

DOC # 2984484
01/23/2004 09:26A Fee:51.00
BK1
Requested By
STEPHEN C MOSS ETAL
Washoe County Recorder
Kathryn L. Burke - Recorder
Pg 1 of 13 RPTT 0.00



APN # _____

Recording Requested by:

Name LAW OFFICE OF STEPHEN C. MOSS

Address 2235 Green Vista Drive, Suite 309

City/State/Zip Sparks, NV 89431

(for Recorder's use only)

THIRD AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS OF

SIERRA RANCHOS PROPERTY OWNERS ASSOCIATION

(Title of Document)

**This page added to provide additional information required by NRS 111.312 Sections 1-2.
(Additional recording fee applies)**

This cover page must be typed or printed.



THIRD AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
SIERRA RANCHOS PROPERTY OWNERS ASSOCIATION

TABLE OF CONTENTS

	PAGE
ARTICLE I RECITALS	2
ARTICLE II GENERAL PROVISIONS	2
ARTICLE III REGULATION OF IMPROVEMENTS	3
ARTICLE IV ENFORCEMENT	5
ARTICLE V THE BOARD OF DIRECTORS, ANNUAL ASSOCIATION MEETING AND APPOINTED COMMITTEES	6
ARTICLE VI REGULATION OF OPERATION AND USES	8
ARTICLE VII ASSOCIATION AND ASSESSMENTS	8
ARTICLE VIII TERM, TERMINATION AND AMENDMENT	9
ARTICLE IX COMMON AREAS	9
ARTICLE X INSURANCE	10
ARTICLE XI MISCELLANEOUS PROVISIONS	10



THIRD AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
OF
SIERRA RANCHOS PROPERTY OWNERS ASSOCIATION

THIS THIRD AMENDED AND RESTATED DECLARATION ("Declaration" or "DCCRs") is made this 14th day of January, 2004, and references the following facts and is as follows:

ARTICLE I
RECITALS:

1.01. The property that is the subject of this Declaration ("Property") is that certain real property located the County of Washoe, State of Nevada, commonly known as SIERRA RANCHOS, and which is more particularly described as follows:

All those certain lots, pieces or parcels of land situated in the County of Washoe, State of Nevada, described as follows:

PARCEL 1:

Lots 1 through 71 inclusive and Lots 86 through 94 inclusive and Lot 101, as shown and delineated on Record of Survey for Eagle Peak Development Co., recorded June 25, 1971, under file No. 210148, and Lots 102 through 196 inclusive and Lots 201 through 236 inclusive as shown and delineated on Amended Record of Survey No. 831 recorded December 27, 1973, which is a Re-Survey of portions of Survey No. 210148.

PARCEL 2:

All the roadways and streets as shown on Record of Survey No. 210148 and on Amended Record of Survey 831, excepting Red Rock Road.

1.02. This Third Amended and Restated Declaration is made pursuant to the written consent of record owners of 51%, or more, of the Property, and shall in all respects supersede all other covenants, conditions, and restrictions affecting the Property which have been recorded in the office of the County Recorder of Washoe County, Nevada, including, but not limited to, the following (collectively "prior declarations"):

- (1) That certain Declaration recorded June 25, 1971, as Document No. 210147;
- (2) That certain Supplemental Declaration recorded June 25, 1974, as Document No. 331612;
- (3) That certain Second Amendment and Restatement of the Covenants, Conditions and Restrictions recorded March 31, 1979, as Document No. 5932371.

ARTICLE II
GENERAL PROVISIONS

2.01 Establishment of Restrictions. The owners of the Property declares that the Property is now held and in the future shall be held, transferred, sold, leased, conveyed, and occupied subject to the restrictions set forth in these DCCRs, each and all of which is for, and shall inure to, the benefit of and pass with each and every parcel of the Property and shall apply to and bind the heirs, assignees and successors in interest of any owner lots which are part of the Property.



2.02 Purpose of Restrictions. The purpose of these restrictions is to insure proper use, development and maintenance of the Property, to protect the owner of each lot against improper use and development of surrounding parcels which will depreciate the value of his lot or interfere with his beneficial use and enjoyment of his lot, to secure and maintain proper setback from streets, to prevent haphazard and unsightly improvements, and in general to provide adequately for planned use, development and maintenance of the Property in accordance with the terms of these DCCRs.

2.03 Changes to Restrictions. Proposed changes to these restrictions shall require a majority vote of 51% of the "Association" membership for approval and amendment of the recorded DCCRs.

2.04 Definitions.

(a) Improvements. "Improvements" shall mean and include buildings, houses, outbuildings, garages, carports, driveways, storage decks, sheds, walls, signs, streets, fencing, and installed equipment, and any other structures of any type or kind.

(b) Lot. "Lot" shall mean each parcel of real property, which is a numbered Lot on the Record of Survey of Subject Property filed for record with the Office of the Washoe County Clerk on the 25th day of June 1971 and on the 27th day of December 1973.

(c) Association. "Association" shall mean the Sierra Ranchos Property Owners Association, a non-profit corporation, formed pursuant to the applicable laws of the State of Nevada.

(d) Board. "Board" shall mean the "The Board of Directors". The Board will be elected annually from association members in good standing, by members of the association and will consist of no less than (3) three nor more than (5) five members.

(e) By-Laws. "By-Laws" shall mean the By-Laws of the Association which are or shall be adopted by the Association.

(f) Owner. "Owner" shall mean the contract buyer or record owner of a fee simple title, whether one or more persons or entities, to any Parcel which is part of the Property, but excluding those having such interest as security for the performance of an obligation.

ARTICLE III REGULATION OF IMPROVEMENTS

3.01 Minimum Setback Line.

(a) General. No structure of any kind, and no part, shall be placed on any Lot closer to a property line than provided in these DCCRs. The following structures and improvements are specifically excluded from these setback provisions:

1. Pole lines;
2. Underground pipe lines;
3. Conduits;
4. Ditches;
5. Water works facilities for the production and distribution and of water primarily for irrigation purposes;

6. Fences;

7. Streets and driveways/drive-throughs;

8. Landscaping, to include trees and shrubs, and agricultural crops;

(b) Front Yard Setback. No structure or improvement except those listed in 3.01(a) (1)-(7) shall be erected nearer than a minimum of sixty (60) feet from the front property line; however, if the Board of Directors shall determine that extenuating circumstances exist for any Lot that would cause conformance to the setback minimums to result in undue hardship on the owner of the Lot, the Board may approve such setback as may be reasonable.

(c) Side Yard Setback. The setback line is established at a minimum of sixty (60) feet from the side property line; however, if the Board of Directors shall determine that extenuating circumstances exist for any Lot that would cause conformance to the setback minimums to result in undue hardship on the owner of the Lot, the Board may approve such setback as may be reasonable.

(d) Rear Yard Setback. The setback line is established at a minimum of sixty (60) feet from the rear property line; however, if the Board of Directors shall determine that extenuating circumstances exist for any Lot that would cause conformance to the setback minimums to result in undue hardship on the owner of the Lot, the Board may approve such setback as may be reasonable.



3.02 Completion of Construction. Completion times of structures or improvements and occupancy of the improvements shall be in accordance with Washoe County building codes, restrictions, permits and granting of a Certificate of Occupancy.

3.03 Fencing.

(a) All Lots on which horses, cattle, sheep, swine, llamas or any other domestic animals are present shall be adequately fenced to keep the animals on that Lot and protect the crops and property on other Lots. Owners of such Lots are individually responsible for the repair and maintenance of fences.

(b) Lots other than those described in (a) may be fenced at the discretion of the Owner.

(c) Any fence existing on the date of these DCCRs on any owner's Lot shall be maintained to prevent a risk of safety to people or animals.

3.04 Excavation. Exposed openings resulting from any excavation made in connection with initial construction or improvements shall be back-filled and the disturbed ground must be leveled. All excavations must be done in compliance with the Washoe County Grading Ordinance and shall be certified by a Nevada Licensed Soils Engineer, as such Grading Ordinances shall require. Lot Owners are individually responsible and liable for any unlevelled excavations on their property including any excavations existing prior to ownership.

3.05 Signs.

(a) Lot owners wishing to post their properties with "no trespassing signs", may post such signs as long as they are no larger than five (5) square feet.

(b) Lot owners wishing to "personalize" their properties, such as naming their Lots, may do so as long as the selected names are in reasonably good taste and appearance.

(c) Signs advertising personal property for sale by the Lot Owner are allowed as long as the sign is no more than (5) square feet in size and removed immediately after the personal property is sold.

(d) Lot owners wishing to sell or rent their lots may post a sign or signs of not more than five (5) square feet each, offering the premises for sale or lease.

3.06 Trailers.

(a) A mobile or travel trailer, which includes "5th Wheelers", may be used as a temporary residence for eighteen (18) months during the construction of a permanent residence but only after a valid building permit is issued by Washoe County. Occupancy must comply with Washoe County building codes and living restrictions. Authorization for temporary residency will be immediately terminated if the occupants violate Washoe County building codes or health restrictions. Temporary residences must be removed from the parcel within 30 days from the date the permanent residence is completed or at the earliest reasonable opportunity based on environmental circumstances once the permanent residence is completed and a Washoe County certificate of occupancy is obtained.

(b) A Lot Owner may own and maintain any number or type of trailers on his/her property as long as the trailers are operational and properly registered. The Lot Owner must remove non-operational or unregistered trailers within (60) days from the date of written notification from the Board.

3.07. Building Regulations.

(a) Type.

(1) Any building or structure of whatever type must be properly maintained.

(2) No building or other structure shall be built or erected unless the building or other structure is of a quality usual and customary for that type of building or structure and of good quality and design. No used buildings, including buildings previously constructed on any other real property, shall be moved onto any Lot. Not more than one (1) single family residence including a two car garage and one (1) guest cottage may be constructed on a Lot. The main residence must be constructed first except as otherwise approved by the Board.

(3) An owner of two adjoining (herein referred to as primary and adjoining) Lots may construct secondary buildings or structures on the adjoining Lot provided the main residence is previously existing on the primary Lot and the secondary buildings or structures are of quality usual and customary for that type of building or structure and of good quality and design.

(4) No manufactured (modular or mobile homes) shall be constructed, placed or moved onto any Lot. Mobile homes used as a temporary residence during the construction of the permanent residence are allowed but must be removed immediately after occupancy of the permanent residence. Modular homes placed on Lots prior to January 1, 2000, are exempted.

(b) Size. The single family residence must contain a minimum of one thousand two hundred (1200) square feet of living area on the main floor, and a minimum two car garage with either two eight (8) foot or one (1) 16 foot opening and must contain a minimum of four hundred and eighty (480) square feet of storage



area and must be constructed and completed at the same time as the permanent residence. Remodeling of an existing garage into additional living space is prohibited until the construction of a replacement garage. Any guest cottage, accessory building, or garage constructed on any Lot must conform to the architectural design and exterior material of the residential structure on the Lot but must not be larger than twice the total square foot area of the permanent residential structure.

(c) Location.

(1) No building structure of any kind shall be located between the primary residence and front setback line except as approved by the Board.

(2) No identical residences shall be built or located within one-half (1/2) mile straight-line distance from each other.

(d) Roofs and Sidings. All exterior materials must be new. No metallic roofing or siding will be permitted unless painted or coated with a non-glare material approved by the Board. Exterior walls below the floor line shall be enclosed unless the foundation structure is designed especially for architectural appearance and approved by the Board or architectural committee.

(e) Sewage Disposal Systems. All permanent residences must include individual sewage disposal (septic) systems designed and built in accordance with specifications approved by the health authorities having jurisdiction. No outside toilets, privies or cess pools shall be permitted on any Lot within the association.

3.08 Animals. Domestic animals such as horses, cattle, dogs, cats, llamas and swine shall be permitted on any Lot only if the number of such animals is reasonably consistent with the area in which they are maintained. The use of such animals shall be in strict accordance with such rules as may be established from time to time by the Association. In no case shall the use and care of such animals be allowed to become a nuisance, or cause an unreasonable amount of noxious odors or excessive noises. Each owner shall be responsible for the care and health of the animals and keeping all animals and their place of habitat in a clean and sanitary condition.

3.09 Maintenance and Storage.

(a) All Lots must be properly maintained. The Lot Owner must remove rubbish and debris within (30) days of written notification from the Board of Directors to do so.

(b) Rubbish and Debris are defined as items of trash that are offensive by sight or smell to owners of neighboring Lots or other members of the association.

(c) Upon receipt of the written notification to remove rubbish or debris the Lot Owner may submit a written request for one (1) extension or a written appeal providing an explanation of why the Lot Owner desires to retain the item or items that were identified. If the appeal is denied, the Lot Owner has an additional thirty (30) days from the date of the final notification to remove the item or items.

(d) No vehicles, trailers, supplies or materials are to be parked or stored on the roads or streets of the association.

(e) No inoperable or unregistered trailers or motor vehicles are allowed to be stored on any Lot unless the owner provides proof to the Board of Directors that the trailer or motor vehicle will be registered and operable within 60 days of notification to remove the trailer or motor vehicle.

(f) Vacant Lots may not be used for storing personal property of any kind including, but not limited to, vehicles, trailers or other materials. Construction materials may be stored on a vacant Lot provided the Lot Owner has obtained a building permit from Washoe County or unless authorized by the Board.

ARTICLE IV
ENFORCEMENT

4.01 Abatement and Suit.

(a) The Board has the power to act on observed or reported violations. Violation or breach of any of the provisions of these DCCRs gives the Board the right to take immediate action necessary to eliminate the structure, thing or condition that may be or exists on the Lot contrary to the intent and meaning of the DCCRs, or to prosecute a proceeding at law or in equity against the owner or owners who have violated or are attempting to violate any of the restrictions to enjoin or prevent them from doing so, to cause the violation to be remedied or to recover damages for the violation.

(b) The Board or any owner does not have the power to arbitrarily enter upon any Lot for the purpose of investigating and/or reporting a condition which violates the intent and meaning of the provisions of these DCCRs unless the violation is of such an extreme nature that it creates a danger to the common health or safety of nearby Lot owners or the Association. In those cases, the Board has the right to enter upon a Lot on which

the violation or breach exists and to summarily abate and remove, at the expense of the owner or lessee of the Lot, any structure, thing or condition that may or does exist.

(c) The Board must attempt to contact and obtain permission from the Lot owner to enter onto the Lot before investigating observed or reported violations other than those in paragraph (b). When the Lot owner is either absent or refuses to allow the Board onto the Lot, the Board has the power to enter onto the Lot in the presence of a law enforcement officer.

(d) The Board has the right to enter onto any Lot threatened with imminent danger resulting from natural or man made disasters such as wildland fires, floods, severe storms or earthquakes. Such entry shall be limited to those actions necessary to protect structures or domestic animals when the owner is absent.

4.02 Deemed to Constitute a Nuisance. The result of every action or omission that violates any provision of these DCCRs in whole or in part is declared to be, and does constitute, a nuisance. The Board or any Lot owner may pursue every remedy allowed by law or equity against an owner or lessee, either public or private, applicable to every such action and may be exercised by the Board or by any owner or lessor of Lots subject to these DCCRs.

4.03 Attorney's Fees. In any legal or equitable proceeding for the enforcement of these DCCRs or to restrain the violation of any provision of these DCCRs the losing party or parties shall pay the attorney's fees of the prevailing party or parties in such amount as may be fixed by the court in such proceedings. All remedies provided in these DCCRs or at law or in equity shall be cumulative and not exclusive.

4.04 Verification. The Board will verify that the violation is corrected. The Lot Owner violating these DCCRs must provide written notification to the Board when the violation is corrected. The Board of Directors will coordinate a reasonable time and date with the Lot Owner to verify the correction of the violation. The Board has the power to enter onto a Lot to verify the correction of the violation in the presence of a law enforcement officer if the violating Lot Owner is either unable or refuses to establish a reasonable time and date.

4.05 Failure to Enforce Not a Waiver of Rights. The failure of the Board or any Lot owner to enforce any of the provisions of these DCCRs shall not be deemed to be a waiver of the right to do so in the future nor a waiver of the right to enforce any other provisions of these DCCRs.

ARTICLE V

THE BOARD OF DIRECTORS, ANNUAL ASSOCIATION MEETING AND APPOINTED COMMITTEES

5.01 Composition of the Board of Directors and Annual Association Meeting.

(a) There shall be established a Board of Directors (referred to as the "Board") consisting of three (3) to five (5) members. The President of the Board shall be the individual receiving the most votes during the annual election or the individual with the longest tenure as a member of the Board of Directors. When, and only when, the Board is composed of four (4) members, the President's vote will carry the weight of two votes. In the event of death, resignation or removal of any member of the Board, the remaining members shall have full authority to designate and appoint a successor to serve such departed member's unexpired term. Neither the members of the Board nor its designated representatives shall be entitled to any compensation for services performed pursuant to this covenant.

(b) Board members will be elected by a secret written ballot. A proxy may not cast a vote for the election of board members. For the purposes of determining whether a quorum is present for the election of Board members, only the secret written ballots that are returned to the association may be counted. Board members will serve for one year. A Board member may be elected to succeed himself. Lot Owners by a two-thirds vote of a quorum, may remove any member of the board for cause or no cause. Notice shall be given to each Lot Owner of his eligibility to serve as a member of the Board at least thirty (30) days before the preparation of a ballot for the election of board members. Each Lot Owner who is in good standing (qualified) and desires to run for the Board shall have his name placed on the ballot.

(c) The Board shall have the power to schedule and conduct the annual Association meeting. The Board shall provide a written notice by mail or hand-delivered of the annual meeting to all Lot Owners no less than 10 days nor more than 60 days prior to the scheduled meeting. The written notice shall include a copy of the agenda or the date and location where copies of the agenda may be conveniently obtained; date, time, location of the meeting; notification of the right of a Lot Owner to receive a copy of the minutes or a summary of the minutes if the Lot Owner pays the cost of making the distribution; and notification of the right of a Lot Owner to speak to the association members or board at the meeting. The agenda for the meeting must include a clear and complete statement of the topics scheduled to be considered during the meeting, including, without limitation, any proposed amendment to the DCCRs or Bylaws, any fees or assessment to be imposed or increased by the association, any



budgetary changes and any proposal to remove an officer or member of the board; a list describing the items on which action may be taken and clearly denoting that action may be taken on those items; and a period devoted to comments by Lot Owners and discussion of those comments.

(d) A quorum is present throughout any meeting of the association if persons entitled to cast 20 percent of the votes are present in person or by proxy at the beginning of the meeting

(e) The Board shall have the power to act as or appoint Lot owners in good standing to committees. Lot owners volunteering to serve as committee members shall be appointed during the annual association meeting and shall not be entitled to any compensation for services.

5.02 Architectural Control Committee.

(a) Committee Composition. The Committee, when determined necessary by either the Board of Directors or the Association general membership, shall be composed of three (3) members. Committee members will be nominated by the general membership and appointed by the Board of Directors. The Board shall have the power to act as the Committee when no such Committee is appointed.

(b) Committee Approval. The Committee must provide written approval or rejection of submitted construction or improvement plans within 30 days of receipt. The Committee's approval or rejection of construction or improvement designs and plans as required in these DCCRs must be in writing.

No construction or improvement shall be erected, placed or altered on any Lot until the construction plans and specifications and a plan showing the location of the construction or improvement on the Lot have been approved by the Committee as to harmony of exterior design with existing structures, location, enhancement or detracting from the value of surrounding Lots and general aesthetic appearance. Commencement of work on the construction or the improvement without approved plans will be halted immediately by the committee requesting a "Stop Work" order from Washoe County. The plans submitted to the Committee shall include floor plans, exterior elevations, plot plans, foundations and shall be to scale and shall contain sufficient information as to clearly show what materials will be used in the proposed improvement. The plans shall be submitted in triplicate and approval obtained prior to obtaining a County building permit. After the construction or improvement plans, specifications or other data have been approved or been deemed approved (the "Approved Plans") by both the Association and County, the county will review the construction process and halt the construction or improvement if that construction or improvement is contrary to "Approved Plans". The County will have "Stop Work" authority.

If construction is not commenced in accordance with the Approved Plans within one hundred eighty (180) days of the date upon which the plans were approved or deemed approved, then the Committee may withdraw its approval of the plans and specifications provided there has been a change of circumstances that the Committee would not have granted approval if the plans and specifications had been then submitted.

Notwithstanding the foregoing, the Association and its successors and assigns shall not be subject to architectural control of the Committee in its construction of the common area within Subject Property.

(c) Committee's Authority. The Committee shall have the powers to act on observed or reported violations and changes to plans. In those cases where the Committee is acting as designees and not the Board of Directors, the Committee will report violation, changes to plans or breaches of restrictions. The Committee may from time to time, promulgate such regulations as the Board directs it or as it deems necessary for carrying out and enforcing the provisions of these DCCRs.

(d) Liability of Committee. The Board, the members of the Committee or its representative, their successors or assigns, are not liable to anyone submitting plans to them for approval, or to any owner or lessee of any Lot affected by the DCCRs by reason of a mistake in judgement, negligence or nonfeasance arising out of or in connection with the approval or rejection of any plans submitted. Every person who submits plans to the Committee for approval agrees, by submission of such plans, and every owner or lessee of any Lot within Association agrees, by acquiring title or an interest in the Lot that he will not bring any action or suit against the Board members, the members of the Committee, or its representative, to recover any such damages.

5.03 Road Maintenance and Sign Committee.

(a) Composition of the Committee. The Committee, when determined necessary by either the Board or the Association general membership, shall be composed of as many members necessary to inspect the conditions of Association roads, culverts and signs and provide recommendations to the Board of Directors concerning the installation, maintenance and repair of the roads, culverts and signs. The Committee will not take any action until approved by the Board of Directors. The Board of Directors shall have the power to act as the Committee when no such Committee is appointed.

(b) Committee Responsibilities. The Committee will provide timely advise and recommendations to the Board about the state of installation, maintenance and repair of Association roads, culverts



and signs. When authorized by the Board of Directors, the Committee shall coordinate directly with road, culvert and sign installation and maintenance agencies and personnel for necessary work.

(c) Committee Liability. Neither the Association, the members of the Committee or its representative, their successors or assigns, shall be liable in damages to any person using the roads in an unsafe or unreasonable manner. Use of the roads in an unsafe manner includes exceeding 30 (thirty) Miles An Hour or attempting to travel on the road shoulders for the purposes of avoiding minor obstructions or obstacles.

5.04 Lot Owners Advisory Committee.

(a) Composition of the Committee. The existence and composition of the Advisory Committee will be determined by a majority of the Lot owners. If necessary, the Committee will be elected by and serve at the pleasure of the majority of the Lot owners. Nominations and elections shall be conducted during the annual association meeting. A member of the Board of Directors may not serve concurrently as a Board member and as a Committee member.

(b) Committee Responsibilities. The Committee's power shall be limited to providing information and advice to the Board about the needs of the association. Information and advice shall include but is not limited to road and sign maintenance, reporting violations of the DCCRs, and recommending improvements affecting the association. Committee members shall also act as representatives and spokesmen for the Lot owners and shall offer assistance to the Board of Directors whenever necessary.

5.05 Ad Hoc Committees. The Board of Directors may appoint ad hoc committees. Ad hoc committees will serve only for the duration and within the limitations of the original appointment and will report directly to the Board of Directors.

ARTICLE VI REGULATION OF OPERATIONS AND USES

6.01 Permitted Operations and Uses. All Parcels shall be used only for single-family residential purposes.

6.02 Prohibited Operations and Uses. The following operations and uses are prohibited:
(a) All industrial, manufacturing or commercial, including the drying, packing, canning, freezing and other methods of processing fruits, nuts, vegetables and other agricultural products on any Parcel;

- (b) Trailer Courts;
- (c) Junk yards or dumps;
- (d) Drilling for and/or the removal of oil, gas or other hydrocarbon substances;
- (e) Distillation of bones;
- (f) Fat renderings;
- (g) Stockyard or slaughter of animals;
- (h) Grange halls;
- (i) Farm labor camps;
- (j) Community auctions and sales yards;
- (k) The Breeding and Raising of swine as the primary source of income for the Parcel owner; and
- (l) Construction of obstacles or barriers across association roads in such a manner as to restrict or deny travel by other Lot Owners or the general public.

6.03 Division Regulations. No owner, lessor or occupant of any Lot shall divide any portion of the Lot in any manner including, without limitation, the filing of subdivision maps, records of survey, parcel splits or sales or leases.

ARTICLE VII ASSOCIATION AND ASSESSMENTS

7.01 Association Membership. THE SIERRA RANCHOS PROPERTY OWNERS ASSOCIATION "Association" shall be composed of all the owners and contract purchasers, referred to as "Lot Owners", of Lots within the association and such Lot owners shall be required to maintain their memberships in the Association, provided no person, corporation, partnership, trust or other entity shall have more than one (1) membership per Lot, as Lot is defined in Article II, Section 2.04(c). Lot Owners shall automatically be members of the Association upon becoming owners of a lot or lots, and shall remain members of the Association until such time as their ownership ceases for any reason, at which time their membership in the Association shall cease. Membership in the Association is appurtenant to and runs with each Lot in the association. In the event that a Lot is owned in joint



tenancy or tenancy in common, the owners, from time to time, shall designate in writing one of them to vote and exercise all voting rights of membership. In the absence of such designation, the Board shall select one of the owners of the Lot to be the individual to vote and exercise all voting rights of membership. All non-voting owners shall be jointly and severally responsible for the dues, assessments and charges levied against, incurred by, or attributed to the membership from which the members derive benefits, rights and obligations.

7.02 Assessments.

(a) General. Prior to the end of each calendar year, the Board shall prepare an estimated budget of operating expenses and a sum for funding the required reserve fund for the next calendar year. The Board shall compute the amount of the Assessment to be paid by each Lot Owner by dividing the amount estimated for operating expenses and reserve fund by the number of Lots. No owner shall be subject to dues or assessments other than as computed in accordance with Article VII without his written consent. The assessment of ten dollars (\$10.00) per Lot per month is subject to the increase (but not a decrease) in any year by the percentage of increase of the Consumer Price Index (cost of Living Index), "all items, United States", as set forth by the United States Bureau of Labor Statistics, last issued prior to the date proposed for increasing such assessments. Other than as provided above, an increase must be approved by 51% of the Lot Owners voting in person or by proxy at a meeting called for that purpose or at the annual membership meeting. The written consent of a member to any increase may be obtained other than at a meeting or meetings called for such purposes, and the same may be used in calculating the total votes necessary for such increase.

(l) Semi-Annual Assessment Periods. The semi-annual assessment periods shall coincide with the fiscal year of the association, which shall commence on January 1 of each year and shall terminate on December 31 of such year. The first semi-annual assessment period shall be from January 1 to June 30 of each year. Assessment nonpayment for the first period becomes delinquent on July 1 of that same year. The second semi-annual assessment period shall be from July 1 to December 31 of each year. Assessment nonpayment for the second period becomes delinquent on January 1 of the following year.

(m) Delinquency and Finance Charges. A finance charge of 1 ½% per month shall be added to any assessment or installment that is not paid within that assessment period and therefore becomes delinquent. Any assessment or installment shall bear interest from the date, which it becomes delinquent at the annual rate of 18%. For each assessment period during which a delinquency exists, the unpaid interest shall be added to the principal sum due and such increased principal amount shall bear interest at 18% per annum. Upon the written notification of delinquency, the Lot owner shall have all privileges and voting rights as a member of the association suspended. Suspension of privileges and voting rights shall be restored upon the Association's receipt of all delinquent assessments. Some or all finance charges may be waived if extenuating circumstances are proven whereby the Lot owner was not notified by the association of due or delinquent accounts.

ARTICLE VIII
TERM, TERMINATION AND AMENDMENT

8.01 Termination. These DCCRs shall continue in full force and effect until eighty percent (80%) of the Lot Owners agree to terminate the Association.

8.02 Modification. These DCCRs may be amended with the written consent of fifty-one percent (51%) of Lot Owners.

ARTICLE IX
COMMON AREAS

9.01 Common Areas: The common areas of the Association are identified as the roads, culverts and those signs specifically installed by the "Association" to provide for the safe use of and passage over "Association" roads.

9.02 Maintenance of Common Areas: The Board of Directors, upon the recommendation of the Road Maintenance and Sign Committee, shall provide for the necessary actions to maintain Association common areas. No Lot Owner or his representative is authorized to perform road maintenance, install culverts, construct barriers across Association roads or install road signs for his own benefit unless specifically authorized by the Board of Directors. Any Lot Owner who desires to perform road maintenance, regardless of the nature and extent, must first submit a written request for approval to the Board of Directors. The request must include the location and scope of work to be performed. The Lot Owner must also agree in writing to assume responsibility and liability for the work performed and that the work will not be performed until authorized in writing by the Board of Directors.



ARTICLE X INSURANCE

10.01 Insurance to be Obtained. The Association shall obtain and maintain in force insurance coverage provided by companies duly authorized to do business in Nevada as set forth in this Article.

10.02 Public Liability and Property Damage Insurance. The Association shall purchase broad form comprehensive liability coverage in such amounts and in such forms as it deems advisable to provide adequate protection. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operations, maintenance, and other use of the Common Area. The liability insurance shall name as separately protected insurers, the Association, the Board, and their representatives, members, and employees, with respect to any liability arising out of the maintenance or use of any property owned by the Association. Every policy of insurance obtained by the Association shall contain an express waiver, if available of any and all rights of subrogation against the Board, and their representatives, members, appointees and employees.

10.03 Other Insurance. The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to the property owned by the Association, and errors and omissions coverage for the Board and officers of the Association.

10.04 Premiums and Review. Premiums for all of the foregoing insurance carried by the Association shall be budgeted as part of the Common Expenses. The Board shall review the limits of all insurance policies of the Association *as needed* and adjust the limits as the Board deems necessary or appropriate.

ARTICLE XI MISCELLANEOUS PROVISIONS

11.01 Constructive Notice and Acceptance. Every person who now or later owns or acquires any right, title or interest in or to any portion of Lot is and shall be immediately and conclusively deemed to have consented and agreed to the terms of the DCCRs, Prospective owners are personally responsible for obtaining a valid title search to determine property liens or overdue assessments. A prospective owner is described as any party or parties pursuing ownership of any Lot or Lots. Delinquent assessments shall remain with the Lot at the time of the transfer of ownership of any Lot or Lots.

11.02 Assessment Liens and Enforcement. The sale or transfer of any Lot shall not affect any assessment lien created pursuant to the terms of these DCCRs to secure assessments becoming due whether prior to, on, or after the date of such sale or transfer, nor shall such sale or transfer diminish or defeat the personal obligation of any Owner for delinquent assessments as provided for herein; provided, however, that if any Parcel is sold under a foreclosure of any mortgage or under the provisions of any deed of trust, any purchaser at such sale, and his successors and assigns, shall hold any and all property so purchased subject to all the restrictions and other provisions of the Declaration. However, a breach of any of the restrictions, easements, conditions, covenants and restrictions herein contained shall not in any way reduce the security of or defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value.

The obligations of the Owners to pay the assessments, interests and costs provided for in the Declaration and each of them, may be enforced in any manner provided by law or in equity, without any limitation thereof, by either or both of the following procedures.

(a) Enforcement by Suit. Commencement and maintenance of a suit at law against any Owner or Owners obligated to pay assessments for such delinquent assessments as to which they are obligated shall be maintained in the name of the Association. Any judgement rendered in any such action shall include the amount of the delinquency, together with interest at the rate identified in Article VII, costs of collection, court costs and reasonable attorneys' fees in such amount as the court may adjudge for unpaid assessments shall be maintainable without foreclosing or waiving the lien provided for and if suit to recover is unsuccessful, the enforcement by lien may be utilized by the Association without prejudice.

(b) Enforcement by Lien. There is created by these DCCRs a lien in favor of the Association, with power of sale, of each and every Lot, to secure payment to the Association of any and all assessments levied against any and all Owners of such Lots pursuant to these DCCRs, together with interest at the legal rate, and all costs of collection which may be paid or incurred by the Association in connection with the enforcement, including reasonable attorneys' fees. At any time after the occurrence of any delinquency in the



payment of any such assessment levied, the Board or any authorized representative, may make a written demand for payment to the delinquent Owner at his last known address. Said demand shall state the date and amount of the delinquency. Each delinquency in the payment of any assessment shall constitute a separate basis for a demand or claim of lien, but any number of defaults may be included within a single demand or claim of lien and any demand or claim of lien or lien on account of prior delinquencies shall be deemed to include subsequent delinquencies and amounts due. If the delinquency is not paid within thirty (30) days after delivery of such demand, the Board or its duly authorized representative, may elect to file and record a Notice of Default and Election to Sell on behalf of the Association against the Lot of the defaulting Owner in the office of the County Recorder of Washoe County. The Notice of Default and Election to Sell shall be executed and acknowledged by any duly authorized officer of the Association and shall contain substantially the following information:

- (1) The name of the delinquent Owner;
 - (2) The legal description of the Lot against which claim of lien is made;
 - (3) The total amount claimed to be due and owing for the amount of the delinquency, interest, collection costs, and estimated attorneys' fees.
 - (4) That the claim of lien is made by the Association pursuant to these DCCRs; and
 - (5) That a lien is claimed against the Lot in an amount equal to the amount stated,
- together with all other amounts becoming due from time to time in accordance with these DCCRs.

Upon the recordation of a duly executed original or copy of a Notice of Default and Election to Sell, the lien claimed shall immediately attach and become effective in favor of the Association as a lien upon the Lot against which it has been assessed. Any such lien may be foreclosed by appropriate action for the foreclosure of a Deed of Trust, with power of sale, or by judicial foreclosure or in any other manner permitted by law. The Association is authorized to appoint an attorney, any officer or director of the Association, or any title company authorized to do business in Nevada as Trustee for the purpose of conducting such power of sale foreclosure. The lien provided for in these DCCRs shall be in favor of the Association and shall be for the benefit of all other Lot Owners and shall secure payment of all sums set forth in the claim of lien, together with all sums becoming due and payable in accordance with this Declaration after the date of recordation of the Notice of Default and Election to Sell. In the event such foreclosure is by action in court, reasonable attorneys' fees, court costs, title search fees, interest and all other costs, and expenses shall be allowed to the extent permitted by law. Each Owner, by becoming an Owner of a Lot, waives any objection to the enforcement and foreclosure of this lien in this manner and also expressly waives the defense of the statute of limitation applicable to the bringing of any suit or action.

Upon the timely cure of any default for which a notice of lien was filed by the Association, and the payment of all sums secured by the lien created by the recordation of such claim of lien, the Board shall cause a duly appointed officer of the Association to file and record an appropriate release of such claim or lien in the office of the County Recorder of Washoe County, Nevada.

No Owner may waive or otherwise escape liability for the assessments provided for in this Declaration by non-use of the Common Area, or a part thereof, or any other part of the Properties, or abandonment of his Lot. Notwithstanding anything contained in these DCCRs to the contrary, no action may be brought to foreclose the lien created by recordation of a claim of lien, whether judicially, by power of sale, or otherwise, until the expiration of ten (10) days after a copy of said claim of lien in showing the date of recordation thereof has been mailed by certified mail to the last known address of the Owner of the parcel which is described in such claim of lien.

All of the Association's rights provided for in these DCCRs, not limited to the lien created in favor of the Association, shall inure to the benefit of the successors and assigns of the Association.

11.03 Utility Easement. The Owners grant a nonexclusive right-of-way easement to Rural Electric Association of Portola, California and any other company for the purpose of constructing, maintenance and operation of electric power facilities or any other utilities along a strip of land ten (10) feet in width contiguous to each side and rear lot and upon the ten (10) foot easements within the thirty (30) foot roadway easement in front of each lot as delineated in said record of Survey, file number 210148 and upon ten (10) foot easements over the front of each lot fronting on Red Rock Road.

11.04 Mutuality, Reciprocity; Runs with Land. All restrictions, covenants, conditions and agreements contained in these DCCRs are made for the direct, mutual and reciprocal benefit of each and every part and Lot; shall create mutual, equitable servitude upon each parcel in favor of every Lot; shall create reciprocal rights and obligations between the respective Owners of all Lots and privity of contract and estate between all grantees of Lots, their heirs, successors and assigns; and shall, as to the Owner of each Lot, his heirs, successors and assigns, operate as covenants running with the land, for the benefit of all other Lots.



2984484
01/23/2004
13 of 13

11.05 Paragraph Headings. Paragraph headings, where used are inserted for convenience only and are not intended to be a part of this Declaration or in any way to define, limit or describe the scope and intent of the particular paragraphs to which they refer.

IN WITNESS WHEREOF, the Lot Owners have approved this Third Amended and Restated Declaration of Covenants, Conditions and Restrictions on this 14th day of January 2004.

Anne Myers
Secretary **ANNE MYERS**

CERTIFICATE OF SECRETARY

THIRD AMENDED AND RESTATED

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

OF

THE SIERRA RANCHOS PROPERTY OWNERS ASSOCIATION

I, the undersigned, do hereby certify as follows:

(1) That I am the duly elected and current Secretary of the Sierra Ranchos Property Owners Association, a Nevada non-profit corporation;

(2) That the foregoing Third Amended and Restated Declaration of Covenants, Conditions and Restrictions of the Sierra Ranchos Property Owners Association were adopted as heretofore set forth by the written consent of record owners of fifty-one percent (51%), or more, voting in person or by proxy of the Subject Property at a meeting properly noticed and called for the above purpose, which vote was not less than a majority of the membership of the Association, held on the 25th day of October 2003.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 14th day of January 2004.

Anne Myers
Secretary, **ANNE MYERS**
Sierra Ranchos Property
Owners Association

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

On this 14th day of JANUARY, 2004, personally appeared before me, a notary public, ANNE MYERS who acknowledged to me that she is the person subscribed to the above document and that she executed the above instrument for the uses and purposes therein mentioned.

Stephen C Moss
Notary Public

