

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR LOT 115 A, B, C and D, TAHOE VILLAGE UNIT NO. 1,
A CONDOMINIUM

The Declarant, ROBERT H. and KAREN J. OSTROW, of 321 Thomas Drive, Stateline, Nevada, owner of a certain condominium project situated in the County of Douglas, State of Nevada, more particularly described as Condominium Lot 115, Tahoe Village Unit No. 1, as recorded as Document 55499 in Book 481, Page 1167, Douglas County Recorder's Office, containing Units A, B, C and D, does hereby declare and certify as follows:

RECITALS

1. Declarant is the owner of the real property located in the County of Douglas, State of Nevada, described hereinabove.

2. Declarant has improved the property by constructing on the building site a four unit condominium structure, as set forth in the recorded Condominium Map recorded on April 17, 1981, in the Douglas County Recorder's Office, which shall hereinafter be referred to as the "Project."

3. Declarant hereby establishes by this declaration a plan for the individual ownership of the real property estates consisting of the area or space contained in each of the four condominium units in the Project, and the co-ownership by the individual and separate owners thereof, as tenants in common, of all of the remaining real property, hereinafter referred to as the "Common Area" in equal shares, one share for each Unit.

DECLARATION

Declarant, the fee owner of the real property described in the Recital above, hereby makes the following declaration as to division, easements, rights, liens, charges, covenants, restrictions, limitations,

conditions and uses to which the Project may be put, hereby specifying that such declaration shall constitute covenants to run with the land and shall be binding on Declarants, their successors and assigns, and all subsequent owners of all or any part of the Project, together with their grantees, successors, heirs, executors, administrators, devisees or assigns.

ARTICLE I

DEFINITIONS

1. "Association" shall mean and refer to Lot 115, Tahoe Village Unit 1 Homeowner's Association, a Nevada non-profit corporation, its successors and assigns.
2. "Owner" shall mean the record owner or contract buyer(s) whether one or more persons or entities, of any condominium unit, but excluding those having such interest merely as security for the performance of an obligation.
3. "Properties" shall mean and refer to that certain real property being Units 115A, 115B, 115C and 115D as the common area of the recorded Map of Lot 115, Tahoe Village Unit No. 1.
4. "Unit" shall mean and refer to each of the four condominium units on the property, bounded by the interior surfaces of each as interpreted by the original plans thereof filed with Douglas County Recorder and separately identified as Units A through D as defined in the Nevada Revised Statutes 117.040.
5. "Common Area" shall mean and refer to the remainder of the property held in common by the condominium unit owners. This area shall remain undivided and no owner shall bring any action for partition, it being agreed that this restriction is necessary in order to preserve the rights of the owners.

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6. Declarant shall mean and refer to Robert H. Ostrow, his successors and assigns.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area, which shall be appurtenant to and shall pass with the Title to every unit.

Section 2. Declaration of Use. Any Owner may delegate, in accordance with the By-laws, his right of enjoyment of the Common Area to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Parking Rights. Ownership of each Unit shall entitle the Owner to the use of automobile parking space as designated by the Board of Directors of the Association, together with the right of ingress and egress in and upon said parking area.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a Unit which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separate from ownership of any Unit which is subject to assessment. The Association shall have but one class of voting membership. Members shall all be Owners, including Declarant, and shall be entitled to one vote for each Unit owned. When more than one person holds an interest in any Unit, all such persons shall be members. The vote for such unit shall be exercised as they, among themselves, determine but in no event shall more than one vote be cast with respect to any Unit. In the case of an unbreakable tie vote, the matter may be submitted to arbitration under such rules as may from time to time be adopted by the

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Association. If no such rules have been adopted, then the matter shall be settled in accordance with the Rules of the American Arbitration Association and judgement may be entered in any Court having jurisdiction.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each unit owned within the Properties, hereby covenants, and each Owner of any Unit by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association, (1) annual assessment or charges, and (2) special assessments for capital improvements and insurance, such assessments to be established and collected as hereinafter provided.

The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, cost and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Unit at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them, but the lien shall continue until fully satisfied.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of the residents in the Units and for the improvement and maintenance of the Common Area, and of the building situated upon the Property.

Section 3. Maximum Annual Assessment. The Board of Directors of the Association shall have the power to annually determine, levy and assess, as required, the charges and assessments payable to the Association. The Assessments and charges for the Common Area and common expenses shall be equal for all Units within the Association. If an expense for which an assessment or charge is to be made is of benefit only to a unit or units within the Project, then such expense shall be attributable only to said unit or units and shall be apportioned equally among them.

Assessments shall be made in equal proportions against all units for a common expense fund which shall include, but not be limited to, exterior maintenance, exterior lighting expenses and insurance.

Section 4. Annual Assessments: Due Dates. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of said assessment against each Unit at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors of the Association.

Section 5. Effect of Non-payment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest at twelve (12%) percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area or abandonment of his unit.

Section 6. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinated to the lien of any first mortgage or deed of trust. Sale or transfer of any Unit shall not.

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affect the assessment lien. If the law permits, the sale or transfer of any Unit pursuant to deed of trust or mortgage foreclosure or any proceeding in lieu thereof, shall not extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. In any event, no sale or transfer shall relieve such Unit from liability for any assessments thereof.

Section 7. The association shall be required to perform only such maintenance, improvements and expend such funds as, from time to time, it shall deem to be in the best interests of the Association and the Owners of Units therein, and then only to the extent of the money available for such purposes. The Association shall in no way be liable to any Owner, purchaser or other person for any act or omission performance under this Declaration.

The Association shall not be liable for maintenance or improvements resulting from causes other than normal wear and tear. The Association may, in its discretion, make repairs to any improvements for any conditions not resulting from normal wear and tear and the Owner of such improvements shall be liable to the Association for the cost of such repairs, and the Association shall have all rights to enforce such obligation against the Owner in the same manner as set forth in Article IV, Section 5 of these Covenants, Conditions and Restrictions.

ARTICLE V

OCCUPANCY AND USE OF RESIDENTIAL AND COMMON AREAS

Section 1. The subject property is hereby restricted to residential dwellings for residential use.

Section 2. No animals, livestock or poultry of any kind shall be raised, bred or kept on any of the premises except that dogs, cats or other household pets may be kept provided that they are not kept, bred or

maintained for any commercial purpose.

Section 3. No noxious or offensive activity shall be carried on upon any Unit, nor shall anything be done therein which may be or may become an annoyance or nuisance to the neighborhood.

Section 4. No advertising signs, billboards, unsightly objects, unsightly appearance or nuisance shall be erected, placed or permitted to remain on the properties, nor shall the premises be used in any way for any purpose which may endanger the health or unreasonably disturb any holder of any unit on the properties. No business activities of any kind whatsoever shall be conducted in any portion of the premises. Provided further, however, the foregoing covenants shall not apply to the business activities, signs and billboards, if any, by the Declarant, its agents and assigns during the sale period in furtherance of its powers and purposes hereinafter set forth.

Section 5. No garbage, refuse, rubbish or obnoxious or offensive material shall be permitted to accumulate on any Unit and the Owner thereof shall cause all garbage and other like material to be disposed of by and in accordance with accepted sanitary practice.

Section 6. No fences, hedges or walls, exterior clotheslines or unenclosed garbage receptacles shall be erected or maintained upon said property except such as are installed in accordance with the initial construction located thereon or as approved by the Board of Directors.

Section 7. No trees or native materials of any kind shall be removed, cut, painted or disturbed without approval of the Board of Directors.

Section 8. The rights and duties of the Owners of Units with respect to party walls, and/or floors shall be governed by the following:

a) Each wall and/or floor which is constructed as a part of the original construction on the property and any part of which is placed on the dividing line between separate units shall constitute a party wall and each of the adjoining owners shall assume the burdens and be entitled to the benefits of these restrictive covenants, and, to the extent not inconsistent herewith the general rules of law regarding party walls shall be applied thereto.

b) In the event any such party wall or floor is damaged or destroyed through the act of any adjoining owner or any of his agents, guests or family members (whether or not such act is negligent or otherwise culpable) so as to deprive the other adjoining Owner of the full use and enjoyment of such wall, then the first of such Owners shall forthwith proceed to rebuild and repair the same to as good condition as formerly without cost to the adjoining Owner.

c) In the event any such party wall or floor is damaged or destroyed by some cause other than the act of any adjoining Owner, his agents, guests or family members (including ordinary wear and tear and deterioration from lapse of time), then in such event, both such adjoining Owners shall proceed forthwith to rebuild or repair the same to as good condition as formerly at their joint and equal expense.

d) In addition to meeting the other requirements of these restrictive covenants and of any building code or similar regulations or ordinances, any owner proposing to modify, make additions to or rebuild his residence in any manner which requires the extension or other alteration of any party wall, shall first obtain the written consent of the adjoining Owner and the Board of Directors of the Association.

e) In the event of a dispute between Owners with respect to

the repair or rebuilding of a party wall or with respect to the sharing of the cost thereof, then upon written request of one of such Owners addressed to the Association, the matter shall be submitted to arbitration under such rules as may from time to time be adopted by the Association. If no such rules have been adopted, then the matter shall be settled in accordance with the Rules of the American Arbitration Association, and judgement upon the award may be entered in any Court having jurisdiction.

f) These covenants shall remain in full force and effect until modified or abrogated as to any particular party wall by the agreement of all persons that have an interest therein.

Section 9. Utilities. The rights and duties of the Owners of Units within this project with respect to sanitary sewer and water, electricity, gas and telephone shall be governed by the following:

a) The cost of exterior lighting shall be shared equally by the Owners. Said cost shall be determined by reading of a separate meter installed for that purpose.

b) Wherever joint sanitary sewer house connections and/or joint water house connections or electricity, gas or telephone lines are installed within the building, which connections serve more than one unit, the Owners of each unit served by said connections shall be entitled to the full use and enjoyment of such portion of said connection as services his unit and shall be granted easement to the full extent necessary therefor, to enter upon premises or to have the utility companies enter upon premises to repair, maintain or replace said connection as and when the same may be necessary.

c) In the event any portion of said connection line is damaged or destroyed through the act of an Owner being served by said connection or any of his agents, guests or family members, whether or not such act is negligible or otherwise culpable, so as to deprive the other Owners

being served by said connection of the full use and enjoyment of said connection, then the first of such Owners shall forthwith proceed to replace or repair the same to as good condition as formerly without cost to the other Owners served by said connection.

d) In the event any portion of said connection or line is damaged or destroyed by some cause other than any act of any of the adjoining Owners, his agents, guests or family members (including ordinary wear and tear and deterioration from lapse of time) then in such event if such damage or destruction shall prevent the full use and enjoyment of said connection by the owners served by such connection, all such owners who are thereby deprived of said use and enjoyment shall proceed forthwith to replace or repair said connection to as good condition as formerly at their joint and equal expense.

e) In the event of a dispute between Owners with respect to the repair or rebuilding of said connection or with respect to the sharing of the cost thereof, then upon written request of one of such Owners addressed to the Association, the matter shall be submitted to arbitration as provided for in Article V, Section 8 (3) hereinabove. The cost of any arbitration caused by dispute between Owners shall be borne equally by the parties thereto.

ARTICLE IV

EXTERIOR MAINTENANCE

Section 1. Unless otherwise agreed to by the Association in writing to the contrary, in addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon each Unit, which is subject to assessment hereunder, which shall include but not be limited to, paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, walks, decks, stairs and landings, and other exterior improvements. Such exterior maintenance shall not include glass surfaces.

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Section 2. In the event that the need for maintenance or repair is caused by the willful or negligent act of an Owner, his family, guests or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Unit is subject.

ARTICLE VII

INSURANCE

Section 1. The Association shall obtain and continue in effect blanket property insurance in form and amounts satisfactory to cover all the subject real property, the improvements thereon, for the interest of the Association of all Owners and their mortgages, as their interests may appear, in such amounts and with such endorsements and coverages as shall be considered good sound insurance coverage for properties similar in construction, location and use to project. Such insurance shall include but not be limited to:

a) Insurance against loss and damage by fire and hazards in an amount equal to the maximum insurable replacement value of the structure, excluding foundation and excavation costs.

b) Public liability and property damage insurance on a broad form basis.

ARTICLE VIII

GENERAL PROVISIONS

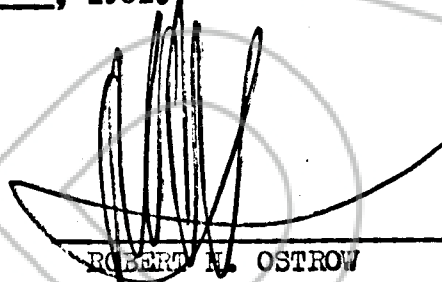
Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

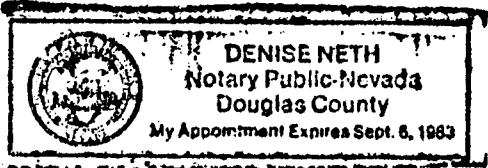
Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgement or Court Order shall in no way affect any

other provisions which remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended by an instrument signed by not less than seventy-five (75) percent of the Unit Owners. Any such amendment must be recorded.

Dated this 14th day of MAY, 1981.


ROBERT H. OSTROW



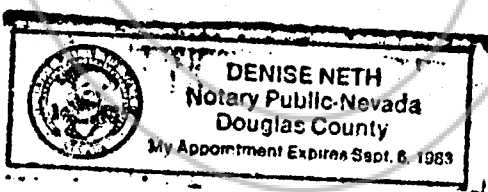
State of Nevada)
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County of Douglas)

On this 14th day of MAY, 1981, personally appeared before me, a Notary Public in and for the County and State aforesaid, Robert H. Ostrow, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.


NOTARY PUBLIC



Karen J. Ostrow
KAREN J. OSTROW

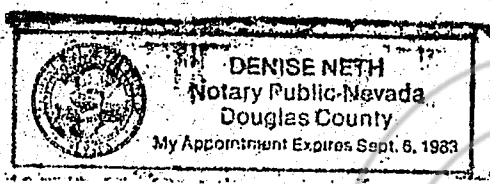
State of Nevada)
)ss:
County of Douglas)

On this 14th day of MAY, 1981, personally

appeared before me, a Notary Public in and for the County and State aforesaid, Karen J. Ostrow, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that she executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Denise Neth
NOTARY PUBLIC



REQUESTED BY
SILVER STATE TITLE CO.
IN OFFICIAL RECORDS OF
DOUGLAS CO. NEVADA
\$15.00 pd
1981 MAY 26 AM 10:50

MARIE A. RABEL
RECORDER
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