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WHEN RECORDED MAIL TO:
HIGH SIERRA LANDCO
P.O.BOX 927
GARDNERVILLE, NV 89410

DECLARATION
OF
COVENANTS,
CONDITIONS
AND
RESTRICTIONS
OF
SILVERANCH

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DOUGLAS COUNTY

DECLARATION OF COVENANTS,

CONDITIONS AND RESTRICTIONS

OF SILVERANCH

THIS DECLARATION is made the 12th day of January, 1994 ~~1993~~, by HIGH SIERRA LANDCO, INC. (a California Corporation), herein called "Declarant".

ARTICLE I

RECITALS AND DECLARATION

1.1 Ownership of Property: Declarant is the owner of the real property located in Douglas County, Nevada, described in Exhibit "A" attached hereto and incorporated herein by this reference, hereafter referred to as "the Project".

1.2 Intention of Declarant: The Project is commonly known as SILVERANCH. It primarily consists of Lots upon which single-family residences will be constructed. By this Declaration, Declarant sets forth the common plan for the use, enjoyment, maintenance, repair, restoration and improvement of the Project (as defined below) and the interests therein conveyed or reserved, and for the payment of any and all expenses pertaining thereto. Declarant also intends to impose upon the Project mutually beneficial restrictions under a general plan of improvements for the benefit of the Project and the future owners thereof and

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intends to create a general plan that can benefit and burden other property in the vicinity of the Project if and when such other property is annexed hereto as described in Article VII below.

1.3 Declarant and Property Subject to this Declaration:

Declarant hereby declares that the Project shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to the following limitations, restrictions, covenants and conditions, all of which are in furtherance of a plan for the Project, improvement and sale of some or all of said real property and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of all the real property within the Project. All of the limitations, convenants, restrictions and conditions shall run with the real property and shall be binding upon and shall inure to the benefit of Declarant (except as exempted in Section 5.24 and Article VIII, and of each and every party having or acquiring any right, title or interest in the real property subject hereto or any part thereof and shall inure to the benefit of and shall be binding upon each successor in interest thereto. All limitations, easements, uses, obligations, covenants, conditions and restrictions shall be construed as equitable servitudes, enforceable by any of the Owners of any portion of the real property subject hereto against any other owner, tenant or occupant of any real property within the Project.

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ARTICLE II

DEFINITIONS

General: The words defined in the following paragraphs shall have the meaning specified for all purposes in the Declaration unless the context requires otherwise or unless expressly provided to the contrary.

2.1 Beneficiary: A beneficiary under a deed of trust, a mortgagee under a mortgage, or a vendor under an installment contract of sale and/or the assignee of such beneficiary, mortgage or contract of sale.

2.2 Declaration: This document, entitled "Declaration of Covenants, Conditions and Restrictions of Silveranch."

2.3 Declarant: HIGH SIERRA LANDCO, INC., its successors or assigns.

2.4 Design Review Committee (Committee): The committee created pursuant to Article VI below.

2.5 Design Review Committee Rules: The rules adopted by the Design Review Committee pursuant to Section 6.6 below.

2.6 Improvement: Any building, outbuilding, shed, road, driveway, parking area, walk, fence, wall, stair, arbor, deck, pole, sign, pool, tank, ditch, landscaping, court, gate, statue, marker, bridge, hole, pipe, screening wall, retaining wall, hedge, wind break, planting, planted tree, and shrub or landscaping improvement of every type and kind, without limitation to those mentioned herein.

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2.7 Mortgage: An instrument securing monetary oligations, including a deed of trust, a mortgage or an installment contract of sale.

2.8 Mortgagee: A beneficiary under or holder of a deed of trust, a mortgagee named in a mortgage or a vendor under an installment contract of sale.

2.9 Owner: The record owner of any Lot subject to this Declaration and the record owner of any parcel that is annexed. "Owner" shall also include the vendee under an installment contract of sale. "Owner" shall not include the vendor thereunder, the mortgagee named in a mortgage, the beneficary under a deed of trust or those having an interest in any Property that is subject to this Declaration solely for security for the performance of an obligation; however, upon foreclosure of their beneficial interest in the Property or any Lot in the Project, all such persons shall also become Owners and will thereby be bound by all of the duties enjoined upon Owners in this Declaration.

2.10 Lot: Each lot within the Silveranch Project, as the same may be shown on the Subdivision Map, other than common areas (if any) which may or may not be hereafter created. Such Lots shall consist of the separate Lots within the Project and, after annexation as described in Article VII below, shall include all other property so annexed Lots shall include single-family type Lots, whether created by a Subdivision Map or by another mapping procedure provided by the laws of the State of Nevada.

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2.11 Project (also referred to as the Subdivision): The real property described in Exhibit "A" attached hereto, and any other real property that may become annexed as described in Article VII.

2.12 Purchaser: A buyer of a Lot or Lots within the Subdivision who is unrelated to Declarant or any corporation, partnership, joint venture, or other business entity in which Declarant has no ownership interest or over which Declarant exercises no contractual or other control.

2.13 Residential Unit: The structure or structures situated upon a Lot designed or arranged for use and occupancy as a residence including any garage located on such Lot.

2.14 Single Family: One (1) or more persons each related to the other by blood, marriage or legal adoption or a group of not more than four (4) persons not all so related who maintain a common household.

ARTICLE III

PROPERTY RIGHTS

It is hereby recognized by the Declarant that the Project is located in a rural, agricultural area of Douglas County. The location of the Subdivision is in the midst of existing, ongoing agricultural operations, which operations include but are not limited to, plowing, discing, planting, harvesting, baling, rearing of cattle or other livestock, all of which occur in the normal course of agricultural operations. These operations may occur at different times of

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the day in order to utilize the best climatic and crop conditions. All of the Owners shall accept and accede to the prior rights of agriculture in those areas surrounding the Subdivision. The Owners of the Subdivision shall hold harmless the Declarant and adjacent agricultural operations for any inconveniences or nuisances which may be occasioned upon them, whether a result of their livestock or as a result of the agricultural operations or as a result of the agricultural nature of the property. This hold harmless agreement shall not extend to intentional acts committed against the Owners of this property.

Nothing in this Declaration shall be deemed to require the Declarant to continue its agricultural pursuits. Nothing in this Declaration shall be deemed to have vested in any Owner any right for Declarant to be required to continue in its agricultural pursuits.

ARTICLE IV

WAIVER OF PARTITION

There shall be no judicial partition of the property subject to this Declaration of Covenant, Conditions and Restrictions. Each Owner and the successor of each Owner, whether by deed, gift, devise or operation of law, for their own benefit or for the benefit of their respective Lots and for the benefit of all other Owners, specifically waive and abandon all rights, interest and causes of action for a judicial partition of the tenancy in common ownership of the Property and do further covenant that no action for such

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judicial partitions shall be instituted, prosecuted or reduced to judgment until the conditions set forth in Section 9.1 (Amendments and Duration) have been met; however, if any Lot shall be owned by two (2) or more co-tenants as tenants in common, as joint tenants, or as community propety, nothing in this Declaration shall be deemed to prevent a judicial partition as between such co-owners of a Lot as to their undivided interest therein and thereto.

ARTICLE V

RIGHTS AND RESTRICTIONS ON USES OF LOTS

Each Lot shall be for the exclusive use and benefit of the Owners thereof, subject, however, to all of the following limitations and restrictions:

5.1 Lot Use: Each Lot in the Project may be used for one single-family residence, and for storage buildings and related facilities only, and for no other purpose.

5.2 Minimium Size: The minimum square footage for single family structures shall be one thousand seven hundred and fifty (1750) square feet of living area on the ground floor exclusive of the garage area, patios, decks, and covered walkways.

5.3 Height Restrictions: Height restrictions may be imposed by the Design Review Committee. No home exceeding two stories in height may be constructed. All homes shall be proportioned esthetically. No home shall be constructed at the full permissible height, bulk or mass if the completed

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home will have the effect of unreasonably obscuring the view or light of other Lots or homes within the Project.

5.4 Elevation Facades: A minimum of forty percent (40%) of front elevations (those facing the street) shall have facade of brick, rock, stone, stucco or other such building materials acceptable to the Design Review Committee.

5.5 Fences:

A. There shall be no chain link, cyclone, or other wire fences permitted. Except as set forth below, all fences shall be constructed solely of or in a combination of wood, stone, or masonry. No front yard fence within thirty (30) feet of a road shall exceed four (4) feet in height. No side yard or rear yard property line fence shall exceed six (6) feet in height.

B. All fences located along the rear of Lots backing onto Dresslerville Road, Tillman Lane, Centerville Road and other major roads shall be constructed in accordance with the provisions as to style, height, materials and detail specified by the Design Review Committee.

C. All Owners of Lots contiguous to the Edna Ditch and the Wilslef Ditch must, within thirty (30) days after purchasing such Lots from Declarant, its successors or its assigns, construct upon their Lots continuous fences upon the easement line for maintenance of the Edna Ditch and the Wilslef Ditch, whichever is contiguous to their Lot.

5.6 Propane Tanks, Gas Tanks: No propane tanks or gas storage tank shall be located on any Lot in the Project.

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5.7 Animals: No animals, reptiles, rodents, birds, fish, livestock, or poultry, except a reasonable number of household pets, shall be kept on any Lot or in any structures on the Lot. The provisions of the Douglas County Code governing household pets shall control where those provisions are more restrictive than this Section 5.7. There shall be no commercial rearing of animals of any type.

5.8 Signs: No signs of any kind shall be displayed to the public view or from any Lot without the approval of the Design Review Committee, except one sign no bigger than three (3) feet square advertising a Lot for sale, lease or rent displayed from a Lot. All signs must be professionally or commercially lettered.

5.9 Garages: The principal use of garages shall be for the parking of cars; no garage shall be converted to living quarters without the consent of the Design Review Committee and any appropriate governmental agent. All garages must be not less than two-car or more than four-car. There shall be no carports.

5.10 Trailers, Boats and Motor Vehicles: No mobile home, trailer of any kind, truck camper larger than one (1) ton pickup truck, recreational motor home, recreational vehicle or boat shall be kept, placed, maintained, constructed, or repaired or permitted to be parked upon any Lot or street within the Project unless it is kept behind a suitable screened area at least six (6) feet in height on the rear or side yard of a Lot. The foregoing provisions however

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shall not apply to emergency vehicle repairs or temporary construction shelters of facilities maintained during and used exclusively in connection with the construction of any work or improvement. No commercial vehicle of any nature shall be parked or stored on any Lot or on the streets of the Project except for a commercial vehicle providing temporary services to Owners of Lots and, in such event, only for the duration necessary to provide such services.

5.11 Antennas, Satellite Dishes and Towers: No antenna or satellite dishes shall be erected, used or maintained outdoors whether or not attached to a building or structure. No tower-type structures shall be placed, constructed or maintained on any Lot.

5.12 Garbage and Refuse Disposal: All rubbish, trash, garbage and other waste shall be regularly removed from the Project by a garbage removal service, at each Owner's cost, and shall not be allowed to accumulate thereon. Rubbish, trash, garbage and other waste shall be kept in sanitary containers. All equipment, garbage cans, woodpiles, or storage piles shall be kept screened and concealed from view of other Lots, streets and Common Areas (if any), except for the scheduled day for trash pick-up.

5.13 Storage Buildings: Any storage buildings shall require approval of the Design Review Committee prior to construction. All such buildings shall be constructed of wood or masonry and shall conform with the scheme and design

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of the house. No metal storage sheds, metal barns or other metal buildings of any kind will be allowed.

5.14 Utility Service: No lines, wires or devices for transmission of electric current or telephone and radio signals shall be constructed, placed or maintained anywhere on any Lot unless the same shall be contained in conduits or cables placed and maintained underground or concealed in or under buildings or approved structures. Nothing herein shall be deemed to forbid the erection and use of temporary power or telephone services incidental to the construction of Improvements and buildings.

5.15 Clothes Lines: No exterior clothes lines shall be erected or maintained nor shall there be any outside laundering or drying of clothes.

5.16 Window Coverings: No window coverings other than curtains and drapes, shutters or blinds may be installed. No window shall be covered with aluminum foil or similar material.

5.17 Maintenance of Lawns, Plantings and Landscaping: Each owner shall keep all shrubs, trees, grass and plantings on his Lot neatly trimmed, properly cultivated and free from trash, weeds and other unsightly material and shall undertake reasonable measures to abate all potential for dust or dirt to be blown by the wind from that Lot. Each Owner shall maintain all trees on his Lot and shall replace any tree that dies or becomes diseased. The Design Review Committee and their respective authorized agents shall have the right

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(without the duty) to enter upon any Lot at any reasonable time for the purpose of planting, replacing, maintaining or cultivating trees and shrubs and removing weeds, the reasonable cost of which may be billed to and collected from the owner of that Lot. The provisions of this section shall apply to all Lots, whether improved, partially improved or unimproved.

5.18 Right to Lease, Rent: Nothing in this Declaration shall prevent an Owner from leasing or renting his Lot; however, any lease or rental agreement shall be in writing and be expressly subject to this Declaration and any lease or rental agreement must specify that failure to abide by such provisions shall be a default under the lease or rental agreement. Such lease or rental agreement will in no way be deemed to release the Owner of his obligations under this Declaration. Additionally, no Lot may be leased or rented for a period of less than ninety (90) days.

5.19 Mineral Exploration: No Lot or portion therof shall be used in any manner to explore for or to remove any oil or other hydrocarbons, mineral of any kind, gravel, or other substance. No drilling, exploration, refining, quarrying or mining operations of any kind shall be conducted or permitted to be conducted thereon, nor shall wells, tanks, tunnels, mineral excavations, shafts, derricks, or pumps used to mine or drill for any such substances be located on any Lot.

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5.20 Machinery and Equipment: No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Lot except such machinery or equipment as is usual and customary in connection with the use, maintenance or construction of any Improvement then so used, maintained or constructed on such Lot.

5.21 Nuisances, Diseases and Insects: No noxious, illegal, or offensive activities shall be carried on on any part of the Project, nor shall anything be done thereon which may be an annoyance or a nuisance to or which may in any way interfere with the quiet enjoyment of each of the Owners of his respective Lot. No Owner shall permit any thing or condition to exist upon his Lot that shall induce, breed or harbor infectious plant or tree diseases, noxious insects or killer bees.

5.22 No Further Subdivision: No Lot or Common Area (if any) shall be further divided or subdivided, nor may any easement or other interest therein less than the whole be conveyed by the Owner thereof without the prior written approval of the Design Review Committee and of the Declarant; however, when Declarant is the Owner thereof, Declarant may further divide and subdivide any Lot or Common Area (if any) and convey any easement or interest less than the whole, all without the approval of the Design Review Committee; further, nothing herein shall be deemed to require the approval of the Design Review Committee for the transfer or sale of any Lot, including improvements thereon, to more than one (1) person

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to be held by them as tenants in common or joint tenants, or for the granting of any mortgage, deed of trust or installment contract of sale.

5.23 Right of Entry: Upon reasonable notice and during reasonable hours declarant or any member of the Design Review Committee, or any representative authorized by either of them, shall have the right to enter upon and inspect any Lot and the improvements located thereon to ascertain whether or not the provisions of this Declaration have been or are being violated. Persons conducting inspections under this paragraph shall not be deemed guilty of trespass by reason of such entry. The granting of this right shall not be contrued as creating any duty or obligation of Declarant or the Design Review Committee to determine compliance with the Declaration.

5.24 Exemption of Declarant: Notwithstanding anything in this Declaration to the contrary, neither Declarant nor any of Declarant's activities shall in any way be subject to the control of or under the jurisdiction of the Design Review Committee. This Declaration shall not prevent or limit the right of Declarant to excavate and grade, to construct and alter drainage patterns and facilities, to construct any and all other types of improvements, to maintain model homes and construction, sales and leasing offices and similar facilities, and to post anywhere on the Project signs of any size incidental to construction, sales and leasing.

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5.25 Assignment by Declarant: Notwithstanding any other provision of this Declaration, Declarant may assign in whole or in part any of its privileges, exemptions, rights and duties under this Declaration to any other person and may permit the participation in whole or in part by any other person in any of its privileges, exemptions, rights and duties hereunder. Without in any way limiting the generality of the preceding sentence, Declarant may exempt any person from the control and jurisdiction of the Design Review Committee.

5.26 Declarant's Right to Grant Easements: The Declarant shall have the right prior to the termination of these Covenants, Conditions and Restrictions to grant and reserve easements and rights of way through, under, over and across the Project for construction purposes, and for the installation, maintenance, and inspection of the lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone, and other utilities.

5.27 Completion of Construction: When the construction of any structure is commenced upon any Lot, the owner thereof shall pursue, with all reasonable diligence, the completion thereof and shall complete the construction thereof within six (6) months from the date of commencement.

5.28 Front, Side and Rear Setbacks: No building shall be located on any Lot in the Subdivision closer to the front property line or street than twenty (20) feet or the front setback line as shown on the recorded Subdivision Map, if

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any, closer to any side Lot line than ten (10) feet, or closer to the rear Lot line than twenty (20) feet. For all two-story single-family dwellings constructed upon Lots contiguous to Centerville Road, Dresslerville Road, Tillman Lane and the arterial road (continuation of State Route 756) traversing the Project between Dresslerville Road and Pleasantview Drive, there shall be required an additional rear lot line setback of ten (10) feet for the second story from each of the above-named public roadways.

5.29 Residential Use Only: No business, profession, or commercial activity shall be carried on or conducted upon any Lot in the Subdivision.

5.30 Wrecked Automobiles or Appliances: Storage of wrecked or junked automobiles, appliances, or similar machinery, shall not be permitted on any Lot in the Subdivision, except in a covered and enclosed structure.

5.31 Night Lights: No utility "night lights" shall be installed, other than decorative driveway lights not exceeding six (6) feet in height.

ARTICLE VI

DESIGN REVIEW COMMITTEE

6.1 Purpose of Design Review Committee: In order to provide for the orderly development of the Project and to aid in establishing a compatible architectural format, a Design Review Committee shall be created. The Design Review Committee shall exercise its best judgment to see that all improvements, construction methods and materials,

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landscaping, fencing, and alterations on each Lot in the Project are in conformance with the Committee's quality standards as set forth in the rules enacted pursuant to Section 6.6 of this Declaration and are harmonious with the exterior design, materials, color, siting, height, topography, grade, landscaping, and fencing of existing structures located on other Lots in the Project.

6.2 Appointment of Design Review Committee: The Design Review Committee shall consist of not fewer than three (3) nor more than five (5) persons. The Declarant shall initially appoint the Design Review Committee. The Declarant shall retain the right to appoint, augment or replace all members of the Design Review Committee until such time as single family dwellings have built upon ninety percent (90%) of the Lots within the Project.

6.3 Meetings: The Design Review Committee shall meet from time to time as necessary to properly perform its duties. The vote or written consent of a majority of its members shall constitute an act by the Design Review Committee.

6.4 Compensation: The Design Review Committee may assess a fee not to exceed Five Hundred Dollars ($500.00) per submission of each set of final plans in connection with review of plans and specifications by the Design Review Committee. This money will be used for reasonable compensation of Design Review Committee members and for costs involved with the review of the plans.

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6.5 Owner Maintenance: The establishment of the Design Review Committee and the systems herein for architectural approval shall not be construed as changing any rights or restrictions upon owners to maintain, repair, alter, modify or otherwise have control over the Lots as otherwise specified in this Declaration.

6.6 Design Review Rules: The Design Review Committee shall have authority to establish rules necessary to accomplishing its purposes as described in section 6.1 above. The latest adopted rules of the Design Review Committee as those rules exist from time to time are hereby made a part of this Declaration by reference.

6.7 General Provisions:

A. No construction activities, landscaping, or improvements (including, but not limited to, construction of a house, garage, fence, wall, retaining wall, additions, remodeling, grading or change of paint schemes) shall be commenced or placed upon any Lot, whether or not a building permit is required, until a preliminary and a final set of plans and specifications thereof have been submitted to the Design Review Committee for approval, and that approval has been obtained in writing from the Design Review Committee.

B. The Design Review Committee at its preliminary review will receive plans from an owner. The plans need not be architectural or working drawings, but must set forth the intentions of the owner. The Design Review Committee will

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make comments on and give preliminary approval to the preliminary plans.

C. Prior to any act of construction, landscaping, or improvement (as described in subsection A., above), final plans will be submitted for review and approval by the Design Review Committee. Comments and approval or denial will be granted pursuant to the final plans as submitted. No construction shall take place without the written approval of the Design Review Committee.

D. In the event an owner proceeds with a change in paint scheme, remodeling, new construction or additional construction without the final approval of the Design Review Committee, either the Committee or any other owner in the Project may bring suit against the owner to restrain or prevent the activity, or to restore the premises, and shall be entitled to recover reasonable costs and attorney's fees.

E. The Design Review Committee, by way of illustration and not limitation, shall review minimum roof pitch (expected to be 6:12), minimum fascia (expected to be 2x8), exterior color scheme, roof materials, minimum veneer percentages, outbuildings, recreational vehicles, fence materials, fence height, trash storage and landscaping.

(F) In the event the Design Review Committee fails to approve or disapprove final plans and specifications within thirty (30) days after they have been duly submitted in accordance with any rules regarding such submission adopted

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by the Design Review Committee, those plans and specifications will be deemed denied.

G. For any changes involving only an exterior change of paint scheme, the applicant shall submit exterior color samples showing the changes in order to receive written approval of the Design Review Committee.

6.8 Lot maintenance: In addition to plan review, the Design Review Committee is granted legal authority to enforce Lot maintenance on empty Lots. After notice to the owner of a nuisance, the Committee is authorized, among its other remedies, to expend the necessary funds to abate the nuisance and to bill and recover from the owner the cost plus any other charges or expenses reasonably incurred.

6.9 Non-liability for Approval of Plans: Plans and specifications are not approved for engineering design. By approval of plans and specifications neither the Design Review Committee, the members thereof, nor Declarant assumes liability or responsibility for the plans and specifications, or for any defect in any structure constructed from them.

6.10 Reconstruction After Destruction: The reconstruction after destruction by casualty or otherwise of any improvements shall be accomplished in compliance with the provisions of this Article.

6.11 Subterranean Improvements: No improvement which will extend beneath the surface of the ground more than eighteen (18) inches shall be commenced unless plans and specifications therefor have been approved by the Design

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Review Committee. Without limiting the generality of the foregoing, the Design Review Committee shall not approve plans or specifications for any such subterranean improvement which interferes with drainage unless adequate provision has been made to relocate the drainage flow to the satisfaction of the Design Review Committee.

6.12 Yard Landscaping: The Design Review Committee shall have the right to require the Owner of any Lot to remove, trim, top or prune any tree, shrub, bush or plant which in the reasonable belief of the Design Review Committee impedes or detracts from the view of any Lot. Further, Owner agrees to landscape all backyards which are not fenced against public view and all front and side yards within six (6) months of recording Notice of Completion of a single-family residence and failing to do so, grants such authority to the Committee, and agrees to reimburse the Committee for all costs reasonably incurred by the Committee in effecting such improvements.

6.13 Fill and Topsoil Obligation: Owner is put on notice that any particular Lot may require fill dirt and top-soil importation, which is the sole obligation of the Owner.

6.14 Non-applicability to Declarant: The provisions of this Article shall not apply to property owned by Declarant prior to its first conveyance to a Purchaser.

6.15 Design Review Committee Liability: No member of the Design Review Committee shall be liable for damages to any person or entity submitting any plans for approval, or to

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any owner or proposed owner of a Lot or Lots within the Subdivision, by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove any plans and specifications.

6.16 Waiver of Damages: Any person or entity submitting plans to the Design Review Committee for approval agrees that he or it will not bring any action or suit to recover damages against the Design Review Committee, its members, or its consultants, advisors, employees, or agents.

6.17 Minor Deviations: The Design Review Committee may approve minor deviations in the provisions hereof at the committee's discretion.

ARTICLE VII

ANNEXATION

7.1 Annexation: Declarant may at any time add to the property which is covered by this Declaration. Upon the recording of a Declaration of Annexation affecting the property to be added, the provisions of the Declaration shall apply to the added land in the same manner as if it were originally covered by this Declaration and originally part of the Project.

7.2 Contents of Declaration of Annexation: A Declaration of Annexation referred to in Section 7.1 shall contain an exact description of the added land and shall state that it is being made pursuant to the terms of this Declaration for the purpose of annexing the added land to the original land covered by this Declaration and extending the

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jurisdiction of these restrictive covenants to cover the added land. The "Project" shall be redefined to include the added land in addition to the original land. A Declaration of Annexation may contain such complementary additions and modifications to this Declaration as may be necessary to reflect the different character, if any, of the added land which may be significantly at variance with the original land.

7.3 De-annexation: Declarant may, without the consent of any other Owner, de-annex from this Declaration any Lot within the Project still owned by Declarant, its successors or its assigns, at any time prior to the conveyance of the last Declarant-owned Lot within the project. Such de-annexation shall be effected by recording a de-annexation declaration. Upon recordation of the de-annexation declaration, the Lot shall be deemed removed and de-annexed from this Declaration and thereafter shall be free from the obligations, requirements, declarations, limitations, covenants, conditions and restrictions set forth herein.

ARTICLE VIII

LIMITATION OF RESTRICTIONS

8.1 Limitation of Restrictions: Declarant is undertaking the work of constructing Lots for the location of residential units within the Project. In order that this work may be completed and that the Project be established as a fully occupied community as rapidly as possible, nothing in this Declaration shall be understood or construed to:

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A. Prevent Declarant or its contractors or subcontractors from doing on the Project whatever is reasonably necessary or advisable in connection with the commencement or completion of the work; or

B. Prevent Declarant or its representatives from erecting, constructing and maintaining on any part or parts of the Project structures as may be reasonably necessary for its business of completing development and construction and establishing the Project as a residential community and disposing of it in parcels by sale, lease or otherwise; or

C. Prevent Declarant from conducting on any part of the Project its business of completing development and construction work and of establishing the Project as a residential community and of disposing of the Lots by sale, lease or otherwise;

D. Prevent Declarant from maintaining signs on any of the Project, as may be necessary for the sale, lease or disposition thereof; or

E. Require Declarant to go through the Design Review Committee procedure described in Article VI in respect to structures to be constructed by Declarant, provided such structures are consistent with the intent of the Design Review Committee Rules. The provision of this paragraph (E) shall only be effective for the period in which the Declarant maintains the right to appoint a majority of the Design Review Committee.

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ARTICLE IX

MISCELLANEOUS PROVISIONS

9.1 Amendments and Duration:

A. Except as otherwise provided herein, the provisions of this Declaration may be amended by an instrument in writing signed and acknowledged by not less than fifty-one percent (51%) of the Owners. An amendment shall be effective upon recordation in the Office of the Recorder of Douglas County, Nevada. However, Declarant may amend these restrictive covenants without such consent prior to the sale of the Lot constituting the thirty-eighth (38th) Lot sold from Declarant's ownership. No amendment may be made to those provisions exempting the Declarant from these restrictions.

B. The provisions of this Declaration shall continue and be effective for a period of fifty (50) years from the date of recordation and shall be automatically extended for successive periods of ten (10) years each until a seventy-five percent (75%) vote of the Owners of all the Lots within the Project shall determine that this Declaration shall terminate and notice thereof is recorded in the office of the Recorder of Douglas County, Nevada.

9.2 Right of Enforcement: Except as otherwise provided herein, Declarant, the Design Review Committee and any Owner shall have the right (but not the duty) to enforce any and all of the covenants, conditions and restrictions now or

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hereafter imposed by this Declaration upon the Owners or upon any of the Project.

9.3 Remedies: All enforcement powers of the Design Review Committee shall be cumulative. Each person who enters into a purchase agreement for a Lot in the Subdivision, or who accepts the conveyance of title to a Lot in the Subdivision, shall be deemed to have agreed that Declarant, the Design Review Committee, and any Owner shall have all of the rights powers, and remedies as set forth in this Declaration.

9.4 Attorney's Fees and Costs: In the event the Design Review Committee or any Owner shall employ an attorney to enforce any provision of this Declaration, the prevailing party shall be entitled to recover reasonable attorney's fees and costs whether or not such action is prosecuted to judgment.

9.5 Governing Law: This Declaration, and all questions relating to its validity, interpretation, performance and enforcement shall be governed by and construed in accordance with the laws of the State of Nevada.

9.6 Exclusive Jurisdiction: It is agreed that the Ninth Judicial District Court of the State of Nevada in and for Douglas County, shall be the sole and exclusive forum for the resolution of any disputes arising from this Declaration. Each Owner expressly and unconditionally confers jurisdiction for the resolution of any and all disputes upon such Court. In the event that any litigation commenced in such Court is

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properly removable to a Federal Court under the laws of the United States of America, such removal shall take place if the legal basis for removal exists; provided, however, that each Owner agrees that the exclusive venue of the Federal forum for the resolution of any disputes shall be the United States District Court for the District of Nevada, Northern Nevada Division, located in Reno, Nevada.

9.7 Restrictions Severable: The covenants, conditions and restrictions of this 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.

9.8 Singular Includes Plural: The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine or neuter shall each include the masculine, feminine and neuter, as the context requires.

9.9 Captions: All captions or titles used in this Declaration are intended solely for convenience of reference and shall not affect that which is set forth in any of the terms or provisions of this Declaration.

IN WITNESS WHEREOF, the undersigned, being the president of the Declarant herein, has set his hand and seal this 4th day of January, 1994 ~~1993~~.

HIGH SIERRA LANDCO, INC.

By _____
Richard L. Cable, President

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STATE OF NEVADA)
:ss
COUNTY OF DOUGLAS)

ON January 4th, 1994~~1993~~, before me, a notary public, personally appeared RICHARD L. CABLE, President personally known (or proved) to me to be the person whose name is subscribed to the above instrument, who acknowledged that he executed the same.

JUDY A. COCLICH
Notary Public - State of Nevada
Appointment Recorded in Carson City
MY APPOINTMENT EXPIRES OCT. 3, 1995

Judy A Coclich
Notary Public

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EXHIBIT 'A'

Lots 1 thru 27, as shown on the final map of SILVERANCH UNIT 1A, filed in the office of the County Recorder of Douglas County, State of Nevada, on January 3, 1994, in Book 194, page 256, as Document No. 326668.

REQUESTED BY
WESTERN TITLE COMPANY, INC.
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

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SUZANNE BEAUDREAU
RECORDER

$ 39.00 PAID KO DEPUTY

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DOUGLAS COUNTY

WHEN RECORDED MAIL TO:
SIERRA NEVADA LANDCO, INC.
P.O.BOX 927
MINDEN, NV 89423

A M E N D M E N T NO. 1

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS OF SILVERANCH

Dated January 5, 1994, Doc. #326829, Book 194 Page 530

5.2 Minimum Size: The minimum square footage for single family structures shall be one thousand seven hundred and fifty (1750) square feet of living area exclusive of the garage area, patios, decks, and covered walkways. For two (2) story homes the ground floor shall be a minimum of one thousand one hundred (1100) square feet of living area exclusive of the garage area, patios, decks, and covered walkways.

SIERRA NEVADA LANDCO, INC.

By: _____
Richard L. Cable, President

STATE OF NEVADA)
:ss
COUNTY OF DOUGLAS)

ON FEBRUARY 22, 1994, XXXX, before me, a notary public, personally appeared RICHARD L. CABLE, President personally known (or proved) to me to be the person whose name is subscribed to the above instrument, who acknowledged that he executed the same.

_____
Notary Public

JUDY A. COCLICH
Notary Public - State of Nevada
Appointment Recorded in Carson City
MY APPOINTMENT EXPIRES OCT. 3, 1995

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DOUGLAS COUNTY

REQUESTED BY
WESTERN TITLE COMPANY, INC.
IN OFFICIAL RECORDS OF
DOUGLAS COUNTY, NEVADA

'94 FEB 25 P12:36

SUZANNE BEAUDREAU
CLERK

$ 8.00 PAID KD DEPUTY

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