

Sierra Canyon Association

Rules and Regulations

INTRODUCTION

Sierra Canyon is an active adult retirement community. The owners of residences within the community have formed a community association to provide for the governance of this community. A number of governing documents have been created to provide direction to the Association. The primary documents include the following:

- The Articles of Incorporation of the Sierra Canyon Association (sometimes referred to hereinafter as the "Association").
- The Covenants, Conditions and Restrictions for Sierra Canyon by Del Webb at Somerset (referred to in these Rules and Regulations as the "Declaration").
- The Association Bylaws.

The Association may provide additional governing documents from time-to-time as needs arise.

We are pleased you have become a Resident of Sierra Canyon and look forward to serving you. These Rules and Regulations are for the benefit of you and your guests so you may enjoy your community facilities and programs to the fullest. The Rules and Regulations also provide for a reasonable level of protection of Association assets to assure their availability for future use.

Essentially, the Rules and Regulations for Sierra Canyon, and the overall approach of your Association in performing its mission and responsibilities to its members is based on the Golden Rule. We don't want to over regulate; but at the same time, it is expected that all Sierra Canyon residents and guests will be respectful of community rules and of other members and guests of the community.

Only with your cooperation can this goal be achieved. Please familiarize yourself with the Rules and ensure your guests are likewise familiar.

Thank you for your cooperation.

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COMMUNITY ASSOCIATION INFORMATION

Purpose and Legal Status

The Sierra Canyon Association is a Nevada nonprofit corporation formed to operate and maintain the community's common facilities and to develop and advance activities which promote an active adult lifestyle for residents of Sierra Canyon.

The Association, as an incorporated entity, is a private property owner in its own right, and it speaks through its governing documents and the policies established by its Board of Directors. Members have specified privileges in the use and enjoyment of common area properties, but subject at all times to the Association's right to reasonably regulate and control its facilities and property. The Association is primarily responsible for enforcement of the governing documents; the establishment of reasonable policies, rules and procedures regulating use of all common area properties; administering and enforcing the Design Guidelines; and for managing, maintaining, operating, and controlling all areas of common responsibility.

Governing Board

The Association is governed by a Board of Directors (the "Board") that is empowered to exercise all duties necessary and appropriate for the administration of the Association's affairs, and perform all responsibilities and exercise all rights of the Association as stipulated in the governing documents and as provided by law.

Standing Committees

The governance of the Association functions through standing committees; each committee reports and makes recommendations to the Board. These standing committees may be formed as the Community develops.

- Architectural Review Committee
- Nominating Committee

Notwithstanding any of the standing committees named above, the Board may delegate management of the business and activities of the Association to Board officers, a management company, or to special committees established by the Board.

Associated Management, Inc.

To manage the fiscal operations of the Association, the Board has entered into a Management Agreement with the Associated Management, Inc. Associated Management, Inc. is responsible for fiscal management of the Association.

Association Manager, Sierra Canyon Association

This individual or individuals oversees, coordinates and facilitates the Association's day-to-day operation. By providing a full scope of management duties under the authority of established policies and procedures of the Board of Directors, the Association Manager assures smooth operation of the Association. The Association Manager is responsible for management and operation of the Association facilities (including the Recreation Lodge Fitness Center) and maintenance of the Common Areas. Responsibilities include staffing, facility upkeep, administration of business operations, and service to members.

Association Facilities

These are the facilities currently planned-to-be-owned and operated by the Association for the enjoyment of its members and their guests. The facilities include a recreation lodge with the following amenities:

- (i) multi-purpose rooms, billiards room, family room, kitchen and administrative offices;
- (ii) a multi-use craft room;
- (iii) a Fitness Center, consisting of an indoor pool, spa, locker rooms, and tennis courts; and

Association Membership

All homeowners are members of the Association and are entitled to up to two (2) Membership Cards per household for resident use only. These Membership Cards should be available to be shown prior to utilizing any of the Association facilities. If, upon request of an Association representative, a person cannot produce a Membership Card, access to a facility may be denied.

Additional qualifying permanent residents (as defined in the Declaration) may purchase Membership Card. No more than four (4) Membership Cards per household will be allowed unless a specific request is approved by the Board. In addition to any services provided under the Membership Card, separate fees are required for room rental and nominal dues for program or club participation, activities and fitness classes.

Guests

Guests of Residents are welcome in the community, although guest participation may be restricted for certain events or activities. A guest may only visit for up to sixty (60) cumulative days per calendar year unless a specific request is approved by the Board. If a resident accompanies his or her guest(s), there is no charge for using Association facilities. Unaccompanied guests must have a guest pass card. Guest pass cards may be purchased in the Association Office. Guest pass cards must be purchased by the Resident sponsor. (See Appendix A for fees.) Unaccompanied guests will be expected to show their guest pass card prior to using any Association facility.

Nametags

Resident nametags will be issued through the Association. The nametags facilitate recognition of Association members. Please wear your resident nametag while using any Association facility or participating in Association events. One nametag will be issued per resident. Additional nametags can be purchased for a nominal fee. (See Appendix A.)

Renters

If you rent your home to someone, you are still responsible for paying all assessments on the property to the Association. You are also responsible for providing the Association Office with a copy of the completed rental or lease agreement, providing your forwarding address and phone number, relinquishing your resident Membership Cards and having your renter(s) purchase Membership Card(s) for an Administrative Transfer fee. (See Appendix A.) The rental agreement, along with the homeowner(s)' Membership Card(s) will be placed on file for the duration of the lease. While the property is leased, the homeowner may not use the Association facilities. If the homeowner becomes delinquent in homeowner assessment payments, both the homeowner and his or her renter will lose all Association privileges until the account is made current.

It is the homeowner(s)' responsibility to obtain the renter(s)' membership cards and nametags upon the termination of the lease, and submit these to the Association Office. It is also the responsibility of a renting or leasing homeowner to assure that his or her renter or lessee abides by the governing documents.

Age Restriction Compliance

Sierra Canyon is an Age-Restricted Housing Development. In accordance with the Bylaws and the Declaration of the Association, the Association Manager will maintain

accurate information, including age information, on all residents. A report to the Board will be given at the annual meeting each year. To that end, it will be necessary for residents to respond to an age information survey from time to time to facilitate this process.

Pets

Pets are not allowed in any part of the Recreation Lodge/Fitness Center. Pet owners are reminded that while walking pets in the community, including the Park areas and trails, pets must be controlled by a leash. Owners must expedite the removal and disposal of solid pet waste.

Sale of Home

If you sell your home, a resale transfer fee (see Appendix A) will be charged by the Association as part of the closing costs. This fee covers administrative costs associated with transferring the membership account and providing information (including current association documents) to the buyer of your home. You must notify the Association Office at the time your home is put on the market and upon completion of the sale, at which time you will relinquish your Membership Cards and name tags and provide a forwarding address.

It should be noted that, as a *seller*, State law *obligates you* to provide *prospective* purchasers with copies of the governing documents as well as a statement showing the status of your account with the Association. For a nominal fee to cover reproduction and upon request of a seller the Association will provide updated governing documents to a prospective purchaser.

Refunds

No portion of the fees levied by the Association, including but not limited to any resident Membership Card and guest pass card fee, or any other fee or assessment will be refunded. In the event of the sale or transfer of a residence, all assessments for the Lot will be transferred to the new owner, with the new owner retaining the original membership anniversary date. (As a clarification: any pro rated figure relating to the sale or transfer of a residence would be handled through the buyer and seller escrow transaction of the property.) Activities expenses are generally paid in advance of the event. Therefore, the fee would not normally be refunded. All rules and rates are subject to change as determined by the Board of Directors.

CONDUCT OF MEMBERS AND DISCIPLINE

The authority granted to the Board of Directors to make and enforce such Rules and Regulations deemed reasonable and appropriate is provided in the governing documents. All Residents are expected to abide by the governing documents and these rules and to conduct themselves in a courteous and respectful manner at all times. It is important for you to read all the governing documents, please pay particular attention to the following provisions of the Declaration: (i) property use restrictions; (ii) owner assessment obligations; and (iii) architectural review and regulation. Actions that jeopardize or otherwise interfere with the rights and privileges of others, use of profanity, or actions which are otherwise abusive or disruptive will not be tolerated.

The governing documents also provide for the Association's enforcement and remedies, including but not necessarily limited to, the following: (1) the right of the Association to suspend a member's use of the recreational facilities, (2) the right of the Association to levy reasonable monetary fines, (3) the right of the Association to suspend services to a member, (4) the right of the Association to suspend the voting rights of any member, (5) the right of the Association to levy assessments against a member, and (6) the right of the Association to regulate the use of the common areas and recreational facilities. These rights are vested with the Board of Directors including the ability to restrict use of such areas and facilities.

Decisions are made by the Board in their exercise of reasonable business judgment and pursuant to established procedures.

Any inattention to duty or discourtesy on the part of an Association employee should be immediately reported to the Association Manager for appropriate action. Under no circumstances will Residents or guests interfere with, attempt to discipline, or direct employees in the course of Association business.

Any resident or guest not adhering to posted or otherwise obvious safety rules may be asked to leave. With respect to safety, proper decorum, and sanitation, the facility staff's judgment will prevail in all instances. Any complaint relating to a staff member's decision may be later appealed to the Association Manager; however, until such appeal is heard the staff member's decision stands. Arguing, being abusive to, or otherwise challenging a staff member may result in disciplinary action.

Sponsoring residents assume behavioral and financial responsibility for his or her guest.

Residents or guests charged with rules violations or misconduct will be subject to disciplinary actions by the Board of Directors.

Fines for CC&Rs Violations

For failure to submit a landscape plan, receive plan approval, and substantially complete the approved landscaping within ninety (90) days following acquisition of the owner's Lot (see Article V, section 5.05 of the Declaration) and absent a prior approved time extension by the Architectural Review Committee, the resident shall be subject to a fine (see Appendix A). Any successive monthly violations in excess of the ninety (90) day requirement will also be subject to a fine (see Appendix A) for each month that the Lot owner has not completed the landscaping.

For other violations of the CC&Rs or Rules and Regulations, the first violation shall be a warning in writing advising the owner or resident to come into compliance. Such warning shall be timely given to the owner or resident upon determination by the Association Manager that a violation exists and after an informal attempt to bring about compliance has failed or is impractical. If the owner or resident fails to respond, a second written notice of violation shall have a fine attached thereto, and the third violation and all successive violations shall carry further fines. The fine(s) shall be administered by the Association Manager on behalf of the Board, and recipients shall be given notice and an opportunity to be heard before the first fine is issued. (See Appendix A for a schedule of fines.) Other remedies are available to the Board if, in its determination, a continued violation or nuisance exists. (See Declaration, including but not limited to, Article IV, Section 4.01 and Article IV, Section 4.03.)

Dress Code (general)

Proper dress is required in all Association facilities, and specific attire may be designated by the Board for specific functions and at specific locations. Unless otherwise indicated, appropriate casual attire is required in all areas owned by the Association. Appropriate casual attire for men includes footwear, shirts with sleeves, pants or shorts. For women, footwear, blouses (sleeveless or otherwise), and pants/skirt/dress/shorts are appropriate. Upper body garments must be worn during all activities, except men using aquatic facilities. Appropriate athletic apparel including proper footwear is required in all indoor and outdoor sports areas.

No Smoking Policy

The Sierra Canyon Recreation Lodge is a "no smoking" area. This includes all indoor facilities. Outdoor smoking areas with ash trays may be provided. Individuals who use these areas are encouraged to keep them clean.

Document Review

Key operational documents pertaining to the Association are available for review in the Lodge. These documents include the Annual Budget, a summary review of quarterly financial statements, Annual Audit/Review, and Minutes and Resolutions of Board of Directors Meetings. Documents can be copied for Residents at a nominal fee. Membership data is restricted from public access to protect the members' rights and expectations of privacy.

Publicity

Classes and special events, along with periodic information about the Association will be provided through the following media: Bulletin boards, an information line, newsletters, and single page flyers. Newsletters will be distributed at the Recreation Lodge.

Use of Facilities by Children

When children are visiting, they are welcome to use Association facilities at times when Resident programs are not scheduled or during light Resident use periods. Hours for children's use is adjusted to meet Resident demands (i.e., subject to change), and the schedules are prominently posted. Adult supervision is required at all times by either the Resident sponsor or a guest with a guest pass card (Note page 10, Use of Facilities and Assumption of Risk). Regarding age restrictions:

- Children in diapers are not allowed in the pools or spa.
- Children under age 4 are not allowed in the pools.
- Children age 4 and older should not be in the locker room of the opposite sex at any time.
- Children 4-16 may swim during specified times, but adult supervision must be provided at all times.
- Children under 12 are not allowed to use any activity room facility or spa. Children 12-17 may use these facilities if accompanied by an adult, conditioned on individual activity room facility regulations and space availability. Guests 18 and older with no adult accompaniment must have a guest pass card in their possession.
- Please be respectful of your neighbors when children are using Association facilities.

Alcoholic Beverages

Alcoholic beverages may not be consumed in any recreation facility or on any common area except in designated approved areas. Approved areas include the , recreation facility patio and meeting rooms, and approved activities event areas.

Alcoholic beverages may not be sold by anyone other than the Association in the Lodge, or grounds without approval by the Board of Directors.

Resident Billings and Change of Address

Resident Annual Assessments shall commence on January 1 of each year and shall terminate on December 31 of such year. Annual Assessments shall be payable in advance monthly and appear as a charge on the homeowner's account. Coupon books will be issued to homeowner for payment of monthly assessments. Payments shall be made by either, a) mailing payment to the collecting agent's post office box, or b) by payment through homeowner authorized automatic payment. No payment on account of Assessments shall be due fewer than fifteen (15) days after such written notice has been given. Payment is considered delinquent if not received by the 15th day of the month. Late fees will be applied. (See Declaration, Article III.)

The Association Board of Directors has the authority to suspend any and all privileges, foreclose a lien or bring an action at law against a homeowner when an account becomes delinquent.

Any request for a change in mailing address must be made in writing and delivered to the Administration office of the Association.

USE OF FACILITIES AND ASSUMPTION OF RISK

All participation in Association programs and facilities is voluntary. Since participation in virtually all recreation, fitness and craft activities involves the assumption of some personal or physical risk, program participation by a Member or his or her guest is taken as tacit acknowledgment of that risk.

Our goal is to maintain the Association facilities in quality condition. However, periodic wear and tear, in addition to seasonal and climatic factors, may temporarily render an area subject to less than an optimum condition. If such a condition occurs,

Residents are urged to contact the appropriate Association staff member for assistance. If a Resident or guest accepts facility conditions, he or she does so with the understanding that the area is in a reasonably safe condition, and free of obstruction or hindrance.

The Association is not liable for personal injury, property damage or other inconvenience sustained during the use of its facilities and programs.

In assisting Residents and guests with program participation, reasonable comprehensive policies, operating instructions, rules, and signage have been developed to produce a safe and wholesome membership program. Prior to participating in any activity, please take time to become familiar with the individual facility layout and specific facility operating guidelines.

The facilities are designed to accommodate access to a majority of residents. Residents with special needs or disabilities may require additional assistance to participate in some recreational events.

FITNESS CENTER, POOL, AND SPA

Operational responsibility for all areas of the Fitness Center, rests with the Association Manager. Facility monitors are tasked with overseeing related policies and rules. Maintenance of the facilities rests with the Association's Facility Maintenance Staff.

Qualified Association employees or independent contractors will be available to provide instruction on the use of fitness equipment. Facility monitors are trained in basic CPR, but are in no way represented as fitness specialists, lifeguards, or as providing a qualified level of fitness or aquatic program supervision.

Locker rooms and showers are provided for use and enjoyment of Residents and guests. Lockers are available on a first-come, first-served basis. No clothing or personal effects should be left unattended or unsecured in the locker rooms as safekeeping shall be the responsibility of the individual Resident or guest.

In the swimming pool and spa, chemicals are used to ensure a sanitary and safe water environment. Conditions are tested and documented on a regular basis. If unacceptable conditions occur Association management reserves the right to close the facility at any time to preserve the health and well being of Residents and guests.

Food and beverages are not permitted in the Fitness Center, indoor pool area, or locker/shower rooms. The only exception to this rule is plastic water bottles. Glass containers are not allowed.

Towels are not provided and are the responsibility of the individual Resident or guest.

All users of facilities are expected to comply with posted rules and verbal instruction from the Association employees.

Hours of the Fitness Center will be posted on the door and will be adjusted to accommodate seasonal demands and as determined by Association staff.

EXERCISE AREAS

Exercise areas are designed to enhance low to medium range strength and cardiovascular activity for Residents. While individualized programs can be developed for personal fitness needs, the primary emphasis of this area is to provide a sound exercise program.

Rules

- a. Prior to using the Fitness Center, residents must attend an orientation training class. They should also obtain proper medical clearance before engaging in activities.
- b. The equipment in the Exercise Area is designed for strength and cardiovascular training. It is important to recognize and observe rules concerning proper usage.
- c. All residents, resident sponsored guests, and Developer guests must sign in with the monitor on duty and show I.D. card before using equipment.

- d. Guests under the age of 16 are not allowed to use the Fitness Center. Guests 16 and older may use the Fitness Center while accompanied by a resident, and pending space availability. Residents have priority on the use of equipment.
- e. Use of cardiovascular equipment such as treadmills and bicycles is limited to 30 minutes per person unless no one is waiting to use the equipment.
- f. All equipment should be wiped down with a towel following use. All dumbbells and mats should be returned to their designated places.
- g. Appropriate athletic apparel and athletic shoes are required. Upper body garments must be worn at all times.
- h. No food or drink is allowed in the Fitness Center area, except for water in plastic bottles.
- i. The audio system is provided for the convenience and enjoyment of residents and guests. Personal radios are permitted, but are to be used only with individual earphones.

AEROBICS CLASSES

The Aerobics classes are designed to support low to medium impact aerobics classes and provide an area for other stretching exercises and activities.

Rules

- a. Proper medical clearance should be obtained before engaging in any activities held in this Aerobics area.
- b. Classes have preference over individual self-directed activities.
- c. Appropriate athletic apparel and athletic shoes are required. Upper body garments must be worn at all times. No street shoes may be worn (e.g., loafers, dress shoes, heels, boots, etc.).
- d. Children under 16 are not allowed to participate in aerobics classes. Guests 16 and older may attend pending space availability.
- e. No food or drink is allowed in the Aerobics classes, except for water in plastic bottles.

INDOOR SWIMMING POOL

General

- a. Showers must be taken before entering the pool. If using cosmetics, suntan oils, or lotions showers must be taken prior to each entry into the pool.
- b. Children in diapers are not permitted in the pool at any time. Children under 4 are not allowed in the pool. They are permitted in the deck areas of the pool under adult supervision as long as they do not disturb Residents or guests. Children ages 4-16 may only swim during posted hours and with adult/resident supervision at all times.
- c. Personal radios are permitted, but are to be used only with individual earphones and only on the deck or lounge areas.
- d. Food and canned nonalcoholic beverages may be consumed only in outdoor areas where tables and trash receptacles have been provided. Food or beverages are not allowed in the pool or on the surrounding deck apron. Glass containers of any type are **strictly** prohibited.
- e. Swim suits are required at all times while in the pool. Cutoffs or other forms of street clothes are not acceptable attire.
- f. Chemicals are used to ensure a sanitary environment and safe water conditions. The system is tested and test results documented on a regular basis. If unacceptable conditions occur, management will close the facility to preserve the health and well being of members and guests.
- g. Pool hours vary according to seasonal demands (i.e., are subject to change). Specific times are prominently posted and publicized.
- h. **NO POOL TOYS** are allowed in the indoor or outdoor pools, or the spa.

Safety

- a. Lifeguards are not provided and facilities are designated as "Swim At Your Own Risk." Life buoys and "shepherd's crooks" are available at poolside for emergency use.
- b. The depth of the pools may vary between three (3) and four to five feet (4-5').
DIVING IS PROHIBITED.

- c. Use of any device (fins, inner tubes, face masks, etc.) in the pool must be approved by the Association Manager or Association staff.
- d. Running or boisterous behavior is not permitted. While we expect children to be reasonably controlled, some discretion in determining what is boisterous or otherwise unacceptable behavior must be used. Residents are asked to be reasonable in this respect when assessing children's behavior during hours when children are permitted to be in the area.
- e. Lane dividers may be used as a safety measure to separate lap swimmers from other pool users, properly guide the lap swimmer, and preclude injury from interference from outside lanes. Disturbing the lane markers in any way is not permitted at any time (e.g., please do not hang on the lane markers).

Special Activities

The majority of these events will be generated by the Association, with all reasonable efforts made to avoid weekend scheduling.

- a. Special events restricted for a specific group may be allowed and will be posted well in advance.
- b. Events sponsored by a specific group but open to the entire community may occasionally be scheduled to coincide or overlap with normal operating hours.
- c. The Association Manager, or his or her delegate, will approve any special event. Emphasis will be placed on satisfying the majority of Residents, while minimizing inconvenience or disruption to the minority.
- d. The Association Manager may reserve the Facilities for organized aerobics and other scheduled activities. These times will be posted.

Use of Handicap Devices

Handicap lifts are self-serve and may be used at the discretion of the Resident or guest.

Lap Swimming

- a. Lap swimming will be conducted in specific pool areas **only**, unless lap swimming does not interfere with the social enjoyment of the majority of Residents or scheduled activities.

- b. Lap lanes are for designated lap swimmers and water walking.
- c. As participation in aquatic programs increase, additional rules may be developed.

SPA

Rules

- a. A shower must be taken before entering the spa.
- b. Swim suits are required at all times while in the spa. Cutoffs or other forms of street clothes are not acceptable.
- c. Children under the age of 12 are not permitted in the spa. Children between 12-16 must be accompanied by an adult during the posted childrens' hours.
- d. Swimming is not permitted, and vigorous exercise or exercise tailored for specific muscle groups should be avoided. Spa waters are maintained at approximate temperatures of 102-104 degrees Fahrenheit, and are intended to relax muscles. In this environment, exercise has a tendency to aggravate an ailment rather than improve it.
- e. While the appropriate time limit for use of the spas may vary from one person to another, 15 minutes is generally considered to be sufficient for muscle relaxation and general enjoyment. When exiting the spa, do so very slowly using the steps and handrails.
- f. Individuals with hypertension, heart conditions, or those on medication for any reason should not use the spa without first consulting a physician. Individuals who have recently consumed alcoholic beverages should avoid using the spa altogether.
- g. Food is not permitted in or around the spa.

TENNIS COURTS

Tennis Courts are available for recreational use.

Responsibility

Operation of the courts is the responsibility of the Aspen Lodge Executive Director. Maintenance of the courts and associated areas is the responsibility of the Association employees and appointed resident volunteers.

Rules

- a. Hours of operation: Will be determined by the Aspen Lodge staff. Courts will be open daily from dawn to dusk, and subject to weather and maintenance requirements.
- b. Appropriate tennis apparel is required and upper body garments must be worn at all times. Rubber soled tennis shoes are mandatory. Hard soled footwear (street shoes) are not allowed.
- c. Resident guests must be with a resident or be in possession of a "guest pass" and have signed in at the Aspen Lodge administration desk before playing tennis.
- d. Occasionally, times for open play and or lessons will be scheduled. When participation increases, additional rules for court reservations will be provided.
- e. Duration of play is limited to one hour when playing singles and extended to one and a half hours of play time when playing doubles unless no other person is waiting for a court.
- f. All players play at their own risk.
- g. If there is any debris or water on the court, please notify the Association staff. Courts will not be maintained by staff if snow is present, the snow will be left alone to melt naturally.

Revised: August 13, 2008

Effective: September 13, 2008

**Tennis Courts – Revision of Sierra Canyons
Rules and Regulations Tennis Courts**

In Witness Whereof, the said Board of Directors has caused this revision to be signed by its President and Treasurer, this 17th day of December 2008. The “Tennis Courts” revision within the Sierra Canyon “Rules and Regulations” was approved at the August 13, 2008 Sierra Canyon Board of Directors meeting and went into affect on September 13th, 2008.

SIERRA CANYON ASSOCIATION

By: _____

Curtis Rowe, President

By: _____

Walt Keane, Treasurer

OUTDOOR AREAS

Throughout the community, there are outdoor areas available to accommodate both self-directed and passive recreation activities. Areas include bike paths, walking paths, barbeque area, parks and other outdoor recreational amenities.

Responsibility

The Association Staff is responsible for scheduling, maintaining and seeing the use of these areas. It is the responsibility of all residents and guests to become knowledgeable of all Association and City of Reno regulations that govern the use of outdoor areas.

Rules

- a. Outdoor areas are unsupervised and residents and guests should exercise caution when using them.
- b. Association picnic areas may be reserved up to 30 days prior to a scheduled event. A nominal fee to cover maintenance of the area will be charged.
- c. All areas should be cleaned following use by the person(s) utilizing the specific outdoor area.
- d. Certain indigenous species of plants, birds and wild animals occupy some of the park and open areas. Please take care not to harm the plants and do not feed any of the animals or birds.

RECREATION LODGE

This area (the "Lodge") houses the Association social areas, billiards room, craft room (multi-use), kitchen, and multipurpose rooms. Scheduling of rooms and events is the responsibility of the Association Staff.

Operating hours for the Lodge and other facilities are set in Appendix B and will be adjusted as deemed necessary by the Association Manager with Board approval.

BILLIARDS ROOM

Billiards tables for recreational use.

Responsibility

Operation of the billiards room is the responsibility of the Association Staff. Maintenance of the room and associated area is the responsibility of the Association Staff.

Operating Policies

- a. Operating Hours: The billiards room is open for use daily during the Lodge posted hours. Tables are available during open play on a first-come, first-served basis. Players waiting to play may "challenge" the winner of the previous game.
- b. For protection of the equipment, and the safety of the residents and guests, please do not sit on the billiards tables.
- c. When taking a hard-to-reach shot, one foot must always be on the floor.
- d. Do not remove billiard balls or cue sticks from the room.
- e. When you are finished playing billiards, return the cue sticks to the racks and the billiard balls to the table pockets.
- f. For the protection of the billiards tables, no masse' shots are allowed (shooting straight down on the ball).
- g. Rules for use of the billiards room shall be posted.
- h. Food or drink is not permitted in Billiards Room.

Age Restrictions

- 1..... No children under 16 are allowed to use the billiard room facilities.
- 2..... Children 12 through 15 may visit as spectators. All guests must be accompanied by a Resident sponsor. Resident supervision must be provided for the duration of the visit.

Sportsmanship

Residents or guests who abuse equipment or facilities may lose billiards room privileges. Please help keep your facilities in top playing condition.

RECREATION LODGE AND FACILITY SPECIAL USE AND MULTI-PURPOSE ROOMS

There are several rooms in the Lodge and other facilities designated for special use or multi-purpose use. These rooms are scheduled by the Association Activities Director and are the property of the Association and are not the property of any specific group or club.

Special Use Rooms

These are rooms with the appropriate arts and crafts and ceramics equipment. These rooms will support activity use as determined by the Activities Director and the Association Manager.

Multi-purpose Rooms

Multi-purpose rooms are available for use or special use as required. They must be reserved through the Association office, and can be configured to support various groups and needs.

Room Use Fees

There are fees for use of rooms in the Lodge by individuals and public functions. These fees and priorities for usage are set by the Board of Directors. Information on fees may be obtained from the Association office.

Printed Materials

Only Association flyers and materials will be displayed in the Lodge. Flyers and posters for outside events are not allowed.

Cancellations

Refunds may be given for classes or activities that are canceled. Cancellation policy for events are as follows:

- (1) No refunds will be given unless the Association cancels an event. In

the instance of cancellation by the Association, a credit or refund may be given. Credits must be used within six (6) months from the date on which they were issued.

- (2) Requests for a credit or refund due to a cancellation must be accompanied by the original receipt.

Appendix A

SCHEDULE OF CHARGES

<u>Description</u>	<u>Amount</u>
Additional Resident Member I.D. Card	\$240.00 each
Replacement I.D. Cards or Additional Nametags	7.00 each
Weekly Guest Pass	25.00 each
Daily Guest Pass	5.00 each
Renters Administrative Transfer Fee	50.00 each
Landscaping Fine	250.00 per month
Other Fines and Penalties (other violations and provisions of CC&Rs, Bylaws, Rules & Regulations, etc.)	50.00 each/per day

Appendix B

Appendix B

OPERATING HOURS FOR FACILITIES

(Subject to change due to weather, special events, and other unforeseeable conditions.)

<u>Area</u>	<u>Season/Days</u>	<u>Hours</u>
Fitness	Monday-Saturday Sunday	7:00a.m. - 8:00p.m. 8:00a.m. - 3:00p.m.
Administrative Offices	Monday-Friday	8:00a.m. - 4:00p.m.
Recreation Lodge	Monday-Saturday Sunday	8:00a.m. - 8:00p.m. 8:00a.m. 3:00p.m.

**RESOLUTION OF THE BOARD OF DIRECTORS OF
SIERRA CANYON ASSOCIATION**

SIERRA CANYON ASSOCIATION
ASPEN LODGE OPERATING HOURS RULES/RESOLUTION

Approved: December 14, 2006

BE IT RESOLVED that at a duly noticed and conducted meeting of the Board of Directors of Sierra Canyon Association ("the Association"), held on the 13th day of December, at which a quorum was present, the following resolution was adopted:

Whereas, this resolution is to change the Rules & Regulations of the Sierra Canyon Association, Appendix B, Operating Hours for Facilities, to allow for the operating hours to be changed from specific times and days of operation to "Hours/Days of operation posted at the Aspen Lodge". This will allow for seasonal hours of operation and changes due to lack of use.

Now, therefore, be it resolved that the following Aspen Lodge Hours of Operation policy has been hereby adopted by the Sierra Canyon Board of Directors:

Appendix B, of the Sierra Canyon Rules & Regulations, Operating Hours for Facilities is amended to read: Hours/Days of operation are to be posted at the Aspen Lodge.

IN WITNESS WHEREOF, the said Board of Directors has caused this Resolution and Policy to be signed by its President and Secretary, this 14th day of December, 2006, and direct its distribution to all homeowners.

Alex Krell, Board President

Date

Ralph Nowicki, Board Secretary

Date

5. **ELECTION OF OFFICERS.** The following were duly elected to the officers indicated after their names:

Gary A. Sorrels	President
John Miles	Vice President
Doug Freeman	Secretary
Doug Freeman	Chief Financial Officer

6. **ADOPTION OF BYLAWS** (Resolution 2004.001) The following resolutions were adopted:

RESOLVED: That the *Bylaws* dated March 31, 2004 for reference as presented and discussed at this meeting be, and the same hereby are, adopted as and for the Bylaws of this corporation.

RESOLVED FURTHER: That the Secretary of this corporation be Doug Freeman, and the Secretary hereby is, authorized and directed to execute a certificate of the adoption of said Bylaws and to insert said Bylaws as so certified in the Book of Minutes of this corporation, and to see that a copy of said Bylaws, similarly certified, is kept at the principal office for the transaction of business of this corporation.

7. **ADOPTION OF SEAL** (Resolution 2004.002). The following resolution was adopted:

RESOLVED: That the corporation adopt as its seal the figure and design which shall contain the name of this corporation, "Nevada, Incorporated," and the date of incorporation.

8. **ORGANIZATION EXPENSES** (Resolution 2004.003). The following resolution was adopted:


RESOLVED: That the President or the Secretary and the Treasurer of this corporation be Gary A. Sorrels, John Miles and Doug Freeman, and they hereby are, authorized and directed to pay the expenses of the incorporation and organization of this corporation.

9. **PRINCIPAL OFFICE** (Resolution 2004.004). The following resolution was adopted:


RESOLVED: That 1798 Del Webb Parkway, Reno, Nevada 89523, be, and the same hereby is, designated and fixed as the principal office for the transaction of the business of this corporation.

10. **ACCOUNTS AND TIME DEPOSITS** (Resolution 2004.005). The following resolution was adopted:

RESOLVED: That the President, Gary A. Sorrels, Vice President, John Miles, and Secretary and Chief Financial Officer, Doug Freeman, are hereby authorized to make, execute and deliver to any banking institution and/or financial institution the necessary documents and things required to create and maintain checking and/or savings accounts for the operation of business, as the need from time to time arises; further to invest in the time certificates of deposit on behalf of this corporation, and further to execute any and all form resolutions required by said banking and/or financial institution to carry out the purpose and intent of this resolution, each of said form resolutions to bear the date of this meeting as if adopted at this time. Said authorized signatures for all such accounts shall be as follows:



Gary A. Sorrels



Doug Freeman



John Miles

RESOLVED FURTHER: That dual signatures shall be required for any checks or drafts for monies issued in the course of business of this corporation and that one such signature on any such check or draft shall be that of either the President or the Treasurer.

11. **ADOPTION OF RULES AND REGULATIONS** (Resolution 2004.006)

RESOLVED: The *Sierra Canyon Design Guidelines* dated March 26, 2004 are hereby adopted for use by the Architectural Review Committee and the Association.

12. **ADOPTION OF DESIGN GUIDELINES** (Resolution 2004.007)

RESOLVED: The *Sierra Canyon Rules and Regulations* dated March 26, 2004 are hereby adopted for use by the Association.

13. **FORMATION OF ARCHITECTURAL REVIEW COMMITTEE** (Resolution 2004.008)

RESOLVED: The Architectural Review Committee is hereby formed with John Miles appointed as Chairperson, and Doug Freeman and Bret Scoggin appointed as members of the Committee.

14. **DESIGNATION OF RESIDENT AGENT** (Resolution 2004.009)

RESOLVED: The Corporation Trust Company of Nevada, 6100 Neil Road, Suite 500, Reno, Nevada 89511, be, and hereby is, designated as the Resident Agent of the corporation in the State of Nevada and of the books required by law to be kept in that office, and as the agent upon whom process against this corporation may be served in accordance with the laws of the State of Nevada, and that said agent shall act under the direction and supervision of counsel of this corporation in all matters arising out of or pertaining to said agency.

15. **APPROVAL OF BUDGET** (Resolution 2004.010)


The last order of business was the consideration of a budget and assessments for the Association for January 1, 2004 through December 31, 2004. Since subdivision improvements will be constructed prior to sales and occupancy of lots by third-party owners, the budget includes only an estimate of 60 lots be constructed and sold through December 31, 2004. The monthly assessment shall be set at \$175.00 (\$75.00 to Master Association and \$100.00 to Sierra Canyon Association) per lot, but prior to the time the Sierra Canyon Recreation Lodge is completed, an assessment discount of \$68.00 shall be applied. Declarant will pay for all expenses of incorporation, maintaining the Association and the common area up until the close of escrow of the first home in Sierra Canyon. The proposed budget is attached to these minutes.


Upon motion duly made, seconded and unanimously adopted, it was:

RESOLVED that the budget of the Association shall include an estimate based on payment of the prorated monthly assessment of \$175.00 (less discount of \$68.00) for 60 lots. All expenses of the Association for incorporating and for activities until the close of escrow of the first home in Sierra Canyon shall be paid by Declarant. The monthly assessment for calendar year 2004 shall be \$175.00 (less discount of \$68.00) per lot for all lots which have reached the Assessment Threshold as specified in the Master Declaration, with pro rated share of the monthly assessment collected at close of escrow for each lot, including models.

By executing these minutes below, the Declarant agrees to the budget and assessment stated herein and waives the requirement of a membership meeting to approve the same.

There was no further business to come before the meeting and the meeting was adjourned.

By: 
President

By: 
Secretary

**RESOLUTION OF THE BOARD OF DIRECTORS OF
SIERRA CANYON ASSOCIATION**

**SIERRA CANYON ASSOCIATION
FINANCIAL INVESTMENT POLICY RESOLUTION**

Approved: December 14, 2006

WHERE AS the SIERRA CANYON ASSOCIATION has the fiduciary responsibility to oversee the funds of the association;

Be It Resolved that the replacement reserves shall be invested in such amounts as may be authorized by the Board of Directors in accordance with the following policy;

A. No reserve funds shall be deposited or invested except in Authorized Investments. Authorized Investments are those which are in accordance with Nevada Revised Statutes, Chapter 116, and with the Declaration and Bylaws of the *SIERRA CANYON ASSOCIATION*, are obligations of, or fully guaranteed by, the United States Government and which conform to this Investment Policy. Authorized investments shall include the following;

1. Certificates of Deposit (CD's)
2. **Money market deposit accounts** or funds
3. U.S. Treasuries and U. S Government bond funds or bond funds
4. GNMA Mutual funds

B. The Board of Directors, Treasurer, (or future Financial Committee comprised of knowledgeable members of the Association) shall advise or secure such advice as is required from professional sources for the Board on what investments to make and what investments to liquidate as the Reserves Policy requires.

C. All accounts, instruments, and other documentation of such investments shall be subject to the approval of, and may be amended from time to time by, the Board of Directors as appropriate, and shall be reviewed at least annually.

D. Investments shall be guided by the following goals, listed in decreasing order of importance:

1. Safety of principal. The long-term goal is safety for the replacement reserves.
2. Liquidity and accessibility. Funds should be readily available for projected or unexpected expenditures.
3. Minimal costs. Investment costs (redemption fees, commissions, and other transaction costs) should be minimized.
4. Investment Firm: Funds should be invested with a reputable brokerage firm skilled in handling the above mentioned instruments.

Resolution #2006-05
SIERRA CANYON ASSOCIATION
Financial Investment Policy Resolution

1. Return. Funds should be invested to seek the highest level of return that is consistent with the preservation of the purchasing power of the principal and accumulated interest.

Note: The investment guide above is listed in a priority fashion. All items should be included in the policy, but the importance of each item should be understood in reference to the other items.

E. The *SIERRA CANYON ASSOCIATION* approved Reserve Study and associated savings and expenditure programs, shall be used in providing guidelines for staggered maturities and provide the ability to plan for the use of replacement funds without unnecessary transaction costs.

Notes: The financial investment policy should reflect the fiduciary obligation of the Board members to protect the Association's assets.

Importance of establishing an investment policy are as follows;

- Establishes priorities for investment guidance,
- Policy will transcend changes in Board membership,
- Policy will assure guidance in investments and maintenance of reserve funds,
- Policy will establish and maintain a financial institution that will implement the recommended investments for current and future Boards and managers, and provide a level of financial industry professional advice as required,

The Investment Policy establishes priorities for the decision making process. The reserve fund *must* be invested in a way that will first provide *safety*, then *liquidity*, and finally *yield*.

IN WITNESS WHERE OF, the said Board of Directors has caused this Resolution and Policy to be signed by its President and Treasurer, this 14th day of December, 2006, and direct its distribution to all homeowners.



Alex Krell, Board President

12.14.06

Date



Walt Keane, Board Treasurer

Date

**RESOLUTION OF THE BOARD OF DIRECTORS OF
SIERRA CANYON ASSOCIATION**

**SIERRA CANYON ASSOCIATION
AUTO-PAYMENT OF ROUTINE EXPENSES RESOLUTION**

Approved: December 14, 2006

BE IT RESOLVED that at a duly noticed and conducted meeting of the Board of Directors of Sierra Canyon Association ("the Association"), held on the 13th day of December, at which a quorum was present, the following resolution was adopted:

Whereas, this resolution is to document the Sierra Canyon Association Board's decision to pay certain routine invoices to include, but not be limited to; utilities, insurance and reserve transfers, via automatic payments, for the purpose of efficiency.

Whereas it is the Board's fiduciary responsibility to be certain that all bills are paid efficiently and on time, this resolution is to create an accounts payable procedure that will apply to the routine operating expense invoices of : telephone, electric, gas, water, sewer, trash, cable, music, insurance, reserve transfers, and any other routine expenses that may come available.

Now, therefore, be it resolved that the following accounts payable procedure has been hereby adopted by the Sierra Canyon Board of Directors and this resolution will be added to *Addendum B - Check Signing* of the management contract:

Whereas, the Board authorizes payment of the above mentioned services via an automatic bill pay. Bills will still be reviewed for accuracy by the treasurer and management company, but the invoice amounts will be deducted and paid each month automatically. The management company will set up auto-payment processes for the payment of the following routine invoices: telephone, electric, gas, water, sewer, trash, cable, music, insurance and reserve transfers (monthly routine reserve transfers from operating to reserve only).

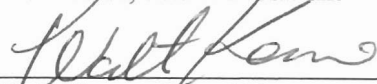
IN WITNESS WHERE OF, the said Board of Directors has caused this Resolution and Policy to be signed by its President and Treasurer, this 14th day of December, 2006, and direct its distribution to all homeowners.



Alex Krell, Board President

12.14.06

Date



Walt Keane, Board Treasurer

12.14.06

Date

**RESOLUTION OF THE BOARD OF DIRECTORS OF
SIERRA CANYON ASSOCIATION**

SIERRA CANYON ASSOCIATION
PARTICIPATION VIA TELEPHONE CONFERENCE RESOLUTION

Approved: December 14, 2006

BE IT RESOLVED that at a duly noticed and conducted meeting of the Board of Directors of Sierra Canyon Association ("the Association"), held on the 13th day of December, at which a quorum was present, the following resolution was adopted:

Whereas, this resolution is to document the Sierra Canyon Association Board's decision to allow attendance and participation, via telephone conference or similar method of communication, in meetings of the members of the Board of Directors.

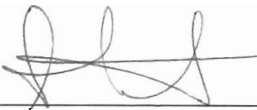
Whereas, the authority is given to the Sierra Canyon Association Board of Directors by the Nevada Revised Statutes, Chapter 82, NRS 82.271, revised and adopted by the State of Nevada in 1991.

Whereas, it is the intent of this policy to be applicable to all members of the board of directors, their delegates or any committee designated by the Board.


Now, therefore, be it resolved that the following telephone conference attendance policy has been hereby adopted by the Board of Directors:

Any board member, their delegate or any committee designated by the Board, may attend a board meeting by means of a telephone conference, or similar method of communication, by which all persons participating in the meeting can hear each other. Participating in a meeting pursuant to this policy constitutes presence in person at the meeting.

IN WITNESS WHEREOF, the said Board of Directors has caused this Resolution and Policy to be signed by its President and Secretary, this 14th day of December, 2006, and direct its distribution to all homeowners.



Alex Krell, Board President



Ralph Nowicki, Secretary

12-14-06

Date

12-14-06

Date

**RESOLUTION OF THE BOARD OF DIRECTORS OF
SIERRA CANYON ASSOCIATION**

**SIERRA CANYON ASSOCIATION
HOMEOWNER COMMENT (VERBAL & WRITTEN) RULES/RESOLUTION**

Approved: December 14, 2006

BE IT RESOLVED that at a duly noticed and conducted meeting of the Board of Directors of Sierra Canyon Association ("the Association"), held on the 13th day of December, at which a quorum was present, the following resolution was adopted:

Whereas, this resolution is to document the Sierra Canyon Association Board's decision to allow for public/homeowner comment at the beginning of the Board of Directors Meeting. That there shall be a limit of three (3) minutes allowed for those wanting to speak. That no owner may speak a second time until all other owners wishing to do so have spoken. That written comments and/or questions submitted before the meeting will take precedence.

Whereas, the authority is given to the Sierra Canyon Association Board from the Nevada Revised Statutes, subsection 4, NRS 116.3108, revised and adopted by the State of Nevada in 1991.

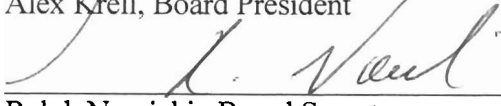
Now, therefore, be it resolved that the following Homeowner Comment (Verbal & Written) policy has been hereby adopted by the Board of Directors:

Homeowner's have the right to speak to the Board. This period is devoted to comments by units' owners and discussion of those comments. Except in emergencies, no action may be taken upon a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken. The Board has the authority to limit the time for individual comments, a time limit of three (3) minutes has been allotted per owner. No owner can give away their allotted time to expand another owner's time.

IN WITNESS WHEREOF, the said Board of Directors has caused this Resolution and Policy to be signed by its President and Secretary, this 14th day of December, 2006, and direct its distribution to all homeowners.



Alex Krell, Board President



Ralph Nowicki, Board Secretary

12-14-06
Date

12-14-06
Date

**RESOLUTION OF THE BOARD OF DIRECTORS OF
SIERRA CANYON ASSOCIATION**

**SIERRA CANYON ASSOCIATION
HOMEOWNER WRITTEN COMMENT ON SPECIFIC AGENDA ITEM RESOLUTION**

Approved: December 14, 2006


BE IT RESOLVED that at a duly noticed and conducted meeting of the Board of Directors of Sierra Canyon Association ("the Association"), held on the 13th day of December, at which a quorum was present, the following resolution was adopted:

Whereas, this resolution is to document the Sierra Canyon Association Board's decision to allow for public/homeowner comment on a specific agenda item during the board meeting, if before the beginning of the board of directors meeting a written comment form was submitted to the President of the Board. This will allow for homeowners who submit written comments before the Board Meeting to discuss his/her concerns on the specific agenda item during the Board Meeting when the agenda item is reviewed.

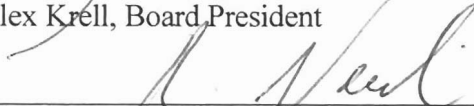
Now, therefore, be it resolved that the following Homeowner Written Comment policy has been hereby adopted by the Sierra Canyon Board of Directors:

Homeowner's have the right to submit a written comment on a specific agenda item before the start of the board meeting. This will allow a homeowner to question, comment on, or discuss a specific agenda item when the board reviews/discusses the item. All discussion shall be germane to the specific agenda item for which the request was made. The Board has the authority to limit the time for individual comments on the specific agenda item to three (3) minutes per Nevada Revised Statutes, subsection 4, NRS 116.3108 and Sierra Canyon Resolution #2006-08 .

IN WITNESS WHEREOF, the said Board of Directors has caused this Resolution and Policy to be signed by its President and Secretary, this 14th day of December, 2006, and direct its distribution to all homeowners.



Alex Krell, Board President



Ralph Nowicki, Board Secretary

12-14-06

Date

12-14-06

Date

**RESOLUTION OF THE BOARD OF DIRECTORS OF
SIERRA CANYON ASSOCIATION**

SIERRA CANYON ASSOCIATION
ASPEN LODGE OPERATING HOURS RULES/RESOLUTION

Approved: December 14, 2006

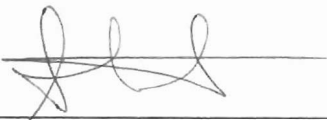
BE IT RESOLVED that at a duly noticed and conducted meeting of the Board of Directors of Sierra Canyon Association ("the Association"), held on the 13th day of December, at which a quorum was present, the following resolution was adopted:

Whereas, this resolution is to change the Rules & Regulations of the Sierra Canyon Association, Appendix B, Operating Hours for Facilities, to allow for the operating hours to be changed from specific times and days of operation to "Hours/Days of operation posted at the Aspen Lodge". This will allow for seasonal hours of operation and changes due to lack of use.

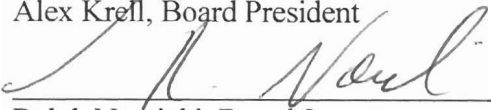
Now, therefore, be it resolved that the following Aspen Lodge Hours of Operation policy has been hereby adopted by the Sierra Canyon Board of Directors:

Appendix B, of the Sierra Canyon Rules & Regulations, Operating Hours for Facilities is amended to read: Hours/Days of operation are to be posted at the Aspen Lodge.

IN WITNESS WHEREOF, the said Board of Directors has caused this Resolution and Policy to be signed by its President and Secretary, this 14th day of December, 2006, and direct its distribution to all homeowners.



Alex Krell, Board President



Ralph Nowicki, Board Secretary

12-14-06
Date

12-14-06
Date

**RESOLUTION OF THE BOARD OF DIRECTORS OF
SIERRA CANYON ASSOCIATION**

Sierra Canyon Association Collection Agency Resolution

BE IT RESOLVED that at a duly noticed and conducted meeting of the Board of Directors of Sierra Canyon Association ("the Association"), held on the 15th day of February, 2007, at which a quorum was present, the following resolution was adopted:

Whereas, Sierra Canyon Association Board of Directors 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 the CC&R's. The Association shall have the power to do any lawful act that may be authorized, required or permitted to be done by the Association under this Declaration, the Articles, The Bylaws and to do and perform any act that may be necessary or proper for or incidental to the exercise of any of the express powers of the Association.

Whereas, it is the intent of this policy to be applicable to all homeowners of the Association.

Now, Therefore, Be It Resolved that the Board of Directors agrees to the policies and procedures of the Alessi Trustee Corporation and accepts them to be the Collection Agency for the Association.

IN WITNESS WHEREOF, the said Board of Directors has caused this Resolution and Policy to be signed by its President and Secretary, this 15th day of February, 2007, and direct its distribution to all homeowners.


SIERRA CANYON ASSOCIATION

By:



President

By:



Secretary

**RESOLUTION OF THE BOARD OF DIRECTORS OF
SIERRA CANYON ASSOCIATION**

Sierra Canyon Association Assessment Late Fee Policy Resolution

BE IT RESOLVED that at a duly noticed and conducted meeting of the Board of Directors of Sierra Canyon Association ("the Association"), held on the 15th day of February, 2007 at which a quorum was present, the following resolution was adopted:

Whereas, Sierra Canyon Association Board of Directors 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 the CC&R's. The Association shall have the power to do any lawful act that may be authorized, required or permitted to be done by the Association under this Declaration, the Articles, The Bylaws and to do and perform any act that may be necessary or proper for or incidental to the exercise of any of the express powers of the Association.

Whereas, Sierra Canyon Association is responsible for the collection of the assessments and late fees per the governing documents, Article III, Section 3.08, the Assessment Policy and Procedure is as follows:

Whereas, it is the intent of this policy to be applicable to all homeowners of the Association.

Now, Therefore, Be It Resolved that the following Assessment Policy and Procedure be established:

Assessments are paid quarterly due on the first day of the quarter. An assessment payment is delinquent if not paid within thirty (30) days after the due date. Each delinquent assessment shall bear interest at the rate of eighteen percent (18%) per annum from the day it becomes due together with a late fee of \$25.00 for each delinquent installment.


Accounts thirty (30) days past due
Accounts sixty (60) days past due
Accounts ninety (90) days past due

Accounts one hundred twenty (120) days past due
Accounts over one hundred thirty (130) days
Accounts over one hundred sixty (160) days

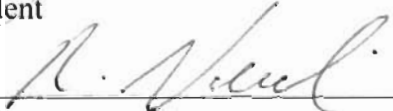
Courtesy Letter requesting payment
Letter requesting payment
Second Letter requesting payment
Intent to Lien Letter if not paid
within ten (10) days
Lien will be filed
Notice of Default will be filed
Notice of Sale will be filed
(foreclosure)

IN WITNESS WHEREOF, the said Board of Directors has caused this Resolution and Policy to be signed by its President and Secretary, this 15th day of February, 2007 and direct its distribution to all homeowners.

SIERRA CANYON ASSOCIATION

By: 

President

By: 

Secretary

SIERRA CANYON ASSOCIATION
RESOLUTION OF THE BOARD OF DIRECTORS

Association Violation/Hearing Guidelines & Procedures
Association Rules and Regulations

BE IT RESOLVED that at a duly noticed and conducted meeting of the Sierra Canyon Association Board of Directors, held on the 13th day of August, 2008, at which a quorum was present, the following resolution was revised and adopted:

Whereas, the Sierra Canyon Association Board of Directors may adopt certain rules and regulations as deemed proper for the use and occupancy of the Association property.

Whereas, the Sierra Canyon Association Board of Directors intends for this policy to be applicable to all homeowners, residents, tenants, guests, etc. of the Association.

Whereas, **Article III, Use Restrictions** allows for rules and regulations:

Now, therefore be it resolved that the following **Association Rules and Regulations** for the Sierra Canyon Association be established:

Guidelines and Procedures:

1. Violations of the Association's CC&R's, Bylaws, Policy Resolutions and/or Rules and Regulations may be reported by a homeowner, a member of the HOA staff, a representative of the management company or Board of Directors, and/or by a member of the Board.
2. If the violator is a lessee, tenant, guest, invitee, employee, agent, etc. of the homeowner, the homeowner shall nonetheless be responsible. The homeowner shall be the one to whom the notices and demand to comply shall be directed.
3. Reported violations that cannot be verified during regular business hours/days must be submitted in writing, via mail or email, to the Management Company office. The names of persons reporting violations will be released only to members of the Board of Directors, Management Company, Executive Director and/or the Community Standards Hearing Panel. The Association will not follow-up on anonymous reports.
4. Property inspections will be conducted twice a month by a representative of the Management Company. Violations on the Community Standards Hearing Schedule will be verified by a representative of the Management Company.
5. The Association shall maintain a general record of each violation of the governing documents, other than a failure to pay assessments, for which the Board has imposed a fine or other sanction as provided in NRS 116.

Association Violation/Hearing Guidelines & Procedures
Association Rules and Regulations

6. The Rules and Regulations shall be read in conjunction with the Declaration of Covenants, Conditions and Restrictions (CC&R's) and the Bylaws and are meant to complement the CC&R' and the Bylaws.
7. **HEALTH, SAFETY OR WELFARE violations are subject to the following:**
 - (a) If the violation is deemed to be a matter of Health, Safety or Welfare, the homeowner will be sent a "Violation Notice" by first class U.S. mail, certified mail, and a copy of the "Violation Notice" will be hand delivered to the unit. The homeowner will also be called or e-mailed if such information is on file with the management company.
 - (b) The homeowner will be required to correct the violation immediately. Failure to do so will cause an "Official Notice of Community Standards Hearing/Fine" to be sent to the homeowner by first class and certified (return receipt required) U.S. mail. Fines may be assessed per the Fine Schedule below.
 - (c) The homeowner will be charged for all postage and fees associated with mailing the "Official Notice of Community Standards Hearing/Fine".
8. **GENERAL RULES violations are subject to the following:**
 - (a) The homeowner will be sent a "Courtesy Letter" detailing the violation, by first class U.S. mail. The homeowner will be granted fourteen (14) days from the date of the letter to correct the violation.
 - (b) Failure to correct the violation will cause a "Violation Notice" to be sent to the homeowner by first class U.S. mail along with a "Violation Response Form".
 - (c) If the violation is not corrected or a Violation Response Form is not received within fourteen (14) days from the date of the Violation Notice, an "Official Notice of Community Standards Hearing/Fine" will be sent to the homeowner by first class and certified (return receipt required) U.S. mail. Fines may be assessed per the Fine Schedule below and common area privileges may be suspended.
 - (d) The homeowner will be charged for all postage and fees associated with mailing the "Official Notice of Community Standards Hearing/Fine".
9. All violations will remain on the homeowner's record for a period of one (1) year. Repeat violations of the same nature within a period of one (1) year will cause the violation process to begin where it left off.
10. The "Official Notice of Community Standards Hearing/Fine" shall contain the date, time and location of the hearing at which a fine may be imposed, the nature of the violation, the proposed fine, and a statement that the homeowner may challenge the occurrence of the violation and proposed fine. A fine and/or suspension of privileges may be imposed if the homeowner fails to respond to the hearing notice and/or appear at the hearing.

Association Violation/Hearing Guidelines & Procedures
Association Rules and Regulations

11. A hearing before the Community Standards Hearing Panel shall be held in private session affording each homeowner a reasonable opportunity to be heard. The hearing date shall be set not be less than fifteen (15) days from the date of the notice. The homeowner or a representative authorized in writing may appear, may be represented by counsel, and may produce any statements, evidence, and/or witnesses. Prior to the assessment of any fine, the proof of notice will be provided to the Hearing Panel. Such proof shall be deemed adequate if a copy of the notice, together with proof of the date and manner of delivery, is provided by the community manager or other authorized person who caused such notice to be sent. The notice requirement shall be deemed satisfied whether or not the homeowner appears at the meeting.
12. The minutes of the meeting shall contain a written statement of the results of the hearing and the fine, if any, imposed, and shall be mailed to the homeowner within a reasonable amount of time. Hearings shall be held at the Sierra Canyon Aspen Lodge, the management office, or at a place to be determined by the Board of Directors at a date and time to be determined by the Community Standards Hearing Panel. A Community Standards Hearing Panel will consist of at least three (3) Board Members.

13. **Fine Schedule:**

\$50.00 1st occurrence: If a fine is imposed and the violation is not cured within the 14 days, or within any longer period that may be established by the board, the violation shall be deemed a continuing violation.

\$100.00 per week for continuing violations.

A continuing violation is defined as one that continues for seven (7) days or more after receiving written notice that a fine was assessed as a result of a hearing. Any additional fine may be imposed without notice and an opportunity to be heard. Continuing violation fines of \$100.00 will be assessed every seven (7) days if the violation is not corrected. Up to a maximum of \$1,000, per NRS 116.31031.

Health, Safety or Welfare: \$100.00 up to \$500.00 per occurrence

A Health, Safety or Welfare violation will be determined by the Management Company, the Sierra Canyon Board of Directors and the Community Standards Hearing Panel.

The Association will correct, at the owner's expense, Health, Safety or Welfare issues that are not immediately resolved by the owner.

14. A lien may be filed on the property if payment of fines is not received per the Assessment Late Fee Policy Resolution. Interest on fines will be charged at a rate of 1.5% per month (18% per annum) on any outstanding balance.
15. If a homeowner does not agree with the Community Standards Hearing Panel decision, the homeowner may request arbitration and/or mediation through the Ombudsman's Office at their expense in accordance with NRS 116.

Resolution #2008-01


Revised: August 5, 2008

Effective: September 14, 2008

Association Violation/Hearing Guidelines & Procedures
Association Rules and Regulations

IN WITNESS WHEREOF, the said Board of Directors has caused this Resolution and Policy to be signed by its President and Secretary, this **13th** day of **August, 2008** and directs distribution to all homeowners.

SIERRA CANYON ASSOCIATION

By: _____
Curtis Rowe, Board President

By: _____
Launi Cooper, Board Secretary