

✓ Summit Village Inc  
PO Box 4677  
State Line, NV 89449

AMENDED  
DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS

SUMMIT VILLAGE, INC.

ARTICLE I

Section 1.1 DESCRIPTION AND OWNERSHIP OF REAL PROPERTY

The property covered by this Declaration is called "Summit Village" and consists of approximately 43 gross acres (including dedicated roadways) and approximately 37-1/2 net acres in the Lake Tahoe Basin portion of Douglas County, Nevada, in proximity to the intersection of Kingsbury Grade (Nevada State Highway 207) and Benjamin Drive, being a portion of Section 19, Township 13 North, Range 19 East, M.D.B & M. An amended subdivision map has been filed with the County Recorder of Douglas County on the 17th day of September, 1968 as Document No. 422.31 in Official Records of Douglas County, which fully describes the property covered by this Declaration.

Section 1.2 From time to time an amended subdivision plat will be filed showing residence lots and common area as designated.

Section 1.3 In order to maintain and preserve the natural and scenic beauty of the area, there will be designated as common area the areas not utilized for the residence lots. The common area shall be maintained and owned by an Association comprised of owners of property in the subdivision and shall be maintained and preserved as a green area in its natural state, with the exception of certain portions of the common area that may be used for a swimming pool, walks, stairs or other recreational or related uses.

ARTICLE II  
DEFINITIONS

Section 2.1 ARTICLES OF INCORPORATION AND BY-LAWS

Articles of Incorporation or By-Laws; as the case may be, of the Association, as the same may be amended from time to time.

Section 2.2    ASSOCIATION

SUMMIT VILLAGE, INC., a non-profit Nevada Corporation.

Section 2.3    BOARD

Board shall mean the Board of Directors of the Association, as from time to time are duly elected.

Section 2.4    COMMON AREA

Common area is such portions of the above real property exclusive of residence lots which may be dedicated to public use, or for the common benefit and the use of all the residence lot owners. Such area will normally include roads, easements, and the areas outside of residence lots which shall be designated from time to time on amended subdivision maps or by properly recorded documents.

Section 2.5    DECLARANT

The Declarant is the Board of Directors for Summit Village, Inc.

Section 2.6    SUB-ASSOCIATION

Sub-Association shall mean and refer to any entity organized and established by an owner or owners of property within the subdivision. Such Sub-Associations shall in all respects be subject to this Declaration of Covenants, Conditions and Restrictions, and other Association documents as they may be amended from time to time.

Section 2.7    OWNER OR OWNERS

Owner or Owners shall mean the holder or holders of record fee title to a residence lot and/or a residence unit, provided, however, that said term shall include also the resident contract purchaser or purchasers of any lot being purchased under a bona fide, duly recorded contract or purchase.

Section 2.8    RESIDENCE LOTS

A residence lot shall be one continuous parcel or lot on which one or more residence units may be erected. Such residence lots shall be those parcels designated on the recorded plat map.

Section 2.9    RESIDENCE UNIT

A residence unit shall be all or a portion of any structure which is separate residence living area, as designated on the recorded plat map. For example: a duplex on a residence lot shall be considered as two (2) residence units. The residence unit shall include all or a portion of the

residence lot, the related interest in the common area, and the Association membership appurtenant to the residence unit.

Section 2.10    STRUCTURE

Structure means anything constructed, erected, or which improves, alters, or in any way changes the natural terrain and setting of a residence lot. The word is to be liberally interpreted and will include anything of a permanent or temporary nature, whether permanently or temporarily affixed or even placed on the lot without being affixed, which shall alter or change the appearance thereof.

Section 2.11    SUBDIVIDED PROPERTY

Subdivided property shall mean all of the real property described above, including residence lots, public roads, easements and common area, in Units 1, 2, and future units, when recorded.

Section 2.12    UNIT OWNERSHIP OF UNIT

Unit ownership of the unit means the entire interest conveyed to an owner, including the residence lot and/or residence unit, the related interest in the common area, and the Association membership appurtenant to the residence lot and any easement rights. A residence unit shall be all or a portion of any structure which is a separate residence living area. For example, a duplex on a residence lot shall be considered as (2) two residence units. The residence unit shall include all or a portion of the residence lot, the related interest in the common area, and the Association membership appurtenant to the residence unit.

Section 2.13    WALKWAYS

The definition of Walkway shall include any paths, sidewalks, driveways, wooden parking decks or any type of easement for ingress and egress.

**ARTICLE III**  
**OCCUPANCY AND USE OF RESIDENTIAL AND COMMON AREAS**

Section 3.1    Each residence lot shall be utilized solely as a site for a structure or in connection therewith. Any structures erected upon a residence lot shall be of new construction and no building or structure of a temporary nature, guest house, trailer, basement, tent, shack, shed, barn or other outbuilding shall be used, placed or constructed on any residence lot at any time either temporarily or permanently. Each residence lot may contain one or more residence units.

Section 3.2    Any lot may be re-subdivided by its owner when all subdivision and/or condominium statutes, regulations, ordinances or requirements of the State of Nevada, or any

regulatory body having jurisdiction over the above described land, have been fully complied with.

Section 3.3 No animals, livestock or poultry of any kind shall be raised, bred or kept on any residence lot, except that dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose, and provided that all requirements of any governmental agency as to the keeping of such pets are complied with. Animals unattended will be impounded by Douglas County Animal Control.

Section 3.4

(A) Unlicensed off-road vehicles are prohibited within Summit Village. Recreation vehicles, buses, boats or trailers shall not be allowed in the area controlled by the Association, unless prior arrangements have been made with the Association at least seventy-two (72) hours prior to arrival relating to the parking of said vehicles. No person shall be allowed to utilize any recreational vehicle for camping or overnight use without the prior consent of the Association.

(B) Vehicles parked in common area lots for a period of more than seventh-two (72) hours shall be towed at the owner's expense. During snow season, all vehicles must be parked away from snow disposal areas, and outside of right-of-way snow pole markers.

(C) There are no guest parking spaces available in Summit Village.

(D) Each residential unit is allotted two (2) parking spaces.

(E) The Board of Directors shall have the authority to designate parking in appropriate areas.

Section 3.5 All structures and improvements constructed in the subdivision shall be built in a good workmanlike manner, and shall be maintained in good condition. No structure shall be moved from any other location, unless it shall have been newly constructed elsewhere for the express purpose of placing it on a residence lot. No individual garages, carports, driveways, or walkways shall be allowed unless specifically set forth upon a plan approved in writing by the Board or its designee.

Section 3.6 No walkways, sidewalks, paths, driveways, or parking areas shall be built over any common area or residential area without the written approval of the Board. Maintenance of existing walkways, sidewalks, paths, driveways or parking areas, exclusive of new construction, substantial alteration or reconstruction, does not require Board approval. Any plan requiring new construction, substantial alteration or reconstruction of walkways, sidewalks, pathways, driveways, or parking areas shall be subject to Board approval. The owner must submit plans and

specifications therefore to the Board pursuant to Section V, "Architectural Control".

Section 3.7 Prior to the commencement of construction of any structure, the owner shall first obtain written approval of the Board or its designee.

Section 3.8 No structure shall be occupied for residence use until the same shall be connected to a satisfactory sanitary sewage disposal system (temporary or permanent) approved by the appropriate county, state, municipal or federal authorities. No cesspool or outside toilet shall be permitted.

Section 3.9 No television or radio antennas shall be erected without the written consent of the Board or its designee.

Section 3.10 No advertising signs or identification signs, except one of not more than five (5) square feet stating "For Rent" or "For Sale" sign per residence lot, shall be erected without Board approval. Application for Board approval shall be made pursuant to the requirements of Article V, "Architectural Control". No signs shall be erected in violation of Douglas County Code, Chapter 15.18.010, "Sign and Advertising Control".

Section 3.11 No billboards, or unsightly objects in appearance shall be erected, placed or permitted to remain on any residence lot, nor shall the real property or any part thereof be used in any way, or for any manner or for any purpose which may endanger the health, or unreasonably disturb the occupants of any residence lot.

Section 3.12 No business activities of any kind shall be conducted on the real property or any part thereof, without the prior approval of the Board. Application for approval shall be made pursuant to Article V, "Architectural Control".

Section 3.13 No garbage, refuse or obnoxious or offensive material shall be permitted to accumulate on any residence lot and the owner thereof shall cause all garbage and other like material to be disposed of by and in accordance with accepted sanitary practice. All garbage or trash containers, oil tanks, gas tanks and other facilities must be placed so as not to be visible from another residence lot or from the streets.

Section 3.14 All residence lots, unit ownerships or residence units shall be required to maintain mandatory garbage and refuse service to such lot, unit or residence unit. In the event that the Association fails to provide for such service, the Association shall maintain such service with charges therefore being assessed against the owner pursuant to Article IV, which contains assessment collection procedures.

Section 3.15 The provisions as to occupancy and use of residential and common areas shall be equally binding on a lessee, agent, employee or representative of the owner and on any occupant of a residence lot.

Section 3.16 No work or exploration for any minerals, or drilling for any minerals, or mining of any minerals, or quarrying of any minerals, rock, soil or any material shall be conducted on the subdivision or any part thereof, nor shall any excavation be made thereon except as may be incidental to the grading and preparation of building sites, and the construction of dwellings. Then any such excavation shall only be made with the prior written approval of the Board or its designee.

Section 3.17 No trees, shrubbery, material growth, rocks or native materials may be removed, cut, painted or disturbed from the subdivision or any part thereof, or altered in any way, without the prior written consent of the Board or its designee, unless the same is an immediate and dangerous hazard to any person or property.

Section 3.18 No fences, hedges, walls, exterior clotheslines, or unenclosed garbage receptacles shall be erected or maintained upon the real property or any part thereof, unless prior written approval is obtained from the Board or its designee.

Section 3.19 Each of the provisions herein is for the express purpose of maintaining property values and to preserve the natural scenic beauty of the area, and are intended to be for the express benefit of the declarant, the present and future owners and occupants of the residence lots, and all of their respective successors in interest and mortgage or lien holders. In order to maintain and enforce such provisions, each owner agrees to abide thereby, such provisions being incident and part of the present and future ownership of the residence lots. Any of the said parties may enforce compliance with the provisions in any court of competent jurisdiction by injunctive relief or otherwise; it being understood that a material violation of any provision herein would create irreparable harm and damage to the Declarant and owners and occupants of the other residence lots, and mortgage and lien holders of the other residence lots. The right to enforce the provisions hereof shall insure not only to the Declarant, owners and occupants of the residence lots and residence units, the Association, mortgage or lien holders, but also any appropriate governmental agency.

Section 3.20 The rights and duties of the owners of residence lots and residence units with respect to party walls shall be governed by the following:

(A) Any wall or part thereof which is constructed on the dividing line between residence lots shall constitute a party wall, and with respect to such wall, each of the adjoining owners shall assume the burdens and be entitled to the benefits of these restrictive covenants; and, to the extent not inconsistent herewith, the general rules of law regarding party walls shall be applied thereto.

(B) In the event that any such party wall is damaged or destroyed through the act of any adjoining owner, tenant, guest or any of his agents or members of his family (whether or not such act is negligent or otherwise culpable) so as to deprive the full use and enjoyment of such wall, then such owner shall forthwith proceed to repair and/or rebuild such wall to as good a condition as formerly, without cost to the owner of the adjoining residence lot.

(C) In the event that any such party wall is damaged or destroyed by some cause other than the act of one of the adjoining owners, his agent, tenant, guest or family member (including ordinary wear and tear, and deterioration from lapse of time), then in such event, both such adjoining owners shall proceed forthwith to rebuild or repair the same to as good a condition as formerly at their joint and equal expense.

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

(E) In the event of a dispute between owners with respect to the repair or rebuilding of a party wall or with respect to sharing of the cost thereof, then upon written request of one of such owners addressed to the Board or its designee, the matter shall be submitted to arbitration under such rules as may from time to time be adopted by such Board. The Board shall convene to hear a dispute at any regular or specially called meeting for the purposes of determining the dispute, and shall resolve any dispute between owners with respect to a party wall question. The decision of the Board is final, and shall be binding on the parties.

Section 3.21 The rights and duties of the owners of residence lots and residence units, with respect to common or adjoining walkways, sidewalks, driveways, or paths, shall be governed by the following:

Any walkway, sidewalk, driveway or path which shall be used in common by two or more residence lot owners for the purposes of ingress or egress from their lots, shall be governed by the

same rules, rights, obligations and liabilities as are applicable and set forth in Section 3.21 pertaining to party walls.

**Section 3.22** The rights and duties of the owners of residence lots and residence units, with respect to sewer, septic systems, water, electricity, gas and telephone lines shall be governed as follows:

(A) Whenever joint sewer connections, septic system connections, electricity, gas or telephone lines are installed in or upon a residence lot, then each owner hereby grants an easement to the appropriate utility or other entity to come upon any residence lot to connect, repair, or maintain such utility, even though it may be for the purpose of benefiting another residence lot.

(B) Each residence lot and residence unit owner benefited by a joint connection or line shall be entitled to full enjoyment and use of such portion which benefits the residence lot served, providing however, that said benefited lot shall be charged its pro rata portion of the cost of said utility; said pro rata of cost is to be paid the entity which installs same.

(C) In the event that any portion of such a connection or line is damaged or destroyed through an act of an owner or the residence lot being served, or any act of his agent, tenant, guest or member of his family (whether or not such act is negligible or otherwise culpable) so as to deprive the residence lots capable of being served by such connection or line to the full use and enjoyment of said connection or line, then such owner causing the destruction or damage shall forthwith proceed to replace or repair the same to as good a condition as formerly, without cost to the other residence lots served thereby.

(D) In the event that any portion of such a connection or line is damaged or destroyed by some cause other than the act of any of the adjoining owners, their agents, tenants, guests or members of their family (including ordinary wear and tear, and deterioration from the lapse of time), then, in such event, all residence lot owners who are deprived of the full use and enjoyment thereof shall proceed forthwith to replace or repair said connection or line to as good a condition as formerly, at their joint and equal expense. In the event of any unrepaired damage or destruction, the Board may repair and assess the benefiting persons under Article 4.10.

(E) In the event of a dispute between owners with respect to the repair of, or rebuilding of, such connection or line, or with respect to the sharing of the cost thereof, then upon written request of one of such owners addressed to the Board, the matter shall be submitted to arbitration under such rules as may from time to time be adopted by such Board. The Board shall convene



to hear a dispute at any regular or specially called meeting for the purposes of determining the dispute, and shall resolve any dispute between owners with respect to a utility connection, following the same rules as used for a party wall. The decision of the Board is final, and shall be binding on the parties in the dispute.

#### ARTICLE IV ASSOCIATION

Section 4.1 The powers, rights and duties of the Association are as follows and may be adopted in its Articles of Incorporation, By-Laws Covenants, Conditions and Restrictions and reasonable regulations by the Association Board. When same are not in conflict within this Declaration, then they may expand and contain additional rights, powers and duties for and on behalf of the Association.

Section 4.2 The Association is a non-profit Nevada Corporation. It was created by Articles of Incorporation, filed with the office of the Secretary of State, State of Nevada, on March 17, 1968, and amended June 9, 1988. The Articles of Incorporation and the Covenants, Conditions and Restrictions governing the Association shall be available for inspection during regular office hours in the office of the Association Manager and/or the principal place of business of the Association.

Section 4.3 The Association shall be governed by a Board of Directors which shall consist of five (5) duly qualified and elected members of the Board. A majority of the Board may take any action on behalf of the Association pursuant to these Covenants, Conditions and Restrictions, the By-Laws and the Laws of the State of Nevada as they exist or are amended.

(A) In the case of death, resignation or incapacity or any failure of any member or members of the Board, the remaining member or members shall fill any vacancy or vacancies by appointment of a member of the Association to serve on the Board. Such appointed member shall serve until the next general election, at which time the members of the Association shall elect a Board member to fill said vacancy or vacancies. The Board shall have the power to establish and amend its rules and regulations with regard to meetings, quorum and other procedural matters pursuant to the Articles of Incorporation, the By-Laws, or these Covenants, Conditions and Restrictions.

(B) Board members must be residence unit owners or residence lot owners.

Section 4.4

(A) There shall be one type of membership. Ownership of a residence lot or a residence unit shall be the sole qualification for membership.

(B) The owner of each residence lot shall assign to such residence lot one membership, which shall be appurtenant to such residence lot. Upon development of each residence lot, a membership shall then be assigned to each residence unit. No membership shall be severed or separated from a residence lot or residence unit, and any sale, transfer, or conveyance of a residence lot or residence unit shall operate to transfer the appurtenant membership without the requirement of express reference thereto.

(C) No owner may avoid the burdens or obligations incidental to membership by non-use of the common area or abandonment of his residence lot or residence unit by failing to develop the residence lot into a residence unit.

(D) Upon conveyance, sale or assignment of a residence lot or residence unit to a new owner or owners, the selling owner or owners shall not be liable for any assessments levied upon the membership in the Association appurtenant to such residence lot or residence unit, after the date of such sale. However, the new owner will be responsible for all future assessments as of the day he takes title of the property.

(E) The rights, duties, privileges and obligations incidental to membership in the Association shall be exercised and imposed in accordance with the provisions of these Restrictions, the Articles and the By-Laws. Each membership shall represent an equal, underlying beneficial interest in the Association's property.

(F) Only one membership shall be allowed for each residence unit, regardless of the nature, status or number of separate owners of such residence lot or residence unit.

(G) There shall be one vote for each existing membership. Ineligibility to vote includes the failure of a member to pay the assessments of the Association after notice to the member to pay has been sent according to these restrictions. Delinquency in payment or failure to pay will be construed to mean failure to pay any assessment by a member prior to the end of the assessment period to which the billing applies.

(H) No membership may be separated from the property to which it is appurtenant, provided, however, that the privileges of ownership may be exercised by a nominee of an owner designated in writing so long as:

(1) the nominee is a resident on the property to which the membership is appurtenant, or holds a written proxy from the owner allowing the nominee to exercise the owner's privileges of ownership; and

(2) no change is made for use of the membership in excess of the amount of any assessments levied against the owner by reason thereof; and

(3) any such assignment of privileges is revocable at the will of the owner.

(I) The designation of a nominee shall in no way relieve the owner of a membership from any liability arising by reason thereof. Nothing herein contained shall be deemed to prohibit use of Association facilities by guests or other persons pursuant to reasonable rules and regulations adopted by the Board.

Section 4.5 The Association shall hold title in fee or in permanent easement to parking areas, open spaces, parkways, rights of way, and areas that may be designated as common area as may be acquired by it or set aside and maintained for the use, enjoyment or convenience of residence lot owners. The Board may adopt reasonable Rules and Regulations regarding use and enjoyment of such areas:

Section 4.6 The Association shall maintain and otherwise manage and administrate the landscaping, parking areas, open spaces, common area and recreational facilities located upon the areas described in Section 4.5, above.

Section 4.7

(A) Each member shall be subject to an assessment in an amount to be determined by the Board of Directors. The annual assessment may not increase more than 10% over the previous year's level of assessment without a simple majority vote of the membership; provided, however, that each member with an unimproved residence lot shall not be assessed in an amount of more than 50% of a member owning an improved residence lot on which a dwelling or any part thereof is located or which is used ancillary to an existing dwelling.

(B) Such assessment shall be for the following purposes and shall not be levied in an amount more than is necessary or reasonable for such purposes together with a reasonable reserve for future expenses:

(1) repair and maintenance of all common area and any taxes or other charges required by Section 4.7, above;

(2) actual costs to the Association of such recreational facilities as may from time to time be provided by the Association;

(3) liability, fire and other necessary insurance of not less than \$1,000,000 for any occurrence and \$1,000,000 to any one person for bodily injury, and \$1,000,000 property damage by fire, other than forest fire, vandalism, malicious mischief, and other such hazards as the Board may determine. The disposition of insurance proceeds shall be made upon a majority vote of the Board, but in all events, shall be used to further the purposes of the Association;

(4) and such sums as the Board shall determine to be necessary to carry on the purposes of the Association and implement its Rules and Regulations, subject to the limitations set forth herein, or in the Articles or By-Laws of the Association.

#### Section 4.8

(A) Within thirty (30) days prior to the beginning of each fiscal year, the Association's Board shall estimate the budget for such year pursuant to the terms hereof, including a reasonable provision for contingencies and replacements, and less any expected income from the prior year's ending fund balance. An "Estimated Cash Requirement" shall be assessed to each member on a pro rata basis as set forth herein. Each member shall be obligated to pay, in advance, assessments made pursuant to this section to the Association. Said assessment will be due semi-annually on January 1 and July 1 of each year. The first payment will be made at the close of sale escrow on a pro rata basis.

(B) If said estimated sum proves inadequate for any reason, including nonpayment of any members' assessment, the Board may, at any time, levy a further assessment, not to exceed 10% percent of the total adopted annual budget. Any assessment proposed by the Board greater than 10% percent of the total adopted annual budget, shall be levied only with a simple majority membership vote and approval by same. All assessments levied pursuant to this section shall be assessed to all members in like proportions. Each member shall be obligated to pay assessments made pursuant to this section to the Association in equal semi-annual installments, on or before the first day of each July and January during such year, or in such other manner as the Board shall designate.

(C) All funds collected hereunder shall be expended only for the purposes set forth in these Restrictions and purposes incidental thereto. No member may waive or otherwise escape

liability for the assessments provided for herein by non-use of common area, or abandonment of his or her residence lot.

(D) Such assessments as may be fixed may be included with other trust funds or impounds collected by the County Treasurer in connection with County or State taxes and assessments, which may be assessed, and which the owner must pay pursuant to Article VIII, "State, County and Association Taxes and Assessments".

(E) IMPROVEMENT ASSESSMENTS

Upon approval by vote or written consent by members holding a simple majority of the votes entitled to be cast of a proposed capital improvement, the Board shall estimate total cost and such estimated total cost shall be assessed to all members in proportion to their voting rights as a capital improvement assessment. This shall not include the following:

(A) Any capital improvement whose estimated total cost of Twenty Thousand Dollars (\$20,000) or less, to be adjusted yearly to reflect CPI;

(B) Any capital improvement, regardless of the total estimated cost, which is for the replacement of any then-existing improvement or equipment including but not limited to vehicles, parking areas, etc.

Capital improvement and additional assessments shall be due and payable by all owners in such installments and during such period or periods as the Board shall designate.

Section 4.9 The Association shall also have the authority, through the Board, to establish, fix, and levy a special assessment on any parcel of land and any residence lot and any residence unit, in said subdivision to secure the liability of the owner thereof to the Association arising from breach by such owner of any of the provisions of this Declaration, which breach shall require the expenditure of time or money, or both, by the Association for repair or remedy. Such assessment shall be collected as is provided herein, and shall constitute a lien against the property of the owner.

Section 4.10

(A) Each residence unit and residence lot shall be subject to a lien to secure all assessments levied.

(B) No lien shall be filed until the member has been given fifteen (15) days' written notice, and opportunity to pay such assessment.

(C) Each member agrees that the Association may enforce the lien by appropriate legal action, and that the member will be liable for all expenses, including costs of recording, collection costs, reasonable attorney fees, and court costs.

(D) An administrative fee will be charged on all properties as title changes hands.

(E) A lien may be enforced by court foreclosure sale or by a non-judicial sale conducted in accordance with the provisions relating to a sale by trust deed foreclosure under the appropriate provisions of the Nevada Revised Statutes. In lieu of a foreclosure sale as set forth above, the Association may enforce its lien by any remedy allowed by law and/or may waive its lien and hold the owner personally liable.

#### Section 4.11

(A) Each member shall be obligated to maintain his residence unit or lot and all improvements thereon in a manner acceptable to the Board of the Association. In the event that any member fails to do so, then the Association shall have the right to enter such premises and make such repairs as may be reasonably necessary, and the cost thereof shall be a special assessment lien against such member's lot or residence unit. Each member shall also maintain in a manner acceptable to the Board all walkways, driveways, sidewalks, wooden parking decks, or paths used for ingress and egress to a lot, individual or in common, and the expenses of maintenance, including snow removal, shall be the sole expense of the owner.

(B) If the owner or owners do not maintain the ingress or egress in a manner acceptable to the Board, the Board will notify the owner or owners, in writing, that it will take whatever action is necessary to remedy the situation, including notifying the Douglas County Building Department, or any other governmental agency.

#### Section 4.12

(A) In the event of damage to a residence lot, or improvements thereon or easements thereto, or to a residence unit which shall impair or mar the general appearance thereof, the owner shall forthwith make all necessary repairs or improvements to restore the residence lot or residence unit or easements thereto in a manner which shall be compatible with the overall subdivision. If a fire or other damage has destroyed improvements to the extent that the owner does not desire to rebuild them, the owner shall nevertheless immediately restore and clear damaged improvements of property from the residence lot, restoring it as nearly as possible to its natural state.

(B) Each owner of a residence lot, or improvements thereon or easements thereto, or residence unit shall maintain insurance on said lot or unit equal to the value of the lot and any improvements thereon, insuring against fire or other damage which may impair or mar or destroy said residence lot or residence unit. Proof of said insurance in an amount satisfactory to the Board shall be provided to the Board at the Board's request. Failure to maintain said insurance may, at the Board's discretion, constitute grounds for the revocation of any right or privilege of these Covenants, Conditions and Restrictions, the By-Laws or the Articles of Incorporation of the Corporation. Further, the Board may take whatever action is deemed best in its judgement to enforce the provision of this section.

**ARTICLE V**  
**ARCHITECTURAL CONTROL**

Section 5.1 Architectural control shall be controlled by the Board which will consist of the duly and regularly elected members of the Board as it is constituted, from time to time. A majority of the Board may approve plans and specifications for development within the area controlled by these Covenants, Conditions and Restrictions.

Section 5.2 In addition to the duties imposed by the Articles of Incorporation, the By-Laws or these Covenants, Conditions and Restrictions, the Board shall review and approve of development within the Association as follows:

(A) No improvement, alteration or structure of any kind shall be erected, constructed, placed or moved upon, or maintained on a residence lot, or a portion thereof, nor shall any alteration, addition, change or repair be made to the exterior of a structure or to the outside area of a residence lot, unless, prior to the commencement of such activity, the owner has received Board approval.

(B) Prior to Board approval, the owner shall apply to the Board for such approval, including in said application two (2) complete sets of plans and specifications for the proposed development, which shall include the front, side and rear elevations; a floor plan for each floor and basement; a color scheme and texture of the improvement, and a detailed plot plan, which shall indicate and fix the exact location of the structure or alteration thereof, and the outside area. Said plot plan shall detail adequate snow removal and snow storage areas to the Board's satisfaction; said plot plan shall indicate and fix the exact location of two additional parking space per residence unit; said parking space shall be newly constructed. Existing spaces may not be credited to the

newly constructed parking space requirement of this section.

(C) All applications shall be accompanied by written proof from the State, County and Association that all taxes and assessments and dues have been paid by the owner. Further, all applications shall indicate that the relevant Federal, State and County Building Codes and Ordinances have been met, with proof of satisfaction of said requirements being supplied to the Board's satisfaction.

Section 5.3 Board approval may be withheld:

(A) because of the noncompliance with any of the specific conditions and restrictions contained in this Declaration of Covenants, Conditions and Restrictions;

(B) because of the reasonable disapproval of the Board of the location of the structure of the building site, or with the appearance of the proposed structure, or with the lot grading plan, considering the character of the area in which it is proposed to be erected, the materials of which it is to be built, the harmony thereof with the surroundings and/or the effect of the buildings or other structures as planned on the outlook from the adjacent or neighboring property or properties.

(C) Approval or disapproval by the Board of any plan or specification submitted for approval shall not cause a Board member or the Association to be liable to any person for any action taken by the Board, so long as the Board member acted in the best interest of the Association and with such care, including reasonable inquiry, as ordinarily prudent persons in similar circumstances would exercise. The owner shall hold the Board members free and clear from any and all claims, of whatsoever nature, for any action taken in the capacity as members of the Board on behalf of the Association and in conformance with this section.

(E) Any judgement, order, settlement, conviction or plea of Nolo Contendere, or its equivalent, shall not, of itself, create a presumption that the Board or any member thereof, or the Association, did not act in good faith or in a manner in which he or they reasonably believed to be in the best interests of the Association, nor that he or they had reasonable cause to believe that his or their conduct was unlawful.

(F) The Board shall act with all due promptness in approving or disapproving plans within thirty (30) days from submission, or said plans shall be deemed approved.

## ARTICLE VI PARTITION

Section 6.1 There shall be no judicial partition and/or physical subdivision by deed or



otherwise of the common area, nor shall a declarant or any person acquiring any interest in the common area, or any part thereof, seek any such judicial partition and/or subdivision thereof; provided, however, that if any unit ownership shall be owned by two or more co-tenants as tenants-in-common or as joint tenants, nothing herein contained shall be deemed to prevent a judicial partition that does not result in any physical partition of the common area.

Section 6.2 No owner shall, in any way, sever his residence lot or residence unit from its interest in the common area. The common area shall be preserved as open space and used for recreational purposes and other purposes incidental and ancillary to such use of the residence parcels. The common area shall be continuously maintained pursuant to the terms of this declaration for the exclusive use and benefit of the parcels and the occupants thereof.

## ARTICLE VII EASEMENTS

Section 7.1 There is reserved for the benefit of each residence lot an easement of maintenance and use to which the entire project shall be subject for any and all encroachments resulting from roof overhand and any other causes attributable to the design and construction of improvements on each residence lot, any and all encroachments resulting from construction errors, laterals shifting from settlement or any other cause, and any and all encroachments resulting from construction of sewer, water and electrical lines, or other utilities. Projecting private docks, patios, terraces or balconies or assigned parking areas attached to a residence unit may occupy a permanent easement over the common ground, but the owner of a residence unit assumes the responsibility and sole liability for the maintenance, insurance coverage and use, holding the Association harmless from any and all activities or suits resulting from such use and occupancy.

Section 7.2 Any encroachment or use of the common area shall be subject to approval by the Board, which may, in its discretion, require a reasonable rental for the value of the common area encroached upon to be paid by the lot owner requesting the encroachment.

Section 7.4 There is reserved to the Association an easement to which the entire area shall be subject of entry and of access for the performance generally of its rights and duties as provided in this Declaration. Entry into the residence of an owner pursuant to this easement shall be restricted to reasonable times and must be preceded by seven (7) days' notice to the occupant, unless entry is required by an emergency.

Section 7.5 There is reserved an easement over, under and through each residence unit and residence lot, and the common areas for installation, maintenance and repair of each and every utility service, including, but not limited to, sewage, water, electricity, gas, television and telephone service.

Section 7.6 It is agreed that for purposes of valuation and assessment by the County Assessor of Douglas County, State of Nevada, that the easements herein provided for shall be valued as part of and assessed against the residence lot to which any easement is appurtenant.

Section 7.7

(A) Because of the mountainous nature of the terrain, it is anticipated that there will be walkways from the road to each of the residence lots and residence units. Such walkways may be partly or entirely used in common with other residence lot owners for ingress and egress. Each such walkway shall be considered appurtenant to the residence lot or residence unit it benefits as an easement, so long as it is subject to use. Construction of walkways will be allowed only with the approval in writing of the Board.

(B) The residence lot owners and residence unit owners benefited by such walkways shall be fully responsible for the maintenance thereof.

ARTICLE VIII  
STATE, COUNTY AND ASSOCIATION  
TAXES AND ASSESSMENTS

Section 8.1 Each owner shall be obligated to pay all State, County and Association taxes or assessments against his own residence lot, or personal property, or interest in the common areas, or appurtenant easements. Also, each owner shall be obligated to pay any assessment by the Association for the portion of any taxes or assessments against any part of the common area in proportion to his interest in the common area; such payment to the Association to be made at least thirty (30) days prior to delinquency of such tax or assessment. Such assessments or taxes are secured by the lien which is created by Section 4.10, and may otherwise be collected as provided therein.

ARTICLE IX  
MORTGAGE HOLDERS

Section 9.1 "First Lender" shall mean any bank, savings and loan institution, insurance company or other financial institution holding a recorded first mortgage or deed of trust on any lot, or any First Lender who comes into possession of a lot pursuant to the remedies provided in the

mortgage or deed of trust, and shall take the property free of any claims for unpaid assessments or charges against the lot so acquired that accrue before the time such First Lender or a purchaser, through foreclosure, obtains title through foreclosure proceedings, or such First Lender otherwise comes into possession. Such lot shall not be relieved from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment. The foregoing subordination shall not apply to any secondary financing covering the properties subject to assessment, nor to any primary financing provided by persons or entities other than First Lenders as defined in this Section. The liens created by this Declaration of Covenants, Conditions and Restrictions shall be superior to liens, mortgages, deeds of trust and other financing devices of such secondary financing and non-First Lender primary financing.

Section 9.2 The Association shall, upon request by a mortgage holder, give written notice to said mortgagee of any default of a mortgagor's obligations which are not collected within thirty (30) days of notice by the Association. After such notice, any mortgage holder will be subject to the enforcement procedures delineated in Section 4.10 herein.

#### ARTICLE X USE OF COMMON AREAS

Section 10.1 The common area shall be occupied and used as follows:

(A) Nothing shall be stored in the common area without the prior consent of the Board, except as hereinafter provided.

(B) Nothing shall be done or kept in the common area which will increase the rate of insurance on the common area, without the prior written consent of the Board.

(C) No owner shall permit anything to be done or kept on his residence lot or in the common area which will result in the cancellation of insurance on any residence or on any part of the common area, or which would be in violation of any law.

Section 10.2 No garbage, refuse or waste will be permitted in the common area. Garbage and refuse collection containers are for the use of owners and renters only. Non-area residents and construction companies shall not use such containers.

#### SECTION XI ANNEXATION

Section 11.1 Additional residential property and common area may be annexed by the Board to the properties within the Association for the benefit of the Association.

**ARTICLE XII**  
**AUDIT**

**Section 12.1** Any owner may at any time and at his own expense cause an audit or inspection to be made of the books and records of the Association by a certified public accountant licensed by the State of Nevada.

**ARTICLE XIII**  
**INTERPRETATION AND SEVERABILITY**

**Section 13.1** The provisions of these restrictions shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a community project. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

**Section 13.2** If any provision of this Declaration, or any section, sentence, clause, phrase or word, or the application thereof under any circumstances be deemed invalid, the validity of the remainder of this Declaration and the application of any other provision, sentence, clause, phrase, or word under any circumstances shall not be affected thereby.

**ARTICLE XIV**  
**AMENDMENT**

**Section 14.1** Amendment to the provisions of these restrictions, as adopted, may be made by written, signed and acknowledged certification by the Board that further and/or future amendments to these Covenants, Conditions and Restrictions have been approved by a simple majority vote of the membership entitled to vote on said changes, casting ballots in an election called and held for the purpose of considering such proposed amendment.

**ARTICLE XV**  
**TERMINATION**

**Section 15.1** This Declaration shall terminate after it has been in existence for a period for fifty (50) years, unless this Declaration is renewed by an instrument, in writing and acknowledged as provided for herein in Article XIV, which amendment shall be effective upon recordation in the Office of the Recorder of the County of Douglas, State of Nevada.

**ARTICLE XVI**  
**ACCEPTANCE OF PROVISIONS BY GRANTEEES**

**Section 16.1** The Association and each grantee hereafter of any part or portion of, or interest in, Summit Village, Inc., or any purchaser under any grant or contract of sale, or any lessee

under any lease covering any part or portion of or interest in Summit Village, Inc., or any mortgage holder, accepts the same, subject to all of the restrictions, jurisdiction, rights and powers of the Association and Declarant provided in this Amended Declaration.

IN WITNESS WHEREOF, the undersigned have caused this Declaration to be executed this 6th day of Feb. 1990.

President: Roy Darrow  
Secretary: Charles Milos  
ROY DARROW  
CHARLES MILOS

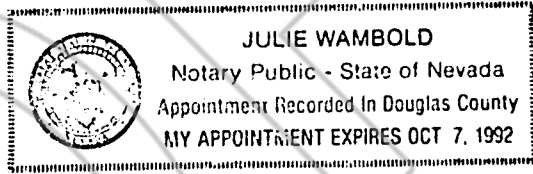
STATE OF NEVADA )

:

COUNTY OF DOUGLAS )

On this 6th day of Feb, 1990, before me, a Notary Public in and for the State of Nevada, County of Douglas, personally appeared Roy Darrow and Charles Milos, known to me to be the persons whose names are subscribed to this instrument. IN WITNESS WHEREOF, I have set my hand and affixed my official seal, in the County of Douglas, State of Nevada, the day and year in this certificate first above written.

Julie Wambold  
NOTARY PUBLIC



REQUESTED BY  
Summit Village Inc  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

'90 FEB -7 A11 :26

SUZANNE BEAUDREAU  
RECORDER 219698

\$25.00 PAID K11 DEPUTY  
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