

Sierra Ranchos Property Owners



Eagle Peak Development Co., recorded with Washoe County a Declaration of Restrictive Covenants on every parcel contained on the Washoe County Record of Survey 684 (document #210148). This survey recorded lots 1 through 236 and lots A through F. The Restrictive Covenants were recorded as document #210147, and are a public record. It properly established the legal ownership of the parcels, correctly defined the parcels encumbered with the restrictions. Because the declarant was the sole owner of all the parcels only a single declarant was required to impose the restrictions. This declaration is for use restrictions only and does not establish an Association or common areas. It allowed for the members to privately litigate violations of the restrictions amongst themselves It required a two-thirds vote to change and did not have an expiration date. It binds every parcel regardless of the deed or other conveyances, on the record of survey (document #210148).

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Eagle Peak Development Co., recorded with Washoe County a Supplemental Declaration of Restrictions (document #331612). It defined an association, Red Rock Ranch Association, and defined the common areas. It established fees, collections, and assessments to the membership as well as restated the encumbered parcels as all the parcels recorded on Washoe County Record of Survey 684 (document #210148), filed June 25, 1971. At this point, it still encumbers all the parcels listed on the survey. It created a two class voting system with class A members having one vote and class B members having three votes. It created an expiration date (June 25, 1994), twenty years from the time of recording and allowed for an automatic renewal in ten year increments, only if a 75% majority vote for or gave written consent to the extension, at least 30 days prior the termination of the current term. It stated that changes weren't effective until they were recorded in the Office of the Recorder of Washoe County. This supplement stated that it does not amend or change the first Declaration of Restrictions.

Sierra Ranchos Property Owners



Timeline

1979, a NEW Declarant, “Sierra Ranchos, a Partnership”, records the Second Amendment and Restatement of the Covenants Conditions and Restrictions (document #593210, recorded Mar. 13, 1979). It states that it has the written consent of 51% or more to change the current Declaration of Restrictions and that a resolution to bring an overhead power system was passed with a vote of no less than two-thirds of the membership, allowing for an assessment to pay for the overhead power system. The size of the Association is noticeably reduced to 212 parcels. The bylaws of this Association indicate that 25 parcels do not belong to the Association (236 minus 25 equals 212), but it doesn’t identify them. The document states that Declarant retains beneficial ownerships rights, but it doesn’t identify on what lots or how many. It does say it has 51% or more, but the previous Declaration required a two thirds vote to change. Given that the previous Declaration also had a two teared voting system, whereas the Declarant retained three votes to one, I’m betting they had enough votes.

Sierra Ranchos Property Owners



Importantly, the Second Amendment and Restatement of the Covenants Conditions and Restrictions of the Sierra Ranchos Property Owners Association had a termination date, January 1st 1998. It allowed for an extension, if a written agreement of the extension were signed by two-thirds of all the parcels, and when so extended would run the full term of the extension agreement. It also states that no such extension shall be effective until a property instrument in writing has been executed and acknowledged and recorded in the office of the Recorder of Washoe County, Nevada. An exhaustive search could not turn up any record that an extension was ever filed before the termination date, nor any after. Sierra Ranchos Property Owners Association terminated on January 1st 1998. The Association ceased all recordings of liens, notices of default, and notices of sale in the year 1998, none. Prior to that, this Association was active at recording notices against members. It wasn't until April 1999 that the Association resumed recordings, although at a significantly reduced pace.

Sierra Ranchos Property Owners



January 1st 1998, The Covenants Conditions and Restrictions of Sierra Ranchos Property Owners Association terminated. A review the public fillings of this Association from 1/1/1994 to 12/31/1997, a period of four years before the termination date, found the following. Sierra Ranchos Property Owners Association recorded 112 documents in this period before the termination date. By comparison the public recordings from 1/1/1998 to 12/31/2001, another period of four years after the termination date, Sierra Ranchos Property Owners Association recorded 14 documents, with no recordings of any documents in the entire year of 1998. That is a 87.5% reduction of public recordings of this Association after the termination date and a 100% reduction in the first year after the termination date. These numbers represent the cessation of recording activities of the Association directly after the termination date.

Sierra Ranchos Property Owners



Over the same eight years, four years before and four years after, a total of 126 documents were publicly recorded. Of those recordings 45.23% were liens on properties, 15.07% were Notices of Default, and 8.73% were Notices of Sale. These are normal activities for an operational Association, people don't pay, the Association is required to file these documents to get them to pay. The sudden cessation of public recordings would suggest that this Association was aware of the termination date and it's failure to extend the DCCR's beyond that date.

Sierra Ranchos Property Owners



“Third Amended and Restated Declaration of Covenants and Restrictions of Sierra Ranchos Property Owners Association” stated that 51% or more of the parcels approved the amended declaration and that it superseded all other covenants, conditions, and restrictions. This is a problem, the previous covenants, conditions, and restrictions expired. These are NEW covenants, conditions, and restrictions. A vote of 51% or more is not enough to encumber all the parcels with the NEW restrictions. Presume, I don’t like tractors, and my neighbor doesn't like tractors, we purchased in a place that didn’t allow tractors, but that restriction expired. You purchased a property there after the expiration and moved in with your tractor. I cannot get together with my neighbor, and vote in a tractor restriction on your property. Even if we purchased when tractors weren’t allowed. Since these are NEW restrictions, only the owners of the parcels who signed them would be encumbered by them, and only if the means by which they agreed to sign them were not fraudulent, misleading, or deceptive.

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Since this document is already deceptive, in that it clearly says it is an amendment, and doesn't make a clear declaration of ownership of the lots and thus the right to encumber the property, or the intent of the owner to encumber their lots, it would be hard to prove that even the signers or voters of this document were aware that they were encumbering their properties with NEW restrictions. Furthermore, it would be a grave miscarriage of justice to lot owners who refused to agree to the NEW restrictions. Even if just one lot owner didn't agree to this, their property was unlawfully encumbered with these NEW restrictions. If you owned your lot in 2003 / 2004 and did not agree to the NEW 2004 DCCR's, then you have standing to ask the courts to free up your title from these restrictions. Others would have to prove that the original lot owner did not vote for the restrictions. Nevada Real Estate Division has a responsibility here to insure the rights of everyone were not trampled on in 2004. A petition to the State to review this issue would require the signature of 10% of the lot owners. The outcome could end this Association and require future Associations to do it correctly, according to the law.

Sierra Ranchos Property Owners



Declaration
of
Restrictive
Covenants
June 25th 1971

Sierra Ranchos Property Owners

DECLARATION OF RESTRICTIVE COVENANTS

KNOW ALL MEN BY THESE PRESENTS:

Whereas, Eagle Peak Development Co., a Nevada corporation, is the owner of that certain real property in Washoe County, Nevada more particularly described on ~~Exhibit A, attached hereto~~ *Record of Survey recorded concurrently herewith under Document No. 210148* ~~and made a part hereof;~~

Ownership of the property is established and stated as the property described in the Record of Survey recorded in the Office of the Recorder, Washoe County, Nevada, Document #210148

Sierra Ranchos Property Owners

7 Now, Therefore, Eagle Peak Development Co., does
8 hereby make the following declarations as to limitations,
9 restrictions and uses to which the lots and/or tracts herein-
10 above described may be put, hereby specifying that said declar-
11 ations shall constitute covenants to run with all of the land
12 as provided by law and shall be binding on all parties and all
13 persons claiming under the aforesaid owner and for the benefit
14 of and limitation upon all future owners in the above described
15 property, this declaration of restrictions being designed for

553 PAGE 229

The restrictions encumber all the lands in that survey, and all the owners, present and future. No expiration is found in this document.

Sierra Ranchos Property Owners

18 19. If the parties hereto or any purchasers under
19 them or their heirs, or assigns, shall violate or attempt to
20 violate any of the covenants herein, it shall be lawful for any
21 person or persons owing any real property situated in said
22 development or subdivision to prosecute any proceedings at
23 law or in equity against the person or persons violating or
24 attempting to violate any such covenants, either to prevent
25 him or them from so doing or to recover damages or other dues
26 for such violation.

Allowed individual owners to litigate against other owners for violations of the covenant

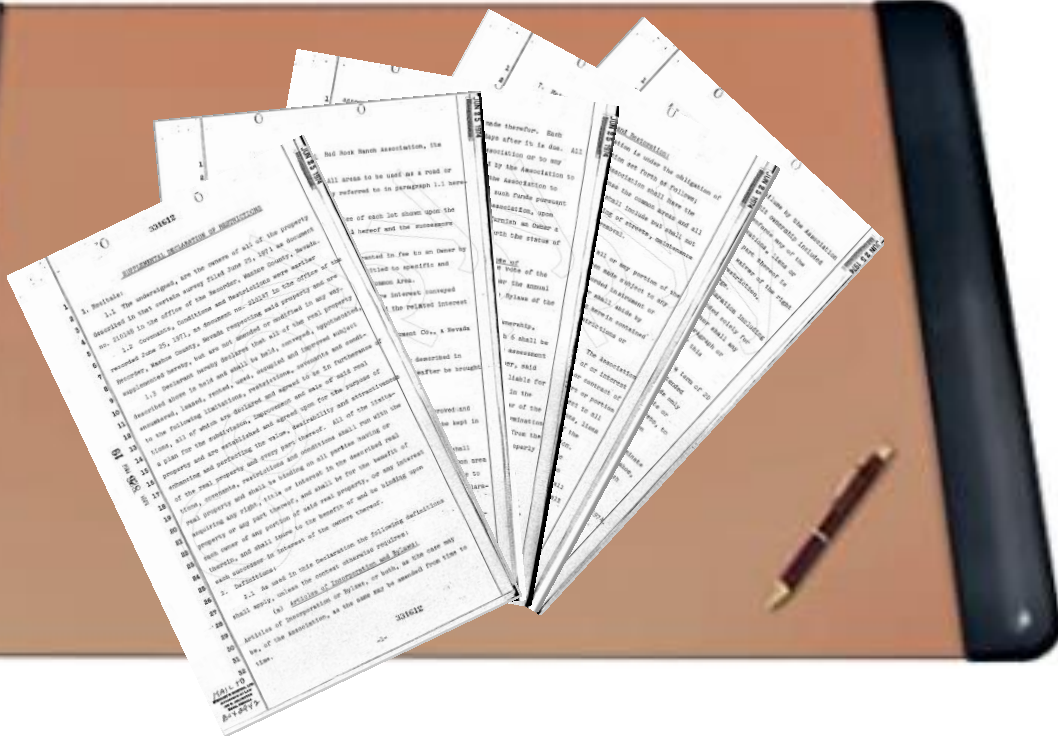
Sierra Ranchos Property Owners

12 18. These covenants are to run with the land and shall
13 be binding on all parties and all persons claiming under then
14 until and unless changed by a vote of parties holding title to
15 two thirds or more of the area of the premises subject hereto,
16 excluding any portion dedicated to use as public streets,
17 public parks or other public use.

553 PAGE 232

Requires a vote of parties holding title to two-thirds or more of the parcels to make changes to them.

Sierra Ranchos Property Owners



Supplemental
Declaration
of
Restrictions
June 25th 1974

Sierra Ranchos Property Owners

331612

SUPPLEMENTAL DECLARATION OF RESTRICTIONS

1
2 1. Recitals:

3 1.1 The undersigned, are the owners of all of the property
4 described in that certain survey filed June 25, 1971 as document
5 no. 210148 in the office of the Recorder, Washoe County, Nevada.

6 1.2 Covenants, Conditions and Restrictions were earlier
7 recorded June 25, 1971, as document no. 210147 in the office of the
8 Recorder, Washoe County, Nevada respecting said property and are
9 supplemented hereby, but are not amended or modified in any way.

JUN 25 1974

This document is creating a mechanism where by fees can be collected and the common areas in the community can be maintained. It defined the common areas as the roads and promises to maintain. It creates a mechanism for improvements in the community. It did not change the size or number of lots. It states that it did not amend or change the first declarations.

Sierra Ranchos Property Owners

1 (b) Association: Red Rock Ranch Association, its
2 successors and assigns.
3 (c) Common Area: All areas to be used as a road or
4 street as shown upon the survey referred to in paragraph 1.1 here-
5 of.

Names the Association as the Red Rock Ranch Association. Defined the common areas of the Association.

Sierra Ranchos Property Owners

BODY

15 The Association shall have two (2) classes of voting
16 membership:

17 Class A. Class A members shall be all Owners of Lots with
18 the exception of Declarant, or its successors, and shall be
19 entitled to one vote for each unity ownership. When more than
20 one person or entity is shown of record to be the Owner of a
21 Lot, all such persons or entities shall be members. The vote
22 for such Lot shall be exercised as the Owners thereof among
23 themselves determine, but in no event shall more than one vote
24 be cast with respect to any Lot.

25 Class B. Class B members shall consist of Declarant or its
26 successors, and shall be entitled to three (3) votes for each
27 Lot of which it is the Owner in fee. Class B membership shall
28 cease and terminate when the total votes of Class A members equal
29 or are greater than the total votes of the Class B members.
30 Upon the termination of Class B membership, the Class B member
31 shall be deemed a Class A member, and all members thereafter
32 shall have equal and identical interests and voting rights for

Established a two
Class voting system.
Where Class A
members would get
one vote per parcel.
Class B members
would get three
votes per parcel.

Sierra Ranchos Property Owners

BOOK 17 5. Assessments:
18 5.1 Annual Assessments: Promptly after the recording of
19 this Supplemental Declaration and not less than 30 days prior to
20 the beginning of each calendar year thereafter, the Association

3 5.2 Special Assessments: In addition, if the Association
4 determines that extraordinary costs applicable to the current year
5 should be incurred for the purpose of paying in whole or in part

13 5.3. Individual Assessments: Each unit ownership shall also
14 be assessed, from time to time for all fines and penalties to
15 which its owner is subject as a result of violation of the terms

This supplement has a schedule for several different types of assessments. It creates the means for collection and enforcement of the fees.

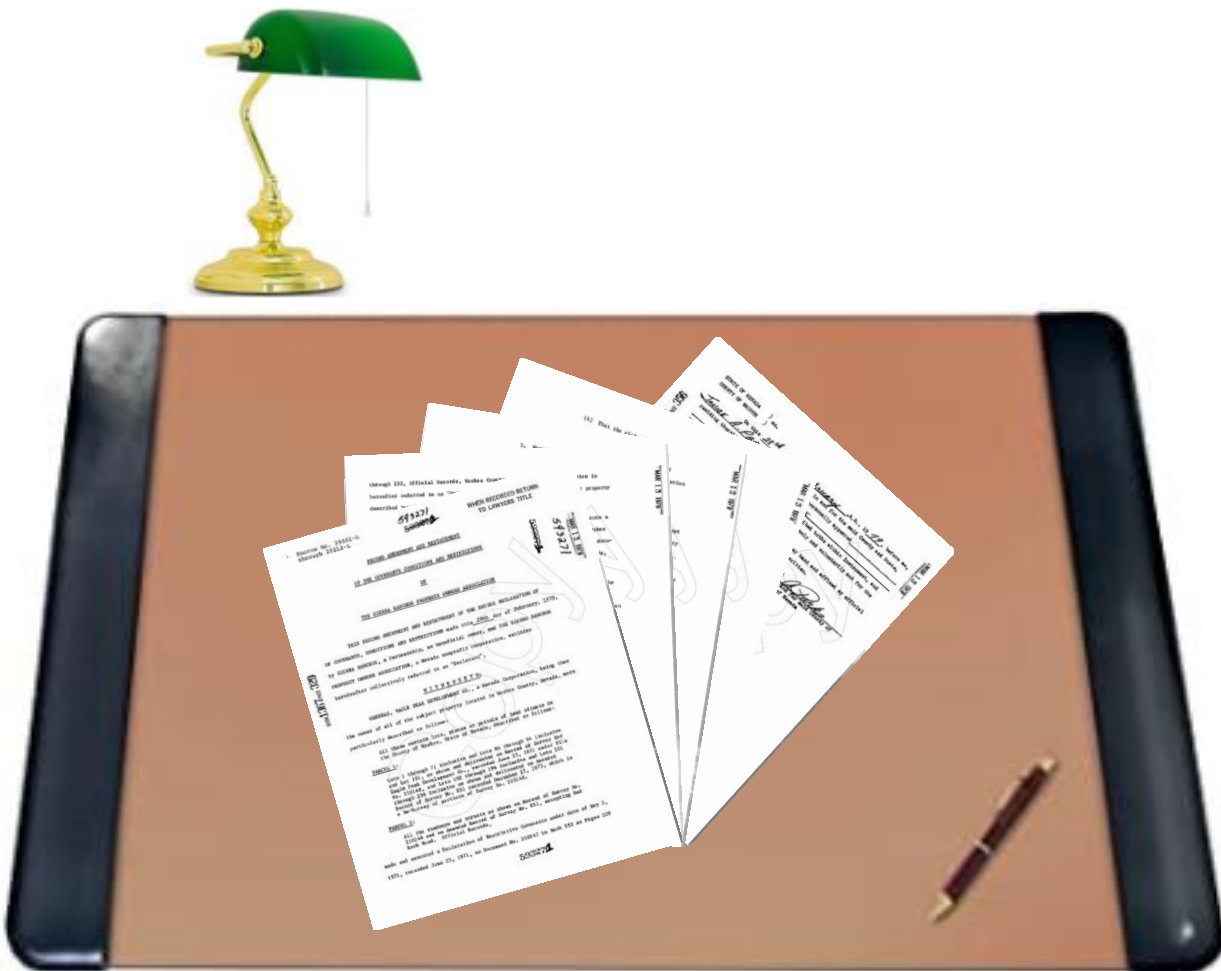
Sierra Ranchos Property Owners

BOOK 826 PAGE

15 8.9 Amendment: This Declaration shall be for a term of 20
16 years after the date of recordation, and shall be extended
17 automatically thereafter for successive 10-year periods only
18 if a 75% majority or more in interest of the Owners vote or
19 give their written consent, at least 30 days prior thereto, to
20 continue this Declaration upon the expiration of the then
21 current period.

This Supplement creates a term of twenty years from the date of recording. Automatically extends in ten year terms, only if a majority of 75% of the owners vote for or gave written consent to the extension, thirty days prior to the current term ending.

Sierra Ranchos Property Owners



Second Amendment
and Restatement
Of Covenants,
Conditions and
Restrictions
March 13th 1979

Sierra Ranchos Property Owners

Escrow No. 29001-L
through 29212-L

593271
~~593271~~

WHEN RECORDED RETURN
TO LAWYERS TITLE

SECOND AMENDMENT AND RESTATEMENT

OF THE COVENANTS CONDITIONS AND RESTRICTIONS

OF

THE SIERRA RANCHOS PROPERTY OWNERS ASSOCIATION

593271

593271

MAR 13 1979

THIS SECOND AMENDMENT AND RESTATEMENT OF THE ENTIRE DECLARATION OF
OF COVENANTS, CONDITIONS AND RESTRICTIONS made this 28th day of February, 1979,
by SIERRA RANCHOS, a Partnership, as beneficial owner, and THE SIERRA RANCHOS
PROPERTY OWNERS ASSOCIATION, a Nevada nonprofit corporation, entities
hereinafter collectively referred to as "Declarant",

167 PAGE 329

The Declarant states that 51% or more voted to change the first two restrictions and a vote of at least 2/3 of the properties passed an assessment to pay for an overhead power system to be brought to the community. This document had an expiration date, January 1st, 1998.

decreased by 30 lots. The name of the Association was changed to Sierra Ranchos Property Owners Association.

Sierra Ranchos Property Owners

PARCEL 1:

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

PARCEL 2:

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

In this declaration there are 212 lots in this Association. The declarant in this document claims an ownership status of the lots, and more than likely had the authority to make this change. We have found some maintenance agreements on a some of the other lots.

Sierra Ranchos Property Owners

30 Members

31 Section 1. Number of Members. There shall be two

32 memberships in the SIERRA RANCHOS PROPERTY OWNERS ASSOCIATION for

3 each Parcel located in the SIERRA RANCHOS Record of Survey

4 recorded in Washoe County, Nevada. There shall be no classi-

5 fication of memberships in the Association, and each mem-

6 bership shall be appurtenant to a Parcel in the development.

7 Said memberships shall number approximately Four Hundred

8 Seventy-two.

25 Parcels do not belong
to SRPOA

From the bylaws for Sierra Ranchos Property Owners Association: It created two memberships per parcels, and stated that would be approximately 472 memberships (236 parcels). Hand written in the margins was "25 Parcels do not belong to SRPOA". This would explain the 212 parcels in the Association. It doesn't explain what happened to the lettered parcels of the record of survey.

Sierra Ranchos Property Owners

(d) Parcel. "Parcel" shall mean each parcel of real property which is (1) a numbered Parcel on the Record of Survey of Subject Property filed for record with the Office of the Washoe County Clerk on the 25th day of June, 1971 and on the 27th day of December, 1973, and (2) portions of such Parcels restricted in size to one-half of the total acreage of a numbered Parcel or any increments thereof, and consistently with State and Washoe County zoning as may be changed from time to time.

Whereas the two previous restrictions state that all the lots, parcels, or tracts are subject to the restrictions, this one defined the parcel as "a numbered parcel". Yet the legal description leaves out certain numbered parcels. The Declarant claims the control of title of only the lots listed in the legal description and there is no information on why the other lots aren't included, no conclusive assertions can be made, only speculative ones.

Sierra Ranchos Property Owners

3.04 Excavation. Exposed openings resulting from any excavation made in connection with construction of improvements shall be backfilled and the disturbed ground shall be leveled. All excavations shall be done in compliance with the Washoe County Grading Ordinances and shall be certified by a Nevada Licensed Soils Engineer, as such Grading Ordinances shall require.

Recognized the importance of using licensed professionals and following all County laws for excavations in our community.

Sierra Ranchos Property Owners

ARTICLE VIII

TERM, TERMINATION, MODIFICATION AND ASSIGNMENT OF DECLARANT'S RIGHTS AND DUTIES

8.01 Term. This Declaration, every provision hereof and every covenant, condition and restriction contained herein shall continue in full force and effect until January 1, 1998. Such termination date may be extended from time to time by written agreement of extension thereof signed by the owners of two-thirds (2/3) of all of the Parcels and when so extended shall continue in full force and effect for the term provided in such extension agreement as to all of the Parcels or such thereof as said agreement may purpose to affect.

This document had a termination date. January 1st, 1998.

Sierra Ranchos Property Owners

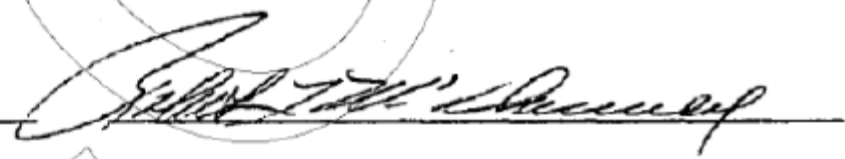
Declaration relating to Sierra Ranchos (whichever date shall first occur), no such termination, extension, modification or amendment shall be effective until a property instrument in writing has been executed and acknowledged and recorded in the office of the Recorder of Washoe County, Nevada.

Required the extension to be recorded at the office of the recorder of Washoe County, Nevada. No record could be found that this extension ever happened, before or after the termination date.

Sierra Ranchos Property Owners

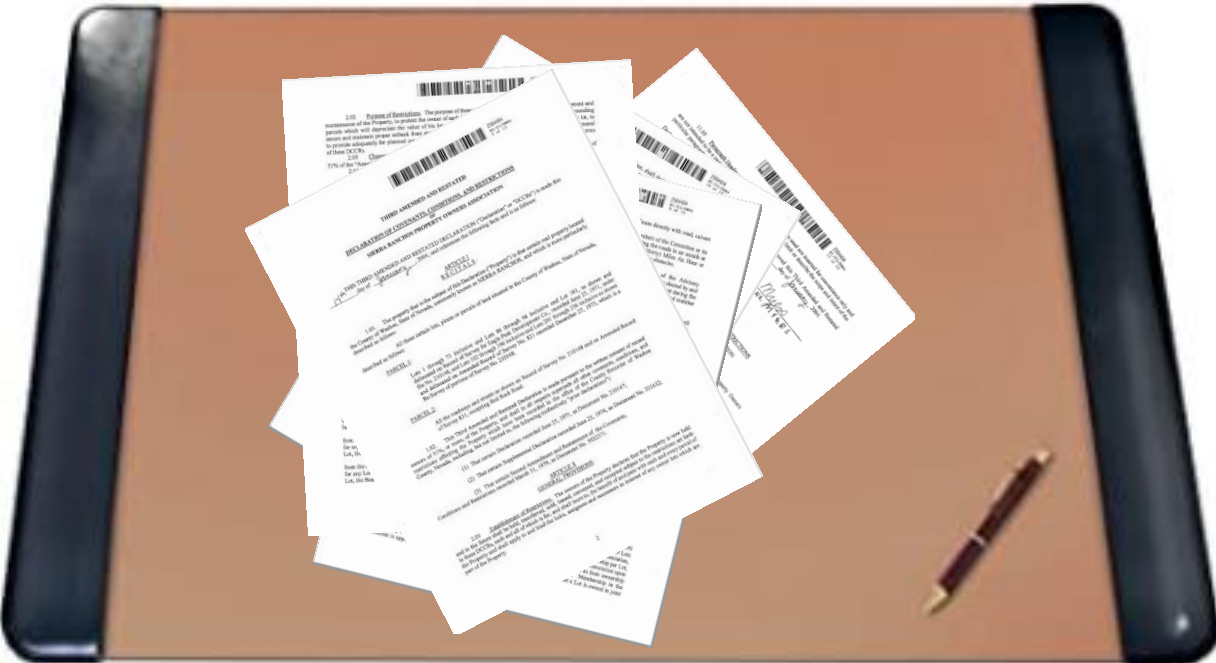
IN WITNESS WHEREOF, the undersigned Declarant and other Owners have executed this Second Amendment and Restatement of the Covenants, Conditions and Restrictions on the 28th day of February, 1979.

SIERRA RANCHOS, a Partnership



Executed by the owners of the land.

Sierra Ranchos Property Owners



Third Amendment
and Restatement
Of Covenants,
Conditions and
Restrictions
January 1st 2004

Sierra Ranchos Property Owners



2984484
01/23/2004
3 of 13

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

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

ARTICLE I
RECITALS:

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

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

PARCEL 1:

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

Recorded January 1st 2004, maintains the same numbers of lots of the previous Declaration. This was signed by the Secretary of Sierra Ranchos Property Owners Association, notarized and recorded by the same attorney who authored it. A Certificate of the Secretary, signed by the Secretary, and notarized by the same attorney, was included and stated that there was a vote to approve the Amended Covenants on October 25th 2003, and 51% or more agreed to Amend the Restrictions.

Sierra Ranchos Property Owners

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

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

The recording date and number on this document is recorded incorrectly. Document (1) had no expiration date. Document (2) would have expired in 1994, but was amended in 1979. Document (3) expired in 1998, no amendments or extensions are recorded with the County.

Sierra Ranchos Property Owners

ARTICLE VIII TERM, TERMINATION AND AMENDMENT

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

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

These new restrictions have no termination date and required 80% to terminate. This is representative of the same requirements of NRS 116. This is an example of what a NEW Declarations should be like. NEW Declarations should mimic the law in other places too. When NRS requires board members to seek out professionals, then the DCCR's should also. All the way through the process, planning, designing, hiring, and maintaining the community. The DCCR's should spell it out clearly for the members, unlicensed or uncertified work is not allowed. The past two documents actually called that out, but for lot owners only, not for the Association.