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Stockton, California 95203
ATTENTION: JAMES SCHEIBER

SUMMIT VIEW CONDOMINIUM
DECLARATION OF RESTRICTIONS

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SUMMIT VIEW CONDOMINIUM

DECLARATION OF RESTRICTIONS

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THIS DOCUMENT IS RECORDED AS AN ACCOMMODATION ONLY
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SUMMIT VIEW CONDOMINIUM
DECLARATION OF RESTRICTIONS

A Declaration of Covenants, Conditions, and
Restrictions for the Creation and
Maintenance of a Condominium Subdivision

ARTICLE 1
DECLARATION

Section 1.01. Date and Property. This Declaration is made this 20th day of October, 1987, with respect to that certain real property described in Exhibit "A" of this Declaration ("Property").

Section 1.02. Name of Declaration. This Declaration may be referred to and cited as the "Summit View Restrictions".

Section 1.03. Declaration and Termination of Prior Restrictions. It is hereby declared that the Property is subject to this Declaration, which is for the purpose of creating and maintaining a residential condominium subdivision on the Property, and for the improvement and protection of the value, desirability, and attractiveness, of the Property and is made pursuant to Chapter 117 of the Nevada Revised Statutes. This Declaration terminates and supersedes that certain Declaration of Covenants, Conditions and Restrictions for Lot 553 of Summit Village dated August 26, 1980, and Recorded as Instrument No. 49574 in Book 1080 at Page 1001 on October 13, 1980, Official Records of Douglas County, Nevada.

Section 1.04. Equitable Servitudes. This Declaration shall run with the Property, and the provisions of this Declaration shall be enforceable as equitable servitudes, and any other manner allowed by law, and shall be binding upon and inure to the benefit of the Association, each Owner of the Property, or any part of it, and each successor in interest of the Association and any such Owner and shall be binding on each user of the Property.

Section 1.05. Subject to Existing Restrictions. The Property is subject to the Declaration of Covenants, Conditions and Restrictions for Summit Village, Recorded October 14, 1968, in Book 62 at Page 538, Official Records of Douglas County, Nevada, and the Declaration of Reciprocal Covenants dated September 3, 1968, and Recorded October 14, 1968, in Book 62 at Page 536, Official Records of Douglas County, Nevada ("Existing Restrictions").

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ARTICLE 2
DEFINITIONS

Section 2.01. Application of Definitions. Unless the context otherwise requires, the terms defined in this Article shall have the meanings as defined in this Article for the purposes of this Declaration. These definitions are equally applicable to both the singular and plural forms of the defined terms. Any term or phrase not defined in this Article, but shown in quotes within parentheses in another provision of this Declaration, shall have the meaning set forth in such provision as if it were defined in this Article. The capitalization of the first letter of any term, other than proper names, used in this Declaration, indicates that such term is defined in this Declaration.

Section 2.02. Act. "Act" means Chapter 117 of the Nevada Revised Statutes.

Section 2.03. Articles of Incorporation. "Articles of Incorporation" or "Articles" means the Articles of Incorporation of the Association, as amended from time to time.

Section 2.04. Association. "Association" means the corporation described in the Article entitled "Organization, Powers and Duties of the Association", and any predecessor or successor of such corporation.

Section 2.05. Board. "Board" means the board of directors or other governing body of the Association.

Section 2.06. Bylaws. "Bylaws" means the bylaws of the Association, as amended from time to time.

Section 2.07. Common Area. "Common Area" means the entire Subdivision, except for the Units. There are two types of Common Area based on use, "General Common Area" and "Restricted Common Area" both of which terms are defined in this Article. Unless otherwise specified, all references to "Common Area" shall be deemed to include both types of Common Area.

Section 2.08. Condominium. "Condominium" means an estate in real property consisting of an undivided interest in common in portions of a parcel of real property, together with a separate interest in space in a residential, industrial, commercial, or industrial and commercial building, on such real property, such as, but not restricted to, an apartment, office, or store. In reference to an Owner's interest in each condominium estate in which the Owner has an ownership interest, the term "Condominium" shall be deemed to include, with respect to each condominium estate owned, the Unit and all other interests in the Subdivision appurtenant to the Unit held by such Owner,

including, without limitation, the interests described in the Section entitled "Owners' Interests".

Section 2.09. Declaration. "Declaration" means this document, including the limitations, restrictions, covenants, and conditions set forth in this document, in any amendments to this document, and in any Declaration of Annexation.

Section 2.10. Declaration of Annexation. "Declaration of Annexation" means a declaration executed in accordance with the provisions in the Section entitled "Annexation" and Recorded for the purpose of making any real property, other than the property described in Exhibit "A", subject to this Declaration.

Section 2.11. First Mortgage; First Mortgagee. "First Mortgage" means a mortgage, deed of trust, executory installment land sale contract, or assignment of lease for security purposes, given in good faith and for value, which constitutes a lien of first priority against any Unit. For purposes of this Section, the fact that the lien of a mortgage is inferior to mechanics' liens, or to tax liens, easements, declarations of covenants, conditions, and restrictions, and similar limited interests, does not deprive such lien of "first priority" within the meaning of this Section. "First Mortgagee" means any Institutional Lender who is a mortgagee, beneficiary under a deed of trust, seller under an executory installment land sale contract, or assignee of a lease assigned for security purposes, who holds a First Mortgage as defined in this Section, and includes any assignee, in whole or in part, of such a First Mortgage. "Eligible Mortgagee" means a First Mortgagee who has given a request for notice as provided in the Section entitled "Notice to First Mortgagees." "Institutional Lender" means any company or entity that is in the business of making real property loans and that is regulated by or chartered for that purpose under federal or state laws. "Institutional Lender" includes, without limitation, banks, savings and loan associations, savings banks, insurance companies, mortgage brokers, credit unions, retirement trust funds, or a federally chartered corporation or government agency that purchases or guarantees mortgages that is a Secured Party.

Section 2.12. Fiscal Year. "Fiscal Year" means the calendar year, or any other period of twelve (12) consecutive calendar months adopted from time to time by the Association by Bylaw or Board resolution as its Fiscal Year, including any initial fiscal year of less than twelve (12) months. In the event the Association changes its fiscal year, "Fiscal Year" shall be deemed to include any interval between the end of the previous complete fiscal year and the beginning of the newly adopted fiscal year.

Section 2.13. General Common Area. "General Common Area"

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means all Common Area other than Restricted Common Area.

Section 2.14. Governing Documents. "Governing Documents" means this Declaration, the Articles, Bylaws, and Subdivision Rules.

Section 2.15. Guarantor. "Guarantor" means a government agency or an insurance company that has insured or guaranteed a First Mortgage. "Eligible Guarantor" means a Guarantor that has requested notice as provided in the Section entitled "Notice to First Mortgagees".

Section 2.16. Improvements. "Improvements" means all improvements and includes, without limitation: (i) buildings, outbuildings, sheds, basements, and storage buildings; (ii) roads, driveways, walkways, and parking areas; (iii) fences, gates, walls, sound walls and retaining walls; (iv) stairs, decks, patios, hedges, windbreaks; (v) poles, antennas, and signs; (vi) man-made canals, pumps, fountains, aerators, bridges, dams, swimming pools, lakes and watercourses, spas, hot tubs, and recreational structures; (vii) mechanical, utility and communication installations, whether above- or underground; and (viii) any structure and excavation of any kind, whether temporary or permanent.

Section 2.17. Master Association. "Master Association" means that certain nonprofit corporation organized pursuant to the Existing Restrictions for the purpose of administering the Summit Village Subdivision, and any successor entity.

Section 2.18. Membership; Member. "Membership" means membership in the Association by Owners as described in the Article entitled "Membership in the Association; Voting Rights". "Member" means the one (1) or more persons or entities holding any such Membership.

Section 2.19. Notice. "Notice" means a notice delivered in accordance with the Section entitled "Notices; Documents; Delivery".

Section 2.20. Occupant. "Occupant" means any person properly residing in a Unit pursuant to the Governing Documents, whether as an Owner, tenant, or a member of an Owner's or tenant's family.

Section 2.21. Owner. "Owner" means the persons or entities holding an interest in the beneficial ownership of a Condominium, including a purchaser under an executory installment land sale contract. "Owner" shall not include Secured Parties.

Section 2.22. Plan. "Plan" means the Second Amended

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Condominium Map Recorded October 15, 1980, as Instrument No. 49654 in Book 1080 at Page 1184, Official Records of Douglas County, Nevada.

Section 2.23. Record; Recorded; Recordation. "Record", "Recorded", and "Recordation" mean, with respect to any document, the recording of the document in the Office of the Douglas County, Nevada, in which the real property to which the document relates is located.

Section 2.24. Restricted Common Area. "Restricted Common Area" means those portions of the Common Area that are identified as Restricted Common Area on the Plan or in this Declaration, or are set aside for the exclusive use of one (1) or more Units but less than all Units, either by Notes or other writings on the Plan, by this Declaration, or by deed. Interior Restricted Common Area, if any, is bounded in the same manner as a Unit. Any fireplace and chimney, heating unit, air conditioning unit, or other mechanical or service facility serving only one (1) Unit, if not a part of that Unit, is Restricted Common Area appurtenant to such Unit.

Section 2.25. Security Device; Secured Party. "Security Device" means a mortgage, deed of trust, executory installment land contract, or assignment of lease for security purposes, given for value, which constitutes a lien against any Condominium. "Secured Party" means any mortgagee, beneficiary under a deed of trust, seller under an executory installment land contract, or assignee of a lease for security purposes, who holds a "Security Device" as defined in this Section. "Security Device" and "Secured Party" shall respectively include "First Mortgages" and "First Mortgagees".

Section 2.26. Subdivision. "Subdivision" means the real property subject to this Declaration including after annexation any real property annexed in any Declaration of Annexation, together with all Improvements on or to such real property.

Section 2.27. Subdivision Rules. "Subdivision Rules" means the rules from time to time in effect pursuant to the Section entitled "Rules and Regulations".

Section 2.28. Unit. "Unit" means the elements of a Condominium that are not owned either in common with other Owners or with the Association, including, without limitation, the interior unfinished surfaces of the perimeter walls, floors, ceilings, windows and doors, and the airspace encompassed thereby, as specified on the Plan, including the improvements therein other than load-bearing walls.

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ARTICLE 3
PERSONS SUBJECT TO DECLARATION

Section 3.01. Application to Persons. All Owners, Occupants, and all other persons using the Subdivision including, without limitation, the invitees of Owners and Occupants are subject to this Declaration.

Section 3.02. Application to Owners.

- A. Owner a Natural Person. When an Owner is a natural person, the following shall apply:
1. Rights and Duties. Such Owner shall have all of the rights, duties, and obligations as set forth in this Declaration for Owners, except as otherwise provided in this Subsection.
 2. Common Area Use. If a Unit is rented or leased by the Owner to another, or is otherwise legally occupied by another to the exclusion of the Owner, then Common Area recreational and service facilities can only be used by the Occupants and their guests, subject to any restrictions governing the use of such facilities by guests.
- B. Owner Not a Natural Person. When an Owner is not a natural person, the following shall apply:
1. Rights and Duties. Such Owner shall have all of the rights, duties, and obligations as set forth in this Declaration for Owners, except as otherwise provided in this Subsection.
 2. Membership. Such Owner may exercise its vote and other rights as a Member through any natural person specifically designated in writing and, in addition, if the Owner is a partnership, through a partner or, if the Owner is a corporation, through an officer of the corporation.
 3. Common Area Use. The Common Area recreational and service facilities can only be used by the Occupants of the Unit and their guests, subject to any restrictions governing the use of such facilities by guests.

ARTICLE 4
PROPERTY SUBJECT TO THIS DECLARATION

Section 4.01. Description of Subdivision. The

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Subdivision consists of one lot improved with a single two (2) story building containing eight residential Units, four (4) located on each floor. Six (6) covered parking stalls capable of parking up to two (2) automobiles each are located under the lower residential floor. Two (2) storage areas are also located under the lower residential floor.

Section 4.02. Owners' Interests. Each Condominium within the Subdivision shall comprise the components in this Section. Each component of any Condominium may, in whole or in part, be a fee or leasehold interest. None of the components of any Condominium may be severed from the Unit to which they are appurtenant. The components are as follows:

- A. Title to a Unit;
- B Membership in the Association;
- C. An undivided twelve and one-half percent (12.5%) ownership interest, as tenant in common, in the Common Area within the Subdivision.
- D. A nonexclusive easement of use, enjoyment, ingress, egress, and support, in, over, and throughout all General Common Area walkways, roads, and recreational and service facilities.
- E. The exclusive use of the Restricted Common Area appurtenant to such Unit, as set forth on Exhibit "B".
- F. Membership in the Master Association pursuant to that certain declaration Recorded October 14, 1968, in Book 62 at Page 538, Official Records of Douglas County, Nevada.

Section 4.03. Annexation. Any real property not included within Exhibit "A" and which consists of a parcel or parcels shown on a final subdivision or parcel map of record may be annexed to the Subdivision in accordance with this Section, and shall thereupon become subject to this Declaration. The Association may annex to the Subdivision real property, provided that such annexation is approved as an amendment to this Declaration in accordance with the Sections entitled "Amendment or Repeal" and "Mortgage Approval of Certain Actions".

Section 4.04. Consent to Condominium Plan. Each person or entity who makes this Declaration or any Declaration of Annexation or who executes, acknowledges, and Records a consent to this Declaration or any Declaration of Annexation, hereby consents to the making and Recording of the condominium plan that is referenced in this Declaration.

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ARTICLE 5
USE OF THE PROPERTY

Section. 5.01. Residential Use. No Unit shall be occupied, used, or improved for other than residential and associated purposes.

Section 5.02. Rental of Units. No Unit shall be rented or leased or otherwise occupied by persons without the occupancy of the Owner or the Owner's immediate family, except in its entirety and pursuant to a written lease or rental agreement that expressly makes the occupancy subject to the provisions of the Governing Documents and that expressly makes a breach of the Governing Documents a default under the lease or rental agreement. No Unit may be rented or leased for a period of less than thirty (30) consecutive days. The Board may, by Subdivision Rule, prescribe the form of the provisions required by this Section to be included in such leases or rental agreements. Any Occupant of a Unit shall be bound by the requirements and duties set forth in the Governing Documents, except that Occupants other than Owners shall not be personally liable by the provisions of this Declaration for the payment of assessments other than delinquency assessments. Any monetary obligation incurred by any non-Owner Occupant to the Association under this Declaration or the Subdivision Rules shall also be the personal obligation of the Owner of the Unit so occupied, and may be levied against such Owner as an assessment. No Unit may be subleased or any lease or rental agreement of a Unit assigned in whole or in part, without compliance with this Section.

Section 5.03. Prohibited Uses. The following activities, uses, and improvements are prohibited within the Subdivision and the adjoining streets, whether public or private:

- A. Mining. Mining, quarrying, drilling, boring, or exploring for or removing natural subsurface material.
- B. Nuisances. Activities, noises, uses, and improvements that are noxious, illegal, or offensive; or which may be or become a nuisance, or cause unreasonable embarrassment, disturbance, or annoyance to Occupants in the quiet enjoyment of their Units; or which may adversely affect the availability or cost of insurance; or which may impair the structural integrity of any building.
- C. Signs. The erection or maintenance of any signs in or on windows or on any exterior surface of a Unit, whether commercial, political, or otherwise, which are visible from other Units or General Common Area,

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except for the following, when in accordance with Subdivision Rules regulating location:

1. Such signs and notices as may be required by legal proceedings;
 2. Appropriate safety, directional, and identification signs installed by the Association, or required by law;
 3. Not more than one (1) "for sale" or "for rent" sign having a maximum face area of five (5) square feet, on the exterior of each Unit, or in other reasonable locations within Common Area prescribed by the Board by Subdivision Rule, provided that the Board may, by Subdivision Rule, authorize larger signs if it finds that larger signs are in standard use in the community; and
 4. Such residential or commercial identification signs, including addresses or Unit numbers and the name of the Owner or Occupant, as are specifically approved by the Board in accordance with the Subdivision Rules, or as are part or replacement of original construction.
- D. Nonstandard Vehicles; Mobile Homes. The placement or maintenance of mobile homes, motor homes, commercial vehicles, campers, boats, trailers, or similar vehicles, except: (i) where required temporarily for the construction, repair, refinishing, or maintenance of any part of the Subdivision; or (ii) for moving furnishings, equipment, or supplies into or out of the Subdivision. Light pick-up trucks and other light four-wheel drive vehicles are permitted in the Subdivision.
- E. Tricycles; Play Toys; and Other Equipment. The placement of unattended tricycles, play toys, or other equipment, except within enclosed storage areas assigned to a Unit or other place designated by the Board by Subdivision Rule.
- F. Clothes Lines. The erection or maintenance of clothes lines.
- G. Animals. The keeping, raising, or breeding of animals, reptiles, or birds of any kind, except that the Occupants of a Unit may keep not more than two (2) domesticated animals, such as dogs and cats, provided they are not kept, raised or bred for commercial purposes. Fish and other marine life may be kept

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provided they are confined in an aquarium. No unleashed dogs are permitted within the Common Area. Occupants must prevent dogs and other pets from continuously barking, or making other loud noises, or defecating in the Common Area. Animals which: (i) are in violation of this Subsection; (ii) have not been registered with the Board as required by this Subsection; or (iii) the Board finds to be vicious by nature or by temperament, shall be removed by their owner from the Subdivision upon order of the Board, and if not removed by the owner, may be removed by the Board and sent to an animal shelter. Each Occupant shall immediately give written notice to the Board, upon bringing a pet within the Subdivision, giving a description of the pet, the type and breed of the animal, and the name of the animal. The Association may levy a reasonable "registration fee" to cover the costs of maintaining records relating to animals and of enforcement of this Subsection.

- H. Trees. The cutting or removal of trees or bushes in the General Common Area without the prior written approval of the Board.
- I. Mechanical Devices. The installation or maintenance of mechanical or other devices not a part of, or replacement for, original construction, on the roof or exterior surface of the structure surrounding any Unit, if such device is visible from the street or other Units. The Board may grant waivers, exceptions, or variances of this prohibition if such waivers, exceptions, or variances are appropriate in light of technological or similar changes and are otherwise consistent with the purposes of this Declaration.
- J. Exterior Antennas. The installation or maintenance of any exterior antennas, except as provided in the Section entitled "Easements". The Board may grant waivers, exceptions, or variances of this prohibition if such waivers, exceptions, or variances are appropriate in light of technological or similar changes and are otherwise consistent with the purposes of this Declaration. This prohibition may be enforced even if enforcement action is not commenced within the time limitations otherwise provided by this Declaration.
- K. Sports Apparatus. The erection of basketball standards or fixed sports apparatus, other than by the Association within General Common Area.
- L. Vehicle Repair. Major repairs or reconstruction of

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any vehicle or the indefinite parking of any vehicle for purposes of repair or the reconstruction of such vehicle except within an enclosed garage used by a single Unit. The Board may, by Subdivision Rule, establish maximum permissible periods for the parking of vehicles for such purposes and determine what constitutes a major repair or reconstruction.

- M. Lighting. The installation of any exterior lighting whose source is visible from neighboring Units, without the prior written approval of the Board. This Subsection shall not apply to ordinary nondirectional bulbs that: (i) do not exceed 150 watts; and (ii) are white or yellow in color.
- N. Window Coverings. Hanging from, affixing to, or maintaining in any window, any signs not permitted under Subsection C of this Section, any aluminum or metal foil or other reflective materials. The color and other characteristics of curtains, drapes, shades, blinds, or other coverings shall conform to the Subdivision Rules.
- O. Maximum Occupancy. No more than four (4) persons may occupy a Unit. The Board may establish, by Subdivision Rule, uniform rules regarding definitions of "occupancy", permitted stays by guests, and exceptions for health purposes. No minor may occupy a Unit without the co-occupancy of a responsible adult.
- P. Trades or Businesses. The conducting of any trade or business, except those trades or businesses that are permitted by and comply with zoning and other laws or ordinances. Such permissible trades or businesses shall not: (i) change the overall residential use of the Unit; (ii) involve numerous in-person calls by customers, employees, or deliverymen; (iii) require signs or other promotional advertisements except for the name of the business on mailboxes; (iv) require the storage of large amounts of bulky goods or inventory; and (v) require parking spaces other than those the Owner is granted or assigned to use.
- Q. Heavy Objects. Installation or use of any safe, water bed, hot tub, spa, or other unusually heavy item in any Unit or Restricted Common Area situated above another Unit or Restricted Common Area, without the prior written consent of the Board, unless installed as part of the original construction of the Project or its replacement. The Board may adopt Subdivision Rules regarding quality of materials and method of installation of such items.

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- R. Insects and Rodents. Doing any act, including leaving food and garbage exposed, which attracts ants, termites, rodents, or other pests onto or into any building within the Subdivision.

Section 5.04. Use of Common Area.

- A. General. The use of General Common Area for ingress and egress, and use of recreational and service facilities, is reserved equally to all Occupants within the Subdivision, subject to the Governing Documents.
- B. Permitted Uses. The use and improvement of General Common Area shall be limited to, but shall not necessarily contain: (i) mail, laundry, storage, and trash disposal facilities; (ii) service and utility areas and apparatus; (iii) stairways, walkways, road ways, and parking areas; and (iv) yard, open-space, water, and recreational areas. Common Areas serving or providing access to individual Units, including without limitation porches, stairways, landings, courtyards, and walkways, shall not be used by Occupants of other Units for any purpose other than as access to the Unit served and only with the permission of its Owner or Occupant, except as specifically otherwise permitted by this Declaration. Recreational and children's play activities are not allowed within General Common Area, except for those areas designed and specified for such activities.
- C. Improvements. General Common Area shall not be improved, painted, decorated, repaired, or replaced except by the Association in connection with its duties and powers, or by an Owner pursuant to the Article entitled "Construction and Architectural Control".
- D. Use by Others. Any Occupant may allow such Occupant's family, and guests to use the Common Area and facilities, except to the extent such use is limited or prohibited by the Governing Documents.
- E. Use of Exposed Restricted Common Area. Restricted Common Area patios and balconies which are visible from the ground level of the Subdivision or adjoining public streets and walkways shall be kept neat and clean and in good repair and shall not be used for storage. All dead plants and damaged furniture shall be promptly removed and the amount of furniture and other items placed in such areas shall be subject to reasonable regulation by Subdivision Rule.

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- F. Parking. No vehicle may be parked within the Subdivision other than in a covered or uncovered parking space. There shall be no parking along the sides of roads and drives unless in marked parking spaces. No person shall park in a space assigned to a Unit without the express consent of the Occupant of the Unit.

Section 5.05. Refuse. No refuse receptacle shall be placed or maintained outside of a Unit, except in a completely enclosed place specifically provided for such use. The Association may place and maintain refuse receptacles in General Common Area for common use. No refuse shall be burned out of doors, except natural materials burned in connection with land clearance or fire control. No refuse shall be burned indoors, except paper products in connection with the normal use of a fireplace.

Section 5.06. Utility Lines. All utility and service lines shall be underground, except access ports, above-ground transformers, and lines used temporarily during a period of construction.

Section 5.07. Easements.

- A. Association Easements. The Association shall have nonexclusive easements and rights of use on and over all of the Subdivision for the purpose of performing its powers and duties with respect to maintenance of the Subdivision and enforcement of this Declaration and the Subdivision Rules. Such easements shall include a right of entry into a Unit or Restricted Common Area, without civil or criminal liability for such entry, by persons whose services are reasonably required: (i) to correct any condition existing in the Unit or Restricted Common Area and threatening any other Unit or Common Area; (ii) in the event of an emergency; (iii) in connection with any maintenance, repair, cleanup, landscaping or construction for which the Association is responsible; or (iv) to correct or abate any violation of this Declaration, including without limitation to remove any structure, object, item, or condition causing such violation. Such entry shall: (i) be made only after prior notice to the Occupant, except in case of emergency; (ii) be made with the least practicable inconvenience to the Occupant; and (iii) if entry is made into a Unit for the purposes set out in clause (iii) and (iv) of the previous sentence, such entry shall be made only with the consent of the Occupant of the Unit or on the authority of an order issued by a court of competent jurisdiction. The Association shall repair any damage

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caused by entry under this Subsection.

- B. Owner's Easements. The Owner of any Condominium that is served by communication, service or utility facilities, including without limitation, heating and air conditioning ductwork and fireplaces and flues, lying within the Common Area or within another Unit, may enter upon such Common Area or other Unit, or may have utility, communication, or service companies do so, at reasonable times after prior notice to the Owner and Occupant of the Unit or Restricted Common Area, or to the Association if the facilities lie within General Common Area, to modify, repair, replace, or maintain such facilities as necessary, when such work is not the responsibility of the Association or for other reasons is undertaken by such Owner. Entry into another's Unit except in cases of emergency must be done with the permission of the Occupant of the Unit or on the authority of an order issued by a court of competent jurisdiction. Such Owner, and persons performing such work at such Owner's request, shall be jointly and severally liable for the full cost of restoring all property affected by such work to its previous condition. Each Owner shall have an easement over Common Area walls and ceilings adjoining his Unit to a point half way through such wall or ceiling to install electrical switches and outlets, to install inset cabinets and fixtures, and to use walls and studs for hanging cabinets, fixtures, and pictures. No such use shall violate any fire or safety code or cause any structural impairment. Each Owner shall also have an easement over Common Area adjoining his Unit to install and maintain exterior antennas under roof overhangs that are part of original construction or whose construction has been approved in accordance with this Declaration, subject to any requirements of this Declaration for approval of such installation by the Association.
- C. When an Occupant refuses reasonable access to such Occupant's Unit pursuant to the easements set forth in this Section, such Occupant shall be liable for the costs, including attorney's fees, incurred by the Association or Owner in enforcing this Section.

ARTICLE 6

MEMBERSHIP IN THE ASSOCIATION; VOTING RIGHTS

Section 6.01. Membership.

- A. Qualifications. Each Owner, by virtue of being an

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Owner and during such time as he remains an Owner, is a Member of the Association. No person or entity shall be a Member of the Association other than by virtue of being an Owner. When more than one (1) person or entity holds an ownership interest in any Condominium, all such persons shall be Members.

- B. Transfer of Membership. Neither Membership nor the right to vote may be severed from any Condominium, and any sale, transfer, or conveyance of a beneficial interest in the fee of any Condominium to a new Owner shall operate automatically to transfer the appurtenant Membership and voting rights.

Section 6.02. Number of Votes. All Owners shall have one (1) vote for each Condominium owned.

Section 6.03. Voting.

- A. Voting Rights. Each Owner may vote on all matters properly submitted for vote to the Membership. The right to vote with respect to any Condominium shall not vest until the commencement of Subdivision Regular Assessments against such Condominium under Subsection A2 of the Section entitled "Assessments" and the right to vote shall cease at any time the Condominium is no longer liable for the payment of Subdivision Regular Assessments except that the Owner of a Condominium that is no longer liable for the payment of Subdivision Regular Assessments due to damage or destruction can vote on any matter relating to the rebuilding of the Subdivision as provided in the Article entitled "Damage, Destruction, and Eminent Domain". Voting on behalf of any Owner not present at a meeting may be by written proxy or absentee ballot.
- B. Voting Rules. When any provision of the Declaration requires the vote or consent of the Members, the following rules shall apply unless the provision specifically provides otherwise:
1. The vote for any Condominium in which more than one person holds an ownership interest shall be exercised as such persons determine among themselves;
 2. Whenever a vote is required for action to be taken under this Declaration, it is sufficient to obtain the written consent of the same percentage of Members, except as required by the Bylaws, as amended from time to time;

3. Any percentage requirement shall be a percentage of the number of votes and not a percentage of the number of Members;
4. Quorum requirements for meetings of Members shall be as set forth in the Bylaws;
5. For any Member that is not a natural person, votes shall be cast only by the person set forth in Subsection B2 of the Section entitled "Application of Declaration to Owners"; and
6. If a vote is taken at a time when the voting rights of one (1) or more Owners have been suspended in accordance with this Declaration, the vote of such Owner shall be excluded from the computation of any necessary majority vote, as though the Subdivision did not include such Owner's Condominium; provided that, for any amendment of this Declaration, the certificate of such amendment shall set forth the fact of such exclusion, and the names of the Owners whose vote has been so excluded, and identifies the Condominium owned by such Owners.

ARTICLE 7

ORGANIZATION, POWERS AND DUTIES OF THE ASSOCIATION

Section 7.01. Organization.

- A. Nonprofit Corporation. The Association shall be organized as a nonprofit corporation charged with the duties and empowered with the rights prescribed by law or set forth in this Declaration, its Articles, or its Bylaws.
- B. Unincorporated Association. If the Association is not formed as a corporate entity, or if after formation it loses its corporate powers or is dissolved, a nonprofit, unincorporated association shall forthwith and without further action or notice be formed and shall have all the rights and obligations of the Association until a nonprofit corporation is formed. Such unincorporated association shall not be deemed to be a partnership, or to create a general agency, for any purpose. The unincorporated association's affairs shall be governed by the laws of the state of Nevada and, to the extent not inconsistent therewith, by this Declaration, the Articles, and Bylaws, respectively, as if they were created for the purpose of governing the affairs of an

unincorporated association.

- C. Certificate of Identity. The president and secretary of the Association or a majority of the Board may execute, acknowledge, and Record a Certificate of Identity stating the names of all of the members of the then current Board, officers of the Association or members of any architectural or planning committee, or any of such groups. The most recently Recorded certificate shall be conclusive evidence, in favor of any person relying on such certificate in good faith, of the identity of the persons listed in such certificate as members of the Board, corporate officers, or members of any architectural or planning committee.

Section 7.02. Powers of the Association.

- A. General. The Association shall have all of the powers set forth in its Articles, together with its general powers as a nonprofit corporation, limited only as expressly set forth in its Articles, its Bylaws and this Declaration, to do any and all lawful things which the Association is authorized, required or permitted to do under this Declaration, and to do any and all acts which may be necessary or proper for the exercise of any of the express powers of the Association, or for the peace, health, comfort, safety, and general welfare of Owners. All powers of the Association, except those for which a vote of the Members is required by this Declaration, the Bylaws, or by law, may be exercised by the Board.
- B. Enumerated Powers. In exercising any of its powers or performing any of its duties under this Declaration, including, but not limited to, its powers or duties for the maintenance, repair, operation, or administration of Common Area, and for the development, construction, installation or acquisition of a capital improvement, the Association may, as it deems necessary or appropriate:
1. Common Area Maintenance and Repairs. Provide for the improvement, maintenance, restoration, and repair of the Subdivision in accordance with the Articles entitled "Maintenance" and "Damage, Destruction, and Eminent Domain".
 2. Insurance. Obtain, maintain, and pay for such insurance policies or bonds, whether or not required by this Declaration, as the Association shall deem to be appropriate for the protection

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or benefit of the Subdivision, the Association, the members of the Board, and the Owners; and, on behalf of the Owners and consistent with this Declaration, enter into any appropriate agreement for the holding by a trustee of proceeds paid under any insurance policy held by the Association ("Insurance Trust Agreement"), which agreement may contain such provisions relating to the trustee's powers, duties, and compensation, as the Board may approve;

3. Debt. Incur indebtedness; but any indebtedness incurred after the total indebtedness exceeds the Association's estimate of its estimated gross revenues for the year incurred, or any indebtedness to be repaid over a period longer than one (1) year, must be approved by a two-thirds (2/3) vote of the Owners;
4. Utility and Other Service. Contract and pay for, or otherwise provide for, such utility and other services, including, but not limited to, water, sewer, garbage, electrical, telephone, communication cable, and gas services, as may, from time to time, be desirable or required. If these charges are for services to individual Units, the Association may prorate these charges to the Units using the services on any reasonable basis, including size of Unit or number of outlets, and charge the services to such Units in such installments and with such due dates as the Board may set;
5. Professional and Personal Services. Contract and pay for, or otherwise provide for, the services of architects, engineers, attorneys, bookkeepers and accountants, and other professional and nonprofessional services;
6. Material and Labor. Contract and pay for, or otherwise provide for, materials, supplies, furniture, equipment, and labor;
7. Liens. Pay and discharge any and all liens from time to time placed or imposed upon any Common Area, or on account of any work done or performed by the Association in the fulfillment of any of its duties of maintenance, repair, operation, or administration;
8. Use of Property. Lease, license, or contract for the use of land, improvements, and equipment

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for recreational or other purposes;

9. Signs. Place and maintain upon General Common Area signs and curb markings for the identification of the Subdivision or roads, the regulation of traffic, including parking, the regulation and use of the General Common Area, and the health, welfare and safety of Owners, Occupants, and other persons;
10. Taxes. Pay, compromise, or contest any and all taxes and assessments levied against: (i) all or any part of the Common Area; or (ii) any income of or assessed to the Association; or (iii) any personal property belonging to or assessed to the Association;
11. Enforcement. From time to time, in its own name, or on its own behalf, and on behalf of any Owner or Owners who consent thereto, commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of the Governing Documents, or to recover damages therefor or to enforce, by mandatory injunction or otherwise, any or all of the provisions of the Governing Documents;
12. Maintenance of Units. Maintain, or provide for the maintenance of, any Unit, and any Restricted Common Area appurtenant to such Unit which is not maintained by the Owner thereof in accordance with the requirements of this Declaration, at the expense of any such Owner;
13. Management Agreement. Enter into an agreement with a professional managing agent for professional management of the Subdivision, subject to any limitations contained in Subsection D of this Section or in the Article entitled "Protection of Mortgagees";
14. Management of Other Subdivisions. Agree with the governing body of any other subdivision, to manage the affairs of such other subdivision, to jointly manage the affairs of the subdivisions, to jointly hire a manager, to have its affairs managed by any other subdivision, or jointly to engage in other activities not inconsistent with this Declaration, upon such terms and conditions as the Association may deem appropriate;
15. Discipline. Temporarily suspend an Owner's

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rights as a Member, during the period of any uncorrected violation of this Declaration or of the Subdivision Rules by such Owner or by an Occupant of such Owner's Unit, and take other disciplinary action provided for by Subdivision Rule, in accordance with Subsection A3 of the Section entitled "Rules and Regulations"; and

16. Security Control. Provide security control, including but not limited to security guards, locked doors or gates, fences, or burglar or fire alarm systems as it deems necessary to afford reasonable protection to: (i) persons legally within the Subdivision; and (ii) real and personal property within the Subdivision.
17. Reimbursement. Reimburse any members of the Board or officer of the Association for expenses incurred in carrying on the business of the Association.
18. Other Action. Take such action, including, without limitation, self-help remedies that do not breach the peace or otherwise violate applicable law or this Declaration, whether or not expressly authorized by this Declaration, as may reasonably be necessary or desirable to enforce or carry out the purposes of the Governing Documents.

C. Common Area. The Association shall operate and control the General Common Area for the sole purpose of carrying out the purposes of this Declaration. Specifically:

1. The Association may, without a vote of the Members, grant and convey easements or rights of way in, on, over or under any General Common Area for the purpose of constructing, operating, and maintaining utilities, sewer and water disposal facilities, water systems, communication facilities, and related equipment. The Association may not, without the written consent of the affected Owners, and without amendment to this Declaration, alter the assignment of parking spaces to Units established by this Declaration.
2. To the extent such power is needed, each Owner, upon acceptance of such Owner's deed to a Condominium, does hereby irrevocably appoint the Board such Owner's attorney-in-fact to make the conveyances described in this Subsection, and

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such power of attorney shall be held to be coupled with an interest in the property conveyed and irrevocable.

- D. Majority Vote Required. Any of the following actions by the Board shall require a majority vote of the Owners as well as any vote of First Mortgagees required by the Article entitled "Protection of Mortgagees":
1. Incurring aggregate expenditures, other than expenditures covered by applicable reserves, for capital improvements to the Common Area in any Fiscal Year in excess of five percent (5%) of the budgeted gross expenses of the Association for that Fiscal Year;
 2. Selling, during any Fiscal Year, property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that Fiscal Year; and
 3. Paying compensation to members of the Board or officers of the Association for services performed in the conduct of the Association's business, provided that the Board may cause a director or officer of the Association to be reimbursed for expenses incurred in carrying on the business of the Association.
- E. Reorganization. Upon the sale or other disposition of the Subdivision or portion of the Subdivision under Subsection B2 of the Section entitled "Decision Not to Rebuild", or under Subsection C of the Section entitled "Eminent Domain", the Board may, without a vote of the Owners, adjust assessments and take any other reasonable actions necessary or convenient to permit the continued operation of the Subdivision without the portion so sold, provided that the relative proportions of assessments payable by Owners of the remaining Condominiums shall not be changed without approval by Owners and First Mortgagees in accordance with the Article entitled "Protection of Mortgagees".

Section 7.03. Duties of the Association.

- A. Insurance. The Association shall maintain insurance as required by the Article entitled "Insurance".
- B. Annual Statement. The Association shall prepare and distribute to each Owner and Eligible Mortgagee, if

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such Mortgagee so requests it, an annual statement complying with the Bylaws, reflecting the Association's receipts and expenditures for each Fiscal Year, as well as statements required by the Section entitled "Audited Financial Statements".

- C. Taxes. The Association shall pay all real property taxes and assessments levied upon the Common Area and all income and other taxes levied upon the Association.
- D. Other Action. The Association shall take such action, whether or not expressly authorized by this Declaration, as may reasonably be necessary to enforce or carry out the purposes of the Governing Documents.

Section 7.04. Rules and Regulations.

- A. Adoption. The Board may, from time to time and subject to this Declaration, adopt, amend, and repeal rules and regulations, to be known as "Subdivision Rules," providing for:
1. The use of the Common Area and facilities.
 2. The use of roads and parking areas including the designation of the parking and limited parking areas, and the assignment, if not otherwise specifically provided for by this Declaration, of parking stall spaces and storage areas, if any, within General Common Area.
 3. Monetary penalties, temporary suspension by the Board of an Owner's rights as a Member, or other discipline, for failure to comply with the Governing Documents. Such rules shall set forth the terms, conditions, and procedures for imposition of such discipline; such procedures shall provide for notice and an opportunity to be heard.
 4. The interpretation or implementation of the Article entitled "Construction and Architectural Control", and the designation of plans, specifications, or other documents or things required as a prerequisite for consideration of such proposed work.
 5. The modification of prohibitions contained in this Declaration, subject to appropriate terms and conditions, upon a finding by the Board that applicable government regulations, including without limitation any regulations relating to

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energy conservation or environmental protection, make such a modification necessary or desirable.

6. The interpretation of the provisions of this Declaration as they would apply to specific factual situations.
- B. Common Area. The Subdivision Rules may limit and otherwise regulate the use of General Common Area, but no such rule shall eliminate or unduly burden access to a Unit.
- C. Delivery. The Board shall give Notice to each Owner and Occupant of the Subdivision Rules as they may, from time to time, be adopted, amended, or repealed. The Board may also post a copy of the Subdivision Rules, as they may be adopted, amended, or repealed from time to time, at one or more reasonable locations in the Common Area and the Board determines, in its own discretion, will provide exposure to Owners and Occupants. Upon such Notice and posting, the Subdivision Rules shall have the same force and effect as if they were set forth in and were a part of this Declaration. Any Subdivision Rule relating to the health or safety of Occupants or other persons coming upon the Subdivision shall take effect upon adoption.

Section 7.05. Limitation of Liability of Members of the Board. No member of the Board shall be personally liable to any Owner or any other person, for any error or omission of the Board, the Association, its representatives and employees, or the manager, provided that such member has, with the actual knowledge possessed by him, acted in good faith. Such liability shall be limited as set forth in the Articles of the Association.

Section 7.06. Limitation of Liability for the Acts of Others. The Association, members of the Board, and employees and agents of the Association are not responsible or liable for personal injuries and property damage caused by criminal acts, intentional acts, or negligent acts of others whether such acts were foreseeable or not.

ARTICLE 8
FUNDS, ASSESSMENTS AND DELINQUENCY

Section 8.01. Creation of Personal Obligation and Lien for Assessments.

- A. Agreements to Pay. Each Owner covenants and agrees to pay to the Association, for each Condominium owned:

1. Regular Assessments;

2. Special Assessments;
 3. Delinquency Assessments; and
 4. All other fees or other moneys due the Association.
- B. Creation of Lien. Each assessment, plus interest, late charges, costs, and attorneys' fees provided by this Declaration, shall be a charge and a continuing lien upon the Condominium against which such assessment is made from the date the assessment is levied and from the date the other charges accrue.
- C. Lien Upon All Condominiums. A notice of assessment, setting forth the amount of the assessments for each Condominium within the Subdivision, may be Recorded by the Board when the regular assessments are levied or at any later time in accordance with NRS 117.070.
- D. Release of Assessment Lien. If a notice of assessment has been Recorded, the Board or its designee shall, upon payment of assessments, plus interest, late charges, costs, and attorneys' fees, if any, Record a notice of satisfaction and release of lien.
- E. Personal Obligation. Assessments and other fees and monies due the Association are payable from and after the time the Association levies the assessments or bills the fees or other monies due the Association and until paid. All assessments, plus interest, late charges, costs, and attorneys' fees shall be the joint and several personal obligation of all Owners of record of the Condominium assessed when the assessments are levied. The personal obligation of Owners to pay accrued assessments, other fees and monies due the Association, interest, late charges, costs, and attorneys' fees shall not pass to any successor in title as a personal obligation unless expressly assumed by such successor, but any such successor's title shall be subject to a Recorded lien except as otherwise provided by this Declaration.
- F. No Offset. Except as specifically provided in this Declaration, all assessments and other charges shall be paid without offset or reduction for any reason, including without limitation any claim that the Association is not properly discharging any of its duties under this Declaration.
- G. Certificate of Payment. The Board or its agent

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shall, within thirty (30) days after written demand is delivered to the Board by any Owner, and upon payment to the Association of a reasonable fee fixed by the Board to cover costs, furnish to any Owner a written certificate signed by an officer or agent of the Association stating whether the assessments on that Owner's Condominium have been paid, and the amount of any unpaid assessments and other charges. Such certificate shall be conclusive evidence, in favor of any third party or Owner relying thereon in good faith, of the amount of outstanding assessments, and of payment of any assessment, interest, late charges, costs, or attorneys' fees, therein stated to have been paid.

Section 8.02. Funds. The Association shall maintain the following funds, which shall be accounted for separately, for the receipt and expenditure of moneys:

- A. Operating Fund. All funds not deposited in the Maintenance Reserve Fund or Reconstruction Fund shall be deposited in the Operating Fund as one of the following:
1. Regular assessments.
 2. Special assessments.
 3. Delinquency assessments.
 4. Miscellaneous income.
 5. Income and profits attributable to the Operating Fund.
- B. Maintenance Reserve Fund. A fund shall be maintained called the Maintenance Reserve Fund ("Maintenance Reserve Fund"). Amounts remaining in the Operating Fund at the end of the Fiscal Year that were collected as fees or assessments, and not returned to Owners, shall be deposited in the Maintenance Reserve Fund. Amounts from those funds shall be withdrawn and used only for the purposes of maintenance, repair, and replacement of Common Areas for which such funds are established requiring such action on a periodic basis or upon damage to or destruction of Common Areas.
- C. Reconstruction Fund. Deposits to and expenditures from the Reconstruction Fund, are governed by the Article entitled "Damage, Destruction and Eminent Domain". The Board may enter into an Insurance Trust Agreement for the holding by a trustee of the

Reconstruction Fund.

Section 8.03. Assessments.

A. Regular Assessments.

1. Establishment. Not less than sixty (60) days prior to the start of each Fiscal Year, the Association shall estimate the expenses attributable generally to the Subdivision and shall subtract from such estimate an amount equal to the anticipated balance in the Operating Fund budgeted for expenditures for such purposes during the Fiscal Year, and the anticipated balance in the Maintenance Reserve Fund budgeted for expenditure during the Fiscal Year. The excess of such estimated expenses over such anticipated balances shall be assessed to each Condominium in equal shares ("Regular Assessment"). The initial Regular Assessment shall not exceed the amount set forth in the Bylaws. The Regular Assessment may be increased by the Board during any Fiscal Year in accordance with a revised budget of the Association's gross expenses.
2. Termination. Regular Assessments shall cease as to a Condominium when it ceases to be subject to this Declaration for any reason including without limitation the termination of this Declaration in whole or as to a certain Unit or Units or to a taking of a Unit by eminent domain.
3. Payment. Regular assessments shall be due and payable to the Association when levied, or at such times and in such installments as the Board may designate.

- B. Special Assessments. The Association may, during the Fiscal Year, levy an assessment, called a "Special Assessment": (i) when the maximum Regular Assessment appears likely to prove inadequate due to nonpayments of or delinquencies in the payment of regular assessments; (ii) when the maximum Regular Assessment appears likely to prove inadequate due to unanticipated expenses; (iii) for paying or reimbursing, in whole or in part, the cost of an acquisition, construction, reconstruction, repair, or replacement of capital improvements to the Common Area, whether such improvements are real or personal property; and (iv) for retiring any indebtedness of the Association.

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1. Basis of Special Assessments. All special assessments shall be assessed to Condominiums on the same basis as Regular Assessments.
2. Limitations on Special Assessments. In any Fiscal Year, the Board shall not, without a majority vote of the Owners to be assessed, levy special assessments which in the aggregate exceed five percent (5%) of the Association's budgeted gross expenses for the current fiscal year, as adjusted in accordance with the provisions in Subsection A of this Section, including budgeted expenditures from the Maintenance Reserve Fund.
3. Payment. Special assessments shall be due and payable to the Association when levied, or at such times and in such installments as the Board may designate.

C. Delinquency Assessment. The Association shall levy an assessment, called a "Delinquency Assessment," against any Condominium, the Owner or Occupant of which has, by negligent or tortious acts or omissions, or acts or omissions in violation of this Declaration, or acts and omissions in violation of the Section entitled "Observance of This Declaration" made necessary any expenditure of money by the Association, except to the extent such expenditure is to pay any liability or remedy any damage or injury, that is paid by any type of insurance. Such assessment shall be in an amount necessary to reimburse the Association for all costs, including attorneys' fees, regardless of whether legal action is brought, incurred in bringing the Owner or Occupant and the Owner's or Occupant's Unit or Restricted Common Area into compliance with this Declaration, or in obtaining compensation from or other remedies against such Owner or Occupant. Such assessment shall be due and payable when levied or in installments as required by the Association.

Section 8.04. Delinquency and Enforcement of Lien.

A. Delinquency. Any assessment provided for in this Article, whether levied monthly, quarterly, or otherwise, that is not paid when due, is delinquent. The Association may require any Owner who has not paid an assessment within ten (10) days after its due date, to pay a late charge, in an amount which the Board may prescribe by Subdivision Rule or, in the absence of such a Subdivision Rule, an amount equal to the lesser of ten percent (10%) of such delinquent assessment or the maximum amount allowed by law, as reimbursement

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for the costs of handling the delinquent payment. This provision for late charges is designed to encourage the prompt payment of assessments when due, and to compensate the Association for the cost and expenses caused by the late payment of assessments. The existence of this provision, whether or not any such late charge is actually paid in a given case: (i) does not excuse the payment of any assessment or allow an Owner the privilege of extending the due date of any assessment; (ii) does not constitute an agreement to forebear from the collection of any delinquent assessment; (iii) does not prevent such delinquency from being treated as a default of the Owner's obligations under this Declaration; and (iv) does not prevent the collection of the delinquent amount in any lawful manner. Owner agrees that the actual damages caused to the Association by Owner's failure to pay assessments when due would be impracticable or extremely difficult to determine, and that the late charge shall constitute liquidated damages payable to the Association. The late charge shall constitute the Association's sole damages for any Owner's late payment of assessments, but does not prevent the Association from pursuing other remedies provided for by this Declaration or applicable law.

B. Interest on Overdue Assessments. If the assessment is not paid within thirty (30) days after its due date, it shall bear interest from the due date at the then maximum lawful rate permitted by written agreement under the laws of the state in which the Subdivision is located or, in the absence of a legal maximum or at the option of the Board, at a rate to be set by the Board by Subdivision Rule that does not exceed such maximum lawful rate and in the absence of such a rule at the rate of ten percent (10%) per year. Such charges shall constitute an additional assessment collectible together with the assessment for which they were charged.

C. Remedies.

1. General. If an assessment is not paid within thirty (30) days after its due date, the Association may bring an action to recover a money judgment against each Owner personally liable therefor, and upon compliance with this Article, enforce its assessment lien by judicial or nonjudicial foreclosure and sale of the Condominium or in any other manner permitted by law. When an action is brought, there shall be added to the amount of the delinquent assessment,

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the late charge and the costs of preparing, filing, and prosecuting the action; any judgment in such action shall include interest as described above, costs, and reasonable attorneys' fees.

2. Foreclosure of Lien. Every action to enforce an assessment lien shall comply with NRS 117.075.
3. Cumulative Remedies. The assessment lien and rights to foreclosure and sale under such lien shall be in addition to, and not in substitution for, all other rights and remedies which the Association may have under this Declaration and by law, including a suit to recover a money judgment for unpaid assessments, as provided by this Section.

ARTICLE 9 MAINTENANCE

Section 9.01. Allocation of Maintenance Responsibilities. Responsibility for maintenance of the Subdivision and all components of the Subdivision are as set forth in this Article.

Section 9.02. Insured Damage. To the extent that the expense of maintenance, repair, or reconstruction of any part of the Subdivision, whether Units or Common Area, is covered or paid by insurance held by the Association, the responsibility for such work shall be as set forth in the Article entitled "Damage, Destruction, and Eminent Domain".

Section 9.03. Maintenance by Owners. Maintenance responsibilities of Owners are as follows:

- A. Each Owner shall maintain and repair: (i) the structural elements, doors (except for the exterior finish), windows, skylights, and other glass and light passing surfaces, and screens, serving only such Owner's Unit or Restricted Common Area, including balconies; (ii) any air conditioning, heating, plumbing, electrical, water heater, solar heating, or other mechanical systems serving such Owner's individual Unit; (iii) water and sanitary sewer laterals serving such Owner's individual Unit; (iv) the Unit and Restricted Common Area reserved exclusively to the Unit; and (v) all Improvements installed by such Owner to such Owner's Unit or Restricted Common Area, or to the structure encompassing such Unit or Restricted Common Area, that

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are not replacements of original construction;

- B. Subject to the provisions of the Article entitled "Damage, Destruction, and Eminent Domain", if the structure encompassing a Unit or Restricted Common Area is damaged or destroyed, each Owner shall be responsible for, and shall bear the cost of repair or reconstruction of such Owner's Unit or Restricted Common Area to the extent the expense of such repair or reconstruction is: (i) less than the deductible amount of applicable insurance; (ii) greater than the amount in the Reconstruction Fund; or (iii) is not covered or paid by insurance carried by the Association.
- C. Each Owner shall maintain, repair, and keep in a neat and orderly condition all Restricted Common Area appurtenant to the Unit, including the interior of any garages assigned exclusively to the Unit.

Section 9.04. Maintenance by the Association. Other than items required to be maintained by Owners, the Association shall maintain:

- A. General Common Area, Improvements in or on General Common Area, and all Improvements made by the Association or that constitute replacements of original construction, including without limitation: (i) roofs, exteriors of balconies, structural elements and exterior surfaces of buildings other than those items required to be maintained by the Owners, solar panels located on roofs and all utility lines and pipes serving such panels, and underground utility and service lines; (ii) all roads and parking areas that have not been accepted for dedication or maintenance by a government entity; (iii) landscape and vegetation, including proper trimming, mowing, cutting, watering, fertilization, planting, weeding, and replacement; and (iv) underground utility and service lines. Association maintenance of balconies is limited to exterior painting.
- B. Any parking spaces that are Restricted Common Area.

ARTICLE 10
CONSTRUCTION AND ARCHITECTURAL CONTROL

Section 10.01. Conveyance of Common Area.

A. Restricted Common Area.

1. The Board may, without the consent of Owners or

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Mortgagees, convey to any Owner an exclusive right for the use and enjoyment of airspace within Common Area, for the construction of Improvements which are attached to structural Common Area encompassing a Unit, and protrude into Common Area. Such airspace shall not exceed fifty (50) cubic feet unless granted for a bay window, greenhouse window, or skylight.

2. Upon such conveyance: (i) such airspace shall be Restricted Common Area appurtenant to such Unit; (ii) the Improvement itself, other than such airspace, shall be characterized as General Common Area or Restricted Common Area as such terms are defined in this Declaration; and (iii) the maintenance of both such Restricted Common Area and the Improvement itself shall be the responsibility of the Owner of the Unit to which it is appurtenant.

B. Findings Required for Conveyance of Common Area. The Board shall not approve the conveyance of interests in Common Area unless the Owner first complies with the provisions in the Section entitled "Construction and Alteration of Improvements" and the Board finds that such Improvement will not: (i) materially impair the view from, the privacy of, or exposure to natural light of, another Unit; (ii) materially interfere with use or enjoyment of recreational facilities within the Subdivision; (iii) materially interfere with travel upon roadways or walkways within the Subdivision, or otherwise interfere with access to and from Units; (iv) otherwise materially impair the use and enjoyment of the Subdivision by other Owners; or (v) materially damage or impair the structural integrity of any existing Improvements.

C. General.

1. The Board shall determine, in its sole discretion but on a nondiscriminatory basis, whether and to what extent any Owner to whom an easement in Common Area is so conveyed, shall be required to pay any consideration for such conveyance.
2. Any easements or rights of use or enjoyment held by the Association or by Owners of Condominiums within the Subdivision, with respect to any airspace conveyed in accordance with this Section, shall be extinguished by such conveyance.

3. The Board may, after any conveyance under this Section, make adjustments to the assessment obligations of the affected Condominium, so that any additional costs to be incurred by the Association in connection with such airspace or related Improvements, will be borne by the Owner of the affected Condominium.
4. The fact that airspace to be conveyed under this Section is at ground level shall not preclude approval of such conveyance, if the other requirements of this Section are satisfied.

Section 10.02. Construction and Alteration of Improvements.

- A. Application. This Section shall govern any Improvements or other work within: (i) General Common Area; or (ii) Restricted Common Area visible from public streets adjacent to the Subdivision, the ground level of General Common Area, or the ground level of other Units.
- B. Right of Use. Any Improvement approved by the Association pursuant to the provisions of this Section which does not create an exclusive right to use airspace, shall be constructed, installed, or maintained pursuant to a right of use in favor of the Owner improving or altering the Common Area. No consent of other Owners or Mortgagees is required for the creation of such right of use.
- C. Limitation on Construction or Alteration. No person other than the Association, or Owner with the approval of the Board shall: (i) construct, reconstruct, refinish, alter, install, or maintain any Improvement, including but not limited to solar energy systems; (ii) make or create any excavation or fill; (iii) change any natural or existing drainage; (iv) destroy, remove, or cut any tree, shrub, or other vegetation; or (v) plant any tree, plant, shrub, or other vegetation. This provision does not apply to the placement or removal of furniture, outdoor cooking units, potted or boxed plants, and decorative items within Restricted Common Area that do not otherwise violate these Restrictions, provided such items are reasonably movable.
- D. Board Approval. The procedure and criteria for Board approval of any work under this Article, are as follows:

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1. Procedure.

- a. Submission of Plans. Any Owner proposing to do any work for which approval of the Board is required under this Article shall apply by submitting, in duplicate, such plans and specifications for the proposed work as the Board may from time to time request, including but not limited to, when deemed appropriate by the Board: (i) floor plans; (ii) colors of exterior materials and colors, with samples if required by the Board; (iii) specifications; (iv) building plan or plans; (v) wall sections; (vi) exterior elevations; (vii) roof plan; (viii) landscaping plans; (ix) graphics and exterior furnishings; and (x) the Owner's proposed construction schedule.
- b. Review Fee. The Board may require that the submission of plans and specifications be accompanied by a fee to defray the actual cost of the review of plans and specifications, the amount of which shall be set by the Board from time to time, but shall not exceed one-tenth of one percent (1/10 of 1%) of the estimated cost of the work.
- c. Form of Approval. The approval shall be in writing, and may be conditioned upon the submission by the Owner of such additional plans and specifications as the Board in its absolute discretion deems appropriate.
- d. Inaction. Applications made in accordance with this Subsection that are not acted upon within thirty (30) days from the date of submission thereof shall be deemed approved.
- e. Return of Plans. If the application is approved, the Board shall return to the Owner one set of plans as finally approved and bearing the endorsement of the Board. If the Owner originally furnished only one (1) set of plans and specifications to the Board and the Board waived the requirement of such plans and specifications in duplicate, the Board may retain such plans and deliver to the Owner written notice of the approval of such plans.

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2. Criteria. The Board shall approve the work only in accordance with the criteria set forth in this Subsection.
- a. General. The Board shall not consent to any Improvements described in this Article unless the Owner has submitted the materials required by the Board.
- b. Mechanics' Liens. The Board may require an Owner proposing to do any work for which approval of the Board is required under this Section to protect against mechanics' liens arising against the Common Area or other Units by such safeguards as the Board considers reasonable, such as the posting of a bond or the disbursement through a voucher system of payments directly to materialmen, contractors, and subcontractors.
- c. Findings Required for Improvements. The Board shall not do or consent to any Improvements described in this Subsection unless the Association determines that the work is reasonably desirable or necessary and otherwise conforms to this Declaration.

Section 10.03. Completion and Inspection.

- A. Completion of Improvements; Extension. Upon receipt of the approval from the Board, the Owner shall, as soon as practicable, satisfy any conditions of such approval and diligently proceed with the commencement and completion of all work within one (1) year of the date of such approval. The Board may extend the one (1) year period if: (i) the Owner makes a written application to the Board setting forth the reason for the requested extension; and (ii) the Board finds that the Owner has pursued the work diligently and in good faith. If the Board approves the extension, the Board shall, in writing, notify the Owner of the length of the extension. If the Owner fails to complete the work within one (1) year and any applicable extension period, the approval shall be deemed revoked and the work may be treated as having been constructed in violation of this Article.
- B. Inspection of Improvements. Upon completion of the work, the Owner shall give a notice of completion of the Improvement, in writing, to the Board. The Board, directly or through its authorized representative, may inspect the work for compliance with the approved

plans. The Board shall notify the Owner of any noncompliance, in writing, and require the remedy thereof, within sixty (60) days from receipt of Owner's Notice of Completion. If the Board fails to give a noncompliance notice, the Improvement shall be deemed to have been completed in accordance with this Article. If notice of noncompliance is given within such sixty (60) day period, and the Owner fails to remedy such noncompliance within sixty (60) days after receipt of such notice, the Board may act in accordance with the provisions of the Section entitled "Noncompliance".

Section 10.04. Noncompliance. If improvements are installed that are not in compliance with this Declaration, the Association may either remove the improvement or remedy the noncompliance. No improvement shall be removed from, or a noncompliance remedied on, a Unit or Restricted Common Area without either the consent of the Owner of the Unit or Restricted Common Area or an order obtained from a court of competent jurisdiction.

Section 10.05. Limitation Period for Noncompliance. Any work completed without compliance with this Article shall be deemed to have been done in compliance with this Article if, within one (1) year after completion of such work, no legal action is commenced to enforce the provisions of this Section against such work.

Section 10.06. Owner's Responsibility for Increased Insurance Rates. The Association shall not approve any Improvements, or work described in this Article to be performed, or caused to be performed, by any Owner for the benefit of such Owner or such Owner's Unit or Restricted Common Area which would materially increase the rates of any insurance carried by the Association, unless the Owner agrees, in writing, with the Association to insure the completed Improvements or work, such agreement is Recorded, and such agreement is expressly binding on successors to the Owner's interest in his Condominium.

Section 10.07. Encroachments. If any Improvements within the Common Area encroach on any Unit, or if any Unit encroaches the Common Area, as shown on the Plan, for any reason, including without limitation: (i) construction, reconstruction, repair, shifting, settlement, movement of any part of the Subdivision; (ii) any work approved by the Board; (iii) misdescription or error in draftsmanship on the Plan, other than an intentional encroachment by an Owner, a valid easement exists for such encroachment and for its maintenance so long as the encroachment remains, and all Units and the Common Area are subject to such easements.

Section 10.08. Estoppel Certificate. Within thirty (30)

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days after written demand is delivered to the Board by any Owner, and upon payment to the Association of a reasonable fee fixed by the Association to cover costs, the Board shall provide such Owner with an estoppel certificate executed by an officer of the Association and acknowledged, certifying with respect to any Unit owned by the Owner, that as of the date thereof, either: (i) all Improvements and other work made or done upon or within such Unit by the Owner, comply with this Declaration; or (ii) such Improvements or work do not so comply, in which event the certificate shall also identify the noncomplying Improvements and work, and set forth with particularity the nature of such noncompliance. Any purchaser from the Owner, and any Secured Party, shall be entitled to rely on such certificate with respect to the matters therein set forth, such matters being conclusive as between the Association and all Owners, and such purchaser or Secured Party.

Section 10.9. Board Liability. Neither the Board nor any member of the Board shall be liable to the Association or to any Owner for any damage, loss or prejudice suffered or claimed on account of: (i) the approval of any plans, drawings, or specifications, whether or not defective; (ii) the construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications; (iii) the development, or manner of development, of any property within the Subdivision; or (iv) the execution and Recordation of an estoppel certificate, whether or not the facts stated therein are correct, provided, however, that the officer executing this certificate, with the actual knowledge possessed by him, has acted in good faith. In any case, the Board, or any member of the Board, may consult with or hear any Owner with respect to any plans, drawings, or specifications, or any other proposal submitted to the Board.

Section 10.10. Owner's Liability. Any Owner who alters any portion of the Subdivision, or causes any alteration to the Subdivision, shall be responsible and liable for any damage to Common Area or other Units resulting from such alteration, and shall be responsible and liable for any violation of any law or governmental regulation resulting from such alteration.

Section 10.11. Notice of Nonresponsibility. Before commencing any work within the Subdivision, any Owner shall give the Association, and any Owner whose Unit will be affected by such work, thirty (30) days' written Notice, so that the Association or such Owner may take appropriate action.

Section 10.12. Mechanics' Liens. No Owner shall permit any mechanics' lien to arise, in connection with any work initiated by such Owner, upon the Common Area or any other Unit not owned by such Owner. Should such a lien arise, the Owner who initiated such work shall immediately take all necessary steps to remove such lien, including, if necessary, the

obtaining of a bond, and shall indemnify the Association and all Owners against, and hold them harmless from, such lien and any costs incurred in removing such lien, including reasonable attorneys' fees. If any Owner fails to promptly pay all such costs upon the written demand of the Association, the Association may levy a Delinquency Assessment, in accordance with Subsection C of the Section entitled "Assessments", against such Owner for such amounts.

ARTICLE 11
INSURANCE

Section 11.01. Hazard Insurance. The Association shall obtain, and maintain in force, a blanket policy of hazard insurance covering all insurable Improvements in the Subdivision, including fixtures, machinery, and building service equipment, and on personal property and supplies owned by the Association. The fixtures to be covered by such policy shall include fixtures within Units, including without limitation wall and floor coverings, cabinets, built-in appliances, bathtubs, commodes, shower stalls, and sinks. Such insurance shall cover loss or damage by fire and other perils normally covered by the standard extended coverage endorsement, as well as all other perils which are customarily covered with respect to Improvements similar in construction, location, and use, as determined by the Board in its sole discretion, in consultation with one or more licensed insurance agents. The amount of coverage shall be not less than 100% of current replacement cost. The policy shall include: (i) an "Agreed Amount and Inflation Guard Endorsement;" (ii) a "Construction Code Endorsement," if the insured Improvements are subject to a code provision that would require changes in the reconstruction of undamaged portions of partially damaged Improvements; and (iii) a Steam Boiler and Machinery Coverage Endorsement which provides that the insurer's minimum liability per accident at least equals the lesser of two million dollars (\$2,000,000.00) or the insurable value of the buildings housing the boiler or machinery if such a boiler or machinery is within the Subdivision; (iv) solar panels; and (v) recognition of any Insurance Trust Agreement.

Section 11.02. Liability Insurance. The Association shall obtain and maintain in force, a policy of comprehensive single limit general liability insurance on the Subdivision, in the amount of at least one million dollars (\$1,000,000.00), insuring each Owner, the Association, and the Board, against: (i) liability for property damage, personal injury or death, arising out of a single occurrence, in connection with the operation, maintenance, or use of the Subdivision or any part thereof; and (ii) liability arising out of law suits relating to any employment contracts of the Association. The policy shall

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contain a "severability of interest" clause or endorsement under which the insurer is precluded from denying an Owner's claim based on the negligence of the Association or any other Owner. The insurer's liability under the policy shall be primary and shall not be affected by, and the insurer shall not claim any right of setoff, counterclaim, apportionment, proration, or contribution by reason of, any other insurance obtained by or for any Owner. The insurance policy should also cover commercial spaces owned by the Association. The Association must also carry any additional coverage commonly required by private mortgage investors for developments similar in construction, location, and use, including the following where applicable and available: (i) comprehensive automobile liability; (ii) bailee's liability; (iii) elevator collision liability; (iv) garage keeper's liability; (v) host liquor liability; (vi) worker's compensation and employer's liability; and (vii) contractual liability.

Section 11.03. Fidelity Bond. The Association shall maintain one or more blanket fidelity bonds, for all officers, directors, trustees, or employees of the Association; and all employees, officers, and agents of any management agent, all volunteers, and all other persons, who handle or are responsible for funds belonging to or administered by the Association, whether or not for compensation. The amount of coverage shall cover the maximum amount of the funds that will be in the custody of the Association or its management agent at any time while the bond is in force but its coverage must at least equal the sum of three months assessments on all Units, plus the accumulated reserves. The bond or bonds shall name the Association as obligee. Any management agent of the Association should be covered by its own bond, and such bond must provide the same coverage required of the Association and shall name the Association as an additional obligee. The management agent shall submit evidence of such coverage to the Association. In the event the Association is unable to obtain a fidelity bond meeting the requirements of this Section, including the specified amount of coverage, or if the Association cannot obtain such bond at a cost consistent with good management practice, the Board may: (i) obtain a fidelity bond with a lower amount of coverage; (ii) provide comparable coverage for employee dishonesty under any liability insurance policy; or (iii) otherwise provide for the holding of funds the Association has the custody of in accounts that require multiple signatures of the officers, directors or employees of the Association.

Section 11.04. Flood Insurance. If any property required to be covered by hazard insurance under this Article is located in an area identified by the Federal Emergency Management Agency ("FEMA") as having special flood hazards and for which flood insurance has been made available under the National Flood Insurance Program ("NFIP"), the Association shall obtain a master or

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blanket policy of flood insurance in the form issued by members of the National Flood Insurance Association, or in a form which meets the criteria set forth in the most recent guidelines published by the National Flood Insurance Administration. The policy shall cover any portion of the Subdivision located within the special flood hazard area, and shall be in an amount equal to the lesser of: (i) the maximum coverage available under the NFIP for all buildings and other insurable property; or (ii) 100% of the current replacement cost of all buildings and other insurable property. When the Subdivision consists of high-rise or other vertical dwellings, the Association must have a separate flood insurance policy for each building that houses Condominiums. The building coverage should equal the lesser of: (i) 100% of the insurable value of the building, including machinery and equipment that are part of the building; or (ii) the maximum amount of building coverage available under the NFIP. The contents coverage must include the lesser of: (i) 100% of the insurable value of all contents, including any machinery and equipment that are not part of the building, but which are owned in common by the Owners or the Association; or (ii) the maximum amount of contents coverage available under the NFIP.

Section 11.05. Deductibles. The Board, in its sole discretion, may obtain any policy of insurance with a "deductible" provision, under which losses not exceeding a specified amount are not covered. The amount of the deductible shall: (i) be reasonable, given the amount and type of coverage; and (ii) not exceed any applicable maximum deductible permitted by the Federal National Mortgage Association ("FNMA") or the Federal Home Loan Mortgage Corporation ("FHLMC").

Section 11.06. Cross Liability. Any policy shall contain a "cross liability" endorsement or other endorsement, if required to ensure that the policy covers damage or injuries caused by any named insured.

Section 11.07. General Insurance Requirements.

A. Carrier Rating. All hazard insurance required to be maintained under this Article shall be issued by an insurance carrier which: (i) is acceptable to FNMA and FHLMC; and (ii) falls into a financial category, as designated in Best's Key Rating Guide, of Class B/III or better, has a rating of A/II or better, provides coverage that is underwritten by Lloyd's of London or by a Fair Access to Insurance Requirements (FAIR) or breach and windstorm plan, or is covered by 100% reinsurance provided by an insurer which is rated B/III or better and which expressly agrees not to terminate such reinsurance without ninety (90) days' written notice to the Association. All insurance

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required to be maintained under this Article shall be issued by an insurance carrier which is specifically authorized by law or licensed to do business in the state in which the Subdivision is located.

- B. Named Insured; Loss Payee. The Association, and any Insurance Trustee with whom the Association has entered into an Insurance Trust Agreement, shall be named as insured on any insurance policy or fidelity bond required by this Article, for the use and benefit of the Owners. The Association, or Insurance Trustee if applicable, shall be named as loss payee, in trust for all Owners and Secured Parties. Each Owner and Secured Party shall be a beneficiary of the policy, in the same proportion as set forth in the Article entitled "Damage, Destruction, and Eminent Domain" for the distribution of hazard insurance proceeds.
- C. Prohibited Provisions. No insurance policy or fidelity bond required by this Article shall contain or be subject to any provision under which: (i) the Association, or any Owner or Secured Party would be liable for any contribution or assessment; or (ii) any contribution or assessment for which any other person is liable may become a lien on any property prior to the lien of a Secured Party; or (iii) loss payments are contingent upon any action by the insurer's board of directors, policy holders, or members; or (iv) a Secured Party, Owner, or the Association would be prevented from collecting insurance proceeds other than in accordance with standard insurance conditions.
- D. Notice of Cancellation or Modification. No insurance policy or fidelity bond required by this Article shall be subject to cancellation or modification, including for nonpayment of premiums, except upon at least ten (10) days' prior written notice to the Association or any insurance trustee for the Association and to any Secured Party listed in such policy.
- E. Increased Hazards. No insurance policy or fidelity bond required by this Article shall contain a provision relieving the insurer from liability for loss occurring while any covered hazard is increased, whether or not within the knowledge of the Association, the Board, or any Owner, by any act or omission, or breach of any warranty, condition, covenant, or restriction, by the Board, Association, any Owner, or any other person acting under such persons.
- F. Acts of Individual Owners. Each insurance policy

must provide that coverage is not prejudiced by any act or neglect of individual Owners or Occupants not within the control of the Owners collectively.

- G. Waiver of Subrogation. Each insurance policy and fidelity bond required by this Article shall contain a waiver by the insurer of any right of subrogation to the rights of any person or entity against the Board, the Association, and any Owner or Owner's family, or any lawful occupant of any Unit.
- H. Compliance With Law. All insurance coverage obtained by the Association shall be in accordance with and consistent with local and state insurance law.
- I. Mortgagee Clause. Any hazard insurance policy obtained by the Association shall contain the standard mortgagee clause, in a form commonly accepted by private institutional mortgage investors in the area in which the Subdivision is located, which shall:
1. Provide that the coverage of the Secured Party is not adversely affected or diminished by any act of the Board, the Association, or any Owner or Occupant; and
 2. Waive any provision that the Secured Party's failure to notify the insurer of any hazardous use or vacancy invalidates the mortgagee clause; and
 3. Name each Secured Party and each Secured Party's "successors and assigns".
- J. Certificates. The Association shall hold certificates or other evidence of all insurance policies or fidelity bonds obtained under this Article, and shall issue such certificate or other evidence to each Owner and First Mortgagee upon request.
- K. Owners' Insurance. Any insurance obtained by the Association shall not prejudice the right of any Owner to insure his Unit for his own benefit. Any policy obtained by the Association shall be primary in the event an Owner carries insurance covering the same loss. Any such insurance of Owner shall contain a waiver by the insurer of any right of subrogation to the right of any person or entity against the Board, the Association or any Owner or Occupant. To the extent allowable by law, this Declaration hereby

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waives such rights of subrogation.

- L. No Insurance on Fixtures or Furnishings. The Association is not required to obtain insurance covering the fixtures, furnishings, or household goods and effects within Owners' Units or Restricted Common Area, except "fixtures" required to be insured by the Association under this Article.
- M. Insurance Trustee; Power of Attorney. Each Owner hereby appoints the Association, and any Insurance Trustee with which the Association enters into an Insurance Trust Agreement in accordance with this Declaration, its attorney-in-fact for the purpose of obtaining and maintaining any insurance or fidelity bonds required under this Article, including: collecting and appropriately disposing of proceeds; negotiating losses and executing releases of liability; executing all documents; and performing all other acts necessary to obtain and maintain such insurance or fidelity bonds.
- N. Proceeds. The Association, and any Insurance Trustee if applicable, shall receive, hold, or otherwise properly dispose of any insurance or fidelity bond proceeds in trust for Owners and Secured Parties as their interests may appear.

Section 11.08. Other Required Insurance. Notwithstanding any other provision of this Declaration, the Association shall continuously maintain in effect such casualty, flood, and liability insurance, and a fidelity bond, meeting the insurance and fidelity bond requirements for condominium projects established by FNMA, FHLMC, and the Government National Mortgage Association ("GNMA"), except to the extent such coverage is not available or has been waived in writing by FNMA, FHLMC, or GNMA.

ARTICLE 12
DAMAGE, DESTRUCTION AND EMINENT DOMAIN

Section 12.01. Reconstruction Fund. Upon the damage or destruction of any part of the Subdivision, the Board shall create and maintain a Reconstruction Fund. The Reconstruction Fund shall comprise any: (i) insurance proceeds, and any amounts recovered as a direct settlement from a third party; (ii) accumulated reserves for repair or replacement of the damaged improvements; (iii) deficiency assessment levied pursuant to this Section; and (iv) damages recovered from an action brought by the Association pursuant to the Section entitled "Recovery of Damages for Damage or Destruction". Amounts in the Reconstruction Fund shall be segregated by acceptable accounting

procedures in the following categories: (i) "insurance proceeds"; (ii) "reserves for damaged improvements"; (iii) "deficiency assessments"; or (iv) "recovered damages". The amount in the Reconstruction Fund shall be held for the benefit of the Owners and Secured Parties as their interest may appear. The amount in the Reconstruction Fund shall be disbursed in accordance with the provisions in the Section entitled "Disbursement of Reconstruction Fund".

Section 12.02. Damage or Destruction. The expense of repair, reconstruction, or replacement of any portion of the Subdivision damaged by fire or other casualties be paid from the Reconstruction Fund as follows: (i) with respect to any damage covered by insurance, such expense is to be paid from the proceeds of such insurance to the full extent of such proceeds; (ii) to the extent that any such damage is not covered by insurance or that the expense of repair, reconstruction, or replacement of such damage either is less than the "deductible" for such insurance, or exceeds the amount in the Reconstruction Fund, the expense of repair, reconstruction, or replacement is to be paid by the Association. Accordingly, the amount in the Reconstruction Fund shall be held for the benefit of the Owners and Secured Parties as their interest may appear, and the Board shall obtain firm bids, if possible, from two (2) or more licensed and responsible contractors, to repair, replace, or reconstruct the damaged Improvements, and may obtain bids to demolish the damaged Improvements. Thereafter:

A. No Vote Required. If the cost of repair, reconstruction, or replacement does not exceed the amount in the Reconstruction Fund by more than the amount the Board could assess as a Special Assessment without the Owners' vote under the Section entitled "Assessments", then:

1. Repair by Owners or Secured Parties. If the damage is small in scope or cost of repair, reconstruction, or replacement, the Board may allow the Owners or Secured Parties of Units in the damaged or destroyed building to repair, reconstruct, or replace the damaged Improvements, upon such safeguards as the Board deems reasonable (such as payment directly to materialmen, contractors, and subcontractors, and disbursement on voucher or other control system), and subject to the right of such Owners and Secured Parties to receive the applicable portion of the Reconstruction Fund under the Section of this Article entitled "Disbursement of Reconstruction Fund".

2. Repair by Association, Special Assessment. Otherwise, the Association shall contract to

repair, reconstruct, or replace the damaged areas according to the original plans and specifications, and shall levy a Special Assessment in the amount, if any, by which the cost of repair, reconstruction, or replacement exceeds the amount in the Reconstruction Fund. Such assessment shall be levied against, and allocated among, all Condominiums whose Units are located in the damaged or destroyed building, on the basis of the ratio of the square footage of the floor area of the Unit of the Condominium assessed, as it existed prior to the damage or destruction, to the total square footage of the floor areas of the Units of all Condominiums to be assessed, as they existed prior to the damage or destruction.

- B. Vote Required. If the cost of repair, reconstruction, or replacement exceeds the amount in the Reconstruction Fund by more than the amount the Board may assess as a Special Assessment without the Owners' vote under the Section entitled "Assessments", then the Association shall arrange for either:
- (i) the repair, reconstruction, or replacement of the damaged Improvements in accordance with this Subsection; or (ii) the demolition of the damaged Improvements and purchase of the interest in the Subdivision of the Owners of damaged Improvements, or the sale of the entire Subdivision, or portion of the Subdivision, in accordance with the Section entitled "Decision Not to Rebuild".
1. Meeting of Owners. As soon as possible after obtaining the bids required by this Subsection, the Board shall call a special meeting of the Owners to consider the bids. At such meeting, the Owners of Units in the damaged or destroyed building may, by a sixty-seven percent (67%) vote, reject all bids for repair, reconstruction, or replacement, and thus elect not to repair, reconstruct, or replace. Failure to reject all bids shall authorize the Board to accept the unrejected bid it considers most favorable.
 2. Failure to Call Meeting. If the Board fails to obtain bids or fails to call such special meeting within sixty (60) days after the damage occurs, any Owner or Secured Party may obtain bids and call and conduct the meeting.
 3. Failure to Commence Repairs. The failure to commence to repair the damage, within twelve (12)

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months after the damage occurs, shall be deemed for all purposes a decision not to repair, reconstruct, or replace.

4. Assessment for Deficiency. If a bid is to be accepted, the Board shall levy a Special Assessment, which shall be allocated in the manner set forth in Subsection A2 of this Section to make up any deficiency between the contract price of repairs or rebuilding and the total amount in the Reconstruction Fund. The assessment shall be paid into the Reconstruction Fund. The Board shall pay from the Operating Fund the assessment of any Owner who fails to pay such assessment within thirty (30) days after the levy thereof. The Board shall thereupon let the contract to the successful bidder.

Section 12.03. Decision Not to Rebuild.

- A. Effect of Decision Not to Rebuild. If a decision not to rebuild was made in accordance with Subsection B1 of the Section entitled "Damage or Destruction", and later but prior to any sale of the damaged property a substantial amount is deposited in the Reconstruction Fund as "insurance proceeds", amounts recovered as a direct settlement from a third party, or both, the Owners may, by the procedure set forth in Subsection B of the Section entitled "Damage or Destruction" take another vote to decide whether or not to rebuild.
- B. Procedures for Disposition. If the Improvements within the Subdivision are not to be repaired, replaced, or rebuilt, then the Board shall, as soon as reasonably possible and as agent for the Owners, sell, if possible, the entire Subdivision, in its then current condition, on terms satisfactory to the Board, free from the effect of this Declaration, which shall terminate upon such sale. The net proceeds of such sale, and all moneys held in the Reconstruction Fund, shall thereupon be distributed among all Owners and Secured Parties, as their interests may appear, according to the respective fair market values, determined in accordance with the Section entitled "Fair Market Value", of the Condominiums immediately prior to the damage or destruction. This disbursement may be by check or draft payable jointly to Owners and Secured Parties of each Condominium.

Section 12.04. Recording of Statements.

- A. Statement of Damage. Within sixty (60) days after

any damage occurs, the Board shall, or, if it does not act, any Owner or Secured Party may, Record a statement under penalty of perjury: (i) stating that such damage has occurred; (ii) describing the damage; (iii) identifying the damaged building; (iv) identifying the entity, if any, holding the Reconstruction Fund; (v) reciting that the statement is Recorded pursuant to this Section of this Declaration; and (vi) reciting that a copy of the statement has been served as a notice on each of the Owners, Eligible Mortgagees, and Eligible Guarantors.

- B. Statement of Decision Not to Rebuild. If the Owners decide, by action or inaction, neither to repair, reconstruct, or replace, nor to demolish damaged Improvements and purchase the interests of affected Owners, then the Board shall, or, if it does not, any Owner or Secured Party may, Record a statement under penalty of perjury setting forth such decision and reciting, if applicable, that, under this Declaration, the prohibition against judicial partition of the Subdivision set forth in the Section entitled "No Partition or Severance of Interests" has terminated and judicial partition may be obtained. Upon final partition decree issued by a competent court, this Declaration shall terminate.

Section 12.05. Recovery of Damages for Damage or Destruction. The Association may commence or maintain action for the recovery of any damages caused to the Subdivision if two (2) or more Units or any part of the Common Area is damaged or destroyed. Such action may be maintained in the name of the Association or in the names of Owners, may be joined with any action brought by Owners, and may be prosecuted or settled by the Association as it sees fit. This provision shall survive the termination of this Declaration, and any recovery minus costs advanced by the Association shall be paid into the Reconstruction Fund, designated, and paid out as provided for under this Article.

Section 12.06. Disbursement of Reconstruction Fund.

- A. Order of Disbursement. When any amounts in the Reconstruction Fund are disbursed, except as provided in the Section entitled "Decision Not to Rebuild", such amounts shall be disbursed in the following order to the extent of funds in the designated categories: (i) first, from "insurance proceeds"; (ii) second, from "reserves for damaged improvements"; (iii) third, from "recovered damages"; and (iv) fourth, from "deficiency assessments".

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- B. Repair by Owner. Any Owner who, with the consent of the Association, performs, or causes to be performed, any maintenance or repair, reconstruction, or replacement required by this Article, shall be entitled, as determined in the sole discretion of the Board: (i) to be reimbursed reasonable costs incurred from the Reconstruction Fund applicable to the expense of such maintenance or repair, reconstruction, or replacement; or (ii) to the portion of the Reconstruction Fund applicable to the expense of such maintenance or repair, reconstruction, or replacement subject to the rights of Secured Parties.
- C. Unused Amounts. Any unused amounts shall be distributed as follows:
1. Any unused amounts in the "insurance proceeds" or the "reserves for damaged improvements" categories shall be placed in the Maintenance Reserve Fund.
 2. Any unused amounts in the "deficiency assessments" category shall be returned proportionately to the Owners of the Condominiums assessed for such deficiency assessment.
 3. Any amounts received after disbursement of funds in the Reconstruction Fund or any unused amounts in the "recovered damages" category shall be deposited in the Maintenance Reserve Fund.
 4. Unused amounts returned to the Maintenance Reserve Fund shall not exceed ten (10) times the annual budgeted amount for the Maintenance Reserve Fund in the Fiscal Year in which the distribution is made. Any amounts in excess of this limitation shall be distributed to all Owners in proportion to their Condominium's share of Regular Assessments.

Section 12.07. Eminent Domain.

A. Definitions.

1. Total Taking. "Total Taking" means the taking of the entire Subdivision under the power of eminent domain, or a taking of so much of the Subdivision as to prevent or substantially impair the continued operation of the Subdivision.
2. Partial Taking. "Partial Taking" means the taking of a portion of the Subdivision which does not constitute a Total Taking.

B. Total Taking.

1. Entire Subdivision. If there is a Total Taking where the entire Subdivision is taken and the condemnation award is apportioned, each Owner and Secured Party, as their interest may appear, shall be entitled to that portion of the condemnation award applicable to the Unit and its Restricted Common Area, and a pro rata share of such award applicable to their interests in General Common Area. If the condemnation award is not so apportioned, then each Owner and Secured Party, as their interest may appear, shall receive that portion of the condemnation award based on the respective fair market value of each Owner's Condominium, determined in accordance with the Section entitled "Fair Market Value".

2. Substantial Portion of the Subdivision.

a. Sale of Remaining Portion of the Subdivision. If there is a Total Taking, where so much of the Subdivision has been taken as to prevent or substantially impair the continued operation of the Subdivision as a whole, the Owners of the Condominiums not taken may, by seventy-five percent (75%) vote, sell the remaining portion of the Subdivision. If the remaining portion of the Subdivision is sold, the condemnation award, together with any severance award, and the proceeds of the sale of the remaining portion of the Subdivision shall be distributed among all Owners and Secured Parties, as their interest may appear, based on the respective fair market value of each Owner's Condominium, determined in accordance with the Section entitled "Fair Market Value".

b. Continued Operation of Remaining Portion of Subdivision. If the remaining portion of the Subdivision is not sold and the condemnation award is apportioned, the Owners and Secured Parties of the taken Condominiums, as their interest may appear, shall receive their portion of the condemnation award applicable to the Condominium in which they have an interest. If the condemnation award is not so apportioned, then each such Owner and Secured Party, as their interest may appear,

shall receive that portion of the condemnation award based on the respective fair market value of the Condominium in which they have an interest, determined in accordance with the Section entitled "Fair Market Value". The remaining portion of the Common Area shall be owned by the remaining Condominium Owners as tenants in common, free from any claims of the Owners or Secured Parties of the taken Condominiums. The remaining Owners may request that the court quiet title on the remaining Common Area. The Board has the authority to apply any or all of the remaining Owners' condemnation or severance award to the repair or rebuilding of that portion of the Subdivision damaged from the severance, so that the Subdivision remains in a neat and attractive condition.

C. Partial Taking.

1. Change of Land Use. If there is a Partial Taking where the use of the taken portion of the Subdivision is changed, the Owners and Secured Parties of the taken Condominiums, as their interest may appear, shall receive that portion of the condemnation award as provided in

Subsection B2b of this Section. The remaining portion of the Common Area shall be owned by the remaining Condominium Owners as tenants in common, free from any claims of the Owners of the taken Condominiums. The remaining Owners may request that the court quiet title on such remaining Common Area. The Board has the authority to apply any or all of the remaining Owners' condemnation or severance awards to the repair or rebuilding of the portion of the Subdivision damaged from the severance.

2. No Change of Land Use. If there is a Partial Taking where Condominiums only are taken and the taken Condominiums are used and operated subject to this Declaration any condemnation award shall be determined solely between the Owners of such taken Condominiums and the condemning authority.

- D. Taking of Common Area. The Association shall represent the Owners and Secured Parties in any condemnation proceedings or in negotiations, settlements, or agreements with the condemning

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authority for acquisition of all or part of the Common Area. Each Owner and Secured Party hereby irrevocably appoints the Association as attorney-in-fact for such purposes. Any condemnation award for the Common Area shall be paid to the Association and deposited into the Maintenance Reserve Fund.

Section 12.08. Fair Market Value. For purposes of determining "fair market value" within the meaning of this Article, the Board shall obtain an appraisal report from an independent appraiser who is a member of the American Institute of Appraisers of the National Association of Realtors. The Board shall confirm or reject the report of such appraiser in its entirety. If the report of the appraiser is not confirmed in its entirety by the Board, the Board shall obtain a report from an additional independent appraiser who is a member of the American Institute of Appraisers of the National Association of Realtors. The Board shall then consider and vote upon each appraisal report received. The report receiving the higher number of favorable votes, whether or not the number of such votes constitutes a majority of the Board, shall be binding in its entirety on all Owners and Secured Parties.

Section 12.09. Power-of-Attorney. In the event the entire Subdivision, or any portion of the Subdivision, may be sold or otherwise transferred in accordance with the provisions of this Article, each Owner and Secured Party hereby appoints the Association as attorney-in-fact for the benefit of all Owners and Secured Parties to: (i) sell or transfer the entire Subdivision; or (ii) if at any time when partition of the affected portion of the Subdivision may be had under applicable law, sell or transfer such affected portion of the Subdivision. Such power-of-attorney shall be deemed coupled with an interest in the property conveyed and irrevocable. It may be exercised by a majority of the Board, and is exercisable only after Recordation of a certificate by a majority of the Board, stating that such power is properly exercisable under this Declaration. Such certificate shall be conclusive evidence thereof in favor of any person relying thereon in good faith.

Section 12.10. Owner's Insurance. References in this Article to "insurance proceeds" refer only to proceeds of insurance obtained by the Association and not to proceeds of insurance obtained by Owners. The proceeds of any Owner's insurance shall be payable as provided in the insurance policy and any relevant provisions of a Security Device on the Owner's Condominium.

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ARTICLE 13
PROTECTION OF FIRST MORTGAGEES

Section 13.01. In General.

- A. Conflict. The provisions and requirements of this Article, and any other provisions and requirements of this Declaration relating to the rights of First Mortgagees: (i) shall prevail over any conflicting provisions of this Declaration; and (ii) are in addition to any other provisions of this Declaration.
- B. Application of this Declaration. Except as specifically provided in this Article or elsewhere in this Declaration, all Security Devices and Secured Parties are bound by this Declaration.

Section 13.02. Application of Assessments to First Mortgagees. The assessment liens created under this Declaration are subordinate to the rights of First Mortgagees. No First Mortgagee shall be liable for the payment of assessments against the mortgaged Condominium except those payable after such First Mortgagee obtains title to the Condominium pursuant to its remedies under the First Mortgage. Each First Mortgagee who obtains title pursuant to its remedies under the First Mortgage, and any purchaser at a foreclosure sale, shall take title to the Condominium free and clear of any claims for unpaid assessments and charges, and liens therefor, which were payable prior to such acquisition of title. Any such sale shall extinguish such liens, but the purchaser or First Mortgagee who so acquires title shall be liable for all assessments accruing after the date of such sale, including assessments levied against all Condominiums proportionately for the unpaid assessments and charges, which assessments shall constitute a lien upon the purchased Condominium in accordance with the Article entitled "Funds, Assessments, and Delinquency".

Section 13.03. Limitation of Enforcement Against First Mortgagees. No violation of this Declaration by, or enforcement of this Declaration against, an Owner, shall impair the lien of any First Mortgage against the Owner's Condominium, but this Declaration shall be enforceable against any Owner whose title is acquired by foreclosure, trustee's sale, voluntary conveyance, or otherwise.

Section 13.04. Availability of Documents. The Association shall make current copies of the Governing Documents, books, records, and financial statements of the Association, available for inspection, during normal business hours, upon request, to Owners, First Mortgagees, and Guarantors.

Section 13.05. Audited Financial Statements.

- A. At Mortgagee's Expense. Any First Mortgagee is entitled, at its expense, to have an audited financial statement prepared for the Association's immediately preceding Fiscal Year, if one is not otherwise available.
- B. Timeliness. Any financial statement requested under this Section shall be furnished within a reasonable time following the request.

Section 13.06. Management Agreements. Any agreement for professional management of the Subdivision may not exceed a term of one (1) year, and shall provide for termination by either party without cause and without payment of a termination fee, on ninety (90) days' or less written notice.

Section 13.07. Notice to First Mortgagees. Any First Mortgagee or Guarantor, upon written request to the Association, identifying the First Mortgagee's or Guarantor's name and address and the Unit number or address of the Unit belonging to the Condominium on which such First Mortgagee or Guarantor holds, insures, or guarantees a First Mortgage, is entitled to timely written notice, from the Association, of:

- A. Losses. Any condemnation loss or casualty loss which affects a material portion of the Subdivision, the Unit, or the building containing the Unit;
- B. Delinquency. Any delinquency in the payment of assessments or charges, or any other default in duties under the Governing Documents, by the Owner of the Condominium, which is not cured within sixty (60) days. The Owner of any Condominium as to which the Association furnishes such notice to a First Mortgagee shall reimburse the Association for the costs of furnishing such notice;
- C. Lapse of Insurance. Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;
- D. Actions. Any proposed action which would require the consent of First Mortgagees under this Declaration.

Section 13.08. First Mortgagee Approval of Certain Actions. Certain actions shall not be taken by the Association or Owners without the consent of First Mortgagees and, in some cases, a specified majority of Owners, as follows:

- A. FHLMC Requirements. Except as provided by statute in case of condemnation or substantial loss to the Units or Common Area, unless at least two-thirds (2/3) of the First Mortgagees (based upon one vote for each

First Mortgage owned), or Owners have given their prior written approval, the Association shall not:

1. By act or omission, seek to abandon or terminate the status of any Project as a condominium project;
2. Change the pro rata interest or obligations of any Condominium for the purpose of: (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro rata share of ownership of each Condominium in the Common Area;
3. Partition or subdivide any Unit;
4. By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Area pursuant to this Declaration shall not be deemed a transfer within the meaning of this Subsection;
5. Use hazard insurance proceeds for losses to any Improvements (whether to Units or to Common Area) for other than the repair, replacement or reconstruction of such Improvements.

B. FNMA Requirements.

1. Amendments. Any amendment to this Declaration, the Articles, or the Bylaws must be approved by sixty-seven percent (67%) of the Owners and by Eligible Mortgagees holding fifty-one percent (51%) of the First Mortgages held by Eligible Mortgagees if the amendment changes any of the following: (i) voting rights; (ii) assessments, assessment liens, or subordination of assessment liens; (iii) reserves for maintenance, repair and replacement of Common Areas; (iv) responsibility for maintenance and repairs; (v) reallocation of interests in the General or Restricted Common Areas, or rights to their use; (vi) boundaries of any Unit; (vii) convertibility of Units into Common Areas or vice versa; (viii) expansion or contraction of the Subdivision, or the addition, annexation or withdrawal of property to or from the Subdivision; (ix) insurance or fidelity bonds; (x) leasing of Units; (xi) imposition of any restrictions on an Owner's right to sell or

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transfer such Owner's Condominium; (xii) a decision by the Association to establish self management when professional management had been required previously by an Eligible Mortgagee; (xiii) restoration or repair of Improvements (after a hazard damage or partial condemnation) in a manner other than that specified in the Governing Documents; (xiv) any action to terminate the legal status of the Subdivision after substantial destruction or condemnation occurs; or (xv) any provisions that expressly benefit Secured Parties or Guarantors. If the Board determines that an amendment is not a material change, such as the correction of a technical error or the clarification of a statement, then any Eligible Mortgagee who fails to respond to a written proposal of amendment within thirty (30) days of receipt of such proposal shall be deemed to have approved the amendment.

2. Termination. Termination of the legal status of the Subdivision for any reason other than substantial destruction or condemnation shall require the vote or written consent of sixty-seven percent (67%) of the Owners and of Eligible Mortgagees holding sixty-seven percent (67%) of the First Mortgages held by Eligible Mortgagees.

Section 13.09. Property Owned by Association. If the Association owns any real property, the Association shall not, without the prior written approval of sixty-seven percent (67%) of the Owners and sixty-seven percent (67%) of the First Mortgagees, fail to maintain fire and extended coverage insurance on such property on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value. In addition, First Mortgagees may, jointly or singly, pay taxes or other charges against such property which are in default and which may or have become a charge against any Condominium, and may pay overdue premiums on hazard insurance policies for such property, or secure new hazard insurance coverage on the lapse of a policy. First Mortgagees making such payments are entitled to immediate reimbursement for such payments from the Association, and the Association shall, at the request of any First Mortgagee, enter into an agreement to that effect in favor of all First Mortgagees.

Section 13.10. No Restraints on Alienation. No provision of this Declaration creates a right of first refusal in the Association or other restraint with respect to the sale, transfer, mortgage, or other conveyance or encumbrance of a

Condominium as a whole by the Owner.

Section 13.11. Insurance and Condemnation Proceeds. Notwithstanding any other provision of this Declaration, whenever insurance or condemnation proceeds are to be distributed to Owners of Condominiums, the First Mortgagee of each Condominium shall have such rights to priority of distribution of the proceeds allocated to that Condominium as are provided for in the First Mortgage.

ARTICLE 14
AMENDMENT OR REPEAL; DURATION

Section 14.01. Amendment or Repeal.

- A. Amendment or Repeal. Any amendment to this Declaration adopted in accordance with this Section shall become effective upon the Recordation of a certificate signed by the secretary of the Association setting forth in full the amendment so approved, and certifying that the amendment has been approved by the required majority or percentage vote or consent of all, or if applicable, a specified Class of the Owners. The certificate shall also state whether approval by Eligible Mortgagees or First Mortgagees is required and, if so, that the required percentage of Eligible Mortgagees, First Mortgagees, or both has approved the amendment. Subject to the Section entitled "First Mortgagee Approval of Certain Actions", amendments may be adopted with respect to any portion of the Subdivision or the entire Subdivision by the vote or written consent of fifty-one percent (51%) of the Owners within the Subdivision; provided, however, that the percentage of the voting power necessary to amend a specific provision of this Declaration shall not be less than the percentage of affirmative votes prescribed for action to be taken under that provision.
- B. Extinguishment of Rights. Subject to Subsection A of this Section, any amendment adopted in accordance with this Declaration may alter or extinguish any easement, license, or right of use or enjoyment created by this Declaration, provided that such alteration or extinguishment does not discriminate between Owners similarly situated and does not deprive any Owner of access to or from such Owner's Unit, Restricted Common Area, or the Subdivision.

Section 14.02. Duration. All the provisions of this

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Declaration, including any duly adopted amendments, shall continue in full force and effect until December 31, 2026 ("the expiration date"), and shall thereafter renew automatically, without further notice, for successive periods of ten (10) years, unless within one year prior to the commencement of each successive ten (10) year period, an instrument is recorded directing the termination of this Declaration and signed by two-thirds (2/3) of the then current Owners, with the approval, if required, of Mortgagees as provided in the Article entitled "Protection of Mortgagees". If such an instrument is Recorded, this Declaration shall terminate on the expiration date or at the end of such subsequent ten (10) year period, as the case may be.

ARTICLE 15
MISCELLANEOUS PROVISIONS

Section 15.01. Observance of this Declaration. Each Owner shall comply with this Declaration and the Subdivision Rules, and shall be responsible for such compliance by such Owner's family, the Occupants of such Owner's Unit, agents, guests, contractors, employees, tenants or subtenants, any other person coming within the Subdivision at the request of or with the consent of such Owner or the Occupants of such Owner's Unit, and the pets of any such persons.

Section 15.02. Enforcement.

- A. Against Owners. Except to the extent otherwise expressly provided in this Declaration, the Association or any Owner or Owners may enforce any and all of the provisions now or hereafter imposed by this Declaration upon other persons, or upon any property within the Subdivision. However, if the Association undertakes such enforcement, no Owner shall take or continue any such action without the written consent of the Association.
- B. Against Association. Except to the extent otherwise expressly provided in this Declaration, any Owner or Owners may enforce any and all of the provisions now or hereafter imposed by this Declaration upon the Association.
- C. Nuisances. Every act or omission whereby any provision of this Declaration is violated in whole or in part, is hereby declared to be a nuisance, and may be enjoined or abated, by the Association or by an Owner or Owners, provided, however, that only the Association or its duly authorized agents may enforce by self-help, including where applicable removal and

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storage of personal property without civil or criminal liability therefor, any provision set forth in this Declaration.

- D. Cumulative Remedies. The remedies provided for in this Declaration are cumulative and not exclusive.

Section 15.03. Nonwaiver. The failure to enforce any provision of this Declaration shall not constitute a waiver of any right to enforce that provision or any other provision of this Declaration.

Section 15.04. No Forfeiture. No breach of any provision of this Declaration shall cause any forfeiture of title or reversion or bestow any rights of re-entry.

Section 15.05. Attorneys' Fees. Reasonable attorneys' fees and costs shall be awarded to the prevailing party in any action brought to enforce this Declaration or collect any money due to the Association.

Section 15.06. Construction. All provisions of this Declaration shall be liberally construed, together, to promote and effectuate the beneficial operation of the Subdivision.

Section 15.07. Compliance with Law. No provision of this Declaration shall be construed to excuse any person from observing any applicable law or regulation of any governmental body.

Section 15.08. Severability. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision, or portion thereof, shall not affect the validity or enforceability of any other provision.

Section 15.09. Singular and Plural. The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine shall include the feminine and neuter, as the context requires.

Section 15.10. Titles. The table of contents and all titles used in the Subdivision Declaration, including those of Articles, Sections, and Subsections, are intended solely for convenience of reference and shall not affect the content of such Articles, Sections, and Subsections, nor any of the terms or provisions of this Declaration. Any numbered or lettered subdivision of a Section is referred to as a "Subsection" or "Subsection _____".

Section 15.11. Statutory References. In the event any statute in this Declaration, whether stated by code and number, or named by body of law, is amended, repealed, renumbered, or

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renamed, all references to such statute or body of law shall refer to the amended, repealed, renumbered, or renamed statutory provisions.

Section 15.12. Unit Splitting, Consolidation.

- A. Partition or Subdivision of Condominium. No Condominium or real property interest shall be partitioned or subdivided without the prior written approval of the Board, the First Mortgagee of such Condominium, and two-thirds (2/3) of the Owners of Condominiums within the Subdivision.
- B. Consolidation of Condominiums. No two (2) or more Condominiums shall be consolidated into one Condominium without the prior written consent of the Board and the First Mortgagee of each such Condominium.
- C. Change in Voting or Assessments. The Association may require a change in the voting rights and assessment obligations after any Unit partition, subdivision, or consolidation, to keep the assessment and voting rights the same after the partition, subdivision, or consolidation as they were before, provided that after such partition, subdivision, or consolidation, each Condominium shall have one (1) vote. This Subsection shall not be construed to authorize the Association to alter the relative undivided interests in Common Area of any Condominium under any circumstances.

Section 15.13. Obligations of Owners: Avoidance; Termination.

- A. No Avoidance of Duty. No Owner, through his nonuse of any Common Area or recreational facility, or by abandonment of his Condominium, may avoid the duties imposed on him by this Declaration by virtue of his being an Owner.
- B. Termination of Obligations. Upon the conveyance, sale, assignment, or other transfer of a Condominium to a new Owner, the transferring Owner shall not be liable for any assessments accruing with respect to such Condominium after the date upon which such transferring Owner gives the Association written notice of the transfer, and no person, who has given such notice, after the termination of his status as an Owner and prior to his again becoming an Owner, shall incur any of the obligations or enjoy any of the benefits of an Owner under this Declaration following the date of such termination.

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Section 15.14. No Partition or Severance of Interests. There shall be no partition or severance of any Unit or Condominium or any part of the Common Area from the Subdivision, and the Board, Association and Owners shall not seek to partition or sever any part of the Common Area or a Unit from the Subdivision, nor shall they have any right to maintain an action for judicial partition in connection with the Subdivision, unless such right is expressly given by this Declaration or in accordance with applicable law, and unless any consent of First Mortgagees required by this Declaration is obtained. This provision shall not prohibit the partition of the ownership of any Condominium or Condominiums into joint or common ownership so long as no physical partition takes place and there is no severance of the Unit from the Common Area or from any incident of this Declaration. No Owner shall sever his Unit from its interest in the Association.

Section 15.15. Notices; Documents; Delivery.

- A. Except as provided in Subsection B, any notice, or other document permitted or required by this Declaration to be delivered, may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of same has been deposited in the United States mail, first class postage prepaid, addressed as follows: If to an Owner, then to any Unit within the Subdivision owned by the Owner or at such other address given by Owner to the Association in writing; if to a Secured Party, or the Association, to the address given by the Secured Party, or the Association in writing. Any such address may be changed from time to time by any Owner, or by a Secured Party, by notice in writing, delivered to the Association, or by the Association, by notice in writing delivered to all Owners and to all Eligible Mortgagees and Guarantors.
- B. Notices to Eligible Mortgagees and Eligible Guarantors shall be sent certified or registered mail, return receipt requested. The notice shall be deemed served when actually delivered; provided, however, that if the notice is not delivered due to an incorrect address furnished by the Mortgagee or Guarantor or a failure of the Mortgagee or Guarantor to inform the Association of a change of address, then the notice shall be deemed served seventy-two (72) hours after mailing.

Section 15.16. Ownership of Funds. All funds derived from assessments of Owners, proceeds of bonds payable to the Association or payment received for damages to the Subdivision, and any right or interest in any such funds shall belong to the

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Owners in proportion to each Owner's share of the Regular Assessments, subject to the provisions of the Article entitled "Damage, Destruction, and Eminent Domain", relating to the distribution of proceeds of: (i) sale of the Subdivision or portion thereof; or (ii) applicable insurance; or (iii) condemnation or eminent domain awards or settlements. No assessment or the proceeds of any assessment shall be considered income to the Association, unless required by law. No person may appropriate or make any use of such funds, except as provided by this Declaration, until and unless there has been a partition or distribution of such funds. Any sale, transfer, or conveyance of the beneficial interest in the fee of any Condominium shall operate to transfer the Owner's rights in such funds without the requirement of any express reference thereto, except where the whole Subdivision is being sold due to damage, destruction or a taking under the power of eminent domain, or pursuant to a partition of the Subdivision. Except to the extent expressly prohibited by this Declaration, the Association may sell or otherwise dispose of any property, real or personal, to which it holds title.

Section 15.17. No Termination on Breach. No violation of this Declaration shall entitle any Owner to cancel, rescind, or otherwise terminate this Declaration, but this provision does not affect in any manner any other rights or remedies the Association or any Owner may have by reason of any such violation.

Section 15.18. No Public Dedication. Nothing contained in this Declaration shall be deemed to be a gift or dedication of any portion of the Subdivision to the general public or for the general public or for any public purpose whatsoever, it being the intention of the persons signing this Declaration that this Declaration be strictly limited to and for the purposes expressed in this Declaration.

Section 15.19. Cost of Living Adjustment. Any fixed or maximum dollar amount established by this Declaration for any charge which the Association may impose, other than fixed dollar amounts set by law, may be increased by the Board from time to time, as follows: The Consumer Price Index for all Urban Consumers (Base Year 1967 = 100) for the Reno Metropolitan Area, published by the United States Department of Labor, Bureau of Labor Statistics ("Index"), which is published for the date nearest the date of the proposed increase ("Increase Index"), shall be compared with the Index published immediately preceding the date of recording of this Declaration ("Beginning Index"). If the Increase Index has increased over the Beginning Index, the maximum amount of such change shall be set by multiplying the maximum amount set forth in this Declaration by a fraction, the numerator of which is the Increase Index and the denominator of which is the Beginning Index. If the Index is changed so that the Base Year differs from that set forth above, the Index

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shall be converted in accordance with the conversion factor published by the Bureau of Labor Statistics. If the Index is discontinued or revised, such other government index or computation which replaces it shall be used so as to obtain substantially the same result as if the Index had not been discontinued or revised. If a fixed or maximum dollar amount set by law is in this Declaration and that amount is adjusted upward by law, then the amount as set out in this Declaration shall be similarly adjusted.

Section 15.20. Exhibits. Unless otherwise specified, all exhibits referred to in this Declaration are attached to this Declaration and incorporated herein by this reference.

IN WITNESS WHEREOF, the undersigned have executed this Declaration the day and year first above written.

COPY

EXHIBIT "A"

PROPERTY SUBJECT TO THIS

DECLARATION

All of that certain real property situated in the County of Douglas, State of Nevada, more particularly described as follows:

Lot 553, as shown on that certain Subdivision Map entitled "Amended Map of Summit Village", recorded in the office of the County Recorder of Douglas County, Nevada, on September 17, 1968, as Document No. 42231, and on the "Second Amended Map of Summit Village", filed for record January 13, 1969, as Document No. 43419, Records of Douglas County.

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EXHIBIT "B"

SCHEDULE OF RESTRICTED COMMON AREA

The Restricted Common Area appurtenant to each Unit, as specified by deed or by this Declaration, is as follows:

1. The balcony area immediately adjacent to such Unit.
2. The solar-assisted hot-water heater located in the storage area under the building containing such Unit.
3. The stairway and landing providing access to such Unit.
4. The parking area designated by the same letter as the letter designation of the Unit to which it is appurtenant, as shown on Exhibit "C". One such parking area is assigned to each of Units A, B, C, D, E, and F, and no such parking areas may be assigned to Units G or H.

166543

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EXHIBIT "C"
ASSIGNED PARKING AREA
GROUND FLOOR



pillar

N83°34'07"E
60'

9'10"x38'
parking stall
(typ.)

F

E

D

C

B

A

STORAGE
AREA

STORAGE
AREA

N83°33'52"E
75.10'

N77°40'53"W
75.10'

N83°33'52"E
75.10'

166543

BOOK 1187 PAGE 2256

DECLARATION AND CONSENT
TO DECLARATION

The undersigned does hereby consent to and join in this
SUMMIT VIEW CONDOMINIUM DECLARATION OF RESTRICTIONS
("Declaration") as a declaring party to the extent of the
undersigned's interest in that real property described in
Exhibit "A" of the Declaration, and does hereby subordinate such
interest to the Declaration.

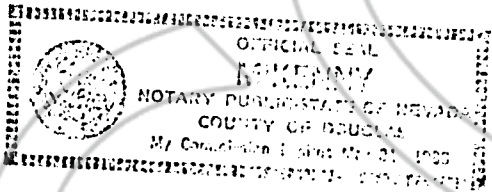
Dated July 23, 19 87.

By David A. Crocker
DAVID A. CROCKER

STATE OF Nevada)
COUNTY OF Douglas) ss.

On this 23 day of July, 1987, before me, the
undersigned, a Notary Public in and for the State of California,
personally appeared DAVID A. CROCKER, personally known to me (or
proved to me on the basis of satisfactory evidence) to be the
person whose name is subscribed to this instrument, and
acknowledged that he executed it.

WITNESS my hand and official seal.



Mike Kenny
Notary Public in and for said State

166543

BOOK 1187 PAGE 2257

DECLARATION AND CONSENT
TO DECLARATION

The undersigned does hereby consent to and join in this
SUMMIT VIEW CONDOMINIUM DECLARATION OF RESTRICTIONS
("Declaration") as a declaring party to the extent of the
undersigned's interest in that real property described in
Exhibit "A" of the Declaration, and does hereby subordinate such
interest to the Declaration.

Dated July 23, 19 87.

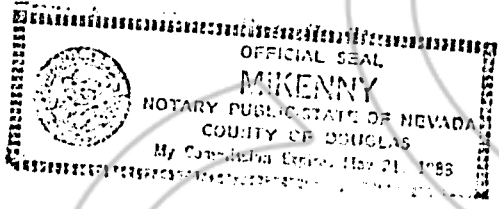
By *[Signature]*
MICHAEL G. SANTORO

STATE OF Nevada)
) ss.
COUNTY OF Douglas)

On this 23 day of July, 19 87, before me, the
undersigned, a Notary Public in and for the State of California,
personally appeared MICHAEL G. SANTORO, personally known to me
(or proved to me on the basis of satisfactory evidence) to be
the person whose name is subscribed to this instrument, and
acknowledged that he executed it.

WITNESS my hand and official seal.

[Signature]
Notary Public in and for said State



166543

BOOK 1187 PAGE 2258

DECLARATION AND CONSENT
TO DECLARATION

The undersigned does hereby consent to and join in this SUMMIT VIEW
CONDOMINIUM DECLARATION OF RESTRICTIONS ("Declaration") as a declaring
party to the extent of the undersigned's interest in that real property
described in Exhibit "A" of the declaration, and does hereby subordinate
such interest to the Declaration.

Dated 30 September, 1987.

By Valerie J. Hatfield
VALERIE J. HATFIELD

STATE OF Alabama)
COUNTY OF Montgomery) ss.

On this 30 day of September, 1987, before me, the
undersigned, a Notary Public in and for the State of Alabama,
personally appeared VALERIE J. HATFIELD, personally known to me (or
proved to me on the basis of satisfactory evidence) to be the person
whose name is subscribed to this instrument, and acknowledged that he
executed it.

WITNESS my hand and official seal.

Julia A. Bridges
Notary Public in and for said State

JULIA A. BRIDGES

MY COMMISSION EXPIRES 7-19-88

SEAL

166543

BOOK 1187 PAGE 2259

DECLARATION AND CONSENT
TO DECLARATION

The undersigned does hereby consent to and join in this SUMMIT VIEW
CONDOMINIUM DECLARATION OF RESTRICTIONS ("Declaration") as a declaring
party to the extent of the undersigned's interest in that real property
described in Exhibit "A" of the declaration, and does hereby subordinate
such interest to the Declaration.

Dated 30 September 19 87.

By Samuel F. Hatfield, Jr.
SAMUEL F. HATFIELD, JR.

STATE OF Alabama)
COUNTY OF Montgomery) ss.

On this 30 day of September, 19 87, before me, the
undersigned, a Notary Public in and for the State of _____,
personally appeared SAMUEL F. HATFIELD, JR., personally known to me (or
proved to me on the basis of satisfactory evidence) to be the person
whose name is subscribed to this instrument, and acknowledged that he
executed it.

WITNESS my hand and official seal.

Julia A. Bridges
Notary Public in and for said State
JULIA A. BRIDGES

MY COMMISSION EXPIRES 7-12-88

SEAL


166543

BOOK 1187 PAGE 2260

DECLARATION AND CONSENT
TO DECLARATION

The undersigned does hereby consent to and join in this SUMMIT VIEW
CONDOMINIUM DECLARATION OF RESTRICTIONS ("Declaration") as a declaring
party to the extent of the undersigned's interest in that real property
described in Exhibit "A" of the declaration, and does hereby subordinate
such interest to the Declaration.

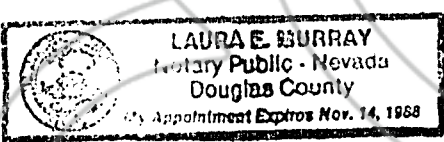
Dated 10-14, 19 87.

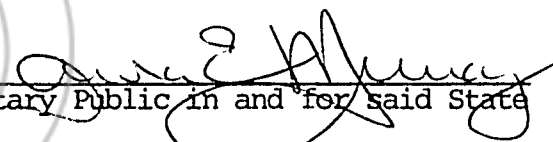
By  JOHN M. HATFIELD

STATE OF NEVADA)
)
COUNTY OF DOUGLAS) ss.

On this 14 day of OCTOBER, 19 87, before me, the
undersigned, a Notary Public in and for the State of NEVADA,
personally appeared JOHN M. HATFIELD, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person whose name
is subscribed to this instrument, and acknowledged that he executed it.

WITNESS my hand and official seal.




Notary Public in and for said State

166543
BOOK 1187 PAGE 2261

DECLARATION AND CONSENT
TO DECLARATION

The undersigned does hereby consent to and join in this
SUMMIT VIEW CONDOMINIUM DECLARATION OF RESTRICTIONS
("Declaration") as a declaring party to the extent of the
undersigned's interest in that real property described in
Exhibit "A" of the Declaration, and does hereby subordinate such
interest to the Declaration.

Dated July 14, 19 87.

BY Clem S. Savoldi
CLEM S. SAVOLDI

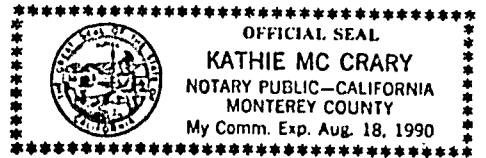
STATE OF California)
COUNTY OF Monterey) ss.

On this 14 day of July, 1987, before me, the
undersigned, a Notary Public in and for the State of California,
personally appeared Clem S. Savoldi, personally known
to me (~~or proved to me on the basis of satisfactory evidence~~) to
be the person whose name is subscribed to this instrument, and
acknowledged that he executed it.

WITNESS my hand and official seal.

Kathie McCrory
Notary Public in and for said State

SEAL



166543

BOOK 1187 PAGE 2262

DECLARATION AND CONSENT
TO DECLARATION

The undersigned does hereby consent to and join in this
SUMMIT VIEW CONDOMINIUM DECLARATION OF RESTRICTIONS
("Declaration") as a declaring party to the extent of the
undersigned's interest in that real property described in
Exhibit "A" of the Declaration, and does hereby subordinate such
interest to the Declaration.

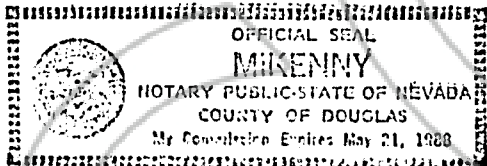
Dated July 23, 19 87.

By Jack L. Munns
JACK L. MUNNS

STATE OF Nevada)
COUNTY OF Douglas) ss.

On this 23 day of July, 19 87, before me, the
undersigned, a Notary Public in and for the State of California,
personally appeared JACK L. MUNNS, personally known to me (or
proved to me on the basis of satisfactory evidence) to be the
person whose name is subscribed to this instrument, and
acknowledged that he executed it.

WITNESS my hand and official seal.



Mikenny
Notary Public in and for said State

166543

BOOK 1187 PAGE 2263

JUL 16 1987

DECLARATION AND CONSENT
TO DECLARATION

SUBDIVISION SERV.
AMERICAN S & L

The undersigned does hereby consent to and join in this
SUMMIT VIEW CONDOMINIUM DECLARATION OF RESTRICTIONS
("Declaration") as a declaring party to the extent of the
undersigned's interest in that real property described in
Exhibit "A" of the Declaration, and does hereby subordinate such
interest to the Declaration.

Dated July 14, 19 87.

By [Signature]
CHARLES J. MILOS

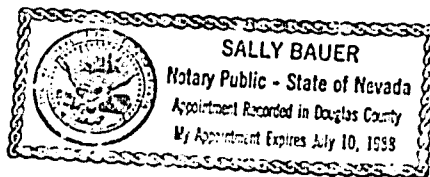
By M. Evelyn Milos
M. EVELYN MILOS

STATE OF Nevada)
) ss.
COUNTY OF Douglas)

On this 14th day of July, 1987, before me, the
undersigned, a Notary Public in and for the State of ~~California~~, Nevada,
personally appeared Charles and M. Evelyn Milos, personally known
to me (or proved to me on the basis of satisfactory evidence) to
be the person whose name is subscribed to this instrument, and
acknowledged that he executed it.

WITNESS my hand and official seal.

Sally Bauer
Notary Public in and for said State



166543

BOOK 1187 PAGE 2264

DECLARATION AND CONSENT
TO DECLARATION

The undersigned does hereby consent to and join in this
SUMMIT VIEW CONDOMINIUM DECLARATION OF RESTRICTIONS
("Declaration") as a declaring party to the extent of the
undersigned's interest in that real property described in
Exhibit "A" of the Declaration, and does hereby subordinate such
interest to the Declaration.

Dated October 20, 19 87.

AMERICAN SAVINGS AND LOAN
ASSOCIATION, a California
corporation

James R. Scheiber

James R. Scheiber, Assistant Vice President

Susan K. Williams

Susan K. Williams, Assistant Secretary

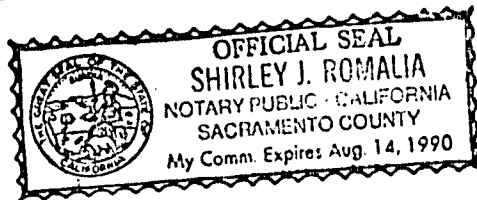
COUNTY OF San Joaquin

On October 20, 1987, before me, the undersigned, a Notary Public
in and for said State, personally appeared James R. Scheiber and
Susan K. Williams, personally known to me (or proved to me on
the basis of satisfactory evidence) to be the persons who executed the within
instrument as Asst. Vice President and Assistant Secretary, on behalf
of American Savings and Loan Association, a California
Corporation,

the corporation therein named, and
acknowledged to me that such
corporation executed the within
instrument pursuant to its bylaws or
a resolution of its board of directors.

WITNESS my hand and official seal.

Signature Shirley J. Romalia (This area for official notarial seal)



166543

BOOK 1187 PAGE 2265

DECLARATION AND CONSENT
TO DECLARATION

The undersigned does hereby consent to and join in this SUMMIT VIEW
CONDOMINIUM DECLARATION OF RESTRICTIONS ("Declaration") as a declaring
party to the extent of the undersigned's interest in that real property
described in Exhibit "A" of the declaration, and does hereby subordinate
such interest to the Declaration.

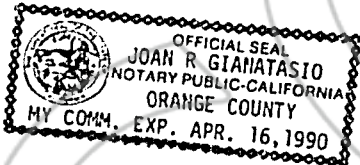
Dated Oct 2, 19 87.

By Marianne D'Amore
MARIANNE D'AMORE

STATE OF California)
COUNTY OF Orange) ss.

On this 2nd day of October, 19 87, before me, the
undersigned, a Notary Public in and for the State of California,
personally appeared MARIANNE D'AMORE, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person whose name
is subscribed to this instrument, and acknowledged that he executed it.

WITNESS my hand and official seal.



Joan R. Gianatasio
Notary Public in and for said State

166543
BOOK 1187 PAGE 2266

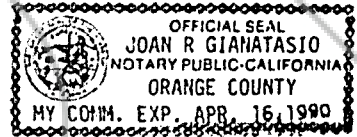
DECLARATION AND CONSENT
TO DECLARATION

The undersigned does hereby consent to and join in this SUMMIT VIEW
CONDOMINIUM DECLARATION OF RESTRICTIONS ("Declaration") as a declaring
party to the extent of the undersigned's interest in that real property
described in Exhibit "A" of the declaration, and does hereby subordinate
such interest to the Declaration.

Dated October 8, 19 87.

By Robert L. Janda, Jr.
ROBERT L. JANDA, JR.

STATE OF CALIFORNIA)
COUNTY OF Orange) ss.



On this 8th day of October, 19 87, before me, the
undersigned, a Notary Public in and for the State of CALIFORNIA,
personally appeared ROBERT L. JANDA, JR., personally known to me (or
proved to me on the basis of satisfactory evidence) to be the person
whose name is subscribed to this instrument, and acknowledged that he
executed it.

WITNESS my hand and official seal.

Joan R. Gianatasio
Notary Public in and for said State

THIS DOCUMENT IS RECORDED AS AN ACCOMMODATION ONLY
and without liability for the accuracy or correctness of the contents or as to the validity or efficiency of
said instrument, or for the effect of the recording of the title of the instrument recorded.

REQUESTED BY
FIRST NEVADA TITLE COMPANY for
IN OFFICIAL RECORDS OF AMERICAN Real
ESTATE GROUP.

'87 NOV 17 AM 1:40

SUZANNE BEAUDREAU
RECORDER
86⁰⁰ PAID sp DEPUTY CLERK **166543**
1187 PAGE **2268**