessments that raise the previously assessed amount by more than twenty-five percent (25%), assessment liens, or the priority of assessment liens;
- 13.12.3 Reductions in reserves for maintenance, repair, and replacement of Common Area;
- 13.12.4 Responsibility for maintenance and repairs of Limited Common Areas and/or Common Areas;
- 13.12.5 The method of reallocation of Allocated Interest;
- 13.12.6 The method of modifying of any Lot boundaries;
- 13.12.7 The method of converting Lots into Common Area or vice versa;
- 13.12.8 Expansion or contraction of the Project or the addition, annexation, or withdrawal of property to or from the Project in any manner other than contemplated by annexation of the additional property as set forth in this Declaration;
- 13.12.9 Hazard or fidelity insurance requirements;
- 13.12.10 Imposition of any restrictions on the leasing of Residences;
- 13.12.11 Imposition of any restrictions on Owner's right to sell or transfer its Lot;
- 13.12.12 The procedure and obligations for restoration or repair of the Project (after damage or partial condemnation); or
- 13.12.13 Any provisions that expressly benefit mortgage holders, insurers, or guarantors.

13.13 Participation of Eligible Mortgage Holders. The Association shall notify Eligible Mortgage Holders of any proposed action requiring the consent of a specified percentage of Eligible Mortgage Holders.

Article XIV. INSURANCE

14.1 Insurance which the Association is Obligated to Obtain. Commencing not later than the time of the first conveyance of a Lot to a person other than Declarant, the

Association shall obtain and maintain in full force and effect at all times the following types of insurance coverage, provided by companies duly authorized to do business in Nevada, as set forth in this Article, if and to the extent such insurance, with the coverages described below (along with such additional, greater or other coverages as may be required by law), is available at a reasonable premium cost:

14.1.1 Fire and Property Insurance.

14.1.1.1 Requirement of Blanket Policy of Hazard Insurance. The Association shall obtain and maintain a master policy of fire and extended coverage, written on a “Special” form, replacement cost basis on all structures and buildings within the Project and the Common Area of the Association (including without limitation the Residences and the Community Building). The insurance shall be kept in full force at all times and the full replacement value of the insured property shall be reviewed on an annual basis.

14.1.1.2 Policy Specifics. The policy may contain a loss payable endorsement in favor of the trustee and any individual Residence Owner’s mortgagee.

14.1.1.3 Property Not Covered by the Master Policy. The master policy maintained by the Association pursuant to this Subsection 14.1.1 may not include coverage for Owner-installed upgrades or betterments from the original “building standard” fixtures and finishes for Residences in the Association or the personal property, furniture, furnishings and decorations contained within any Residence, or land, foundation, excavations and other items normally excluded from coverage.

14.1.1.4 Named Insureds. The blanket policy maintained by the Association pursuant to this Subsection 14.1.1 shall name as separately protected insureds the respective Owners, their Mortgagees, and the Association as their respective interests may appear and shall contain a cross-liability endorsement and waiver of subrogation as to any and all claims against the Association, its officers, directors, the Owners and the agents, employees, and tenants of any of them, and a waiver of all defenses based upon acts of the insureds or the existence of coinsurance.

14.1.1.5 Other Provisions. The Association may comply with the above requirements by the purchase of blanket coverage and may elect such “deductible” provisions as in the Board’s opinion are consistent with good business practice.

14.1.2 Commercial General Liability Insurance.

14.1.2.1 Requirement of Commercial General Liability Insurance. The Association shall obtain and maintain a master policy of commercial general liability insurance naming parties as additional insureds the Association, each member of the Board of Directors, and their officers, representatives, members, and employees, any manager, each Owner and occupants of Residences and such other persons as the Board may determine.

14.1.2.2 Policy Specifics. The policy will insure each named party against any liability arising out of or in connection with the use, ownership, or maintenance of the Common Area or Limited Common Area including, if obtainable, a cross-liability or severability of interest endorsement insuring each insured against liability to each insured. The limits of such insurance shall not be less than Five Million Dollars (\$5,000,000) coverage for all claims for bodily injury, personal injury and property damage arising out of a single occurrence and the annual aggregate. Such insurance shall include coverage for liability for nonowned and hired automobiles, and any other liability or risk customarily covered with respect to Associations of similar location and use. The limits can be obtained by any combination of primary and excess liability insurance.

14.1.2.3 Non-Covered Liabilities. The liability insurance maintained by the Association pursuant to this Subsection 14.1.2 shall not cover the personal bodily injury and property damage exposure of an Owner within his or her Residence or in any other Residence the Association or upon the Common Area resulting from the negligence of the Owner.

14.1.2.4 Other Provisions. The Association’s liability insurance policy (i) shall contain a waiver of subrogation as to claims against the Association, the Board members, the Owners and members of the Owner’s family who reside with such Owner, except in the cases of gross-negligence, arson or

fraud; (ii) shall provide that in no event shall the insurance be brought into contribution with insurance purchased individually by Owners or their Mortgagees.

14.1.3 Worker's Compensation and Employer's Liability Insurance. The Association shall purchase statutory worker's compensation and \$1,000,000 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.

14.1.4 Director's and Officers' Liability Insurance. The Association shall purchase a policy or policies of insurance providing individual liability protection to persons serving as directors, officers or committee members of the Association from claims arising out of or pertaining to negligent acts or omissions of such persons in their official capacities. The limits of such insurance shall be no less than Two Million Dollars (\$2,000,000).

14.1.5 Fidelity Bonds/Crime Insurance. The Association shall purchase and maintain fidelity bonds or crime insurance in an amount no less than fifty percent (50%) of each year's estimated annual operating expenses or Five Hundred Thousand Dollars (\$500,000), whichever is greater, and shall contain an endorsement extending coverage to individuals who serve without compensation.

14.1.6 Additional Insurance. To the extent such insurance is reasonably obtainable, the Association may also purchase as a Common Expense such additional insurance and bonds as it may, from time to time, determine to be necessary or desirable, including, without limiting the generality of this this Subsection 14.1.6, flood insurance, employment practices liability insurance, earthquake insurance, cyber liability insurance and environmental liability insurance.

14.1.7 Premiums and Review. Except as provided above, premiums for all the foregoing insurance carried by the Association shall be a Common Expense and shall be included in the assessments or charges made by the Association. The Board shall review the limits and deductibles of all insurance policies of the Association at least once a year and adjust the limits and deductibles as the Board deems necessary or appropriate.

14.1.8 Unavailability of Insurance. If the insurance required to be purchased by the Association under Section 14.1 is not reasonably available, the Association promptly shall cause notice of that fact to be hand-delivered or sent prepaid by United States Postal Service mail to all Owners.

14.1.9 Certificates of Insurance. Each insurer shall issue certificates or memoranda of insurance to the Association and, upon written request, to any Owner or holder of a security interest. The insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or non-renewal has

been mailed to the Association, each Owner, and each holder of a security interest to whom a certificate or memorandum of insurance has been issued at their respective last known address.

14.1.10 Adjustment of Losses. Any loss covered by any policy carried pursuant to Section 14.1 shall be adjusted with the Association; but the proceeds for the loss shall be payable to any trustee designated for that purpose, or otherwise to the Association, and not to any holder of a security interest. The trustee or the Association shall hold any proceeds in trust for the Association, Owners, and lien holders as their interests may appear. Subject to the provisions of NRS 116.31135 and this Declaration, the proceeds must be disbursed first for the repair or restoration of the damaged property; and the Association, Owners, and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored, or the common-interest community is terminated.

14.2 Owner's Insurance Responsibilities Which Each Owner is Obligated to Obtain (and Prohibited to Obtain).

14.2.1 Individual Owner Fire, Casualty & Liability Policy Prohibitions. Except as provided in Subsection 14.2.2 below, no Owner may separately insure his or her Residence or any part of it against loss by fire or other casualty covered by the Association's blanket insurance carried under Section 14.1.1 above. If any Owner violates this provision, any diminution in insurance proceeds otherwise payable pursuant to the provisions of Section 14.1.1 that results from the existence of such other insurance will be chargeable to the Owner who acquired such other insurance, and the Owner will be liable to the Association to the extent of any such diminution. An Owner shall insure his or her other property against loss as provided in Subsection 14.2.2 below.

14.2.2 Owner's HO6 Policy of Insurance Obligations. Each Owner shall carry an "HO6 Owners Policy" or the equivalent and a policy or policies of general liability insurance covering: (i) the Owner's individual liability for damage to property or injury to person or others occurring within or upon the Owner's Residence or Lot or the appurtenant Exclusive Use Common Area, and for the activities of the Owner, with respect to the Common Area, in an amount no less than One Million Dollars (\$1,000,000) for each occurrence and in the aggregate; (ii) property damage insurance in an amount the Owner determines is sufficient to cover personal property, furniture, furnishings, decorations and any upgrades or betterments not included within the original "building standard" within the Residence or Exclusive Use Common Area. Any such policy shall contain a waiver of subrogation of claims against the Association, the Board, and the Owners and the agents, employees, and tenants of each of them, with respect to any loss covered by such insurance, whether or not caused by negligence or by breach of any agreement by such person, but only to the extent of insurance proceeds received in compensation for such loss.

14.2.3 Owner Responsibility for Losses Exceeding Association Insurance Proceeds. Pursuant to Section 14.1, to the extent that the Association may elect to arrange for insurance coverage for any of the casualties and/or liabilities described therein or above, each Owner shall be responsible for the amount, if any, by which the Owner's damages exceed the insurance proceeds.

Article XV. CONDEMNATION

If a Lot, part of a Lot, or the Project is acquired by eminent domain, then the provisions of NRS 116.1107 shall apply.

Article XVI. LIMITATION OF RESTRICTIONS

15.1 General/Assignment. Declarant and any Successor Declarant may be undertaking the work of constructing improvements to the Project or on Lots. The completion of such construction and the sale or other disposal of the Lots are essential to the establishment and welfare of the Project as a residential community. The rights granted to Declarant which are contained in this Article are personal to Declarant and any Successor Declarant, and may only be transferred by a written, express assignment duly recorded from the Declarant to a Successor Declarant, or from Successor Declarant to another Successor Declarant, and are not assigned merely by the conveyance of title to Lots, without such an express assignment. Declarant may assign its rights as to a portion of the Project by express, recorded assignment, who shall then be the Successor Declarant as to those Lots subject to the assignment. Such a partial assignment may provide for limitations or qualifications of a Successor Declarant's rights, in the sole discretion of Declarant.

15.2 Limitations on Restrictions. Nothing in this Declaration shall be understood or construed to:

15.2.1 Prevent Declarant, its contractors or subcontractors from doing on the Project or on any Lot or Common Area whatever is reasonably necessary or advisable in connection with the commencement or completion of the work described in Section 1 of this Article;

15.2.2 Prevent Declarant or its representatives from erecting, constructing, and maintaining on any part of the Project such structures as may be reasonably necessary for the conduct of its business of completing the work and disposing of the Lots and Residences by sale, lease, or otherwise;

15.2.3 Prevent Declarant from maintaining such signs on any part of the Project owned by Declarant or by the Association as may be necessary for the sale, lease, or disposition of the Lots and Residences;

15.2.4 Prevent Declarant from utilizing prefabricated structures or temporary structures as sales offices or for construction activities; and

15.2.5 Allow any Owners or Association to enforce any provision of Articles IV and X against Declarant, it being the intent of this Subsection to exempt Declarant completely from compliance with the provisions of Articles IV and X regarding Declarant's activities and Lots owned by Declarant.

15.3 Modification. To the extent allowed by law, so long as Declarant owns any property within the Project, the provisions of this Declaration may not be amended, terminated or abridged without the written consent of the Declarant.

Article XVII. ADDITIONAL DISCLOSURES, DISCLAIMERS AND RELEASES

17.1 Additional Disclosures, Disclaimers, and Releases. Without limiting any other provision in this Declaration, by acceptance of a deed to a Lot, or by possession of a Lot or Residence, each Owner (for purposes of this Article and all of the Sections thereof, the term "Owner" shall include the Owner, the members of the Owner's family residing with Owner, and the Owner's guests and tenants), shall conclusively be deemed to understand, and to have acknowledged and agreed to, all of the following disclosures, disclaimers, and releases, all of which are cumulative and supplemental with each other and any other disclosures, disclaimers and releases, and none of which shall be deemed in any way or to any extent to replace or limit any other disclosure, disclaimer, and/or release:

17.1.1 The Association is charged with the maintenance and repair of a number of Limited Common Areas including elements like roofs, decks, building exteriors, etc. Any right of an Owner to repair or replace exterior elements of their Residences are subject to the approval of the Association and/or Committee which approval may be denied. Owners may be subject to payment for assessments or special assessments on an unequal basis (pursuant to Section 12.7 of the Declaration) for the maintenance, repair or replacement of Limited Common Area because in certain circumstances, or as a result of unanticipated events, fewer than all Residences may require maintenance or repair of certain elements or because Townhouse Buildings may have different requirements that free standing single homes within the Project. Many homeowner's associations are not responsible for the maintenance of building exteriors or snow removal. In this Project, the general and/or special assessments imposed by the Association may be higher than in other homeowner's associations because of the Association's obligation to maintain and repair the exteriors of Residences and to provide snow removal. The Maintenance obligations of the Association and the Owners are set forth more specifically in this Declaration and are subject to change pursuant to the terms thereof.

17.1.2 There are presently, and may in the future be other, major electrical power system components (high voltage transmission or distribution lines, transformer, etc.)

from time to time located within or nearby the Project, which generate certain electric and magnetic fields (“EMF”) around them; and Declarant specifically disclaims any and all representations or warranties, express and implied, with regard to or pertaining to EMF.

17.1.3 The Project, Lots and Residences are located in a natural forest mountain environment. Extreme weather conditions such as heavy snow, rain, draught, fire and other conditions and existence of wildlife are common. The Project is located at an altitude above sea level which can cause health concerns for certain people and animals.

17.1.4 The Residence and other portions of the Project are or may be located adjacent to or nearby certain major roads, all of which may, but need not necessarily, be constructed, reconstructed, or expanded in the future (all collectively, “roadways”), and subject to high levels of traffic, noise, construction, maintenance, repair, dust, and other nuisance from such roadways; and Declarant hereby specifically disclaims any and all representations or warranties, express and implied, with regard to or pertaining to roadways and/or noise, dust, and other nuisance related thereto.

17.1.5 The Lot and other portions of the Project are or may be located adjacent to or nearby major water and drainage facilities, channel(s) and/or washes (all, collectively, “Facilities”), the ownership, use, regulation, operation, maintenance, improvement and repair of which are not necessarily within Declarant’s control, and over which Declarant does not necessarily have jurisdiction or authority, and, in connection therewith: (1) the Facilities may be an attractive nuisance to children; (2) maintenance and use of the Facilities may involve various operations and applications, including (but not necessarily limited to) noisy electric, gasoline or other power driven vehicles and/or equipment used by Facilities maintenance and repair personnel during various times of the day, including, without limitation, early morning and/or late evening hours; and (3) the possibility of damage to Improvements and property on the Project, particularly in the event of overflow of water or other substances from or related to the Facilities, as the result of nonfunction, malfunction, or overtaxing of the Facilities or any other reason; and (4) any or all of the foregoing may cause inconvenience and disturbance to Owner and other persons in or near the Lots and/or Common Area and possible injury to person and/or damage to property.

17.1.6 Construction or installation of Improvements by Declarant, other Owners, or third parties, or installation or growth of trees or other plants, may impair or eliminate the view, if any, of or from any Lot, Residence and/or Common Area and each Owner hereby specifically releases Declarant, and the Association, from any and all claims arising from or relating to said view impairment or elimination.

17.1.7 Residential subdivision and home construction is an industry inherently subject to variations and imperfections, and items which do not materially affect safety or structural integrity shall be deemed “expected minor flaws” (including, but not limited to:

reasonable wear, tear or deterioration; shrinkage, swelling, expansion or settlement; squeaking, peeling chipping, cracking, or fading; touch-up painting; minor flaws or corrective work; and like items associated with mountain climates) and not constructional defects.

17.1.8 The finished construction of the Residences and the Common Area, while within the standards of the industry in Douglas County, Nevada, and while in substantial compliance with the plans and specifications, will be subject to variations and imperfections and expected minor flaws. Issuance of a Certificate of Occupancy by the relevant governmental authority with jurisdiction shall be deemed conclusive evidence that the relevant Improvement has been built within such industry standards.

17.1.9 Indoor air quality of the Residence may be affected, in a manner and to a degree found in new construction within industry standards, including, without limitation, by particulates or volatiles emanating or evaporating from new carpeting or other building materials, fresh paint or other sealants or finishes, and so on.

17.1.10 No security or monitoring is provided for any part of the Project including, but not limited to, the Common Area and/or persons or activities within or nearby or related to the Common Area. All persons entering upon the Common Area shall do so at their own risk and shall conclusively be deemed to have fully and unconditionally assumed the risk of property damage and/or bodily injury from conditions, activities, and/or occurrences on or the use by others of such area, and shall indemnify and hold Declarant the Association, and their respective directors, officers, employees, and agents, and the Committee harmless from and against any and all liability arising from or in any way related to the foregoing. Without in any way limiting the foregoing: (a) parents shall at all times personally supervise any minor child or children on or about the Project; (b) such animals as may be allowed from time to time in the Project must, unless within a Residence or on a porch or deck area that is surrounded by "invisible fencing" that contains the animal within such area, at all times be kept on a leash held by a person capable of controlling the animal, and such person must immediately clean up and reasonably remove any and all droppings or waste deposited by such animal; and (c) the Board shall have the right, in its sole discretion (but not the obligation), to establish additional Rules and Regulations pertaining to use of the Common Area and Limited Common Area, and to prohibit any activity thereon deemed to be a nuisance.

17.1.11 The Douglas County area contains a number of earthquake faults, and the Lots and other portions of the Project may be located on or nearby an identified or yet to be identified seismic fault line, and Declarant hereby specifically disclaims any and all representations or warranties, express and implied, with regard to or pertaining to earthquakes or seismic activities; and each Owner must make its own independent determination regarding such matters, and hereby releases Declarant from any and all claims arising from or relating to earthquakes or seismic activities.

17.1.12 Douglas County may from time to time undergo drought conditions, and relevant water districts and authorities may impose certain water conservation measures and restrictions on outdoor watering and/or outdoor water features. It is possible that these drought conditions may continue or worsen, and/or that the relevant water districts and authorities may announce further water conservation measures and restrictions, which may affect Residences, Lots and/or Common Area landscaping and features, and the appearance and/or use of same. Each Owner must make its own independent determination regarding such matters, and hereby releases Declarant and/or Association from any and all claims arising from or relating to drought or water conservation measures or restrictions, and/or the effects respectively thereof.

17.1.13 The Lots are located in a forested mountain area which is the natural habitat for any number of species of animals and insects. The Lots and other portions of the Project from time to time may, but need not necessarily, experience problems with mosquitos, midge flies, scorpions, bees, ants, spiders, termites, pigeons, snakes, mice, squirrels, a variety of birds, rats, bears, mountain lions, coyotes, and/or other insect or pest problems (collectively, "pests"); and Declarant hereby specifically disclaims any and all representations or warranties, express and implied, with regard to or pertaining to any pest or indigenous wildlife, and each Owner must make its own independent determination regarding the existence or non-existence of any pest(s) or wildlife which may affect a Residence or other portions of the Project.

17.1.14 The Project is located in a forested mountain area which attracts trespassers and members of the public who have no right or permission to enter, traverse through, walk their pets and/or camp on the Common Area, Lots and Exclusive Use Common Area, yet who do so from time to time anyway. Declarant hereby specifically disclaims any and all representations or warranties, express and implied, with regard to or pertaining to the privacy or security of the Common Area, Lots and Exclusive Use Common Area with respect to trespassers or members of the public who have no right or permission to enter, traverse through, walk their pets and/or camp on the Common Area, Lots and Exclusive Use Common Area, yet who do so from time to time anyway.

17.1.15 There is a high degree of alkalinity in soils and/or water in Douglas County, such alkalinity tends to produce, by natural chemical reaction, discoloration leaching and erosion or deterioration of concrete walls and other improvements ("alkaline effect"); the Residences, Lots and other portions of the Project may be subject to such alkaline affect, which may cause inconvenience, nuisance, and/or damage to property; and the Governing Documents require Owners other than Declarant to not change the established grading and/or drainage.

17.1.16 There are and/or will be various molds present within the Residences, Lots and Common Area and other portions of the Project. Molds occur naturally in the environment, and can be found virtually everywhere life can be

supported. Residences are not and cannot be designed or constructed to exclude mold spores. Not all molds are necessarily harmful, but certain strains of mold may result in adverse health effects in susceptible persons. Declarant does not have nor claim to have expertise in mold and does not provide advice to Owners on any condition or information concerning potential mold within their Residence or the Project.

17.1.17 The Project or portions thereof, are or may be located adjacent to other property located or may be zoned to permit commercial uses and/or shall or maybe developed for commercial uses. Declarant makes no other representation or warranty, express or implied, with regard or pertaining to the future development or present or future use of property adjacent to or within the vicinity of the Project.

17.1.18 The Board is empowered to establish “parking” and/or “no parking” areas within the Common Area, and to establish Rules and Regulations governing such matter as well as to reasonably enforce such parking rules and limitations by all means which would be lawful for such enforcement on public streets, including the removal of any violating vehicle, at the expense of the Owner of the violating vehicle.

17.1.19 Declarant reserves the right to control parking spaces during Declarant’s regular business or marketing hours, and to tow unauthorized vehicles at the owner’s expense, for as long as Declarant conducting construction, marketing, or sales activities in or from the Project or any portion thereof.

17.1.20 Certain portions of land (“Neighboring Developments”) outside, abutting, and/or near the Project have not yet been developed, and in the future may or will be developed by third parties over whom the Association has no Jurisdiction, and accordingly, there is no representation as to the nature, use or architecture of any future development or improvements on Neighboring Developments; and such use, development and/or construction on Neighboring Developments may result in noise, dust, or other “nuisance” to the Community or Owners, and may result in portions of perimeter wall/fence and/or exterior wall/fence being utilized by third persons who are not subject to this Declaration or the Governing Documents; and Declarant and Association specifically disclaim any and all responsibility liability thereof.

17.1.21 Radon a naturally occurring, colorless, odorless, radioactive gas formed by the breakdown of uranium and radium deposits in the soil, is commonly found in the Tahoe basin. Owners are advised to educate themselves about this condition, and to take such precautions as they deem necessary and appropriate. Declarant does not have nor claim to have expertise in radon and does not provide advice to Owners on any condition or information concerning potential radon at their Residence, Lot or the Project.

17.1.22 Owners shall be required to comply with the design standards set forth by the Committee and shall be required to obtain prior written approval of the

Committee, before installing, adding, altering, modifying, expanding, or eliminating any Improvements.

17.1.23 Declarant presently plans to develop only those Lots which have already been released for construction and sale, and Declarant has no obligation with respect to future phases, plans, zoning, or development of other real property contiguous to or nearby such Lots. Each purchaser of a Lot acknowledges that (1) notwithstanding any proposed or contemplated residential and other developments that may have been illustrated in the site plan or other sales literature located in or received from Declarant's sales office or referred to by Declarant's sales personnel, Declarant is under no obligation to construct such residential or other developments, and such may not be built in the event that Declarant, for any reason whatsoever, decides not to build same; (2) Purchaser is not entitled to rely upon, and in fact has not relied upon, the presumption or belief that the same will be built; and (3) no sales personnel or any other person in any way associated with Declarant has any authority to make any statement contrary to the provisions set forth in the foregoing or any provision of the written purchase agreement for a Lot (a "Purchase Agreement").

17.1.24 Model homes are displayed for illustrative purposes only, and such display shall not constitute an agreement or commitment on the part of Declarant to deliver the Residences in conformity with any model home, and any representation or inference to the contrary is hereby expressly disclaimed. None of the decorator items and other items or furnishing (including, but not limited to, decorator paint colors, wallpaper, window treatments, mirrors, upgraded flooring, light fixtures, decorator built-ins, model home furniture, housewares, upgraded appliances, model home landscaping, and the like) shown installed or on display in any model home are included for sale to Purchaser unless an authorized officer of Declarant has specifically agreed in a written addendum to a Purchase Agreement to make specific items a part of the Purchase Agreement.

17.1.25 Residential subdivision and new home construction are subject to and accompanied by substantial levels of noise, dust, construction-related traffic and traffic restrictions, and other construction-related "nuisances". Each Owner acknowledges and agrees that it is purchasing a Residence which is within a residential subdivision currently being developed, and that the Owner will experience and accepts substantial levels of construction-related "nuisances" until the subdivision (and other portions of any neighboring property being developed) have been completed and sold out, and thereafter, in connection with repairs or any new construction.

17.1.26 Declarant shall have the right (but not the obligation), at any time and from time to time, in its sole and absolute discretion, to: (a) design and/or to build different or varying product types or designs for new homes in the Community; (b) establish and/or adjust sales prices or price levels for homes and/or Lots; (c) supplement and/or modify of Record all or any parts of the descriptions set forth in the exhibits

hereto; and/or (d) unilaterally modify and/or limit, by recorded instrument, the maximum total number of Residences which may be constructed in the Project.

17.1.27 Declarant reserves the right, until the Close of Escrow of the last Lot in the Project, to unilaterally enter upon and/or to control restrict and/or re-route all pedestrian and vehicular traffic within the Project, in Declarant's sole discretion, to accommodate Declarant's construction activities, and sales and marketing activities; provided that no Lot shall be deprived of access to a dedicated street adjacent to the Project.

17.1.28 Declarant reserves the right to correct or repair any improvement, as set forth in Section 18.8, below.

17.1.29 Declarant has reserved certain easements, and related rights and powers, as set forth in this Declaration. Declarant also reserves, to the extent not expressly prohibited by NRS Chapter 116, all other rights, powers, and authority, in Declarant's sole discretion, of a declarant under NRS Chapter 116 (including, but not necessarily limited to, all special declarant's rights referenced in NRS §116.089).

17.1.30 Each Purchaser understand, acknowledges, and agrees that Declarant has reserved certain rights, powers, authority and easements, as set forth in this Declaration, which respectively may limit certain rights of Purchaser, the Association, and Owners other than Declarant.

17.2 Releases. By acceptance of a deed to a Lot, each Owner, for itself and all persons or entities claiming under such Owner, shall conclusively be deemed to have understood, acknowledged and agreed to all of the disclosures and disclaimers set forth herein, and all of the disclosures set forth in Declarant's Public Offering Statement delivered to Owner before its purchase of a Lot, and to release Declarant and the Association, and all of their respective officers, managers, agents, employees, suppliers, and contractors, from any and all claims, causes of action, loss damage or liability (including, but not limited to, any claim for nuisance or health hazard, property damage, bodily injury, emotional and/or mental distress and/or death) arising from or related/to all and/or any one or more of the conditions, activities, occurrences, reserved rights, or other matters described in this Article XVII.

Article XVIII. MISCELLANEOUS

18.1 Enforcement. Except as expressly limited herein, the Association, Declarant and any Owner shall have the right to enforce the provisions of this Declaration now or hereafter imposed by arbitration as prescribed by NRS 38.300-360, or by any proceeding at law or in equity. Failure by the Association, Declarant or by any Owner to enforce any provision shall in no event be deemed a waiver of the right to do so thereafter. The

Association may establish and impose administrative procedures for resolving claims or disputes arising from the interpretation application or enforcement of any provisions stated herein or specified in the Articles, Bylaws, or Association rules and regulations adopted by the Board or the Committee.

18.2 Suspension of Privileges. The Board may, anything herein to the contrary notwithstanding, suspend all voting rights, other membership rights and all rights to use the Association's Common Areas of any Owner for any period during which any continuing violation of the provisions of this Declaration by such Owner after the existence thereof has been declared by the Board, including a violation by virtue of the failure of a member to comply with the rules and regulations of the Association. The foregoing notwithstanding, during any period in which assessments of any kind on an Owner's Lot are delinquent, all voting rights, other membership rights, and all rights to use the Association's Common Areas may be suspended by the Board.

18.3 Severability. Invalidation of any one (1) of these Covenants, Conditions or Restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

18.4 Amendment. This Declaration shall run with and bind the land for a term of fifty (50) years from the date this Declaration is recorded, after which time it shall be automatically extended for successive period of ten (10) years, unless Owners holding more than eighty percent (80%) of the Association's voting power agree to terminate this Declaration, effective at the end of the then current term or ten (10) year extension period, in which case a notice signed by said Owners must be executed and recorded. Other than as expressly provided herein, this Declaration may be amended by an instrument signed by Owners holding more than sixty percent (60%) of voting power of the Association. Notwithstanding the foregoing, for so long as Declarant owns any real property within the Project, this Declaration may not be amended or modified without the written consent of Declarant, given or withheld in Declarant's sole discretion. Any amendment must be recorded or it has no effect. For purposes of this Section, for a Lot with more than one person or entity constituting an Owner, the approval of an amendment by one of such persons or entities will be deemed the act of the Owner, unless more than one such person or entity is present at a meeting at which amendment or termination of this Declaration is being considered. In such latter event, the approval of a majority-in-interest of such persons or entities will be the approval of the Owner. During the period of Declarant Control, if any amendment to this Declaration, which requires approval, is not approved by the Federal Housing Administration, the Veterans Administration, the Federal Home Loan Mortgage Corporation, or the Federal National Mortgage Association, including any successor thereto, if any such agency purchases any note, or guarantees or insures the payment of any note, secured by a first deed of trust on any Lot in the Project, then the amendment shall be valid but nevertheless shall have no force and effect on the rights of the agency regarding the relevant Lot.

18.5 Declarant Consent to Withdrawal of Real Estate. Notwithstanding an assignment by Declarant to a Successor Declarant of all or part of Declarant's rights, no said Successor Declarant shall have the right to withdraw real estate unless the prior written consent of the Declarant, in Declarant's sole discretion, is granted and recorded concurrently with the recorded notice of withdrawal.

18.6 Approval or Consent of Declarant. In all circumstances described herein in which Declarant has the right of approval or consent, said approval or consent and any request for approval shall be in writing. Declarant shall have a minimum of thirty (30) days after a request to approve or deny. If Declarant has not issued its written approval or denial within said thirty (30) days, the request shall be deemed approved.

18.7 Compliance with the Act. It is the intent of Declarant that this Declaration and the Project shall be in all respects consistent with, and not in violation of, applicable provisions of the Act (NRS Chapter 116), as may be amended from time to time. In the event that any provision of this Declaration is found to irreconcilably conflict with or violate such applicable provision of NRS Chapter 116, such offending Declaration provision shall be automatically deemed modified or severed here from, to the minimum extents necessary to remove the irreconcilable conflict with or violation of the applicable provision of NRS Chapter 116. Notwithstanding the foregoing or any other provision set forth herein, in any provision of NRS 116 should, in the future, be removed or made less burdensome (in Declarant's sole judgment), then the future change in such provision shall be deemed to have been automatically made and reflected in this Declaration.

18.8 Declarant's Right to Repair. Whether or not so stated in the deed, each Owner, by acquiring title to a Lot, and the Association, by acquiring title to any Common Area, shall conclusively be deemed to have agreed: (a) to promptly provide Declarant with specific written notice from time to time of any Improvement requiring correction or repair(s) for which Declarant is or may be responsible, and (b) following delivery of such written notice, to reasonably permit Declarant (and/or Declarant's contractors and agents) to inspect the relevant improvement, and to take reasonable steps, if necessary or appropriate, to undertake and to perform corrective or repair work, and (c) to reasonably permit entry by Declarant (and Declarant's contractors and agents) upon the Lot, Residence, Common Area and Limited Common Area (as applicable) from time to time in connection therewith and/or to undertake and to perform such inspection and such work; and (d) that Declarant shall unequivocally be entitled (i) to specific prior written notice of any such corrective or repair work requested (and shall not be held responsible for any corrective or repair work in the absence of such written notice), (ii) to inspect the relevant Improvement, and (iii) to take reasonable steps, in Declarant's reasonable judgment, to undertake and to perform any and all necessary or appropriate corrective or repair work. This Section 18.8 shall be subject to the provisions of NRS 40.600-40.695 and shall not be deemed to modify or toll any applicable statute of limitation or repose, or any contractual or other limitation pertaining to such work.

18.9 Liability. Declarant shall have no liability for repairs or maintenance of roads, buildings, structures or other improvements, including utility lines, located within the Common Area of the Project from and after the date of conveyance of such Common Areas to the Association. Neither Declarant, County, the Board, the Committee, Association, nor any Owner shall be deemed liable in any manner whatsoever to any other Owner in the Project or third party for any claim, cause of Action or alleged damages resulting from:

18.9.1 Design concepts, aesthetics, latent or patent errors or defects in design or construction relating to improvements constructed on Lots after conveyance of the Residence to an Owner, whether shown or omitted on any plans and specifications which may be approved by the Committee, or any buildings or structures erected therefrom;

18.9.2 Any waiver of or failure to enforce a provision hereof; and

18.9.3 The installation or use by any person of any hot tub or spa, cooking device (such as a natural gas heater or barbeque) or similar device (any of the foregoing, a "Deck Amenity") in or on any Residence or Lot. Any such use or installation must be in accord with this Declaration and the Rules and Regulations, and each Owner assumes any risk or liability related to any such Deck Amenity located on his or her Residence's deck(s).

18.10 Attorneys' Fees and Costs. If any action to enforce or administer the provisions hereof, the prevailing party shall be entitled to reasonable attorneys' fees and costs.

18.11 Cumulative Rights/Waiver. Remedies specified herein are cumulative and any specification of them herein shall not be taken to preclude an aggrieved party's resort to any other remedy at law or in equity. No delay or failure on the part of any aggrieved party to invoke an available remedy in respect of a violation of any provision of this Declaration shall be held to be a waiver by that party of any right available to him upon the recurrence or continuance of said violation or the occurrence of a different violation.

18.12 Grantee's Acceptance. Each grantee or purchaser of real estate subject to this Declaration 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, 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 representative, successors and assigns) covenant, consent and agree to and with Declarant, and to and with the grantees and subsequent Owners to keep, observe, comply with and perform all of the provisions of this Declaration and shall further agree to the continuation and completion of the Project and all parts and projected Lots therein.

18.13 Use of the Words “Sierra Colina”. No person shall use the words “Sierra Colina” or logo, or any derivative of either, or any other term, which Declarant may select to name or identify the Project or any component thereof, in any printed or promotional material without the Declarant’s prior written consent. However, Owners may use the words “Sierra Colina” in printed or promotional matter solely to specify that particular property is located within the Project, and the Association shall be entitled to use the words “Sierra Colina” in its name and in the normal conduct of its business.

18.14 Interpretation. The Association 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.

18.15 Choice of Law/Venue. This Declaration shall be construed and enforced in accordance with the laws of the State of Nevada, and venue for any action arising from this Declaration shall be in Douglas County, Nevada.

18.16 Gender and Number. Unless the contract otherwise requires, when used herein, the singular includes the plural and vice versa, and the masculine includes the feminine and neuter and vice versa.

18.17 Conflicts. In all circumstances of conflicts in provisions, the provisions of the Act shall govern over the provisions of the Articles of Incorporation, Association Bylaws or this Declaration; the provisions of the Association Articles of Incorporation shall govern over the provisions of the Association Bylaws or this Declaration; and the provisions of this Declaration shall govern over the provisions of the Association Bylaws.

[signatures appear on following page]

EXHIBIT A
DESCRIPTION OF ORIGINAL PROPERTY

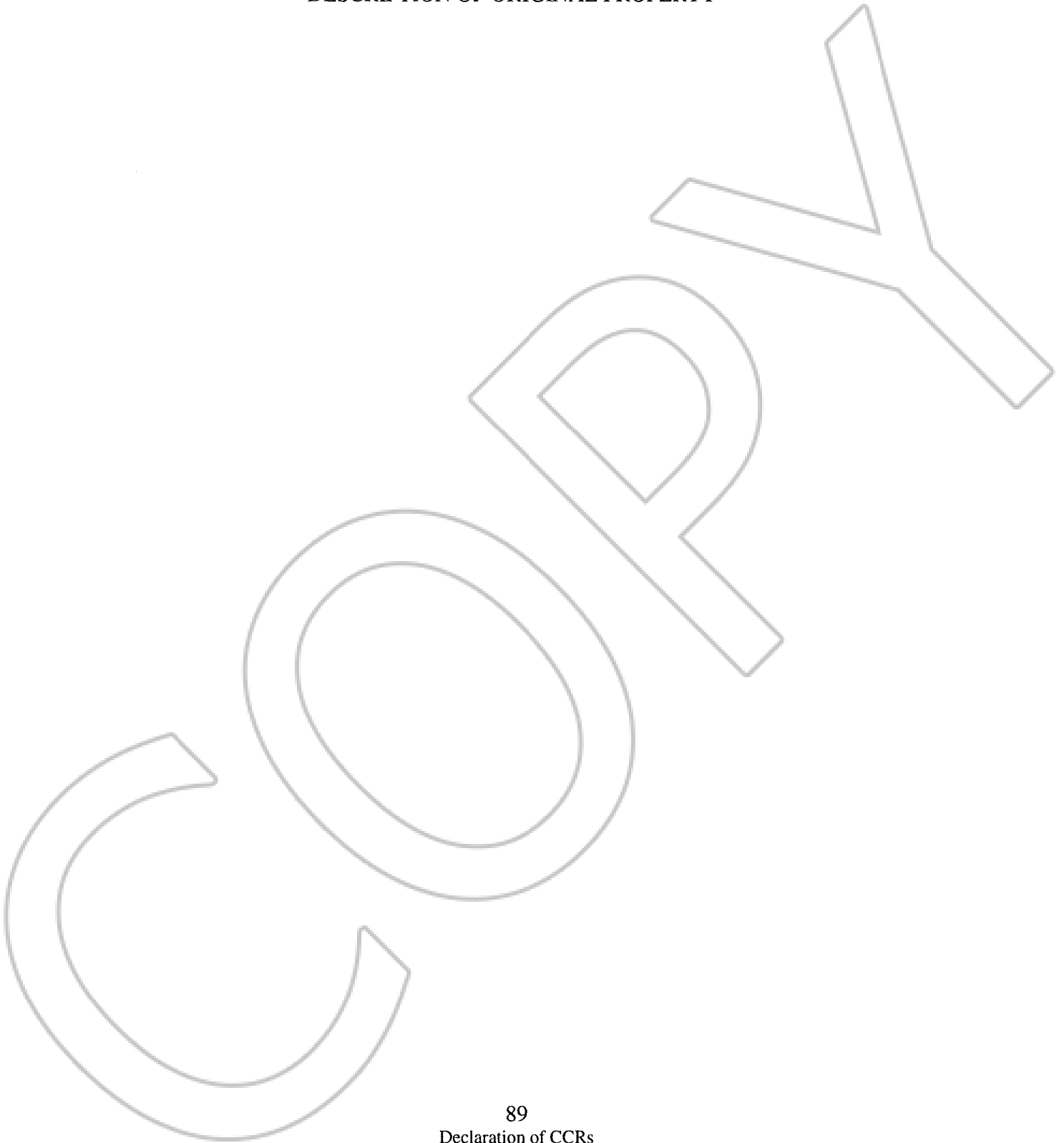


EXHIBIT A-1
DESCRIPTION OF ANNEXABLE PROPERTY

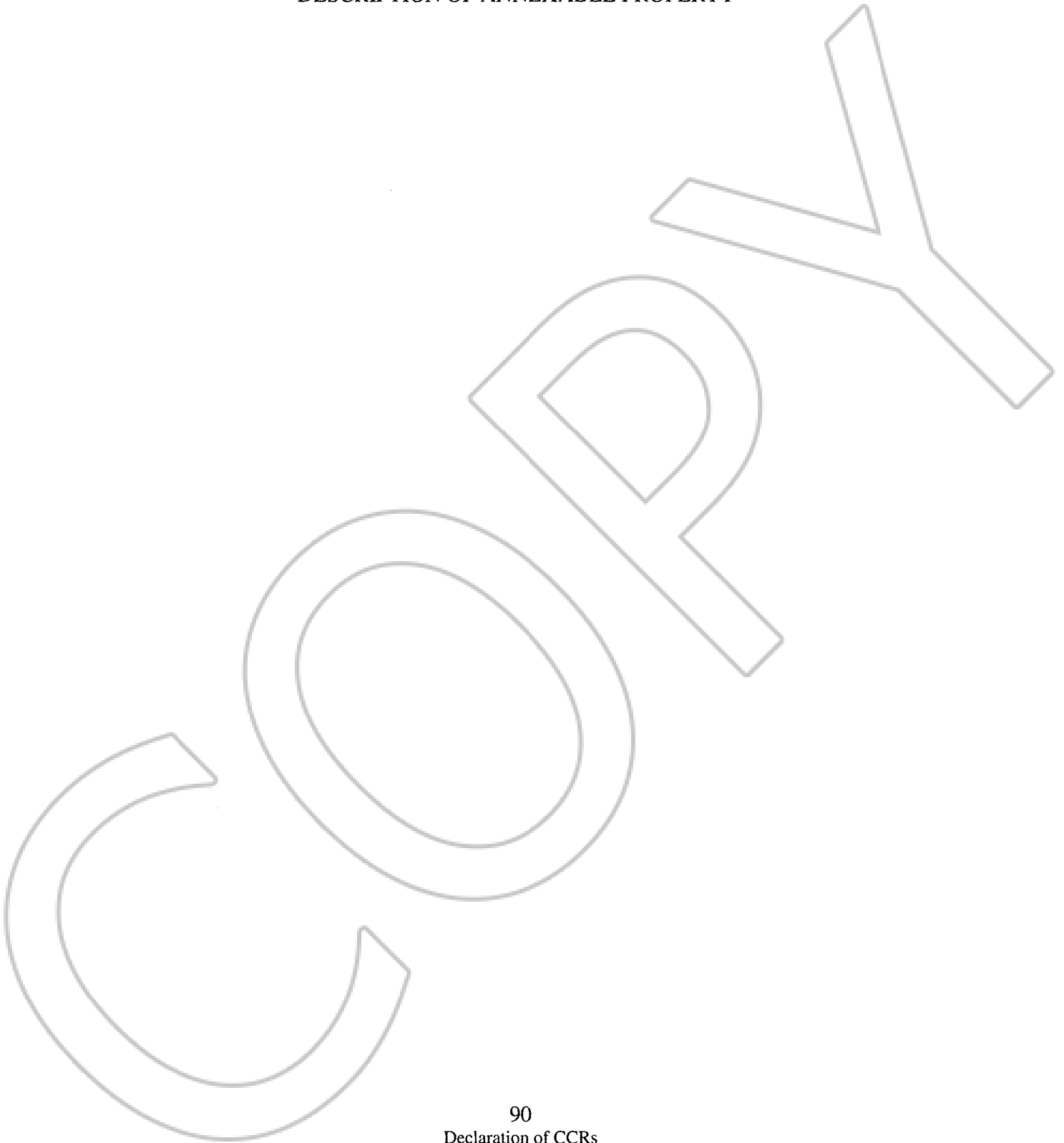


Exhibit A

Description of Original Property

Legal Description

APN: 1318-23-301-001 (Portion)

SIERRA COLINA

A parcel of land situated in a portion of Section 23 Township 13 North, Range 18 East, M.D.B. & M, Douglas County, State of Nevada, more particularly described as follows:

Parcel A, as set forth on Parcel Map for The Estate of Elizabeth Schulz Rabe, filed for record in the office of the County Recorder of Douglas County, State of Nevada, on September 21, 1990, in Book 990, Page 3206, as File No. 235099.

Excepting therefrom the below-described property:

Proposed Lot 1:

Commencing at the North East Corner of said Parcel Map. Thence S52°41'44" W 202.22 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 08°16'22" W 29.50 feet;
2. Thence S 81°43'38" W 69.98 feet;
3. Thence S 08°16'22" E 29.50 feet;
4. Thence N 81°43'38" E 69.98 feet to the TRUE POINT OF BEGINNING

Contains 2,065 Square Feet, more or less

Proposed Lot 2:

Commencing at the North East Corner of said Parcel Map. Thence S40°05'54" W 236.55 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 08°16'22" W 29.50 feet;
2. Thence S 81°43'38" W 69.98 feet;
3. Thence S 08°16'22" E 29.50 feet;
4. Thence N 81°43'38" E 69.98 feet to the TRUE POINT OF BEGINNING

Contains 2,065 Square Feet, more or less

Proposed Lot 3:

Commencing at the North East Corner of said Parcel Map. Thence S33°44'18" W 274.76 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 04°31'24" E 29.50 feet;
2. Thence N 85°28'36" W 69.96 feet;
3. Thence S 04°31'24" W 29.50 feet;
4. Thence S 85°28'36" E 69.98 feet to the TRUE POINT OF BEGINNING

Contains 2,064 Square Feet, more or less

Proposed Lot 4:

Commencing at the North East Corner of said Parcel Map. Thence S30°59'43" W 300.86 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 04°31'24" E 29.50 feet;
2. Thence N 85°28'36" W 69.96 feet;
3. Thence S 04°31'24" W 29.50 feet;
4. Thence S 85°28'36" E 69.98 feet to the TRUE POINT OF BEGINNING

Contains 2,064 Square Feet, more or less

Proposed Lot 5:

Commencing at the North East Corner of said Parcel Map. Thence S29°02'30" W 356.35 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 21°15'11" E 35.00 feet;
2. Thence N 68°44'49" W 70.50 feet;
3. Thence S 21°15'11" W 35.00 feet;
4. Thence S 68°44'49" E 70.50 feet to the TRUE POINT OF BEGINNING

Contains 2,468 Square Feet, more or less

Proposed Lot 6:

Commencing at the North East Corner of said Parcel Map. Thence S29°18'09" W 406.11 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 32°14'29" E 35.00 feet;
2. Thence N 57°45'31" W 70.50 feet;
3. Thence S 32°14'29" W 35.00 feet;
4. Thence S 57°45'31" E 70.50 feet to the TRUE POINT OF BEGINNING

Contains 2,468 Square Feet, more or less

Proposed Lot 7:

Commencing at the North East Corner of said Parcel Map. Thence S29°54'39" W 448.85 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 36°27'00" E 35.00 feet;
2. Thence N 53°33'00" W 70.50 feet;
3. Thence S 36°27'00" W 35.00 feet;
4. Thence S 53°33'00" E 70.50 feet to the TRUE POINT OF BEGINNING

Contains 2,468 Square Feet, more or less

Proposed Lot 8:

Commencing at the North East Corner of said Parcel Map. Thence S31°09'13" W 493.28 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 43°07'51" E 35.00 feet;
2. Thence N 46°52'09" W 70.50 feet;
3. Thence S 43°07'51" W 35.00 feet;
4. Thence S 46°07'51" E 70.50 feet to the TRUE POINT OF BEGINNING

Contains 2,468 Square Feet, more or less

Proposed Lot 9:

Commencing at the North East Corner of said Parcel Map. Thence S32°02'15" W 529.71 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 47°10'55" E 31.29 feet;
2. Thence N 42°49'05" W 69.01 feet;
3. Thence S 47°10'55" W 31.29 feet;
4. Thence S 42°49'05" E 69.01 feet to the TRUE POINT OF BEGINNING

Contains 2,158 Square Feet, more or less

Proposed Lot 10:

Commencing at the North East Corner of said Parcel Map. Thence S32°52'11" W 559.82 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 47°10'55" E 31.29 feet;
2. Thence N 42°49'05" W 69.01 feet;
3. Thence S 47°10'55" W 31.29 feet;
4. Thence S 42°49'05" E 69.01 feet to the TRUE POINT OF BEGINNING

Contains 2,158 Square Feet, more or less

Proposed Lot 11:

Commencing at the North East Corner of said Parcel Map. Thence S35°48'20"W 652.24 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 60°06'16" E 35.00 feet;
2. Thence N 29°53'44" W 70.00 feet;
3. Thence S 60°06'16" W 31.29 feet;
4. Thence S 29°53'44" E 69.01 feet to the TRUE POINT OF BEGINNING

Contains 2,450 Square Feet, more or less

Proposed Lot 12:

Commencing at the North East Corner of said Parcel Map. Thence S37°29'54"W 692.04 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 60°31'13" E 35.00 feet;
2. Thence N 29°28'47" W 70.00 feet;
3. Thence S 60°31'13" W 35.00 feet;
4. Thence S 29°28'13" E 70.00 feet to the TRUE POINT OF BEGINNING

Contains 2,450 Square Feet, more or less

Proposed Lot 13:

Commencing at the North East Corner of said Parcel Map. Thence S38°38'58"W 733.99 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 60°31'13" E 35.00 feet;
2. Thence N 29°28'74" W 70.00 feet;
3. Thence S 60°31'13" W 35.00 feet;
4. Thence S 29°28'74" E 70.00 feet to the TRUE POINT OF BEGINNING

Contains 2,450 Square Feet, more or less

Proposed Lot 14:

Commencing at the North East Corner of said Parcel Map. Thence S36°36'10"W 772.58 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 25°31'51" E 29.50 feet;
2. Thence N 64°28'09" W 69.96 feet;
3. Thence S 25°31'51" W 35.00 feet;
4. Thence S 64°28'09" E 69.96 feet to the TRUE POINT OF BEGINNING

Contains 2,064 Square Feet, more or less

Proposed Lot 15:

Commencing at the North East Corner of said Parcel Map. Thence S36°11'53"W 801.55 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 25°31'51" E 29.50 feet;
2. Thence N 64°28'09" W 69.96 feet;
3. Thence S 25°31'51" W 35.00 feet;
4. Thence S 64°28'09" E 69.96 feet to the TRUE POINT OF BEGINNING

Contains 2,064 Square Feet, more or less

Proposed Lot 16:

Commencing at the North East Corner of said Parcel Map. Thence S36°11'53"W 801.55 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 83°18'45" E 35.00 feet;
2. Thence N 06°41'15" W 70.50 feet;
3. Thence S 83°18'45" W 35.00 feet;
4. Thence S 06°41'15" E 70.50 feet to the TRUE POINT OF BEGINNING

Contains 2,468 Square Feet, more or less

Proposed Lot 17:

Commencing at the North East Corner of said Parcel Map. Thence S42°06'11"W 965.54 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 83°18'45" E 35.00 feet;
2. Thence N 06°41'15" W 70.50 feet;
3. Thence S 83°18'45" W 35.00 feet;
4. Thence S 06°41'15" E 70.50 feet to the TRUE POINT OF BEGINNING

Contains 2,468 Square Feet, more or less

Proposed Lot 18:

Commencing at the North East Corner of said Parcel Map. Thence S44°02'02"W 1004.78 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 83°18'45" E 35.00 feet;
2. Thence N 06°41'15" W 70.50 feet;
3. Thence S 83°18'45" W 35.00 feet;
4. Thence S 06°41'15" E 70.50 feet to the TRUE POINT OF BEGINNING

Contains 2,468 Square Feet, more or less

Proposed Lot 19:

Commencing at the North East Corner of said Parcel Map. Thence S44°52'13"W 1026.01 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 10°28'38" E 68.46 feet;
2. Thence N 79°31'22" W 31.21 feet;
3. Thence S 10°28'38" W 68.46 feet;
4. Thence S 79°31'22" E 31.21feet to the TRUE POINT OF BEGINNING

Contains 2,137 Square Feet, more or less

Proposed Lot 20:

Commencing at the North East Corner of said Parcel Map. Thence S46°17'03"W 1043.96 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 10°28'38" E 68.46 feet;
2. Thence N 79°31'22" W 31.21 feet;
3. Thence S 10°28'38" W 68.46 feet;
4. Thence S 79°31'22" E 31.21feet to the TRUE POINT OF BEGINNING

Contains 2,137 Square Feet, more or less

Proposed Lot 21:

Commencing at the North East Corner of said Parcel Map. Thence S49°54'09"W 1077.22 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 46°51'15" E 68.46 feet;
2. Thence N 43°08'45" W 31.21 feet;
3. Thence S 46°51'15" W 68.46 feet;
4. Thence S 43°08'45"E 31.21feet to the TRUE POINT OF BEGINNING

Contains 2,137 Square Feet, more or less

Proposed Lot 22:

Commencing at the North East Corner of said Parcel Map. Thence S51°33'26"W 1079.26 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 46°51'15" E 68.46 feet;
2. Thence N 43°08'45" W 31.21 feet;
3. Thence S 46°51'15" W 68.46 feet;
4. Thence S 43°08'45" E 31.21feet to the TRUE POINT OF BEGINNING

Contains 2,137 Square Feet, more or less

Proposed Lot 23:

Commencing at the North East Corner of said Parcel Map. Thence S54°36'54"W 1078.18 feet to the TRUE POINT OF BEGINNING:

The following (6) Courses

1. Thence N 66°38'49" E 39.42 feet;
2. Thence N 23°21'11" W 1.50 feet;
3. Thence N 66°38'49" E 29.37 feet;
4. Thence N 23°21'11" W 34.98 feet;
5. Thence S 66°38'49" W 68.79 feet;
6. Thence S 23°21'11" E 36.48 feet to the TRUE POINT OF BEGINNING

Contains 2,465 Square Feet, more or less

Proposed Lot 24:

Commencing at the North East Corner of said Parcel Map. Thence S60°33'21"W 1048.18 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 85°00'14" E 70.33 feet;
2. Thence N 04°59'46" W 29.58 feet;
3. Thence S 85°00'14" W 70.33 feet;
4. Thence S 04°59'46" E 29.58 feet to the TRUE POINT OF BEGINNING

Contains 2,081 Square Feet, more or less

Proposed Lot 25:

Commencing at the North East Corner of said Parcel Map. Thence S62°02'42"W 1036.28 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 85°00'14" E 70.33 feet;
2. Thence N 04°59'46" W 29.58 feet;
3. Thence S 85°00'14" W 70.33 feet;
4. Thence S 04°59'46" E 29.58 feet to the TRUE POINT OF BEGINNING

Contains 2,081 Square Feet, more or less

Proposed Lot 26:

Commencing at the North East Corner of said Parcel Map. Thence S64°15'22"W 1023.96 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence S 88°17'01" E 70.33 feet;
2. Thence N 01°42'59" E 30.49 feet;
3. Thence N 88°17'01" W 70.33 feet;
4. Thence S 01°17'01" E 30.49 feet to the TRUE POINT OF BEGINNING

Contains 2,081 Square Feet, more or less

Proposed Lot 27:

Commencing at the North East Corner of said Parcel Map. Thence S65°47'26"W 1010.27 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence S 88°17'01" E 70.33 feet;
2. Thence N 01°42'59" E 30.49 feet;
3. Thence N 88°17'01" W 70.33 feet;
4. Thence S 01°17'01" E 30.49 feet to the TRUE POINT OF BEGINNING

Contains 2,081 Square Feet, more or less

Proposed Lot 28:

Commencing at the North East Corner of said Parcel Map. Thence S57°45'33" W 937.79 feet to the TRUE POINT OF BEGINNING:

The following (6) Courses

1. Thence S 13°55'05" W 36.48 feet;
2. Thence S 76°04'55" E 39.24 feet;
3. Thence N 13°55'05" E 1.50 feet;
4. Thence S 76°04'55" E 29.37 feet;
5. Thence N 13°55'05" E 34.98 feet;
6. Thence N 76°04'55" W 68.79 feet to the TRUE POINT OF BEGINNING

Contains 2,465 Square Feet, more or less

Proposed Lot 29:

Commencing at the North East Corner of said Parcel Map. Thence S59°33'31" W 928.35 feet to the TRUE POINT OF BEGINNING:

The following (6) Courses

1. Thence S 13°28'49" E 30.79 feet;
2. Thence N 76°31'11" E 71.26 feet;
3. Thence N 13°28'49" W 32.25 feet;
4. Thence S 76°31'11" W 32.02 feet;
5. Thence S 13°28'49" E 1.47 feet;
6. Thence S 76°31'11" W 39.24 feet to the TRUE POINT OF BEGINNING

Contains 2,241 Square Feet, more or less

Proposed Lot 30:

Commencing at the North East Corner of said Parcel Map. Thence S57°45'33" W 937.79 feet to the TRUE POINT OF BEGINNING:

The following (6) Courses

1. Thence S 13°28'49" E 31.66 feet;
2. Thence N 76°31'11" E 39.24 feet;
3. Thence S 13°28'49" E 1.47 feet;
4. Thence N 76°31'11" E 32.02 feet;
5. Thence N 13°28'49" W 33.13 feet;
6. Thence N 76°31'11" E 71.26 feet to the TRUE POINT OF BEGINNING

Contains 2,303 Square Feet, more or less

Proposed Lot 31:

Commencing at the North East Corner of said Parcel Map. Thence S55°13'31" W 946.09 feet to the TRUE POINT OF BEGINNING:

The following (6) Courses

1. Thence S 16°46'34" E 30.98 feet;
2. Thence N 73°13'26" E 71.26 feet;
3. Thence N 16°46'34" W 32.45 feet;
4. Thence S 73°13'26" W 32.02 feet;
5. Thence S 16°46'34" E 1.47 feet;
6. Thence S 73°13'26" W 39.24 feet to the TRUE POINT OF BEGINNING

Contains 2,255 Square Feet, more or less

Proposed Lot 32:

Commencing at the North East Corner of said Parcel Map. Thence S53°27'34" W 956.12 feet to the TRUE POINT OF BEGINNING:

The following (6) Courses

1. Thence S 16°46'34" E 31.46 feet;
2. Thence N 73°13'26" E 39.24 feet;
3. Thence S 16°46'34" E 1.47 feet;
4. Thence N 73°13'26" E 32.02 feet;
5. Thence N 16°46'34" W 32.93 feet;
6. Thence N 73°13'26" E 71.26 feet to the TRUE POINT OF BEGINNING

Contains 2,289 Square Feet, more or less

Proposed Lot 33:

Commencing at the North East Corner of said Parcel Map. Thence S46°58'22" W 754.69 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 41°17'20" W 35.00 feet;
2. Thence S 48°42'40" W 70.50 feet;
3. Thence S 41°17'20" E 35.50 feet;
4. Thence N 48°42'40E 70.50 feet to the TRUE POINT OF BEGINNING

Contains 2,467 Square Feet, more or less

Proposed Lot 34:

Commencing at the North East Corner of said Parcel Map. Thence S47°41'00" W 685.06 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 55°33'06" W 31.21 feet;
2. Thence S 34°26'54" W 72.50 feet;
3. Thence S 55°33'06" E 29.50 feet;
4. Thence N 34°26'54 E 70.33 feet to the TRUE POINT OF BEGINNING

Contains 2,263 Square Feet, more or less

Proposed Lot 35:

Commencing at the North East Corner of said Parcel Map. Thence S47°19'34" W 685.06 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 55°33'06" W 31.21 feet;
2. Thence S 34°26'54" W 72.50 feet;
3. Thence S 55°33'06" E 29.50 feet;
4. Thence N 34°26'54 E 70.33 feet to the TRUE POINT OF BEGINNING

Contains 2,263 Square Feet, more or less

Proposed Lot 36:

Commencing at the North East Corner of said Parcel Map. Thence S46°40'45" W 644.38 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 55°19'05" W 31.21 feet;
2. Thence S 34°40'55" W 72.50 feet;
3. Thence S 55°19'05" E 31.21 feet;
4. Thence N 34°40'55" E 72.50 feet to the TRUE POINT OF BEGINNING

Contains 2,263 Square Feet, more or less

Proposed Lot 37:

Commencing at the North East Corner of said Parcel Map. Thence S46°14'28" W 613.54 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 55°19'05" W 31.21 feet;
2. Thence S 34°40'55" W 72.50 feet;
3. Thence S 55°19'05" E 31.21 feet;
4. Thence N 34°40'55" E 72.50 feet to the TRUE POINT OF BEGINNING

Contains 2,263 Square Feet, more or less

Proposed Lot 38:

Commencing at the North East Corner of said Parcel Map. Thence S45°40'57" W 572.77 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 54°50'18" W 29.50 feet;
2. Thence S 35°09'42" W 70.33 feet;
3. Thence S 54°50'18" E 29.50 feet;
4. Thence N 35°09'42" E 70.33 feet to the TRUE POINT OF BEGINNING

Contains 2,075 Square Feet, more or less

Proposed Lot 39:

Commencing at the North East Corner of said Parcel Map. Thence S45°11'16" W 543.67 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 54°50'18" W 29.50 feet;
2. Thence S 35°09'42" W 70.33 feet;
3. Thence S 54°50'18" E 29.50 feet;
4. Thence N 35°09'42 E 70.33 feet to the TRUE POINT OF BEGINNING

Contains 2,075 Square Feet, more or less

Proposed Lot 40:

Commencing at the North East Corner of said Parcel Map. Thence S44°41'16" W 490.24 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 41°54'04" W 29.50 feet;
2. Thence S 48°05'56" W 70.33 feet;
3. Thence S 41°54'04" E 29.50 feet;
4. Thence N 48°05'56 E 70.33 feet to the TRUE POINT OF BEGINNING

Contains 2,075 Square Feet, more or less

Proposed Lot 41:

Commencing at the North East Corner of said Parcel Map. Thence S44°51'58" W 460.78 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 41°54'04" W 29.50 feet;
2. Thence S 48°05'56" W 70.33 feet;
3. Thence S 41°54'04" E 29.50 feet;
4. Thence N 48°05'56 E 70.33 feet to the TRUE POINT OF BEGINNING

Contains 2,075 Square Feet, more or less

Proposed Lot 42:

Commencing at the North East Corner of said Parcel Map. Thence S45°46'00" W 402.32 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 26°16'41" W 35.00 feet;
2. Thence S 63°43'16" W 70.53 feet;
3. Thence S 26°16'41" E 35.00 feet;
4. Thence N 63°43'16" E 70.53 feet to the TRUE POINT OF BEGINNING

Contains 2,468 Square Feet, more or less

Proposed Lot 43:

Commencing at the North East Corner of said Parcel Map. Thence S52°04'21" W 337.53 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 07°43'52" W 29.50 feet;
2. Thence S 82°16'08" W 70.33 feet;
3. Thence S 07°43'52" E 29.50 feet;
4. Thence N 82°16'08" E 70.33 feet to the TRUE POINT OF BEGINNING

Contains 2,075 Square Feet, more or less

Proposed Lot 44:

Commencing at the North East Corner of said Parcel Map. Thence S56°35'25" W 323.70 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 07°43'52" W 29.50 feet;
2. Thence S 82°16'08" W 70.33 feet;
3. Thence S 07°43'52" E 29.50 feet;
4. Thence N 82°16'08" E 70.33 feet to the TRUE POINT OF BEGINNING

Contains 2,075 Square Feet, more or less

The basis of bearings for this description is identical to that of said Parcel Map.

Steven N. Bell, PLS 11420

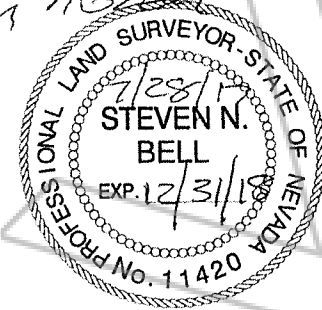
Expires: 12/31/18

Bell Land Surveying

100 Fillmore Way

Reno, NV 89519

Steven N. Bell



COPY

Exhibit A-1

Description of Annexable Property

Legal Description

APN: 1318-23-301-001 (Portion)

SIERRA COLINA

Portions of a parcel of land situated in a portion of Section 23 Township 13 North, Range 18 East, M.D.B. & M, Douglas County, State of Nevada, more particularly described as follows:

Portions of Parcel A, as set forth on Parcel Map for The Estate of Elizabeth Schulz Rabe, filed for record in the office of the County Recorder of Douglas County, State of Nevada, on September 21, 1990, in Book 990, Page 3206, as File No. 235099, more particularly described as follows:

Proposed Lot 1:

Commencing at the North East Corner of said Parcel Map. Thence S52°41'44" W 202.22 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 08°16'22" W 29.50 feet;
2. Thence S 81°43'38" W 69.98 feet;
3. Thence S 08°16'22" E 29.50 feet;
4. Thence N 81°43'38" E 69.98 feet to the TRUE POINT OF BEGINNING

Contains 2,065 Square Feet, more or less

Proposed Lot 2:

Commencing at the North East Corner of said Parcel Map. Thence S40°05'54" W 236.55 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 08°16'22" W 29.50 feet;
2. Thence S 81°43'38" W 69.98 feet;
3. Thence S 08°16'22" E 29.50 feet;
4. Thence N 81°43'38" E 69.98 feet to the TRUE POINT OF BEGINNING

Contains 2,065 Square Feet, more or less

Proposed Lot 3:

Commencing at the North East Corner of said Parcel Map. Thence S33°44'18" W 274.76 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 04°31'24" E 29.50 feet;
2. Thence N 85°28'36" W 69.96 feet;
3. Thence S 04°31'24" W 29.50 feet;
4. Thence S 85°28'36" E 69.98 feet to the TRUE POINT OF BEGINNING

Contains 2,064 Square Feet, more or less

Proposed Lot 4:

Commencing at the North East Corner of said Parcel Map. Thence S30°59'43" W 300.86 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 04°31'24" E 29.50 feet;
2. Thence N 85°28'36" W 69.96 feet;
3. Thence S 04°31'24" W 29.50 feet;
4. Thence S 85°28'36" E 69.98 feet to the TRUE POINT OF BEGINNING

Contains 2,064 Square Feet, more or less

Proposed Lot 5:

Commencing at the North East Corner of said Parcel Map. Thence S29°02'30" W 356.35 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 21°15'11" E 35.00 feet;
2. Thence N 68°44'49" W 70.50 feet;
3. Thence S 21°15'11" W 35.00 feet;
4. Thence S 68°44'49" E 70.50 feet to the TRUE POINT OF BEGINNING

Contains 2,468 Square Feet, more or less

Proposed Lot 6:

Commencing at the North East Corner of said Parcel Map. Thence S29°18'09" W 406.11 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 32°14'29" E 35.00 feet;
2. Thence N 57°45'31" W 70.50 feet;
3. Thence S 32°14'29" W 35.00 feet;
4. Thence S 57°45'31" E 70.50 feet to the TRUE POINT OF BEGINNING

Contains 2,468 Square Feet, more or less

Proposed Lot 7:

Commencing at the North East Corner of said Parcel Map. Thence S29°54'39" W 448.85 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 36°27'00" E 35.00 feet;
2. Thence N 53°33'00" W 70.50 feet;
3. Thence S 36°27'00" W 35.00 feet;
4. Thence S 53°33'00" E 70.50 feet to the TRUE POINT OF BEGINNING

Contains 2,468 Square Feet, more or less

Proposed Lot 8:

Commencing at the North East Corner of said Parcel Map. Thence S31°09'13" W 493.28 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 43°07'51" E 35.00 feet;
2. Thence N 46°52'09" W 70.50 feet;
3. Thence S 43°07'51" W 35.00 feet;
4. Thence S 46°07'51" E 70.50 feet to the TRUE POINT OF BEGINNING

Contains 2,468 Square Feet, more or less

Proposed Lot 9:

Commencing at the North East Corner of said Parcel Map. Thence S32°02'15" W 529.71 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 47°10'55" E 31.29 feet;
2. Thence N 42°49'05" W 69.01 feet;
3. Thence S 47°10'55" W 31.29 feet;
4. Thence S 42°49'05" E 69.01 feet to the TRUE POINT OF BEGINNING

Contains 2,158 Square Feet, more or less

Proposed Lot 10:

Commencing at the North East Corner of said Parcel Map. Thence S32°52'11" W 559.82 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 47°10'55" E 31.29 feet;
2. Thence N 42°49'05" W 69.01 feet;
3. Thence S 47°10'55" W 31.29 feet;
4. Thence S 42°49'05" E 69.01 feet to the TRUE POINT OF BEGINNING

Contains 2,158 Square Feet, more or less

Proposed Lot 11:

Commencing at the North East Corner of said Parcel Map. Thence S35°48'20"W 652.24 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 60°06'16" E 35.00 feet;
2. Thence N 29°53'44" W 70.00 feet;
3. Thence S 60°06'16" W 31.29 feet;
4. Thence S 29°53'44" E 69.01 feet to the TRUE POINT OF BEGINNING

Contains 2,450 Square Feet, more or less

Proposed Lot 12:

Commencing at the North East Corner of said Parcel Map. Thence S37°29'54"W 692.04 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 60°31'13" E 35.00 feet;
2. Thence N 29°28'47" W 70.00 feet;
3. Thence S 60°31'13" W 35.00 feet;
4. Thence S 29°28'13" E 70.00 feet to the TRUE POINT OF BEGINNING

Contains 2,450 Square Feet, more or less

Proposed Lot 13:

Commencing at the North East Corner of said Parcel Map. Thence S38°38'58"W 733.99 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 60°31'13" E 35.00 feet;
2. Thence N 29°28'74" W 70.00 feet;
3. Thence S 60°31'13" W 35.00 feet;
4. Thence S 29°28'74" E 70.00 feet to the TRUE POINT OF BEGINNING

Contains 2,450 Square Feet, more or less

Proposed Lot 14:

Commencing at the North East Corner of said Parcel Map. Thence S36°36'10"W 772.58 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 25°31'51" E 29.50 feet;
2. Thence N 64°28'09" W 69.96 feet;
3. Thence S 25°31'51" W 35.00 feet;
4. Thence S 64°28'09" E 69.96 feet to the TRUE POINT OF BEGINNING

Contains 2,064 Square Feet, more or less

Proposed Lot 15:

Commencing at the North East Corner of said Parcel Map. Thence S36°11'53"W 801.55 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 25°31'51" E 29.50 feet;
2. Thence N 64°28'09" W 69.96 feet;
3. Thence S 25°31'51" W 35.00 feet;
4. Thence S 64°28'09" E 69.96 feet to the TRUE POINT OF BEGINNING

Contains 2,064 Square Feet, more or less

Proposed Lot 16:

Commencing at the North East Corner of said Parcel Map. Thence S36°11'53"W 801.55 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 83°18'45" E 35.00 feet;
2. Thence N 06°41'15" W 70.50 feet;
3. Thence S 83°18'45" W 35.00 feet;
4. Thence S 06°41'15" E 70.50 feet to the TRUE POINT OF BEGINNING

Contains 2,468 Square Feet, more or less

Proposed Lot 17:

Commencing at the North East Corner of said Parcel Map. Thence S42°06'11"W 965.54 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 83°18'45" E 35.00 feet;
2. Thence N 06°41'15" W 70.50 feet;
3. Thence S 83°18'45" W 35.00 feet;
4. Thence S 06°41'15" E 70.50 feet to the TRUE POINT OF BEGINNING

Contains 2,468 Square Feet, more or less

Proposed Lot 18:

Commencing at the North East Corner of said Parcel Map. Thence S44°02'02"W 1004.78 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 83°18'45" E 35.00 feet;
2. Thence N 06°41'15" W 70.50 feet;
3. Thence S 83°18'45" W 35.00 feet;
4. Thence S 06°41'15" E 70.50 feet to the TRUE POINT OF BEGINNING

Contains 2,468 Square Feet, more or less

Proposed Lot 19:

Commencing at the North East Corner of said Parcel Map. Thence S44°52'13"W 1026.01 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 10°28'38" E 68.46 feet;
2. Thence N 79°31'22" W 31.21 feet;
3. Thence S 10°28'38" W 68.46 feet;
4. Thence S 79°31'22" E 31.21feet to the TRUE POINT OF BEGINNING

Contains 2,137 Square Feet, more or less

Proposed Lot 20:

Commencing at the North East Corner of said Parcel Map. Thence S46°17'03"W 1043.96 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 10°28'38" E 68.46 feet;
2. Thence N 79°31'22" W 31.21 feet;
3. Thence S 10°28'38" W 68.46 feet;
4. Thence S 79°31'22" E 31.21feet to the TRUE POINT OF BEGINNING

Contains 2,137 Square Feet, more or less

Proposed Lot 21:

Commencing at the North East Corner of said Parcel Map. Thence S49°54'09"W 1077.22 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 46°51'15" E 68.46 feet;
2. Thence N 43°08'45" W 31.21 feet;
3. Thence S 46°51'15" W 68.46 feet;
4. Thence S 43°08'45"E 31.21feet to the TRUE POINT OF BEGINNING

Contains 2,137 Square Feet, more or less

Proposed Lot 22:

Commencing at the North East Corner of said Parcel Map. Thence S51°33'26"W 1079.26 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 46°51'15" E 68.46 feet;
2. Thence N 43°08'45" W 31.21 feet;
3. Thence S 46°51'15" W 68.46 feet;
4. Thence S 43°08'45" E 31.21feet to the TRUE POINT OF BEGINNING

Contains 2,137 Square Feet, more or less

Proposed Lot 23:

Commencing at the North East Corner of said Parcel Map. Thence S54°36'54"W 1078.18 feet to the TRUE POINT OF BEGINNING:

The following (6) Courses

1. Thence N 66°38'49" E 39.42 feet;
2. Thence N 23°21'11" W 1.50 feet;
3. Thence N 66°38'49" E 29.37 feet;
4. Thence N 23°21'11" W 34.98 feet;
5. Thence S 66°38'49" W 68.79 feet;
6. Thence S 23°21'11" E 36.48 feet to the TRUE POINT OF BEGINNING

Contains 2,465 Square Feet, more or less

Proposed Lot 24:

Commencing at the North East Corner of said Parcel Map. Thence S60°33'21"W 1048.18 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 85°00'14" E 70.33 feet;
2. Thence N 04°59'46" W 29.58 feet;
3. Thence S 85°00'14" W 70.33 feet;
4. Thence S 04°59'46" E 29.58 feet to the TRUE POINT OF BEGINNING

Contains 2,081 Square Feet, more or less

Proposed Lot 25:

Commencing at the North East Corner of said Parcel Map. Thence S62°02'42"W 1036.28 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 85°00'14" E 70.33 feet;
2. Thence N 04°59'46" W 29.58 feet;
3. Thence S 85°00'14" W 70.33 feet;
4. Thence S 04°59'46" E 29.58 feet to the TRUE POINT OF BEGINNING

Contains 2,081 Square Feet, more or less

Proposed Lot 26:

Commencing at the North East Corner of said Parcel Map. Thence S64°15'22"W 1023.96 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence S 88°17'01" E 70.33 feet;
2. Thence N 01°42'59" E 30.49 feet;
3. Thence N 88°17'01" W 70.33 feet;
4. Thence S 01°17'01" E 30.49 feet to the TRUE POINT OF BEGINNING

Contains 2,081 Square Feet, more or less

Proposed Lot 27:

Commencing at the North East Corner of said Parcel Map. Thence $S65^{\circ}47'26''W$ 1010.27 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence $S88^{\circ}17'01''E$ 70.33 feet;
2. Thence $N01^{\circ}42'59''E$ 30.49 feet;
3. Thence $N88^{\circ}17'01''W$ 70.33 feet;
4. Thence $S01^{\circ}17'01''E$ 30.49 feet to the TRUE POINT OF BEGINNING

Contains 2,081 Square Feet, more or less

Proposed Lot 28:

Commencing at the North East Corner of said Parcel Map. Thence $S57^{\circ}45'33''W$ 937.79 feet to the TRUE POINT OF BEGINNING:

The following (6) Courses

1. Thence $S13^{\circ}55'05''W$ 36.48 feet;
2. Thence $S76^{\circ}04'55''E$ 39.24 feet;
3. Thence $N13^{\circ}55'05''E$ 1.50 feet;
4. Thence $S76^{\circ}04'55''E$ 29.37 feet;
5. Thence $N13^{\circ}55'05''E$ 34.98 feet;
6. Thence $N76^{\circ}04'55''W$ 68.79 feet to the TRUE POINT OF BEGINNING

Contains 2,465 Square Feet, more or less

Proposed Lot 29:

Commencing at the North East Corner of said Parcel Map. Thence S59°33'31" W 928.35 feet to the TRUE POINT OF BEGINNING:

The following (6) Courses

1. Thence S 13°28'49" E 30.79 feet;
2. Thence N 76°31'11" E 71.26 feet;
3. Thence N 13°28'49" W 32.25 feet;
4. Thence S 76°31'11" W 32.02 feet;
5. Thence S 13°28'49" E 1.47 feet;
6. Thence S 76°31'11" W 39.24 feet to the TRUE POINT OF BEGINNING

Contains 2,241 Square Feet, more or less

Proposed Lot 30:

Commencing at the North East Corner of said Parcel Map. Thence S57°45'33" W 937.79 feet to the TRUE POINT OF BEGINNING:

The following (6) Courses

1. Thence S 13°28'49" E 31.66 feet;
2. Thence N 76°31'11" E 39.24 feet;
3. Thence S 13°28'49" E 1.47 feet;
4. Thence N 76°31'11" E 32.02 feet;
5. Thence N 13°28'49" W 33.13 feet;
6. Thence N 76°31'11" E 71.26 feet to the TRUE POINT OF BEGINNING

Contains 2,303 Square Feet, more or less

Proposed Lot 31:

Commencing at the North East Corner of said Parcel Map. Thence S55°13'31" W 946.09 feet to the TRUE POINT OF BEGINNING:

The following (6) Courses

1. Thence S 16°46'34" E 30.98 feet;
2. Thence N 73°13'26" E 71.26 feet;
3. Thence N 16°46'34" W 32.45 feet;
4. Thence S 73°13'26" W 32.02 feet;
5. Thence S 16°46'34" E 1.47 feet;
6. Thence S 73°13'26" W 39.24 feet to the TRUE POINT OF BEGINNING

Contains 2,255 Square Feet, more or less

Proposed Lot 32:

Commencing at the North East Corner of said Parcel Map. Thence S53°27'34" W 956.12 feet to the TRUE POINT OF BEGINNING:

The following (6) Courses

1. Thence S 16°46'34" E 31.46 feet;
2. Thence N 73°13'26" E 39.24 feet;
3. Thence S 16°46'34" E 1.47 feet;
4. Thence N 73°13'26" E 32.02 feet;
5. Thence N 16°46'34" W 32.93 feet;
6. Thence N 73°13'26" E 71.26 feet to the TRUE POINT OF BEGINNING

Contains 2,289 Square Feet, more or less

Proposed Lot 33:

Commencing at the North East Corner of said Parcel Map. Thence S46°58'22" W 754.69 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 41°17'20" W 35.00 feet;
2. Thence S 48°42'40" W 70.50 feet;
3. Thence S 41°17'20" E 35.50 feet;
4. Thence N 48°42'40E 70.50 feet to the TRUE POINT OF BEGINNING

Contains 2,467 Square Feet, more or less

Proposed Lot 34:

Commencing at the North East Corner of said Parcel Map. Thence S47°41'00" W 685.06 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 55°33'06" W 31.21 feet;
2. Thence S 34°26'54" W 72.50 feet;
3. Thence S 55°33'06" E 29.50 feet;
4. Thence N 34°26'54 E 70.33 feet to the TRUE POINT OF BEGINNING

Contains 2,263 Square Feet, more or less

Proposed Lot 35:

Commencing at the North East Corner of said Parcel Map. Thence S47°19'34" W 685.06 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 55°33'06" W 31.21 feet;
2. Thence S 34°26'54" W 72.50 feet;
3. Thence S 55°33'06" E 29.50 feet;
4. Thence N 34°26'54 E 70.33 feet to the TRUE POINT OF BEGINNING

Contains 2,263 Square Feet, more or less

Proposed Lot 36:

Commencing at the North East Corner of said Parcel Map. Thence S46°40'45" W 644.38 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 55°19'05" W 31.21 feet;
2. Thence S 34°40'55" W 72.50 feet;
3. Thence S 55°19'05" E 31.21 feet;
4. Thence N 34°40'55E 72.50 feet to the TRUE POINT OF BEGINNING

Contains 2,263 Square Feet, more or less

Proposed Lot 37:

Commencing at the North East Corner of said Parcel Map. Thence S46°14'28" W 613.54 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 55°19'05" W 31.21 feet;
2. Thence S 34°40'55" W 72.50 feet;
3. Thence S 55°19'05" E 31.21 feet;
4. Thence N 34°40'55E 72.50 feet to the TRUE POINT OF BEGINNING

Contains 2,263 Square Feet, more or less

Proposed Lot 38:

Commencing at the North East Corner of said Parcel Map. Thence S45°40'57" W 572.77 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 54°50'18" W 29.50 feet;
2. Thence S 35°09'42" W 70.33 feet;
3. Thence S 54°50'18" E 29.50 feet;
4. Thence N 35°09'42 E 70.33 feet to the TRUE POINT OF BEGINNING

Contains 2,075 Square Feet, more or less

Proposed Lot 39:

Commencing at the North East Corner of said Parcel Map. Thence S45°11'16" W 543.67 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 54°50'18" W 29.50 feet;
2. Thence S 35°09'42" W 70.33 feet;
3. Thence S 54°50'18" E 29.50 feet;
4. Thence N 35°09'42 E 70.33 feet to the TRUE POINT OF BEGINNING

Contains 2,075 Square Feet, more or less

Proposed Lot 40:

Commencing at the North East Corner of said Parcel Map. Thence S44°41'16" W 490.24 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 41°54'04" W 29.50 feet;
2. Thence S 48°05'56" W 70.33 feet;
3. Thence S 41°54'04" E 29.50 feet;
4. Thence N 48°05'56 E 70.33 feet to the TRUE POINT OF BEGINNING

Contains 2,075 Square Feet, more or less

Proposed Lot 41:

Commencing at the North East Corner of said Parcel Map. Thence S44°51'58" W 460.78 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 41°54'04" W 29.50 feet;
2. Thence S 48°05'56" W 70.33 feet;
3. Thence S 41°54'04" E 29.50 feet;
4. Thence N 48°05'56 E 70.33 feet to the TRUE POINT OF BEGINNING

Contains 2,075 Square Feet, more or less

Proposed Lot 42:

Commencing at the North East Corner of said Parcel Map. Thence S45°46'00" W 402.32 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 26°16'41" W 35.00 feet;
2. Thence S 63°43'16" W 70.53 feet;
3. Thence S 26°16'41" E 35.00 feet;
4. Thence N 63°43'16" E 70.53 feet to the TRUE POINT OF BEGINNING

Contains 2,468 Square Feet, more or less

Proposed Lot 43:

Commencing at the North East Corner of said Parcel Map. Thence S52°04'21" W 337.53 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 07°43'52" W 29.50 feet;
2. Thence S 82°16'08" W 70.33 feet;
3. Thence S 07°43'52" E 29.50 feet;
4. Thence N 82°16'08" E 70.33 feet to the TRUE POINT OF BEGINNING

Contains 2,075 Square Feet, more or less

Proposed Lot 44:

Commencing at the North East Corner of said Parcel Map. Thence S56°35'25" W 323.70 feet to the TRUE POINT OF BEGINNING:

The following (4) Courses

1. Thence N 07°43'52" W 29.50 feet;
2. Thence S 82°16'08" W 70.33 feet;
3. Thence S 07°43'52" E 29.50 feet;
4. Thence N 82°16'08" E 70.33 feet to the TRUE POINT OF BEGINNING

Contains 2,075 Square Feet, more or less

The basis of bearings for this description is identical to that of said Parcel Map.

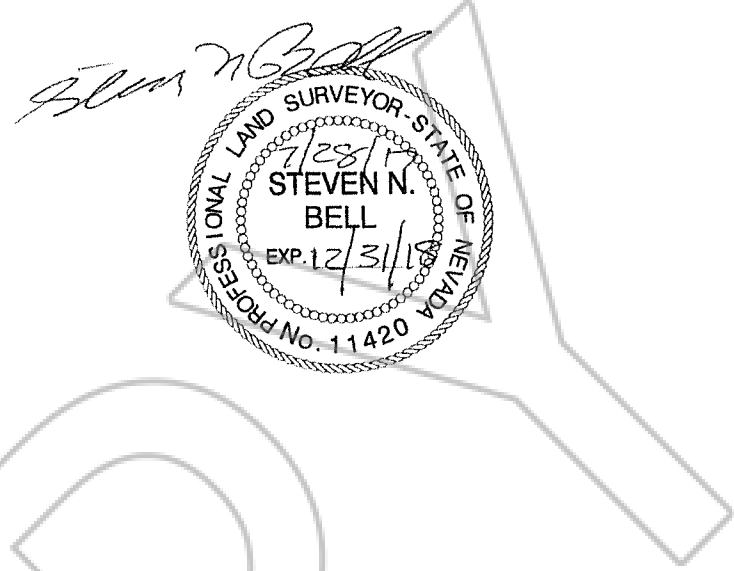
Steven N. Bell, PLS 11420

Expires: 12/31/18

Bell Land Surveying

100 Fillmore Way

Reno, NV 89519



COPY