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After Recording Mail to:
DANE S. FABER

P.O. BOX 5910

STATELINE, NEVADA 89449

Accommodation No. S60523 M

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
"275 ORION LANE ASSOCIATION".
A CONDOMINIUM PROJECT

DATE: July 6th, 1993

KAREN K. WALTERS, WILLIAM C. WILLERT ,

The Declarants, **DANE S. FABER & RICHARD ESSWEIN**, are
owners of a certain condominium project situated at 275 ORION LANE in the County of Douglas,
State of Nevada, more particularly described as:

Units 1, 2, 3, & 4 as set forth on the Condominium Map of Lot 37, Amended Map
of Tahoe Village Unit No. 1 filed for record August 27, 1979 in Book 879, page
1945, Document No. 36001, Official records of Douglas County, State of Nevada.

TOGETHER WITH an undivided 1/4th. interest in and to that portion designated as
Common Area as set forth on the Condominium Map of Lot 37, Amended Map of
Tahoe Village Unit No. 1, filed for record August 27, 1979, as Document No.
36001, Official Records of Douglas County, State of Nevada.

Assessor's Parcel No. 40-170-01,02 ,03, 04.

RECITALS

1. Declarants are the owners of the real property located in the County of Douglas,
State of Nevada, described hereinabove (herein "Property").
2. The Property is currently the subject of certain Covenants, Conditions and
Restrictions of TAHOE VILLAGE UNITS NOS. 1, 2 AND 3, as the same are filed in the Office of the
Douglas County Recorder, as Document 63681, recorded January 11, 1973; Document No.
69083, recorded September 28, 1973; Document No. 01472, recorded July 2, 1976; and
Document No. 207446, recorded July 26, 1989.
3. By this Declaration, Declarants intend to supersede all the previous declarations,
and to state the common plan for the use, enjoyment, maintenance, repair, restoration and
improvement of the Property and the interest therein conveyed or reserved, and for the
payment of any and all expenses pertaining thereto.

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NOW, THEREFORE, in furtherance of such intent, Declarants hereby declare that the Property is and Shall be held, conveyed, hypothecated, mortgaged, encumbered, leased, rented, used, occupied and improved subject to the declarations, limitations, covenants, conditions and restrictions set forth in this Declaration, as this Declaration may from time to time be amended, and in such other rules and regulations as are instituted pursuant to the provisions of this Declaration and all of which declarations, limitations, covenants, conditions and restrictions are declared to be in furtherance of a plan established for the purpose of enhancing and perfecting the value, desirability and enjoyment of the Property and the interest or interests therein to be conveyed or reserved. All such declarations, limitations, covenants, conditions and restrictions shall constitute covenants running with the land, and equitable servitudes and liens, and shall be binding upon and for the benefit of Declarants and each such interest conveyed, as that term is herein defined and upon and for the benefit of all parties having or acquiring any right, title, interest or estate in the Property, including without limitation the heirs, executors, administrators, successors and assigns of any such parties and all subsequent owners and lessees of all or any part of the Property.

ARTICLE I

DEFINITIONS

Section 1.1. "Association" shall mean and refer to 275 ORION LANE Association, a Nevada non-profit, non-stock cooperative corporation.

Section 1.2. "Owner" shall mean the record owner or contract buyer(s) whether one or more persons or entities, of any condominiums unit, but excluding those having such interest merely as security for the performance of an obligation.

Section 1.3. "Property" shall mean and refer to that certain real property being Units 1-4 and to the common area of the recorded map of Tahoe Village Lot 37 Condominiums, Tahoe Village Unit No. 1.

Section 1.4. "Unit" shall mean and refer to each of the four condominium units on the property, bounded by the interior surfaces of each as interpreted by the original plans thereof filed with the Douglas County Recorder and separately identified as Units 1 through 4 and as defined in the Nevada Revised Statutes §117.040.

Section 1.5. "Common Area" shall mean and refer to the remainder of the property held in common by the condominium unit owners. This area shall remain undivided and no owner shall bring any action for partition, it being agreed that this restriction is necessary in order to preserve the rights of the owners.

Section 1.6. "Declarants" shall mean and refer to _____, their successors and assigns.

Section 1.7. "Mortgagee" means the (a) beneficiary of a recorded deed of trust or the holder of a recorded mortgage encumbering any Unit or (b) the successor(s) to each person named in clause (a). "Mortgage" means a mortgage, deed of trust, or other security instrument.

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ARTICLE II

THE ASSOCIATION

Section 2.1. Association. The 275 Orion Lane Association, a Nevada non-profit, non-stock cooperative corporation, shall be the **Association**.

Section 2.2. Membership in Association. Every Owner of a Unit shall be a member of the Association and shall remain a member thereof until he ceases to own an interest. The Association shall have but one class of voting membership. Members shall all be owners, including Declarants, and shall be entitled to one vote for each Unit. When more than one person holds an interest in any Unit, all such persons shall be members. The vote for such Unit shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any Unit.

Section 2.3. Transfer of Membership. The membership of each Owner in the Association is appurtenant to and inseparable from his ownership of a condominium Unit and shall be automatically transferred upon any authorized transfer or conveyance of the ownership of his interest to any transferee or grantee and except as provided herein, said membership shall be non-transferable whether by gift, bequest, assignment or otherwise.

Section 2.4. Majority Requirements. In order to approve any Association action for which a vote of the membership is required by this Declaration, the vote or written assent of the prescribed majority of the total voting power of the Association and the vote or written assent of the prescribed majority of the voting power of Members shall be required.

Section 2.5. Master Association Voting. As to any matter requiring a vote of the membership of the Tahoe Village Homeowners Association ("Master Association"), the Association shall cast the vote(s) of Members, in the following manner:

(i) As far in advance of the date scheduled for the Master Association vote as shall be reasonably possible, the Association shall mail or otherwise deliver written ballots to the Members which shall set forth the issue or candidates which are the subject of the election and shall clearly indicate the date by which such ballots must be returned in order to be counted.

(ii) As to each Condominium Unit in the Property, the Association shall examine the returned ballot(s) and shall, upon the basis of the majority of votes(s) cast by the Owners(s) of each Unit, (based upon their respective fractional undivided ownership interest in such Unit), cast the vote for such Unit in the Master Association.

(iii) Should less than a majority of the Condominium Owners in any Unit vote, no vote shall be cast for such Unit.

Section 2.6. Board of Directors. The initial Board of Directors (the "Board") of the Association shall be the persons named in and executing the Articles of Incorporation of the Association or such other persons as shall be appointed by Declarants. At the time of the first annual meeting of the Members, the Members shall elect, in accordance with the By-Laws, a new Board replacing the Board defined in the preceding sentence.

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Section 2.7. Inspection and Copying of the Association's Books and Records.

(i) The membership register including mailing addresses and telephone numbers, books of account, minutes of Members' and Board meetings and all other records of Association shall be made available for inspection and copying by any member - or by his duly appointed representative - at any reasonable time for a purpose reasonably related to membership in the Association.

(ii) The records shall be made available for inspection at the office where the records are maintained. Upon receipt of an authenticated written request from a member along with the fee prescribed by the Board to defray the costs of reproduction, the Managing Agent or other custodian of records of the Association shall prepare and transmit to the member a copy of all records requested.

(iii) The Association may, as a condition to permitting a member to inspect the membership register or to its furnishing information from the register, require that the member agree in writing not to use, or allow the use, of information from the membership register for commercial or other purposes nor reasonably related to the regular business of the Association and the member's interest in the Association.

(iv) The Board shall establish reasonable rules with respect to:

(a) Notice to be given to the custodian of the records by the member desiring to make the inspection or to obtain copies.

(b) Hours and days of the week when a personal inspection of the records may be made.

(c) Payment of the cost or reproducing copies of records requested by a member.

(v) Every board member shall have the absolute right at any time to inspect all books, records, and documents of the Association and all real and personal property owned or controlled by the Association. This right of inspection shall include the right to make extracts and copies of records subject only to the provisions of subdivision (iii) hereof.

ARTICLE III

MANAGEMENT

Section 3.1. Powers and Duties Generally. The Association, acting along (through its Board, its officers or other duly authorized representatives) may, subject to the provisions of the Association's Articles of Incorporation, the By-laws and this Declaration, exercise any and all rights and power hereinafter enumerated and, except as specifically limited herein, all the rights and powers of a non-stock, non-profit cooperative corporation under the laws of the State of Nevada.

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Section 3.2. Specific Powers and Duties of the Association. The management, and repair of the Property, the acquisition (by purchase or lease), maintenance, repair and replacement of the Common Area and the administration of the affairs of condominium Owners, the use and occupancy of the Property and payment, as agent, of expenses and costs enumerated in this Declaration shall be under the direction and control of the Association. The Association shall have the right, at its option, to maintain and repair Property, to acquire (by lease or purchase), maintain, repair and replace Common Area as needed, and to levy, collect and enforce the assessments enumerated in this Declaration. The Association shall have the exclusive possession of each condominium Unit during the period designated by the Association (herein sometimes referred to as the "service period(s)" for the performance of maintenance and repairs on Property. The Association shall have the power to do all things that are required to be done by it pursuant to this Declaration. Without limitation of the foregoing powers and duties, the Association is expressly authorized in its discretion and on behalf of the Owners to do any or all of the following:

(i) **Repair and Maintenance.** To repair, maintain, repair, furnish or refurbish the Property or any part thereof, to establish reserves for anticipated costs, including the costs of acquisition and replacement of improvements, labor services which the Association deems necessary or proper for the maintenance and operation of the Property, including Common Area.

(ii) **Taxes and Assessments.** To pay all taxes and assessments, and other costs affecting or relating to the Property and similarly to discharge, contest or protect liens or charges affecting the Property.

(iii) **Utilities.** To obtain and pay the costs of electrical, telephone, gas and other utility services for the Property.

(iv) **Rules and Regulations.** To adopt, amend, publish and enforce, from time to time, Rules and Regulations relating to the possession, use and enjoyment of the Property, which Rules and Regulations shall not be inconsistent with the provisions of this Declaration.

(v) **Legal and Accounting.** To obtain and pay the cost of legal and accounting services necessary or proper in the maintenance and operation of the Property and the enforcement of this Declaration, the By-Laws and the Rules and Regulations.

(vi) **Insurance.** To obtain, pay the cost of , and maintain in effect:

(a) Insurance covering the Property, including each Unit, and the Common Area therein against loss or damage by fire and other hazards customarily covered by fire insurance policies written with extended coverage, the amount of such insurance to be not less than one hundred percent (100%) of the aggregate replacement value and which insurance policy shall name the Association as a co-insured, for itself and as agent for each Owner.

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(b) General comprehensive public liability insurance against claims for personal or bodily injury, death or property damage arising from the use and maintenance of the Property with limits of not less than (1) five hundred thousand dollars (\$500,000.00) per person and one million dollars (\$1,000,000.00) per occurrence with respect to injury or death; and (2) one hundred thousand dollars (\$100,000.00) per occurrence with respect to property damage. Such liability insurance shall name all Owners, as a class, as additional insured and contain member of such Owner's household. The limits of such policies may be periodically raised as the Association in good faith determines.

(c) Any other insurance, including, but not limited to, Worker's Compensation insurance, deemed necessary or desirable by the Association.

The policies of insurance shall name Declarants and the Association as insured, as their respective interests appear, cover such risks, be written by such insurers, and, subject to the limits set forth in clauses (a) and (b) above, be in such amounts as the Association shall deem proper under the circumstances.

(vii) Levy and Collection of Assessments. To levy, collect and enforce Assessments against the Owners in the manner provided in Articles IV and VIII hereof in order to pay the expenses of the Association and the fee of the manager, if any, and to do all things necessary to enforce each Owner's obligations hereunder.

(viii) Financial Statements and Other Information. The following shall regularly be prepared and distributed to all Owners:

(a) A pro forma operating statement (the "Budget") of maintenance expenses for each fiscal year which operating statement shall be distributed to Owners not less than sixty (60) days before the beginning of each calendar or fiscal year.

(b) An annual report shall be distributed, within one hundred twenty (120) days after the end of each calendar or fiscal year, consisting of the following: (1) a balance sheet as of the last day of each such year; (2) an operating statement of such year; (3) a statement of changes in financial position for the year; and (d) a list of the names, mailing addresses and telephone numbers of the current members of the Board of Directors. The annual report shall be prepared by an independent accountant for the calendar year in which the gross income to the Association exceeds \$25,000.00. If the annual report is not prepared by an independent accountant, it shall be accompanied by the certificate of authorized officer of the association that the statements were prepared without audit from books and records of the Association.

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(c) A list of the orders of business to be considered at each annual meeting of Members shall be distributed not less than thirty (30) days prior to the meeting date.

(ix) Bank Accounts. To deposit all funds collected from Owners pursuant to this Declaration hereof and all other amounts collected by the Association in connection with its duties provided herein in a separate bank account or accounts (the "General Account") with a bank or banks located in the States of Nevada or California. Funds deposited in the General Account(s) may be used by the Association for the general purposes for which such funds have been collected.

(x) Statements of Status. Upon the request of any Owner, Mortgagee, prospective mortgagee, purchaser or other prospective transferee of a Condominium Unit, to issue a written statement setting forth the amount of the General Account, and any amounts unpaid with respect to such Condominium Unit. Such statement, for which a reasonable fee may be charged, shall be binding upon the Association in favor of any person who may rely thereon in good faith.

(xi) Right of Entry. At any reasonable time, upon giving reasonable notice if such Condominium Unit is occupied, to enter the Condominium Unit for the purposes of, maintenance, and repair, or for any other purpose reasonably related to the performance by the Association of its responsibilities under the terms of this Declaration. Such right of entry shall be exercised in such a manner as to avoid any unreasonable or unnecessary interference with the possession, use and/or enjoyment by the occupant of such Condominium Unit and shall be preceded by reasonable notice to the Condominium Owner or occupant thereof whenever the circumstances permit.

(xii) Other Necessary Acts. To do all other things or acts deemed by the Association to be necessary, desirable or appropriate for the operation and maintenance of the Property.

(xiii) Delegation. To delegate the authority and responsibility of the Association hereunder to one or more agents, including, without limitation, the Manager provided for in Paragraph 3.3 below.

Section 3.3. Authority and Duty to Engage Manager or Managing Agent. The Association shall have the authority to engage and maintain a Manager for the Property and the operation contemplated hereby.

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ARTICLE IV

ASSESSMENTS

Section 4.1. Creation of Personal Obligations for Assessments.

(i) Declarants hereby covenant, and each Condominium Unit Owner by entering into a Purchase Agreement or accepting the conveyance of a Condominium Unit, whether or not it be so expressed in the Purchase Agreement or Deed, shall be deemed to have covenanted and agreed to pay to the Association the maintenance assessment, all special assessments and other charges ("Assessments"), as hereinafter described which shall be established, made and collected as hereinafter provided.

(ii) The Assessments, together with interest, costs and reasonable attorneys' fees shall be the personal obligation of each Owner at the time the assessment becomes due and payable and shall be a lien and charge upon the interest of Owners against which the assessment is made. No Owner may waive or otherwise avoid liability for the assessments by non-use of his interest or any part thereof or any abandonment thereof.

Section 4.2. Purpose of Assessments. Assessments shall be used to promote the recreation, health, safety and welfare of the Owners, the improvement, operation and maintenance of the Property, to pay for the administration of the Association and reimbursement of expenses incurred by the Association and other expenditures incurred in the performance of the duties of the Association as set forth in this Declaration.

Section 4.3. Maintenance Expenses. As used herein, "Maintenance Expenses" means the aggregate amount of expenses as set forth in the Budget, incurred by the Association during the applicable year (i) to operate, manage, maintain and repair the Property; (ii) to provide for reserves, and for such other purposes as are required by good business practice; (iii) to provide for the possibility that some assessments may not be paid on a current basis; and (iv) to provide for payment of the fee of the Manager, if applicable. Without limiting the generality of the foregoing, maintenance expenses shall include all charges, costs, and expenses whatsoever incurred by the Association for or in connection with the administration and operation of the Property; real property taxes and other taxes assessed against the Property or any other interests of the Condominium Unit Owners (except as; and to the extent that such taxes are separately assessed to the individual Condominium Unit Owners); assessments and other similar governmental charges levied on or attributable to the Property; insurance, including fire and other casualty and liability insurance obtained pursuant to this Declaration; any liability whatsoever for loss or damage arising out of or in connection with the Property or any fire, accident, or nuisance therein; costs of repair, reinstatement, rebuilding and replacement of the Property or the unpaid share of any assessment levied during the previous calendar year against any Owner who has defaulted in payment thereof to the extent that the same becomes uncollectible; wages, accounting and legal fees, management fees, and other necessary expenses of upkeep, maintenance, management and operation actually incurred with respect to the Property.

Section 4.4. Budget Surplus. At the end of any fiscal or calendar year, any sums held by the Association which were not expended or reserved by the Association shall be applied to reduce the following year's Assessment.

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Section 4.5. Maintenance Assessment. On a Fiscal Year basis, an assessment for each Condominium Unit shall be determined by dividing Maintenance Expenses by the total number of Condominium Units in Property. Said sum shall be paid annually in a lump sum on a date set by the Association or, if the Association shall elect, in equal monthly installments.

ARTICLE V

OCCUPANCY AND USE OF RESIDENTIAL AND COMMON AREAS

Section 5.1. The Property is hereby restricted to residential dwellings for residential uses.

Section 5.2. No animals, livestock or poultry of any kind shall be raised, bred or kept on any of the premises except that dogs, cats or other household pets may be kept provided they are not kept, bred or maintained for any commercial purpose.

Section 5.3. No noxious or offensive activity shall be carried on upon any Unit, nor shall anything be done therein which may be or may become an annoyance or nuisance to the neighborhood.

Section 5.4. No advertising signs, billboards, unsightly objects, unsightly appearance or nuisance shall be erected, placed or permitted to remain on the properties, nor shall the premises be used in any way for any purpose which may endanger the health or unreasonably disturb any holder of any Unit on the Property. No business activities of any kind whatsoever shall be conducted in any portion of the Property.

Section 5.5. No garbage, refuse, rubbish or obnoxious or offensive material shall be permitted to accumulate on or in any Unit or the Common Area and the Owner thereof shall cause all garbage and other like material to be disposed of by and in accordance with accepted sanitary practice.

Section 5.6. No fences, hedges or walls, exterior clotheslines or unenclosed garbage receptacles shall be erected or maintained upon Property except such as are installed in accordance to the initial construction located thereon or as approved by the Board of Directors of Association.

Section 5.7. No trees or native materials of any kind shall be removed, cut, painted or disturbed without approval of the Board of Directors of Association.

Section 5.8. The rights and duties of the Owners of Units with respect to party walls and/or floors shall be governed by the following:

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

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

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

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

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

Section 5.9. Utilities. The rights and duties of the Owners of Units within this Project with respect to sanitary sewer and water, electricity, gas and telephone and other utilities shall be governed by the following:

(i) Exterior and Common Area hall lights, if any, are to be maintained by all the Owner(s) of the Condominium Units or, at its option, by the Association;

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

(iii) In the event any portion of said connection is damaged or destroyed through the act of an Owner being served by said connection or any of his agents, guests or family members, whether or not such act is negligent or otherwise culpable, so as to

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deprive the other Owners being served by said connection of the full use and enjoyment of said connection, then the first of such Owners shall forthwith proceed to replace or repair the same to as good condition as required.

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

(v) In the event of a dispute between Owners with respect to the repair or rebuilding of said connection or with respect to the sharing of the cost thereof, then upon written request of one of such owners addressed to the Association, the matter shall be submitted to arbitration as provided in Section 5.8(v).

Section 5.10 Occupancy in any residence shall be limited to such number of persons as the size and amenities of such residence may reasonably accommodate, taking into account health and sanitation considerations. There shall be no use or occupancy whatsoever of any Common Area except by Owners and their guests and invitees as specifically provided in this Declaration. The Association shall have the exclusive right and authority to maintain, manage and administer all Common Area, including but not limited to uses for landscaping, parking areas, open space, recreational facilities, and the like. No Owner or Member shall make any claim to a right to Common Area for private development or other private purposes and there shall be no obstruction of any part of the Common Area.

Section 5.11. Storage in Common Area. Nothing shall be stored in the Common Area without the prior consent of the Association.

Section 5.12. Improvements and Alterations. No improvement, construction, repair, excavation, fill, or other work that alters the exterior appearance of Property shall be made, done or permitted to be done without the prior approval of the Association.

Section 5.13. Maintenance and Repair. The Owner of each Condominium Unit shall maintain the Unit, the landscaping and all improvements located thereon including but not limited to structures, decks, stairwells, walkways, gutters, chimneys, shutters, awnings, handrails, and utility connections in good condition and state of repair and adequately painted or otherwise finished, all at such Owner's sole cost and expense. No improvement on any Unit shall be permitted to fall into disrepair.

In addition, the Owner of each Unit which is the beneficiary of an improvement located on Common Area of the Association, e.g., walkway, sidewalk, driveway, path, utility connections, party walls or fences, shall be maintained in good condition by such Owners who have primary use and enjoyment thereof except as otherwise provided in this Declaration.

The Association shall have no liability or obligation to maintain, improve, repair any improvement which primarily benefits one or more individual Condominium Unit Owner but

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may require Condominium Unit Owners to do so or, at its option, may, at the expense of the defaulting Owner(s) undertake to do so on behalf of Owners who fail to do so.

No Owner shall do any act or work that will impair the structural integrity or safety of any improvement located on Property. All maintenance and repair shall be performed in a good and workmanlike manner and the color or appearance of any improvement shall not be offensive to the general appearance of the Property as determined by the Association.

Section 5.14. Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate upon Property or any Unit and no conduct or condition shall be permitted so as to render Property or portion thereof unsanitary, unsightly, offensive or detrimental to any of the property in the vicinity thereof or to the occupants thereof. Without limitation of any of the foregoing, no exterior speakers, or other sound devices except Association approved security devices used exclusively for security purposes shall be located, used or placed on Property or outside a residence.

Section 5.15. Temporary Occupancy and Temporary Structures. No temporary building or structure of any kind such as a tent, house trailer, portable living unit, shack mobile home, garage or barn, and no incomplete building shall be used at any time for a residence either temporary or permanent. Temporary buildings and structures used during the construction of an improvement must be in conformance with rules adopted by the Association related thereto and shall be removed within a reasonable time after the completion of construction.

Section 5.16. Trailers, Boats and Motor Vehicles. No mobile home, trailer of any kind, truck or camper larger than a 3/4 ton pickup truck, snowmobile, inoperable automobile, recreational motor home or boat shall be kept, placed, stored, maintained, constructed, repaired or be permitted to park upon Property or streets adjacent thereto except in completely enclosed garages a part of an Owner's Condominium Unit.

The foregoing provision, however, shall not apply to emergency vehicle repairs or temporary construction shelters or facilities maintained during and used exclusively in connection with the construction of any work of improvement approved by the Association or to the parking of any recreational motor home, camper or boat of any rent or temporary occupant whose occupancy does not exceed two (2) weeks provided, however, that such temporary occupant shall be subject to Rules adopted by the Association relating to the parking of such vehicles or boats.

No commercial vehicles of any nature shall be parked or stored on Property or on the adjacent streets except for a commercial vehicle providing services to Owners or to the Association and in such event only for the duration necessary to provide such services. No noisy or smoky vehicles shall be operated on or near Property.

No automobile shall be parked on Property or adjacent streets except as permitted by Association.

Seventy-two (72) hours after notice has been personally delivered to the vehicle owner by an agent of the Association or placed on the windshield of the vehicle, or ninety-six (96) hours after notice has been mailed to the address of the registered owner of a vehicle parked,

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stored or maintained on the premises in violation of this section, the vehicle owner shall be deemed to have consented to the removal of said vehicle from the Property and adjacent streets and the Association or its agents or employees shall have the authority to tow away and store any such vehicle, whether said vehicle shall belong to a Member or his tenant, a member of his family, or his guests or invitees. Charges for such towing and storage shall be paid by the Member responsible for the presence of such vehicle.

Section 5.17. Utility Service. No lines, wires or devices for transmission of electric current or telephone, television and radio signals shall be constructed, placed or maintained anywhere within Property unless the same shall be contained in conduits or cables placed and maintained underground or concealed in or under buildings or approved structures.

Section 5.18. Maintenance of Lawns, Plantings and Landscape. Each Owner shall keep all shrubs, trees, grass and planting on his Unit neatly trimmed, properly cultivated and free from trash, weeds and other unsightly material. Each Owner shall maintain all trees on his Unit and shall replace any tree that dies or becomes diseased. No Owner shall remove, alter or injure any tree or shrub placed in any area by the Association without the written approval of the Association.

Section 5.19. Clothes Drying Facilities. No outside clothes lines or other outside clothes drying or airing facilities shall be maintained unless the Association finds such facilities are adequately concealed and are not visible from neighboring properties.

Section 5.20. Fences. No fences, hedges or walls shall be erected or maintained on any Unit unless first approved by the Architectural Committee.

Section 5.21. Barbecues. There shall be no exterior fires except safe and inoffensive barbecue fires contained within receptacles designed for such purpose or outside fireplaces unless approved by the Association.

Section 5.22. Mailboxes. There shall be no exterior newspaper tubs or free-standing mailboxes.

Section 5.23. Garages. Each Owner shall maintain his garage areas in neat, orderly condition with all storage areas completely enclosed. Garages shall only be used for the purposes of parking motor vehicles storage of boats to the extent that the boats are not visible from neighboring properties, and other storage and workshop purposes and pursuant to the Rules as they are adopted and amended from time to time by the Association.

Section 5.24. Mineral Exploration. Neither Property nor any portion thereof shall be used in any manner to explore for or to remove any oil or other hydrocarbons, minerals of any kind, gravel, or other substance. No drilling, exploration, refining, quarrying or mining operations of any kind shall be conducted or permitted to be conducted thereon, nor shall wells, tanks, tunnels, mineral excavations, shafts, derricks, or pumps used to mine or drill for any such substances be located on Property.

Section 5.25. Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Unit except such machine or equipment as is usual and customary in connection with the use, maintenance or construction of

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any residential improvement then so used, maintained or constructed on Property.

Section 5.26. Diseases and Insects. No Owner shall permit anything or condition to exist upon Property that shall induce, breed or harbor infectious plant or tree diseases or noxious insects.

Section 5.27. No Further Subdivision. Property shall not be further divided or subdivided nor may any easement or other interest therein less than the whole be conveyed by the Owner thereof. Notwithstanding the foregoing, nothing herein shall be deemed to prevent the transfer or sale of any Unit, including improvements thereon, to more than one person to be held by them as tenants in common or joint tenants or for the granting of any mortgage or deed of trust.

Section 5.28. Right of Entry. Upon reasonable notice and during reasonable hours, the Association or any member of the Board or any authorized representative of them shall have the right to enter upon and inspect any Lot for the purposes of ascertaining whether or not the provisions of this Declaration have been or are being violated and such person shall not be deemed guilty of trespass by reason of such entry.

Section 5.29. Liability of Owners for Damage to Common Area. The Owner of each Unit shall be liable to the Association for all damage to the Common Area and improvements thereon caused by such Owner or the Owner's agents, occupants, invitees or pets.

ARTICLE VI

COMMON AREA

Section 6.1 Use of Common Area.

(i) There shall be no judicial partition or subdivision by map, deed or otherwise of the Common Area except as herein otherwise permitted.

(ii) Except as otherwise permitted by this Declaration, no person other than the Association and its duly authorized agents shall construct, repair, refinish, or alter any improvement upon the Common Area or make or create any excavation or fill.

(iii) No Unit Owner may construct any improvement which shall encroach on, under or over the Common Area without the approval of the Association. To the extent that the Association approves any such encroachment, the Owner shall be deemed to have an easement therein; however, the Owner will assume all responsibility and sole liability for maintenance, liability insurance, and use and shall indemnify and hold Association harmless from any and all liability or expense, including attorney's fees related thereto. The Association shall be a co-insured for the liability policy.

(iv) Because of the location of Units within the subdivision, it may become appropriate for a Unit Owner to construct a walkway, stairs, or other method of ingress and egress and utility connections across Common Area to a Unit. The Owner must obtain the approval of the Association in connection with any such ingress or egress or utility

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connection across Common Area. The Owners benefited by such ingress and egress and utility connection shall be jointly and severally responsible for the construction, maintenance and repair thereof and any damages occasioned thereby and such Owners shall indemnify and hold the Association harmless from any and all claims or liabilities of and relating to the use, construction, maintenance and placement thereof.

Section 6.2. Owners' Enjoyment of Common Area. Each Owner shall have a non-exclusive easement for the use and enjoyment of the Common Area that shall be appurtenant to and shall pass with title to every Unit except that the Association shall have the right to suspend the voting rights and the right to use the Common Area facilities by a Member and his tenants, guests and invitees for any period during which any assessment remains unpaid or any violation of Association documents is uncured.

ARTICLE VII
COMMON AREA
ARCHITECTURAL COMMITTEE

Section 7.1. Organization. The members of the Board of Directors of Association shall also serve as members of the Architectural Committee. All membership requirements, restrictions and vacancy filling procedures will be identical to those applicable for membership on the Board of Directors as stated in Association organizational documents.

Section 7.2. Duties. It shall be the duty of the Architectural Committee to consider and act upon such proposals or plans submitted to it pursuant to the terms hereof; to, if said committee deems it necessary, adopt Architectural and Design Review Committee Rules; to perform other duties delegated to it by the Association, and to carry out all other duties imposed upon it by this Declaration.

Section 7.3. Applicability. No improvement, alteration or structure of any kind to the Common Area shall be erected, constructed, placed, moved on, or maintained on any real property subject to this Declaration nor shall any alteration, addition, change or repair be made to a preexisting structure or improvement unless prior to the commencement of such activity two complete sets of plans, in a sufficient detail and specificity as prescribed by the Architectural Committee Rules or in default thereof as prescribed by the Architectural Committee shall first have been submitted to the Architectural Committee in writing for approval and such approval obtained in writing from said Committee.

Section 7.4. Form of Approval. All approvals given under Section 7.3 shall be in writing; provided, however, that any request for approval which has not been rejected in writing within ninety (90) days from the date of submission thereof to the Architectural Committee shall be deemed approved.

Section 7.5. Proceedings with Work. Upon receipt of approval from the Committee pursuant to Section 7.4 above, the Owner shall, as soon as practicable, satisfy all conditions thereof and diligently proceed with the commencement and completion of all construction, reconstruction, refinishing, alterations and excavations pursuant to said approval. Said Commencement shall begin, in all cases, within one year from the date of such approval.

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If the Owner shall fail to comply with this paragraph, any approval given pursuant to Section 7.4 above, shall be deemed revoked unless the Architectural Committee, upon written request of the Owner made prior to the expiration of said one-year period, extends the time for such commencement.

Section 7.6. Architectural Committee Rules. The Architectural Committee may, from time to time, and in its sole discretion, adopt, amend and repeal by majority vote rules and regulations to be known as "Architectural Committee Rules" interpreting and implementing the provisions of this Declaration and setting forth fees to be charged and procedures and design and construction criteria to be followed in submitting proposals to the Committee.

A copy of the Architectural Committee Rules as they may from time to time be adopted, amended or repealed certified by any member of the Committee shall be maintained at the office of the Association and shall be available for inspection and copying by any Member at any reasonable time during the business hours of the Association office.

Section 7.7. Waiver. The approval by the Architectural Committee of any plans, drawings or specifications for any work done or proposed or for any other matter requiring the approval of the Architectural Committee under this Declaration shall not be deemed to constitute waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval.

Section 7.8. Non-Liability. Neither the Architectural Committee nor any member thereof 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 or disapproval of any plans, drawings and specifications, whether or not defective;
- (ii) The construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications.

ARTICLE VIII

ENFORCEMENT OF RESTRICTIONS

Section 8.1. In General. In the event that any Owner (that term including guests, invitees, renters, lessees or other users or occupants) should fail to comply with any of the provisions of this Declaration, the By-Laws and the Rules and Regulations, the Association or any other Owner(s) shall have full power and authority to enforce compliance with this Declaration, the By-Laws and the Rules and Regulations in any manner provided for herein or by law or in equity, including, without limitation, bringing (i) action for damages; (ii) an action to enjoin any violation or specifically enforce the provisions of this Declaration, the By-Laws and the Rules and Regulations, and (iii) an action to enforce the liens provided for herein and any statutory lien provided by law, including the foreclosure of any such lien and the appointment of a receiver for an Owner and the right to take possession of the Condominium Unit of any Owner. In the event the Association or any Owner(s) shall employ an attorney to enforce any provision(s) of this Declaration, the By-Laws or the Rules and Regulations against any

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Owner, the party engaging the attorney shall be entitled to recover from the Owner violating any such provision(s) reasonable attorneys' fees and costs in addition to any other amounts as bear interest at eighteen percent (18%) per annum from the due date, or if advanced or incurred by the Association, or any other Owner pursuant to authorization contained in this Declaration, commencing ten (10) days after repayment is requested. All enforcement powers of the Association shall be cumulative. Each Owner by entering into a Purchase Agreement or accepting a Deed shall be deemed to have covenanted and agreed that the Association shall have all of the rights, powers and remedies set forth in this Article VIII and elsewhere in this Declaration.

Section 8.2. Certain Specific Enforcement Powers. In amplification of, and not in limitation of, the general powers specified in Paragraph 8.1., above, the Association shall have the following rights and powers:

(i) **Suspension of Privileges.** If any Owner shall be in breach of this Declaration, the By-Laws or the Rules and Regulations, or the Purchase Agreement, including, but not limited to, the failure of such Owner to pay any Assessment on or before the due date thereof, subject to the limitations hereinafter in this subparagraph 8.2(i) set forth, the Association may suspend the right of such Owner to participate in any vote or other determination provided for herein. If such suspension of privileges is based on the failure of an Owner to pay Assessments or any other amount(s) due hereunder when due, the suspended privileges of such Owner shall be reinstated automatically at such time as the Owner shall have paid to the Association, in cash or by cashier's or certified check, all amounts past-due as of the date of such reinstatement. If such suspension of privileges is based on any act or omission other than the failure of an Owner to pay assessments or any other amount(s) due hereunder when due, no suspension shall be made except after a meeting of the Association at which a quorum of the Board is present, duly called and held for such purpose in the same manner as provided in the By-Laws for the noticing, calling and holding of a special meeting and the purpose thereof, including the reasons for the suspension sought, shall be given to the Owner whose privileges are being sought to be suspended at least fifteen (15) days prior to the holding of such meeting. Such Owner shall be entitled to appear at such meeting and present his case as to why his privileges should not be suspended. The decision as to whether such privileges should be suspended shall be made by a majority of the members of the Board present at such meeting. Written notice of suspension and the reasons therefore shall be given to the suspended Owner and the suspension shall become effective on the date such notice is given but not earlier than the fifth day following the date of such decision.

(ii) **Enforcement of Lien.** The Association shall have a secured lien, in the nature of a Mortgage or Deed of Trust with power of sale, on each Condominium Unit together with the Owner's interest in Common Area as security for the prompt and faithful performance of each Owner's obligations under this Declaration, the By-Laws and the Rules and Regulations, together with the payment of interest and costs of enforcement, including reasonable attorneys' fees, in connection therewith. Provided, however, that as against any transferee, Mortgagee or beneficiary of an Owner's interest acquiring all or any interest in such Owner's interest by deed, deed of trust or Mortgage given by such Owner for valuable consideration and accepted by the transferee, Mortgagee or beneficiary without notice of default in the payment or performance

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secured, no such lien shall be effective to secure past-due payment or performance in default at the time of recording such deed of trust or mortgage, except to the extent that notice of default in the payment or performance of such deed of trust or mortgage, has been given at the time of recording such deed or mortgage by the prior recording of a notice of lien recorded within the immediately preceding twenty-four (24) calendar months in the office of the County Recorder of Douglas County, Nevada, which notice of lien describes the Condominium Unit and other interests affected, sets forth the name of the record owner thereof and recites that the particular payment or performance is or may be in default and otherwise complies with the ten existing provisions of Nevada Revised Statutes §117.070 and §117.075. Such lien may be enforced by sale by the Association, its agent or attorney after failure of the Owner to make the secured payment or performance provided such sale is conducted in accordance with the provisions of Covenants Nos. 6, 7 and 8 of Nevada Revised Statutes §107.030 and Nevada Revised Statutes §107.090 insofar as they are consistent with the provisions of Nevada Revised Statutes §117.075. The purchaser at any foreclosure sale shall obtain title subject to the provisions of this Declaration. The Association may bid at the foreclosure sale and may hold, lease, mortgage or convey any Interest acquired at such sale.

Section 8.3. Subordination to Certain Mortgages. The lien provided for herein shall be prior to all encumbrances made by an Owner or imposed by legal process upon any Owner except taxes, bonds, assessments and other levies, which by law, are prior thereto, whether the notice of lien is recorded prior or subsequent to any encumbrances. However, the lien provided for herein shall be subordinate to the lien of any first mortgage or other first encumbrance made in good faith and for value and recorded in the office of the County Recorder of Douglas County, Nevada, prior to the recordation of a notice of lien hereunder (the "Prior Mortgage"). The sale or transfer of any Condominium Unit shall not defeat or affect the lien provided for herein; provided, however, that the sale or transfer of any Condominium Unit subject to a Prior Mortgage pursuant to a foreclosure or exercise of a power of sale, under such Prior Mortgage, shall extinguish the lien provided for herein as to payments which became due prior to such sale or transfer. No such sale or transfer shall relieve such purchaser thereof from liability for any payment or performance thereafter becoming due or from the lien thereof or the prior owner from personal liability from sums due prior to such foreclosure.

ARTICLE IX

MISCELLANEOUS PROVISIONS

Section 9.1. Amendment.

(i) **Amendment by the Members.** This Declaration may be amended by the vote or written assent of a majority of the total voting power of the Association. Any such amendment shall be binding upon every Owner and his interest whether the burden thereon or the benefit thereto is increased or decreased. No provision of this Declaration shall be amended without the vote or written assent of a majority of the membership's voting power at least equal to that majority required for action under that provision.

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(ii) Any amendment to this Declaration shall become effective when it has received the required approvals and the Board has executed, acknowledged and recorded in the office of the County Recorder of Douglas County an instrument expressing the amendment and certifying that the required approvals were received.

Section 9.2. Termination. Subject to the provisions of the next following sentence, this Declaration shall remain in effect for a period of fifty (50) years from the date of recordation hereof and thereafter shall remain in effect for successive periods of ten (10) years each unless, after the expiration of the original term, an election to terminate is made by the vote or written assent of at least Seventy-Five Percent (75%) of the voting power of the Association, to-wit, 3 or 4 units.

Section 9.3. Notices. Notices provided for in this Declaration shall be in writing and shall be deemed sufficiently given when delivered personally at the appropriate address set forth below (in which event, such notice shall be deemed effective only upon such delivery) or seven (7) days after deposit of same in any United States post office in the state to which the notice is addressed, ten (10) days after deposit of same in any such post office box or other than the state to which the notice is addressed, postage prepaid, addressed as set forth below. Notice shall not be deemed given unless and until, under the preceding sentence, notice shall be deemed given to all addresses to whom notice must be sent. Any notice to any Owner required under this Declaration shall be addressed to the Owner at the last known address for such Owner appearing in the records of the Association or, if there be none, at the address of the Condominium Unit. Notices to the Association shall be addressed to the address designated by the Association by written notice to all Owners. Notices to Declarants shall be as set forth below. The addressees and addresses for purposes of this paragraph 9.3. may be changed by giving written notice of such change in the manner herein provided for giving notice. Unless and until such written notice is received the last address and addressee as stated by written notice or as provided herein, if no written notice of change has been sent or received, shall be deemed to continue in effect for all purposes hereunder.

Section 9.4. Severability. If any provision of this Declaration, or any section, sentence, clause, phrase or word or the application thereof in any circumstances, shall be held invalid, the validity of the remainder of this Declaration and of the application of the provision, sentence, clause, phrase or word under any other circumstances shall not be affected thereby.

Section 9.5. Successors. The provisions of this Declaration shall be binding upon all parties having or acquiring any interest or any right, title or interest therein and shall be for the benefit of each Owner and Declarants and their respective heirs, successors and assigns. Each Owner and Declarants shall be fully discharged and relieved of liability on the covenants herein insofar as such covenants related to each interest upon ceasing to own such interest and paying all sums and performing all obligations hereunder insofar as the same relate to each interest up to the time his ownership interest terminated.

Section 9.6. Violation or Nuisance. Every act or omission whereby any provision of this Declaration, the By-Laws or the Rules and Regulations is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated whether or not the relief sought is for negative or affirmative action, by Declarants, the Association or any Owner.

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Section 9.7. Interpretation. The captions of the Articles, Paragraphs and Subparagraphs hereof are for convenience only and shall not be considered to expand, modify or aid in the interpretation, construction or meaning of this Declaration. As used herein, the singular shall include the plural and the masculine shall include the feminine and neuter.

Section 9.8. No Waiver. The failure to enforce any provision of this Declaration shall not constitute a waiver thereof or of the right to enforce such provision thereafter.

ARTICLE X

RESCISSION OF PRIOR DECLARATION

This Declaration supersedes, rescinds and extinguishes the Declaration originally made on _____.

IN WITNESS WHEREOF, the Declarants have hereunto caused these presents to be executed this 6th day of JULY, 1993.

"DECLARANTS"

Karen W. Walters
KAREN W. WALTERS

Dane S. Faber
DANE S. FABER

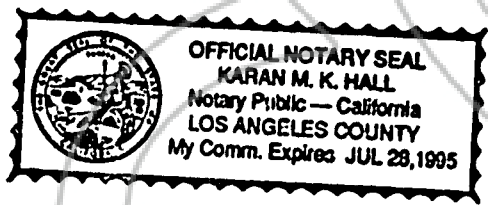
William C. Willert
WILLIAM C. WILLERT

Richard Esswein
RICHARD ESSWEIN

Acknowledgement

State of CALIFORNIA
County of Los Angeles } SS.

On JULY 12, 1993 before me, KARAN M. K. HALL
personally appeared RICHARD ESSWEIN



personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature *K M K Hall*

32 (This area for official seal)

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ACKNOWLEDGMENT

STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

On July 6, 93, 1993, personally appeared before me, a Notary Public, Laura E. Bowser, personally known (or proved) to me to be the person whose name is subscribed to the foregoing Articles of Incorporation, who acknowledged to me that (s)he executed the above instrument.



NOTARY PUBLIC *[Signature]*

ACKNOWLEDGMENT

STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

On July 6, 93, 1993, personally appeared before me, a Notary Public, William C. Miller, personally known (or proved) to me to be the person whose name is subscribed to the foregoing Articles of Incorporation, who acknowledged to me that (s)he executed the above instrument.

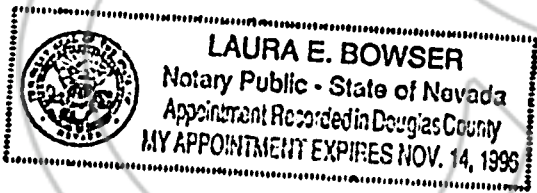


NOTARY PUBLIC *[Signature]*

ACKNOWLEDGMENT

STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

On July 6, 93, 1993, personally appeared before me, a Notary Public, Dave S. Fabor, personally known (or proved) to me to be the person whose name is subscribed to the foregoing Articles of Incorporation, who acknowledged to me that (s)he executed the above instrument.



NOTARY PUBLIC *[Signature]*

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COPY

REQUESTED BY
WESTERN TITLE COMPANY, INC.
IN OFFICIAL RECORDS OF
DOUGLAS CO. NEVADA

93 AUG 13 AM 11:42

SUZANNE BLAUDREAU
RECORDER
\$26.00 PAID *Bh* DEPUTY

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