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SIERRA COUNTRY ESTATES
HOMEOWNERS ASSOCIATION
PO BOX 6204
GARDNERVILLE, NV 89460

The undersigned affirms by executing this document that it does not contain the social security number of any person. (Per NRS 239B.030)

AMENDED AND RESTATED

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

SIERRA COUNTRY ESTATES SUBDIVISION

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FOR SIERRA COUNTRY ESTATES SUBDIVISION

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AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
SIERRA COUNTRY ESTATES SUBDIVISION

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SIERRA COUNTRY ESTATES SUBDIVISION is made this 18 day of March, 2013, by the membership of SIERRA COUNTRY ESTATES HOMEOWNERS ASSOCIATION (therein after the "Association").

RECITALS:

WHEREAS, this AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SIERRA COUNTRY ESTATES SUBDIVISION is intended to amend and supersede the effect of any and all of the following documents: (a) Declaration of Covenants, Conditions and Restrictions for Sierra Country Estate Subdivision dated October 10, 1995, recorded on March 28, 1996, in Book 0396, as Document No. 384279, Official Records, Douglas County Recorder, Minden, Nevada (re-recorded on April 30, 1996, in Book 0496, as Document No. 386601, Official Records, Douglas County Recorder, Minden, Nevada), (b) the document entitled "Amendment to Declaration of Covenants, Conditions and Restrictions and Annexation of Additional Property to the Sierra Country Estates Subdivision" dated January 29, 2000, recorded on January 28, 2000 in Book 0100 as Document No. 0485306, Official Records, Douglas County Recorder, Minden, Nevada, and (c) the "Amendment of Declaration of Covenants, Conditions and Restrictions to the Sierra Country Estates Subdivision" dated December 29, 2000, recorded on March 22, 2001, in Book 0301, as Document No. 0510837, Official Records, Douglas County Recorder, Minden, Nevada; and

WHEREAS, the Association consists of members each of whom is an

owner of a real property interest in the Sierra Country Estates Subdivision located in Gardnerville, Nevada and more particularly described in Exhibit "A" attached hereto and incorporated herein by reference; and

WHEREAS, this AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SIERRA COUNTRY ESTATES SUBDIVISION was approved by in excess of a majority of the members of the Association at a meeting duly noticed and held; and

WHEREAS, the Association and members desire and intend to continue a uniform plan by imposing mutual and beneficial restrictions, covenants, conditions, obligations and easements to apply uniformly to the use, improvement, occupancy and conveyance of all members for the mutual enjoyment and convenience, protection and benefit of all members both present and future; and

WHEREAS, the provisions contained in this AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SIERRA COUNTRY ESTATES SUBDIVISION are intended to secure such objectives; and

WHEREAS, the Association and members hereby amend and restate the Declaration of Covenants, Conditions and Restrictions for Sierra Country Estates Subdivision, in its entirety, as follows:

NOW THEREFORE, the real estate located in Douglas County, Nevada and described in Exhibit "A" attached hereto and incorporated herein by this reference is encumbered by the AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SIERRA COUNTRY ESTATES SUBDIVISION, effective the date this document is recorded:

ARTICLE I
DEFINITIONS

1.01 Definitions. Unless the context herein otherwise specifies or requires, the following words and phrases when used herein shall have the meanings set forth in this Article.

A. "Architectural and Landscape Committee" or "ALC" means the

committee described in Article IV.

B. "Articles" or "Articles of Incorporation" means the Articles of Incorporation of The Sierra Country Estates Homeowners' Association, a Nevada non-profit corporation which shall be governed by NRS 116 and shall register with the state Ombudsman.

C. "Association" means The Sierra Country Estates Homeowners' Association, a Nevada non-profit corporation.

D. "Association Property" means all real and personal property now and hereafter owned by or leased to the Association and/or for which the Association has an obligation for maintenance and repair, including but not limited to, the Common Area.

E. "Beneficiary" means a beneficiary under a deed of trust or a mortgagee under a mortgage and/or the assignee of such beneficiary or mortgagee, and for all purposes hereunder the terms "beneficiary" and "mortgagee" shall be deemed synonymous.

F. "Board" or "Board of Directors" means the Board of Directors of the Association.

G. "Bylaws" means the Bylaws of the Association as amended from time to time.

H. "Common Area" means all real property owned or leased by the Association and the real property across which all access easements to the Lots run.

I. "Common Area Improvements" shall mean all improvements, structures and facilities constructed with Association permission within the Common Areas, including, without limitation, private access easements, lighting, entry gates, the private access easement driveways and snow storage areas.

J. "Common expenses" shall mean the costs to the Association to meet its financial obligations hereunder.

K. "Declaration" or "this Declaration" means this instrument entitled Declaration of Covenants, Conditions and Restrictions of Sierra Country Estates Subdivision, and all amendments thereto, if any.

L. "Deed of Trust" means a deed of trust or a mortgage encumbering any Lot.

M. "First Deed of Trust" means a deed of trust or mortgage having priority

over all other deeds of trust encumbering the same Lot(s).

N. "Foreclosure" means a foreclosure of a mortgage or exercise of power of sale pursuant to a deed of trust or a tax sale by a governmental entity.

O. "Lot" means one of the twenty-three (23) Lots designated on the Maps and intended for improvement with a single family dwelling, whether or not the Lot is so improved.

P. "Manager" means any duly licensed person or entity designated by the Board to manage the affairs of the Association and to perform various other duties assigned by the Board and by the provisions of this Declaration.

Q. "Map" shall mean those maps of Phase I, Sierra Country Estates Subdivision recorded on March 28, 1996, as Document No. 384282 and Phase II of Sierra Country Estates recorded January 27, 2000, as Document No. 485130 of the Official Records of Douglas County Recorder.

R. "Member" means every person or entity who holds membership in the Association pursuant to the provisions of this Declaration, the Articles and the Bylaws.

S. "Mortgage" means a mortgage or a deed of trust encumbering one or more Lots.

T. "Mortgagee" means the mortgagee under a Mortgage or a beneficiary under a deed of trust.

U. "Owner" or "Owner of a Lot" means any person or entity, including Declarant, who holds a fee simple interest in a Lot.

V. "Private Access Easement" means the Sierra Country Circle and Sierra County Court as shown on the Maps.

W. "Property" means that certain real property described in Exhibit "A" attached hereto.

X. "Rules and Regulations" means such rules and regulations as the Board from time to time may adopt concerning the use of the Project or any part thereof.

ARTICLE II

PERMITTED USES AND GENERAL RESTRICTIONS

All Lots shall be owned, held, conveyed, encumbered, leased, used, and occupied

and enjoyed subject to the Design Guidelines, and the following limitations and restrictions:

2.01 Design Control. No construction, alteration, repair, excavation, grading, landscaping or other work on a Lot which materially changes the lot or improvement shall be made or done without the prior written approval of the Architectural and Landscape Committee (hereinafter "ALC").

2.02 Residential Use. Lots shall be improved and used solely for Single Family residential use and not for commercial uses, except to the extent Douglas County Code allows for home businesses.

2.03 Improvements and Use.

A. Residences constructed on all Lots must contain at least three thousand (3,000) square feet of interior living space, exclusive of decks, basements, patios, covered walkways and the like, together with an attached garage with a capacity of three (3) or more cars. Two-story residences must provide at least two-thirds (2/3) of the minimum interior living space on a single level ground floor. Single level is defined as a level that has a difference between finished floor elevations of three feet (3') or less. The ALC may grant a variance of up to ten percent (10%) of the minimum required square footage if, in the opinion of the ALC, the quality of design and materials of the Improvements is not diminished, and the intent of this Declaration is not impaired and other compelling reasons exist for the variance. No residences in excess of two stories shall be permitted.

B. Improvements as are necessary or customarily incident to a single family residence including but not limited to guest facilities, employee's quarters, exercise areas, pool houses, recreational areas, workshops or storage structures may be erected on any Lot provided there is a single visually connecting architectural element or component combining the residence and all units of the improvement and the improvements are approved by the ALC in accordance with the Architectural Design Guidelines. No detached, separate structures are permitted without a variance from the ALC.

C. The ALC may consider variances for items requiring a building permit such as detached garages, potting sheds, workshops and other similar structures that are not architecturally connected to the residence upon the approval of the majority of the membership. In all cases the variance must comply with all other architectural guidelines

as reflected in this document and Douglas County Code provisions regarding view preservation. The ALC shall be provided with full plans of the proposed improvement, including setbacks and all elevations. Any single improvement must be found to be consistent with the other improvements on the lot in color, design, material and construction, etc. The ALC determination may be appealed to the Board, if the ALC appears to have made a factual error in making its decisions, by filing a written request for reconsideration explicitly detailing the grounds for such appeal with the Board within 15 days of the ALC decision. The Board shall thereafter consider and rule upon the request for reconsideration.

D. Whereas, prior to the recordation of these amended and restated covenants, conditions and restrictions, improvements that were not in compliance with Article II paragraph 2.03 Sub A and B existed. It is the intent of this amendment to accept the non-conforming improvements as complying with the Architectural guidelines and criteria set forth herein, but without setting a precedent as to what may be acceptable architecturally in the future. In other words, these improvements are "grandfathered in".

2.04 Building Setback and Building Envelope. All structures and Improvements on every Lot shall be placed within a designated building envelope on the Lot.

2.05 Maintenance of Lawns, Plantings and Landscape.

A. Each Owner shall designate all areas of the Lot outside of the intended building envelope for the planting, cultivating, landscaping, maintaining and irrigating of transitional vegetation for approval by the ALC. Plantings which are low in maintenance and low in water consumption are encouraged.

B. Each Owner shall be responsible for the maintenance of all planted vegetation on his Lot from the date of close of escrow. During construction, in order to mitigate and eliminate dust, weeds and unsightly areas, owner/contractor must contain all refuse and construction waste and contain all materials on the subject lot. Thereafter, within one (1) year of completion of construction as evidenced by a Certificate of Occupancy, final landscaping shall be completed. Each Owner shall keep all shrubs, trees, grass and plantings on his lot neatly trimmed, property cultivated and free from trash, weeds and other unsightly material. No Owner shall remove, alter or injure any

tree or shrub on the Lot at date of close of escrow and before commencement of construction without the prior written approval of the ALC.

2.06 Fences: Containment fencing is allowable between neighbors. Throughout the subdivision, all other fencing will be approved by the ALC and shall be complimentary to the home and shall not restrict views. (ALC will adopt Design Guidelines regarding the type of fencing allowable and which complies with Douglas County code.) Except as may be approved by the ALC for tennis courts, there shall be no cyclone fencing or woven wire fencing.

2.07 Unsightly Articles. No unsightly article shall be permitted to remain on any Lot to be visible from neighboring property or public or private thoroughfares. No Lot shall be used for the drying or hanging area for laundry of any kind if visible from neighboring property. Without limiting the generality of the foregoing, vehicles being stored or not capable of daily use shall be kept in an enclosed structure or screen. Refuse, garbage and trash shall be kept at all times in a covered container and any such container shall be kept within an area so as not to be visible from neighboring property. Service areas, storage areas, compost piles shall be appropriately screened from view; no lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials or scrap or refuse or trash shall be kept, stored or allowed to accumulate on any Lot except within an enclosed structure or kept so as not to be visible from neighboring property. All such containers, areas, screens or structures must be approved by the ALC and none shall be erected unless construction of the primary residential improvement has been commenced.

2.08 Parking Restrictions; Use of Garage; Use of Vehicles. No vehicle shall be stored other than within an enclosed structure or screened area. Parking by commercial vehicles for the purpose of making deliveries shall be permitted. No on-street parking by any Owner, occupant, their family, guests or invitees, is permitted, other than for parties and special events.

No garage shall be used for or converted to living quarters or recreational areas without the prior review and approval of the ALC.

2.09 Restricted Use of Recreational Vehicles. No vehicle, tent or other similar item shall be used as a living area. Owners and/or guests may park and use a recreational vehicle for no more than seven days within any thirty (30) day period.

2.10 No Temporary Structures. No tent, shack, motor home, camper, trailer, vehicle or other building, improvements or structure shall be placed upon any property as temporary living quarters or temporary improvements except as allowed in paragraph 2.09. Temporary structures necessary for storage of tools, equipment and supplies and for office space for architects, builders and foreman during actual construction may be approved by the ALC, such approval to include the nature, size, location and duration of such structure.

2.11 Antennas. No exterior radio or television antenna or aerial shall be erected or maintained without the prior written approval of the ALC except for satellite antennas not greater than three feet in diameter.

2.12 Signs. No sign of any kind shall be displayed with the exception of "for sale" real estate signs on any Lot to the public view without the approval of the ALC except such signs as may be required by legal proceedings or the prohibitions of which is precluded by law. No flashing or moving signs shall be permitted on any Lot or common area. Political signs are allowed in accordance with Douglas County codes and NRS Chapter 116.325.

2.13 Lights. No spotlights, flood lights or other high intensity lighting shall be placed or utilized upon any Lot which, in any manner, will allow light to be directed or reflected on any other Lot. All exterior lighting shall be " indirect." No tennis courts may be lighted except as approved by the ALC.

2.14 Roofing. The roofing material placed upon any improvement within the Association must be fire retardant, slate, concrete tile or other tile meeting the standards set by Douglas County and any regulation of the local fire protection agency. Dark colors and non-reflectivity shall be established in the Design Guidelines adopted by the ALC.

2.15 Animals. No animals, including but not limited to horses, swine, sheep, bovine, llamas, or other domestic farm or agricultural animals, fowl or reptiles of any kind, except a reasonable number of commonly accepted household pets, shall be kept on any Lot. No kennel or other facility for raising or boarding dogs, cats or other animals for commercial purposes shall be kept on any Lot. All pets shall be restrained or confined to the Lot and not allowed to run at large. No dog shall be allowed to create an annoyance by loud or incessant barking. All dog owners must clean up after their pets when walking

around the property and be under the control of the owner.

2.16 Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate upon any Lot and no odors shall be permitted to arise therefrom so as to render any such Lot or any portion thereof unsanitary, unsightly, offensive or detrimental to any other Lot. No noise or other nuisance shall be permitted to exist or operate upon any Lot so as to be offensive or detrimental to any other Lot or to its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, lights, bells or other sound devices (other than security devices used exclusively for security purposes) shall be located, used or placed on any Lot without the prior written approval of the ALC.

2.17 Construction/Operation of Equipment: Construction or operation of equipment by contractors shall be in compliance with hours referenced in the Douglas County Code for such.

2.18 No Hazardous Activities. No activities shall be conducted on any Lot and no improvements constructed on any Lot which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged on any Lot, and no open fires shall be lit or permitted on any Lot except in a contained barbecue unit/fire pit while attended and in use.

2.19 No Dumping. No Owner shall dump any rubbish or refuse on any Lot in the Association.

2.20 No Mining and Drilling. No Lot shall be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing water, oil, gas or other hydrocarbons, minerals of any kind, rocks, stones, sand, gravel, aggregate or earth.

2.21 Construction Activities. This Declaration shall not be construed so as to unreasonably interfere with or prevent normal construction activities during the construction of improvements by any Owner upon a Lot; provided that when completed such improvements shall in all ways conform to this Declaration and the Design Guidelines adopted by the ALC. Construction activities should be pursued to completion with reasonable diligence, be in compliance with applicable federal, state and local laws and ordinances and any rules and regulations adopted pursuant thereto, conform to usual construction practices in the area and conform to the construction rules adopted by the

ALC.

2.22 Building Permits. Building permits for any structures on a Lot which is subject to this Declaration shall only be issued in accordance with the Douglas County Code. ALC approval shall be consistent with the Design Guidelines and must be in writing.

2.23 Repair of Building. No improvements upon any Lot shall be permitted to fall into disrepair, and each such improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished by the Owner thereof.

2.24 Improvements and Alterations. Except for normal and ordinary maintenance and repair, there shall be no modification to improvements which substantially alters the exterior appearance of any improvement, or the removal of any improvement without the prior approval of the ALC. Notwithstanding this or any provision of this Declaration, in the event of an emergency of the sudden occurrence of unanticipated conditions which threaten the health, safety or physical well-being of persons or property, the Board shall have the authority, without prior approvals described above, to take whatever remedial action as may be necessary to protect persons and property until such time as applicable approval procedures provided herein can be reasonably utilized.

2.25 No Obstruction to Drainage. No Owner shall erect, construct, maintain, permit or allow any fence or other improvement or obstruction which would interrupt or alter the normal drainage of the land or the Lot within any drainage easement as shown on the recorded subdivision plat or plats. There shall be no interference with the established drainage patterns over any property, unless adequate provision is made for proper drainage and approved by the ALC. This shall include the provision of culverts of suitable size and other means of accommodating runoff when constructing a driveway connection with a roadway.

2.26 Rental of Lots. Any Owner who leases or otherwise grants occupancy rights to his Lot shall be responsible for assuring compliance by any occupant with all the provisions of this Declaration, the Rules and Regulations and Design Guidelines and shall be jointly and severally responsible for any violations by the occupant thereof. No commune, co-operative or similar type living arrangement shall be permitted.

2.27 No Further Subdividing. No Lot as shown on a final subdivision map or maps and subject to these covenants shall be further divided or subdivided. However, nothing herein shall be deemed to require the approval of the ALC for the transfer or sale of any Lot, including improvements thereon, to more than one (1) person to be held by them as tenants in common or joint tenants, or for the granting of any mortgage or deed of trust.

2.28 Windmills/Solar Panels. Are not allowed except as provided by law.

ARTICLE III
PERMITTED USES AND RESTRICTIONS

3.01 Lakes, Water Bodies and Wetlands. No lake, pond, stream or other body of water within the property is common area. No Owner, occupant, or person shall use any lake, pond, stream or other body of water on the property, for any purposes, including, without limitation, fishing, swimming, motorized boating, playing or use of personal flotation devices. No dredging or filling shall be undertaken on any lake, pond, stream, drainage or other body of water on any Lot.

ARTICLE IV
ARCHITECTURAL AND LANDSCAPE CONTROL COMMITTEE

4.01 Members of Committee. There shall be an Architectural and Landscape Committee ("ALC") which shall consist of three members, who shall be designated by the Board of Directors. There may also be two alternate members, to act as substitute on the Committee in the event of absence or disability of another member. Each member of the ALC shall hold office until such time as he has resigned or has been removed or his successor has been appointed, as provided herein. Members of the ALC may be removed at any time without cause by the Board of Directors.

4.02 Board's Rights of Appointment. The Board shall have the sole right to appoint and remove all members of the ALC, including alternates, following the initial appointment.

4.03 Review of Proposed Construction. Whenever in this Declaration the approval of the ALC is required, the ALC shall have the right to consider all of the plans

and specifications for the improvement or proposal in question and all other facts which in its sole discretion are relevant. A majority vote of the ALC is necessary to approve or disapprove any submittal. Except as provided above, prior to commencement of any construction of any improvement, the plans and specifications therefore shall be submitted to the ALC, and construction thereof may not commence unless and until the ALC has approved such plans and specifications in writing. The ALC shall consider and act upon any and all plans and specifications submitted for its approval pursuant to this Declaration, or as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with plans and specifications approved by the ALC.

The ALC shall approve plans and specifications submitted for its approval only if it deems that the construction, alterations, or additions contemplated thereby in the locations indicated will not be detrimental to the surrounding area, and that the appearance of any structure affected thereby will be in harmony with the surrounding structures. The ALC may condition its approval of plans and specifications on such changes therein as it deems appropriate, and may require submission of additional plans and specifications or other information prior to approving or disapproving the material submitted. Until receipt by the ALC of all required plans and specifications and other information, the ALC may postpone review of anything submitted for approval.

4.04 Architectural Design Guidelines. The ALC shall from time to time, and in its sole discretion, adopt, amend and repeal by unanimous vote rules and regulations to be known as "Design Guidelines" interpreting and implementing the provisions of this Declaration, setting procedures for submittal and design and construction criteria to be followed in submitting proposals to the ALC.

4.05 Meetings of the ALC. The ALC shall meet from time to time as necessary to perform its duties hereunder. The ALC may, from time to time by resolution unanimously adopted in writing, designate one of its members to take any action or perform any duties for and on behalf of the ALC. In the absence of such resolution, the vote or written consent of a majority of all of the members of the ALC shall constitute an act of the ALC. A resolution allowing one member of the ALC to act is valid as to all matters except the adoption, amendment or repeal of Design Guidelines.

4.06 No Waiver of Future Approvals. An approval or consent of the ALC shall not be deemed a waiver of any right to withhold future approval or consent on any other matter whatsoever subsequently or additionally submitted for approval or consent by the same or a different person.

4.07 Inspection of Work.

A. Completed Work. Inspection of completed work and correction of defects therein shall proceed as follows:

(i)Upon the completion of any improvements for which approved plans or specifications are required under this Declaration, the Owner shall give written notice of completion of any improvement for which approval of plans and specifications are required to the ALC.

(ii)Within the time period set forth in its Rules but not to exceed fifteen (15) days thereafter, the ALC or its duly authorized representative may inspect such improvement. If the ALC finds that such work was not done in strict compliance with all approved plans and specifications submitted or required to be submitted for its prior approval, it shall notify the Owner in writing of such noncompliance within the above period, specifying in reasonable detail the particulars of noncompliance, and shall require the Owner to remedy the same.

(iii)If the Owner fails to remedy such compliance within thirty (30) days from such notification, the Board shall notify the Owner in writing of such failure. Upon notice and hearing, the Board shall issue a ruling determining whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. The Owner shall remedy or remove the noncomplying improvement within forty-five (45) days from the date of announcement of the Board's ruling. If the Owner does not timely comply with the Board's ruling, the Board, at its option, may either remove the noncomplying improvement or remedy the noncompliance, and the Owner shall reimburse the Association upon demand for all expenses incurred in connection therewith. If such expenses are not promptly repaid by the Owner, legal enforcement may be sought and the Owner shall also pay all costs and fees of enforcement.

B. Work in Progress. The ALC may inspect all work in progress and

give Notice of Noncompliance as provided above in subparagraph (ii) of Section 4.07.A. If the Owner denies that such noncompliance exists, the procedures set out in subparagraph (iii) of Section 4.07.A shall be followed, except that no further work shall be done, pending resolution of the dispute.

4.08 Nonliability of ALC Members. Neither the ALC nor any member thereof shall be liable to any Owner or to any other person for any loss, damage or injury arising out of or in any way connected with the performance of the ALC's respective duties under this Declaration unless the loss, damage or injury is due to the willful misconduct or bad faith of the ALC or its members. Except as provided in this Declaration, the ALC shall review and approve or disapprove all plans and specifications submitted to it for any proposed improvement, including the construction of, alteration or addition to improvements, solely on the basis of aesthetic considerations and the overall benefit or detriment which would result to the surrounding area. The ALC shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features, but shall not be responsible for reviewing, nor shall its approval of any plans or specifications be deemed approval thereof, from the standpoint of structural safety, engineering soundness, or conformance with building or other codes which may be applicable to the planned construction.

4.09 Variances. When circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations warrant, the ALC may authorize variance from compliance with any of the architectural provisions of this Declaration or any supplemental declaration, including restrictions upon height, bulk, size, shape, floor area, land area, placement of structures, setbacks, building envelopes, colors, materials, or similar restrictions. Such variances must be evidenced in writing and must be signed by at least a majority of all of the members of the ALC. If such a variance is granted, no violation of the covenants, conditions or restrictions contained in this Declaration or any supplemental declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration, the Design Guidelines or any supplemental declaration for any purpose except as to the particular property and

particular provision and in the particular instance covered by the variance.

4.10 Obligations with Respect to Zoning and Subdivisions. All persons shall comply fully with the zoning and master plan designations approved for Sierra Country Estates by the Board of Commissioners of Douglas County, Nevada, and with all applicable federal, state and local laws, regulations and ordinances, insofar as the same is applicable and as the same may hereafter be amended from time to time.

ARTICLE V
MORTGAGE/FIRST DEED OF TRUST

5.01 Mortgage Protection. Notwithstanding any other provision of this Declaration, no lien created under this Article V or under any other Article of this Declaration, nor any lien arising by reason of any breach of this Declaration, nor the enforcement of any provision of this Declaration or of any supplemental declaration shall defeat or render invalid the rights of the beneficiary under any recorded mortgage or deed of trust of first and senior priority now or hereafter upon a Lot, made in good faith and for value. After the foreclosure of any such first mortgage or deed of trust or after any conveyance in lieu of foreclosure, such Lot shall remain subject to this Declaration and shall be liable for all regular and special assessments levied subsequent to completion of such foreclosure or delivery of such conveyance in lieu of foreclosure, and to all installments of all regular and special assessments levied prior to completion of such foreclosure or delivery of such conveyance as allowed pursuant to NRS Chapter 116.

5.02 Effect of Amendments on Mortgages. Notwithstanding the provisions of Section 6.02 below, no amendment of this Declaration shall affect the rights of any beneficiary whose mortgage or deed of trust has the first and senior priority and whose mortgage or deed of trust is recorded prior to the recording of the amendment and who does not join in the execution of the amendment. However, after foreclosure or conveyance in lieu of foreclosure, the Lot which was subject to such mortgage or deed of trust shall be subject to such amendment.

ARTICLE VI
THE ASSOCIATION

6.01 Formation. The Association is a nonprofit corporation formed under

Sections 82.006 et seq. and 116.001 et. seq. of the Nevada Revised Statutes. The Association shall be charged with the duties and invested with the powers set forth in the Articles, the Bylaws, the Rules and Regulations and this Declaration.

6.02 Association Action; Board of Directors and Officers; Members' Approval. Except as to matters requiring the approval of Members as set forth in the Articles, the Bylaws and this Declaration, the affairs of the Association shall be conducted by the Board and such officers as the Board may elect or appoint in accordance with this Declaration or the Bylaws, or their amendments. Except as otherwise provided in the Articles, the Bylaws or this Declaration, all matters requiring the approval of Members shall be deemed approved if Members holding a majority of the total voting rights assent to them by vote or written consent as provided in the Bylaws.

6.03 Control of Association. The Association shall be governed by a Board of Directors, which shall be elected by the Members, of not less than three (3) nor more than five (5) persons. The Board shall only be composed of Members.

All Owners of Lots within the Project shall exercise full membership rights with respect to said Association; assessments may be levied as herein provided against Lot Owners

6.04 Membership.

A. Membership Qualifications. The Association is not authorized to have and shall not issue any capital stock. Membership in the Association shall consist of every person or entity that acquires title, legal or equitable, to any Lot. Each such owner of a Lot, by virtue of being such an owner, shall for so long as he, she or it is such an owner, be a Member. Nothing contained in this Section 6.04.A shall affect in any manner the obligation of the Owners of Lots (including Declarant or any Successor Declarant) to pay assessments as set forth herein. Membership is not intended to apply to those persons or entities who hold an interest in any Lot merely as security for the performance of an obligation to pay money, such as mortgages, deeds of trust or real estate contract purchases.

B. Members' Rights and Duties. Each Member shall have the rights, duties and obligations set forth in this Declaration, the Articles, the Bylaws, the Rules and Regulations and any resolution of the Board, as the same from time to time may be

amended.

C. Voting. As to all matters with respect to which Members shall have the right to vote pursuant to this Declaration, each Member in good standing shall be entitled to one vote for each Lot owned by such Member. There are no voting rights associated with any common area.

D. Exercise of Voting Rights. In the case of a Lot owned by two or more persons or entities, voting power shall be exercised by only one of them, who shall be designated in writing by all of the Owners of such Lot, or the Owner exercising such right if only one Owner so exercises or in the absence of such designation by such Owner or exercise by an Owner.

E. Quorum. A quorum of the Members shall be determined present at any meeting of the Association if Members entitled to cast not less than thirty percent (30%) of the votes that may be cast for the matter are present in person or by proxy at the beginning of the meeting.

F. Transfer of Membership. The Association membership of each person or entity that owns a Lot shall be appurtenant to such Lot and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except upon a transfer of title to such Lot, and then only to the transferee. Any attempt to make a prohibited transfer of an Association membership shall be void. Any transfer of title or interest to a Lot shall operate automatically to transfer the appurtenant membership rights in the Association to the new Owner. Immediately after any transfer of title to such a Lot, either the transferring Owner or the acquiring Owner shall give notice to the Board of such transfer, which shall include the name and address of the acquiring owner and the date of transfer.

ARTICLE VII

POWERS AND DUTIES OF THE ASSOCIATION

7.01 Powers. The Association shall have all the powers of a non-profit corporation organized under the laws of the State of Nevada, subject only to such limitations on the exercise of such powers as are set forth in the Articles, the Bylaws and this Declaration and NRS 116.001 et. seq. The Association shall have the power to do any lawful thing that may be authorized, required or permitted to be done by the

Association under this Declaration, the Articles and the Bylaws and to do and perform any act that may be necessary or proper for or incidental to the exercise of the express powers of the Association, including without limitations, the following:

A. Assessments. The Association shall have the power to establish, fix and levy assessments against each Owner of a Lot and to enforce payment of such assessments in accordance with the provisions of this Declaration. Assessments shall commence as to each Lot on the first day of the first month following the month in which the first close of escrow occurs for the sale of a Lot within the Property, and after the Association has made an assessment for all Association Property, Common Area and Common Area Improvements.

B. Right of Enforcement.

i General. The Association, in its own name and on its own behalf or on behalf of any Owner of a Lot who consents, any Member, any Declarant or any Successor Declarant, can commence and maintain actions for damages or to restrain and enjoin any actual or threatened breach of any provision of this Declaration, the Articles, the Bylaws, the Rules and Regulations or any resolution of the Board, or to enforce by mandatory injunction, or otherwise, all of such provisions. The court in any such action may award the successful party reasonable costs incurred in prosecuting such action, including reasonable attorneys' fees.

ii Suspension of Voting Rights; Fines; Penalties. The Association can suspend the voting rights, or can assess monetary penalties against any Owner of a Lot or other person entitled to exercise such Owner's rights or privileges, for any violation of this Declaration, the Articles, the Bylaws, the Rules and Regulations or any resolution of the Board in accordance with the procedures set forth in NRS 116.31031.

iii Collection of Fines. The Board may recover costs of collection as provided in NRS 116.31031.

C. Delegation of Powers; Professional Management; Other Services. The Association, acting by and through the Board, can delegate its powers, duties and responsibilities to committees, employees or agents, including a professional managing agent.

D. Personal Property. For the use and benefit of all of the Owners, the

Association may acquire and hold tangible and intangible personal property and may dispose of the same by sale or otherwise.

E. Rules and Regulations. The Board shall have the power to adopt, amend and repeal the Rules and Regulations as it deems reasonable. The Rules and Regulations shall not be inconsistent with nor materially alter any provision of this Declaration, the Articles or the Bylaws. A copy of the Rules and Regulations as adopted, amended or repealed shall be mailed or otherwise delivered to each Member. In case of any conflict between any provision of the Rules and Regulations and any provision of this Declaration, the Articles or the Bylaws, the conflicting provision of the Rules and Regulations shall be superseded by the provisions of this Declaration, the Articles and the Bylaws.

F. Other Services and Properties. The Association shall have the power to obtain or pay for, as the case may be, any other property, service, tax or assessment that the Association or the Board is required to secure or pay for pursuant to the terms of this Declaration, the Articles or the Bylaws, including security services for the Project generally, or that, in the Board's opinion, is or will be necessary or proper for the operation of the Association.

7.02 Duties of the Association. In addition to the duties delegated to it by the Articles or the Bylaws, and without limiting their generality, the Association, acting by and through the Board or persons or entities described in subsection 7.01.C hereof, has the obligation to conduct all business affairs of common interest to all Members and to perform each of the following duties:

A. Taxes and Assessments. The Association shall pay any and all taxes and assessments levied against the Association. Such taxes and assessments may be contested or compromised by the Association, provided that they are paid or that a bond insuring payment is posted before the sale or the disposition of any property to satisfy the payment of such taxes.

B. Road Maintenance. The Association shall be responsible for maintenance, repair, drainage and snow removal in the Common Areas.

C. Insurance. The Association shall obtain and maintain, from reputable insurance companies, the insurance described in Article IX hereof.

D. Enforcement of Restrictions and Rules. The Board shall perform such other acts, whether or not expressly authorized by this Declaration, that may be reasonably necessary to enforce any of the provisions of this Declaration, the Articles, the Bylaws, the Rules and Regulations or any resolution of the Board. There is hereby reserved to the Association such easements as are necessary to perform the duties and obligations of the Association and to exercise its rights as set forth in this Declaration, the Articles, the Bylaws, the Rules and Regulations or any resolution of the Board.

E. Operation and Maintenance of Association Property.

i General. The Association shall operate, maintain, repair, and otherwise manage or provide for the operation, maintenance, repair, management and perpetuation of all Association Property, including, but not limited to, any Common Area and Common Area Improvements in which the Association has a vested present interest. Such operations and management shall be conducted in a first-class manner, and the Association Property shall be maintained in a good state of repair. In this connection, the Association may enter into contracts for services or materials. The term of any such service contract shall not exceed one (1) year and shall be terminable by either party thereto with or without cause and without payment of a termination fee upon thirty (30) days written notice.

ii Maintenance Requirements of County. The Association shall have the obligation to maintain all Common Area Improvements in compliance with such applicable health, fire and safety codes as from time to time may be in effect.

iii Transfer of Common Area By Association. The Association shall have the authority, subject to approval of a majority vote of the Members, to transfer portions of the Common Area and Common Area Improvements to an appropriate governmental entity for the maintenance, operation and preservation thereof provided, however, that any such dedicate shall not relieve such Common Area from the rights and benefits of the Association and the Members as provided here and shall otherwise be subject to the provisions of this Declaration.

F. Other. The Association shall carry out the other duties of the Association set forth in this Declaration, the Articles and the Bylaws.

7.03 Limitations on Authority of Board. The Board shall not take any of the

following actions:

A. Compensation. Pay compensation to members of the Board or to officers of the Association for services performed in the conduct of the Association's business; provided, however, that the Board may cause a member of the Board or an officer of the Association to be reimbursed for expenses incurred in carrying on the business of the Association.

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

7.05 Meetings of Members. Meetings of Members shall be noticed and held as provided in the Articles, the Bylaws and this Declaration.

7.06 Inspection of Association Books and Records. The Association's books and records, except as identified as not subject to disclosure pursuant to NRS Chapter 116, shall be made available for inspection and copying by any Member, by any duly appointed representative of such Member or by any mortgagee at any reasonable time at the office of the Association or at such other place as the Board prescribes.

The Board shall follow NRS Chapter 116.31175 with respect to (a) notice to be given to the custodian of the records of the Association by a Member, a Member representative or a mortgagee desiring to make an inspection, (b) hours and days of the week when an inspection may be made and (c) payment of the cost of reproducing copies of documents requested by a Member, a Member representative or a mortgagee

Every Board member shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Board member includes the right to make extracts and copies of documents except as otherwise prohibited by law.

7.07 Reserve Studies. The Association shall obtain reserve studies regularly as

provided by law.

7.08 Audits. The Association shall have its records audited as provided by law.

ARTICLE VIII
ASSESSMENTS

8.01 Agreement to Pay. Each Owner by acceptance of a deed for each Lot owned by such Owner covenants and agrees to pay to the Association such regular and special assessments as are established, made and collected as provided in this Declaration.

8.02 Personal Obligations. Each assessment or installment, together with late charges, interest, collection costs and reasonable attorneys' fees incurred or associated therewith, shall be the personal obligation of the person or entity who was an Owner of a Lot at the time such assessment or installment was assessed. If more than one person or entity was the Owner of a Lot at that time, the personal obligation to pay such assessment or installment respecting such Lot shall be both joint and several as to all of such persons. Except as provided herein for mortgagors, a purchaser of a Lot shall be jointly and severally liable with the seller for all unpaid assessments against the Lot up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments. Suit to recover a money judgment for such personal obligations shall be maintainable by the Association without foreclosure or waiver of the lien securing such personal obligations. No Owner may avoid or diminish such personal obligations by abandonment of the Owner's Lot.

8.03 Purpose and Amount of Assessments. The assessments levied by the Association shall be the amount estimated to be required and shall be used exclusively to promote the recreation, health, safety and welfare of the Members, 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, Common Area and Common Area Improvements.

8.04 Annual Assessments. Annually, the Board shall adopt a budget in accordance with NRS 116.3151.

8.05 Special Assessments. If the Board determines that the estimated total

amount of funds necessary to defray the Common Expenses of the Association for a given fiscal year is or will become inadequate for any reason, including, but not limited to, delinquencies in the payment of assessments or an extraordinary event, then the Board shall determine the approximate amount necessary to defray such expenses, and if such amount is approved by a majority vote of the Board, it shall become a special assessment. This amount should not exceed $50,000 unless for an emergency. The Board may, in its discretion, prorate such special assessment over the remaining months of the fiscal year or levy the assessment immediately against each Owner of each Lot. The Board shall levy a special assessment against the Owner of any Lot to pay for the cost of such maintenance or repair and to defray all other costs or expenses arising out of or incident to maintenance and repair for unsightly, unsanitary, or hazardous conditions as authorized herein. Additionally, the Board may levy a special assessment against an Owner of a Lot to collect a fine imposed by the Board.

8.06 Uniform Rate of Assessment. Except as otherwise specifically provided in this Declaration, including Sections 8.04 and 8.05 hereof and as allowed by NRS 116.3115(3), annual, Reserve Fund and special assessments of the Association must be fixed at a uniform rate for all Lots. When there are improved and unimproved Lots, the Board shall establish assessments for improved and unimproved Lots. The formula for calculating the assessments for an unimproved Lot shall be the sum of (1) an equal share with all Lots of the "reserve" component of the budgeted expenses and (2) the number which represents one-half of the assessment charged to an improved Lot in the prior fiscal year minus the amounts charged for reserves. Improved Lots shall share equally the balance of the budgeted expenses. When all Lots have been improved, the regular assessments shall each be allocated and assessed equally among the Lots by dividing the amount by the number of Lots, so that each Lot bears an equal share of each component of the regular assessment.

8.07 Assessment Period. The annual assessment period shall commence on January 1 of each year and shall terminate on December 31 of each year, and annual assessments shall be payable in equal monthly installments unless the Board adopts some other basis for collection. The initial annual assessment period shall commence on January 1, 2009 and shall terminate on December 31 of that year.

8.08 Notice of Assessments; Time for Payment. The Association must give written notice of assessments to each Owner, which notice shall specify the amount of the assessment and the date or dates of payment of the same. No payment shall be due fewer than fifteen (15) days after such written notice has been given. Each delinquent assessment shall bear interest at the rate provided in NRS 116.3115 from the date it becomes due together with a late charge of Twenty-Five Dollars ($25) for each delinquent installment. An assessment payment is delinquent if not paid within sixty (60) days after its due date. The failure of the Association to give notice of an assessment shall not affect the liability of the Owner of any Lot for such assessment.

8.09 Statement of Accounting. Upon payment of a reasonable fee, not to exceed Fifteen Dollars ($15), and upon written request of any Member or any mortgagee, prospective mortgagee 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 Lot, the amount of the current periodic assessment and the date on which such assessment becomes or became due and credit for advanced payments or prepaid items, including, but not limited to, an Owner's share of prepaid insurance premiums, which statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith, provided such request is made in writing. If the request for a statement of account is not complied with within ten (10) days, all unpaid assessments that became due before the date of making such request shall be subordinate to the lien of a mortgagee that acquired its interest after requesting such statement.

8.10 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 or its authorized representative, including any Manager, may enforce the obligations of the Owners of Lots to pay assessments provided for in this Declaration by the commencement and maintenance of a suit at law or in equity, or the Board may enforce such obligations by judicial or non-judicial proceedings or, to the extent permitted by applicable law, through the exercise of the power of sale hereby granted to the Board to enforce lien rights hereby created. Suit to recover a money judgment against an Owner for unpaid assessments shall be maintainable without first foreclosing against the Lot subject to the lien for such assessment or waiving the lien rights granted hereby.

8.11 Lien for Assessments; Priority. All sums assessed to any Lot pursuant to this Article, together with interest thereon as provided herein, shall be secured by a lien on such Lot in favor of the Association as provided by law. Such lien shall have priority over all other liens and encumbrances on such Lot except as provided by law.

8.12 Enforcement of Lien. Such a lien may be enforced by sale conducted by the Association after the failure of an Owner to pay such an assessment in accordance with its terms as provided by law. Such sale shall be conducted in accordance with the provisions of Chapter 116 of the Nevada Revised Statutes or in any other manner permitted by law. After the Notice of Assessment is recorded, the Owner who is liable for payment of the assessment shall be required to pay the costs and expenses of such foreclosure proceeding, including, without limitation, the costs incurred in the preparation and recordation of the Notice of Assessment, reasonable attorneys' fees, title insurance and foreclosure costs as allowed by law.

All such allowable costs and expenses of the foreclosure shall be secured by the lien being foreclosed. The Owner shall be required to pay to the Association assessments against the Lot that become due during the period of foreclosure. The Association shall have the right and power to bid at the foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the Lot. The Association shall be entitled to bid on credit up to and including the amount secured by the lien being foreclosed.

A notice stating the satisfaction and release of any such lien shall be executed by the Association and recorded in the Douglas County, Nevada, real estate records, upon payment of all sums secured by such lien.

ARTICLE IX
INSURANCE

9.01 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 below or deemed prudent by the Board.

9.02 Casualty Insurance. The Association shall obtain insurance on all Common Area Improvements in the amount of one hundred percent (100%) of the

replacement cost thereof or with such other limits as the Association may deem desirable and as is consistent with good business practice. Such insurance shall include fire and extended coverage, vandalism, malicious mischief and such other risks and hazards against which the Association deems it appropriate to provide insurance protection. The Association may comply with the foregoing requirements by purchasing blanket insurance coverage and may elect such "deductible" provisions as in the Association's opinion are consistent with good business practice. With respect to the insurance proceeds, the Association shall be deemed trustee of the interests of all Members in all insurance proceeds paid to the Association under any of such policies and shall have full power to receive and to receipt for their interests in such proceeds and to deal therewith. The insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried or otherwise shall be disposed of as herein provided.

9.03 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, operation, maintenance and other use of the Common Area or any Association Property. The liability insurance shall name as separately protected insureds the Association, the Board and their representatives, members and employees with respect to any liability arising out of the maintenance or use of Common Area or any Association Property. Every policy of insurance obtained by the Association shall contain an express waiver, if available, of all rights of subrogation against Declarant, Declarant's project managers, the Board, their representatives, members and employees.

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

9.05 Fidelity Insurance. The Association may purchase in such amounts and in such forms as it deems appropriate coverage against dishonesty of employees, destruction

or disappearance of money or security and forgery.

9.06 Directors and Officers Liability. The Association may purchase in such amounts and in such forms as it deems appropriate coverage for officers and directors liability.

9.07 Other Insurance. The Association may obtain insurance against such other risks of any nature as it deems appropriate.

9.08 Premiums and Review. Premiums for all of 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 of all insurance policies of the Association at least once a year and shall adjust the limits thereof as the Board deems necessary or appropriate.

ARTICLE X

DAMAGE, DESTRUCTION OR CONDEMNATION

10.01 General Authority. According to the provisions of this Article X, the Association shall have the authority and the duty to repair or reconstruct Common Area or Association property that is damaged or destroyed.

10.02 Estimate of Costs. As soon as practicable after an event causing damage to or destruction of any Common Area or Association Property, the Association shall obtain estimates that it deems reliable and complete of the costs of repair or reconstruction of that part of the Association Property damaged or destroyed.

10.03 Funds for Reconstruction. The proceeds of any insurance collected shall be available to the Association for the purpose of repair or reconstruction of the Association Property. If the proceeds of insurance are insufficient to pay the estimated or actual cost of such repair or reconstruction, then the Board may levy in advance a special assessment sufficient to provide funds to pay such estimated or actual costs or repair or reconstruction. Such assessment shall be allocated and collected as provided in Article VIII hereof. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair or reconstruction. If the cost of any such repair or reconstruction exceeds the amount of the available insurance proceeds by more than Ten

Thousand Dollars ($10,000), the Board shall pay the insurance proceeds to a savings and loan association, bank or trust company to be approved by the Board, and the proceeds shall be held for the Members and their mortgagees, as their respective interests may appear, pursuant to an insurance trust agreement consistent with the provisions of this Declaration, approved and executed by the Board. Then, utilizing such engineering and design consultants as the Board deems necessary, the Board shall prepare a report evaluating the extent of reconstruction or repair of such damage or destruction that is reasonably possible solely utilizing the aggregate of Ten Thousand Dollars ($10,000) obtain by special assessment and the total available insurance proceeds. As soon as possible, but not later than sixty (60) days after the occurring of the damage or destruction, the Board shall present the report to the Members and notify all mortgagees of the findings of such report and call a special meeting of the Members. At such meeting, the Members shall determine by a vote as described hereafter whether to utilize solely the available insurance proceeds and minimum special assessment funds to reconstruct in accordance with the recommendations of the report of the Board, whether to impose an additional special assessment in the aggregate total amount greater than Ten Thousand Dollars ($10,000) to reconstruct the destroyed or damaged facilities beyond the findings contained in the report of the Board or whether to rebuild the destroyed or damaged facilities at all. The determination to impose an additional special assessment shall be made by the affirmative vote of at least fifty-one percent (51%) of the Members, which affirmative vote must include fifty-one percent (51%) of the voting power held by the Owners of the Lots. The determination not to rebuild the destroyed or damaged facilities shall be made by eighty percent (80%) of the Members.

10.04 Repair or Reconstruction. Except as otherwise provided herein, as soon as practicable after receiving the estimates, the Board diligently shall pursue to completion the repair or reconstruction of that part of the Association Property damaged or destroyed. The Association may take all necessary or appropriate action to affect such repair or reconstruction. Such repair or reconstruction shall be in accordance with the original plans and specifications and the current building codes; provided, however, that with the approval by a vote of fifty-one percent (51%) of the Members the repair or reconstruction may be in accordance with different plans and specifications.

10.05 Disbursement of Funds for Repair or Reconstruction. The insurance proceeds held by the Association and the amounts received from any special assessment constitute a fund for the payment for costs of repair or reconstruction after casualty. It shall be deemed that the first money disbursed in payment for costs of repair or reconstruction shall be made from insurance proceeds. If a balance exists after payment of all costs of such repair or reconstruction, such balance shall be distributed to the Owners of the Lots in proportion to the contributions made by each Owner to the Association.

10.06 Decision Not to Rebuild. In the event of a decision not to rebuild, the damaged or destroyed facilities shall be cleared, and the land shall be landscaped in a manner ensuring the existence of adequate rights-of-way and legal access over and to the area. The cost of removal and landscaping shall be paid for with insurance proceeds, and the remaining proceeds shall be retained by the Association in its general or other funds or allocated or distributed as determined appropriate by the Board, provided that any such distribution of insurance proceeds shall be proportionate to the interests of all Members.

10.07 Condemnation. If at any time all or any portion of the Common Area or Association Property or any interest therein is taken for any public or quasi-public use under any statute, by right of eminent domain or by private purchase in lieu of eminent domain, then the entire award of such taking shall be paid to the holder or holders of the fee title to such area as its interest or of such taking shall be paid to the holder or holders of the fee title to such area as its interest or their interests may appear. Any such award to the Association shall be deposited into the operating funds of the Association. No Member shall be entitled to any portion of such award, and no Member shall be entitled to participate as a party or otherwise in any proceeding relating to such condemnation, as such right of participation hereby is granted exclusively to the Association or other holder of the fee title, which shall, in its name alone, represent the interests of all Members to the extent such Members have any interest.

ARTICLE XI

MISCELLANEOUS

11.01 Duration. The provisions of this Declaration, shall continue and be effective for a period of fifty (50) years from the date of recordation hereof and shall be extended automatically for successive periods of ten (10) years each until the owners of eighty (80) percent of the Lots within the project determine in writing that this Declaration shall terminate and notice thereof is recorded in the office of the County Recorder of Douglas County, Nevada.

11.02 Amendment. This Declaration may be amended in any respect by the vote or written consent of the Board and of not less than fifty-one percent (51%) of all votes of Members entitled to be voted; provided, however, that if any provision of this Declaration requires a greater or lesser percentage of the voting rights of the Members in order to take affirmative or negative action under such provision, then such greater percentage shall be required to amend or revoke such provision. Any amendment or revocation shall be evidenced by an instrument certified by the Secretary or other duly authorized officer of the Association, shall make appropriate reference to this Declaration and its amendments the vote by which the amendment was passed and shall be acknowledged and recorded in the office of the County Recorder of Douglas County, Nevada.

A. Special Provisions. No amendment of Article IV shall be effective as to any beneficiary who does not join in the execution thereof provided that its mortgage or deed of trust is recorded in the real property records of the county prior to the recordation of such amendment. No amendment of this Declaration shall be effective until executed and recorded in Douglas County in the manner herein provided.

11.03. Notices. Any notice permitted or required to be given by this Declaration shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered on the third day (other than a Sunday or a legal holiday) after a copy of the same has been deposited in the United States mail, postage prepaid.

11.04 Enforcement and Nonwaiver.

A. Right of Enforcement. Except as otherwise provided herein, any Owner shall have the right to enforce all of the provisions of this Declaration against any Lot and the Owners thereof. Such right of enforcement shall include both damages for

and injunctive relief against the breach of any such provision. Arbitration must be conducted prior to filing a property lien and then follow the NRS 116 process.

B.Violation a Nuisance. Every act or omission whereby any provision of this Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated by any Owner, or by Declarant, whether or not the relief sought is for negative or affirmative action.

C.Violation of Law. Any violation of any federal, state or local law, ordinance or regulation pertaining to the ownership, occupancy or use of any Lot hereby is declared to be a violation of this Declaration and subject to all of the enforcement procedures set forth in said restrictions.

D.Remedies Cumulative. Each remedy provided by this Declaration is cumulative and not exclusive.

E.Nonwaiver. The failure to enforce any provision of this Declaration at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provision of said Declaration.

11.05 Construction.

A.Restrictions Severable. Each of the provisions of the Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision.

B.Singular Includes Plural. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

C.Captions. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise affect that which is set forth in any of the paragraphs, sections or articles hereof.

D.Liberal Construction. It is the intention that this Declaration be liberally construed to promote the purpose of a well planned community, reserving to the Association the rights necessary to complete the project and to ensure the integrity of the interrelated land uses.

E.Successors and Assigns. The benefits and burdens created by this

agreement shall inure to the successors and assigns of the Declarant, owners and lenders as applicable.

IN WITNESS WHEREOF, the Sierra Country Estates Homeowners Association has hereunto caused these amendments to be executed this 19th day of May, 2012.

IN WITNESS WHEREOF, the undersigned certifies that the above amendments were approved by fifty-one (51%) of the total votes of the Owners, and no other amendments were passed.

The undersigned in executing this instrument certifies that such action was taken in compliance with NRS 116 and NRS 82 and this instrument reflects those amendments so approved.

IN WITNESS WHEREOF, the President of the Association has hereunto caused these presents to be executed this 15th day of March, 2013.

Evan Maxwell, President

Evan Maxwell, President

State of Nevada
County of Douglas

On March 15, 2013 before me, Deidre A. Chaney, a Notary Public, personally appeared Evan Lowell Maxwell who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the instrument and who executed the instrument in his authorized capacity.

DEIDRE A. CHANEY
Notary Public, State of Nevada
Appointment No. 96-1375-5
My Appt. Expires Apr 10, 2016

Deidre A Chaney

Deidre A Chaney

EXHIBIT "A"

All that real property situate in Douglas County, Nevada more particularly described as follows:

Lots 1-12 as shown on the Map for Sierra County Estates, Phase I recorded on March 28, 1996, as Document No. 384282

together with

Lots 14-23 as shown on the Map for Sierra Country Estates, Phase II recorded January 27, 2000 as document 485130

and together with

all easements and appurtenances applicable to said lots 1-23 as shown on the above described maps, or otherwise appurtenant to said lots.