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DECLARATION OF COVEANTS, CONDITIONS AND RESTRICTIONS
(Title of Document)

This page added to provide additional information required by NRS 111.312 Sections 1-2.
(Additional recording fee applies)

This cover page must be typed.

INDEX FOR
DECLARATION OF ESTABLISHMENT OF COVENANTS, CONDITIONS AND
RESTRICTIONS

LOT 2 BOULDER COURT CONDOMINIUMS
Douglas County, Nevada

ARTICLE I
(P.2)

DEFINITION OF TERMS

1. Declarant
2. Declaration
3. Unit
4. Common Area
5. Name
6. Condominium
7. Owner
8. Association/Corporation
9. Organizational Meeting
10. By-Laws
11. Board
12. Project
13. Property and Improvements
14. Condominium Map

ARTICLE II
(P.4)

DESCRIPTION OF LAND AND IMPROVEMENTS

1. Condominium Map Best Authority
2. Property Description
3. Property Boundaries
4. Description of Individual Condominiums
5. Easements

ARTICLE III
(P.5)

OWNERS ASSOCIATION

1. Creation of Association
2. Transfer of Membership
3. Control of Common Area

ARTICLE IV
(P.6)

MANAGEMENT OF OWNERS' ASSOCIATION

1. Creation of Executive Board
2. Annual Meetings
3. Owner Voting Rights
4. Election and Removal of Board - Cumulative Voting
5. Voting Proxies
6. Quorum Requirements for Association Meetings
7. Written Notice of Meetings
8. Indemnification and Performance of Duties



ARTICLE V
(P.9)

DUTIES AND POWERS OF OWNERS' ASSOCIATION

1. Administration of Project
2. Authority of Board

ARTICLE VI
(P.15)

COVENANT FOR MAINTENANCE EASEMENTS

1. Creation of Lien - Personal Obligation of Easements
2. Basic Maximum Amount of Regular Monthly Assessment
3. Special Assessments for Capital Improvements and Emergency Needs
4. Payment of Assessment by Declaration
5. Date of Commencement of Assessments - Due Dates
6. Maintenance Fund
7. Effect of Non-Payment of Assessments - Lien Rights - Remedies of The Association
8. Curing of Default
9. Priority of Assessment Lien - Subordination of Lien
10. Rights of Board - Waiver of Owners
11. Equal Rate of Assessment
12. Purpose of Assessments
13. Reserves of Replacement

ARTICLE VII
(P.21)

USE RESTRICTIONS

1. One Use, Business Usage Prohibited
2. Maintenance of Unit
3. Other Structural Changes
4. Signs
5. Offensive Activity
6. Owner Liability
7. Common Area Improvements
8. Child Provision
9. Parking and Vehicle Use Restrictions
10. Rubbish
11. Pets and Animals
12. Association Maintenance and Decoration Authority
13. All Uses Subject to the Declaration of Lot 2 Boulder Court Condominiums

ARTICLE VIII
(P.27)

GENERAL PROVISIONS

1. Owner Key Deposit for Emergency Repair - Right of Entry
2. Continuing Liability for Assessments
3. Taxes
4. Enforcement of Declaration and By-Laws
5. Liberal Interpretation of Declarations
6. Severability of Provisions
7. Cumulative Remedies
8. Successors and Assigns
9. Waiver or Breach of Declaration



10. Delivery of Notices and Documents
11. Notification of Sale of Condominiums
12. Joint and Several Liability

ARTICLE IX
(P.31)

UTILITIES

1. Utility Rights
2. Easements

ARTICLE X
(P.33)

DESTRUCTION OF IMPROVEMENTS

1. Reconstruction with Election of Owners
2. Lot 2 Boulder Court Condominiums Owners Association Approval of Reconstruction Plans
3. Reconstruction Assessments
4. Obligation of Executive Board
5. Determination Not to Rebuild
6. Revival of Right to Partition Condominium
7. Condemnation

ARTICLE XI
(P.36)

SUSPENSION OF THE RIGHT OF PARTITION

ARTICLE XII
(P.37)

PROHIBITION AGAINST SEVERABILITY OF COMPONENT INTEREST IN CONDOMINIUMS

1. Prohibition against Severance
2. Conveying the Entire Condominium

ARTICLE XIII
(P.37)

TERM OF DECLARATION - COMPLIANCE WITH RULE AGAINST PERPETUITIES AND RESTRAINTS OF ALIENATION

ARTICLE XIV
(P.38)

PROTECTION OF LENDERS

1. Written Notification of First Mortgages
2. Subordination of Assessment Lien to Mortgages
3. Mortgagees Right to Pay Taxes or Charges
4. Taxes, Assessments and Charges
5. Conflict

ARTICLE XV
(P.40)

BREACH

1. Right of Entry
2. Nuisance
3. Right of Lien Holder
4. Enforcement

ARTICLE XVI
(P.41)

AMENDMENT

1. Subsequent to Close of First Escrow
2. Prior to Close of First Escrow
3. Approval of the Tahoe Village Owners' Association



DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

Lot 2 Boulder Court Condominiums
Douglas County, Nevada

THIS DECLARATION is made this _____ day of _____, 2006, by KEVIN TEMPLE and SHERRI TEMPLE (hereinafter referred to collectively as "Declarant"), with reference to the following facts:

1. On or about the date of recordation of this Declaration, in the Office of the County Recorder of Douglas County, Declarant owns that certain real property commonly known as LOT 2 BOULDER COURT CONDOMINIUMS, located in Douglas County, State of Nevada, improved with eighteen (18) units and with the property, improvements, and all appurtenances and facilities thereof, being hereinafter collectively referred to as the "Project", all of which is more particularly described in Exhibit "A" attached hereto and incorporated herein as if setout herein verbatim.

2. It is the desire and intention of Declarant to create a Condominium common-interest community and to sell and convey interests in said real property to various individuals and subject to certain basic protection restrictions, limitations, easements, covenants, reservations, liens, and charges between it and acquirers or users of said property, as hereinafter set forth.

NOW THEREFORE, pursuant to the provisions of Nevada Revised Statutes, Chapters 116 and 117, Declarant hereby declares that the property, improvements, appurtenances, and facilities above-described shall be held, conveyed, divided, encumbered, hypothecated, leased, rented, used, occupied, and improved only upon

and subject to the following uniform covenants, conditions, restrictions, limitations, reservations, grants of easement, rights, rights-of-way, liens, charges, and equitable servitudes, all of which are hereby declared, established, expressed and agreed: (1) To be in furtherance of a plan for the subdivision and sale of individual Condominiums in a Condominium Project, as provided for in NRS 117, et seq.; (2) To be for the benefit and protection of the Project, its desirability, value and attractiveness; (3) to be for the benefit of the owners of the Condominiums in the Project; (4) to run with the land and be binding upon all parties having or acquiring any right, title or interest in the Project or any portion thereof; (5) to inure to the benefit of every portion of the Project and any interest therein; and (6) to inure to the benefit of and be binding upon each successor and assignee in interest of each owner and Declarant. Any conveyance, transfer, sale, assignments, lease or sublease made by Declarant or by the Association (as hereinafter defined) of a Condominium in the Project, will and hereby is deemed to incorporate by reference the provisions of this Declaration, including, but not limited to, covenants, conditions, restrictions, limitations, grants of easement, rights, rights-of-way, liens, charges, and equitable servitudes contained herein. The provisions of this Declaration shall be enforceable by Declarant, any owner of a unit by the Association or its Executive Board of Directors and their successors and assigns.

ARTICLE I

DEFINITION OF TERMS

Whenever used in this Declaration, the following shall mean:

1. DECLARANT. Kevin Temple and Sherri Temple.
2. DECLARATION. This Declaration, as the same may be amended,



changed, modified or augmented from time to time.

3. UNIT. The elements of a Condominium which are not owned in common with owners of other units in the Project and an undivided 1/18 interest in the Common Area..

4. COMMON AREA. The entire Project, excepting all Units therein granted or reserved subject to all easements and rights of use described herein and in the document of conveyance through which each owner acquired his Condominium.

5. NAME. The name of the common-interest community is LOT 2, BOULDER COURT CONDOMINIUMS.

6. CONDOMINIUM. A Condominium as defined in NRS 117.010, consisting of an individual interest in common in a portion of a parcel of real property, together with separate interest in the space in a residential building on such real property; more particularly, an estate in real property, consisting of an undivided 1/18 interest in the Common Area, together with a separate interest in a Unit, as hereinbefore defined, in said property.

7. OWNER. The recorded owner or owners, if more than one, of a Condominium or Unit in the Project, including Declarant so long as any Condominium or Unit in the Project remains unsold.

8. ASSOCIATION/CORPORATION. LOT 2, BOULDER COURT CONDOMINIUMS Homeowner's Association, a Nevada Non-profit Corporation, consisting of all owners and Condominiums in the Project, which entity shall have the duty of maintaining, operating, and managing the Common Area of the Project in the manner and to the extent provided for herein. Each owner shall become a member of



the Association contemporaneously with the acquisition of a Unit without further documentation of any kind.

9. ORGANIZATIONAL MEETING. The first meeting of owners referred to in Article IV hereof, wherein the owners elect an Executive Board to manage the Association.

10. BY-LAWS. The duly adopted By-Laws of the Association, as the same may from time to time be amended.

11. EXECUTIVE BOARD. The Executive Board for the Association.

12. PROJECT. The entire parcel of real property, divided or to be divided into Condominiums, including all structures and improvements thereon and the common area.

13. PROPERTY AND IMPROVEMENTS. All that real property more particularly described in Exhibit "A" attached hereto and incorporated herein.

14. CONDOMINIUM MAP. The Map prepared and executed with respect to the Project.

ARTICLE II

DESCRIPTION OF LAND AND IMPROVEMENTS

Section 1. CONDOMINIUM MAP BEST AUTHORITY. The following description is intended for information purposes only and in the event of any conflict between this description and the Condominium Map, said Condominium Map shall be deemed to conclusively control.

Section 2. PROPERTY DESCRIPTION. The property consists of all of LOT 2, BOULDER COURT, in Douglas County, State of Nevada, as per Map recorded

in the Office of the County Recorder of said county.

Section 3. PROPERTY BOUNDARIES. The property has within its boundaries various units and Common Area as shown and described on the Condominium Map.

Section 4. DESCRIPTION OF INDIVIDUAL CONDOMINIUMS. Each Unit within the Project shall be offered for sale, shall consist of a fee simple interest in and to a particular Unit, together with a specified undivided interest as a tenant-in-common in and to the Common Area. The Unit is more particularly shown and described on the Condominium Map.

Section 5. EASEMENTS. Each owner shall receive, as an incident of conveyance in his Unit, a non-exclusive easement appurtenant to his Unit, for ingress, egress, and support over, across and through the Common Area and every portion of any Unit within the Project required for structural support of any building within which said Condominium is located.

ARTICLE III

OWNERS' ASSOCIATION

Section 1. CREATION OF ASSOCIATION. The owners of Units shall constitute an Owners Association. Each owner of a Unit, including Declarant, shall be a member of the Association. Association membership shall be appurtenant to Unit ownership and each owner of a Unit shall automatically be a member of the Association. Ownership of a Unit within the Project shall be a sole qualification for membership in the Association.

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Section 2. TRANSFER OF MEMBERSHIP. The Association membership of each owner (including Declarant) shall be appurtenant to the Unit giving rise to such membership, and shall not be assigned, transferred, pledged, conveyed or alienated in any way, except upon the transfer of title to said Unit and then only to the transferee of title to said Condominium. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Unit shall operate automatically to transfer membership in the Association appurtenant thereto to the new owner thereof.

Section 3. CONTROL OF COMMON AREA. The Common Area shall be controlled by the owners in common through their membership in the Association. The Association shall have the responsibility to manage and maintain or cause to be maintained all of the Common Area in a state of high quality so as to keep the whole Project in a first-class condition and in a good state of repair.

ARTICLE IV

MANAGEMENT OF OWNERS' ASSOCIATION

1. Section 1. CREATION OF EXECUTIVE BOARD. The members of the Association shall hold an organizational meeting of the Association within forty-five (45) days after the close of the sale of the first Unit to be sold, at which time an Executive Board, consisting of three (3) members, all of whom shall be owners and which may include Declarant or its representative, shall be elected by vote of the members of the Association. Prior to the organizational meeting, the initial Executive Board named by Declarant shall manage the affairs of the Association.

2. Section 2. ANNUAL MEETINGS. Annual meetings of owners shall be held on the same day of the same month of each year after the organizational

meeting or at such other date as shall be determined by the Executive Board, but must be held annually.

3. Section 3. OWNER VOTING RIGHTS. Each Unit, regardless of the number of owners thereof, shall be represented in the Association by only one (1) vote, which may be cast only as a unit by the owner(s) thereof. The vote for each Unit may be cast only as a Unit and fractional votes shall not be allowed. In the event joint owners are unable to agree among themselves as to how their vote(s) shall be cast, they shall lose their right to vote on the matter in question. If any owner(s) casts a vote representing a certain Unit, it shall thereafter be conclusively presumed for all purposes that he or they are acting with authority and consent of all other owners of the same Unit. In the event that more than one vote is cast for a particular Unit, none of said votes shall be counted and all of said votes shall be deemed void.

Section 4. ELECTION AND REMOVAL OF EXECUTIVE BOARD - CUMULATIVE VOTING FEATURES. Every owner entitled to vote at any election of the Executive Board. The entire Executive Board or any individual Director may be removed from office by affirmative vote of 51% of the members entitled to vote at an election of the Executive Board. Cumulative voting in the election of the Executive Board shall be prescribed for all elections in which more than two (2) positions on the Executive Board are to be filled. If any or all of the Directors are so removed, new Directors may be elected at the same meeting.

Section 5. VOTING PROXIES. Voting may be carried out either in person or by proxy, provided the proxies comply with NRS 116.311.

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Section 6. QUORUM REQUIREMENTS FOR ASSOCIATION MEETINGS.

At all meetings of the owners, 51% of the owners present in person or by proxy shall constitute a quorum and a majority of owners present and entitled to vote, either in person or by proxy, shall be sufficient for the passage of any motion or the adoption of any resolution, except in connection with amendment or repeal of this Declaration, as hereinafter set forth in Articles X or XVI, if the required quorum is not present, another meeting may be called subject to the written notice requirement sent to all members at least ten (10) days in advance of such meeting, and the required quorum at the subsequent meeting shall be ½ of the required quorum at an owners' meeting, a majority of those present in person or by proxy may adjourn the meeting to another time, but may not transact any other business, An adjournment for lack of a quorum shall be to a date not less than five (5) nor more than thirty (30) days from the original meeting date.

Section 7. WRITTEN NOTICE OF MEETING. Written notice of regular and special meetings shall be given to owners by the Executive Board at least fifteen (15) days, but not more than sixty (60) days, in advance of any such meeting. The notice shall specify the date, time and place of the meeting and shall include a copy of the agenda. A special meeting of members of the Association shall be called by the president, a quorum of the Executive Board or upon the vote for such a meeting by a majority of signed owners representing 10% of the total voting power of the Association.

Section 8. INDEMNIFICATION AND PERFORMANCE OF DUTIES. Every director, officer and member of the Association shall be indemnified by the Association against all reasonable costs, expenses and liabilities (including attorney's fees) actually

or necessarily incurred by or imposed upon him in connection with any claim, action, suit, proceeding, investigation or inquiry of whatever nature in which he may be involved as a party, or otherwise by reason of his having been an officer or a member of the Association, whether or not he continues in such capacity at the time of the incurring or imposition of such costs, expenses or liabilities except in relation to matters as to which he shall be finally adjudged in such action, suit, proceeding, investigation, or inquiry to be liable for willful misconduct or willful negligence toward the Association in the performance of his duties, or in the absence of such final adjudication, any determination of such liability by the opinion of legal counsel selected by the Association. The foregoing right of indemnification shall be in addition to and not in limitation of all rights to which such person may be entitled as a matter of law and shall inure to the benefit of the legal representatives of such person.

ARTICLE V

DUTIES AND POWERS OF OWNERS' ASSOCIATION

Section 1. ADMINISTRATION OF PROJECT. The owners and each of them, together with all parties bound by this Declaration, covenant and agree that the administration of the Project shall be in accordance with the provisions of this Declaration, the By-Laws, and such rules and regulations as may be adopted by the Executive Board, and amendments, changes, and modifications thereto, as may come into effect from time to time. In the event of any inconsistency between the provisions of this Declaration and the provisions of the By-Laws, or said rules and regulations, the provisions of the Declaration shall prevail.

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Section 2. AUTHORITY OF EXECUTIVE BOARD. Prior to the organizational meeting and thereafter, until their successors are elected, the initial Executive Board or its duly appointed successors, shall manage the affairs of the Association. The Executive Board as constituted, from time to time, shall at all times be responsible for the day-to-day operation and management of the affairs of the Association, and shall have the sole power and duty to perform and carry out the powers and duties of the Association, as set forth in this Declaration and the By-Laws, together with the powers and duties otherwise expressly delegated to the Executive Board by this Declaration or the By-Laws, except for action or activity expressly set forth herein or in the By-Laws, or the Nevada Revised Statutes, as requiring the vote or assent of members of the Association, or a given percentage thereof. Without limiting the generality of the foregoing, the Executive Board shall have the following powers and duties:

a. To enforce the applicable provisions of the Declaration, By-Laws, and other instruments for the management and control of the Project. The Executive Board shall have the right to adopt reasonable rules and to amend the same from time to time relating to the use of the Common Area and recreational and other facilities situated thereon, by owners and their tenants or guests, and conduct of such persons with respect to automobile parking, outside storage of boats, trailers, bicycles, and other objects, disposal of waste materials, drying of laundry, control of pets, and other activities, which, if not so regulated, might detract from the appearance of the community or offend or cause inconvenience or danger to persons residing or visiting therein. Such rules may provide that the owner whose occupants leave property on the Common Area in violation of the rules may be assessed to cover the expense incurred

by the Executive Board in removing such property and storing and disposing thereof. The Executive Board may provide in such rules for reasonable rental charges to be made with respect to the use of any storage areas or facilities which may exist upon the Common Area provided that no such charge shall, in any way, impose liability upon the Directors or any of its members or loss to property so stored, it being intended that the use of any such storage area or facility be solely at the risk of the person using the same. A copy of such rules and all amendments thereto shall be mailed to each owner and a copy shall be posted in one or more places in the Common Area, where the same may be conveniently inspected.

b. To pay taxes and assessments which are or could become a lien on the Common Area or some portion thereof.

c. To contract for materials and/or services for the Common Area or the Owners Association with the term of any service contract limited to a duration of one (1) year, except with approval of a majority of owners of the Association, exclusive of the vote of Declarant.

d. To maintain the Common Area, all improvements thereon and all utilities thereunder, except those maintained by public utility companies, in good, clean, attractive and sanitary order and repair.

e. To maintain, repair, and keep in good operating condition that portion of the sewer system which is located upon the Project and which connects to the public sewer.

f. To operate all recreational equipment and facilities located within the Common Area.



g. To repaint exterior surfaces of all buildings situated on the properties, as such repainting is required in order to preserve the attractiveness of the community, Painting of exterior surfaces shall be deemed to include front doors, shutters, window trim, pot shelves, masonry, exterior walls and underneath side of roof overhang.

h. To maintain the portion of the Project not occupied by the units in good, clean, attractive and sanitary order and repair.

i. To maintain, repair and paint the roofs of all buildings situated on the premises.

j. To pay premiums, taxes and other assessments against the Common Area.

k. To meet the costs of any liability insurance and fire insurance of the Common Area, fidelity bonds, Executive Board errors and omissions insurance, out-of-pocket expenses of the Executive Board relating to the operation of the Association, legal and accounting fees and, including without limitation, fees of any managers hereinbefore provided and a reasonable reserve for contingencies with respect to the Common Area.

l. To contract for fire, casualty, liability and other insurance on behalf of the Owners' Association.

m. To enter upon any privately owned Unit when necessary in connection with construction, maintenance, or repair for the benefit of the Common Area or the owners in common.

n. To send each member of the Association written notice of regular

and special meetings.

o. To adopt and amend budgets for revenues, expenditures and reserves and collect assessments for common expenses for the units' owners. Said budget shall be distributed to each unit owner not less than thirty (30) days or more than sixty (60) days before the beginning of the fiscal year of the Association or a summary thereof as allowed by NRS 116.31151.

p. To establish and collect regular monthly assessments to defray expenses attributable to ownership, use and operation of the Common Area and facilities with said assessments to be levied against each owner, including Declarant, according to the fractional interest in the Common Area owned by each owner.

q. To establish and collect special assessments for capital improvements or other purposes on the same basis as regular assessments.

r. To file liens against unit owners on account of non-payment of any dues and/or assessments levied and to foreclose said liens.

s. To receive complaints concerning violations of the Restrictions, By-Laws, and/or other instruments for management and control of the Association; to hold hearings to determine whether or not to discipline members of the Association who violate said management documents; to suspend use privileges and voting rights of members who violate said management documents after a hearing on the alleged violation has been held pursuant to the provisions of the By-Laws and Nevada Revised Statutes.

t. To acquire and hold for the benefit of the unit owners tangible and intangible personal property and to dispose of same by sale or otherwise.

u. To bond any members of any management body that participates in management affairs of the Association.

v. To hire and discharge managing agents and other employees, agents, and independent contractors.

w. The Executive Board shall carry workers' compensation insurance covering all persons employed by it in the performance of its responsibilities under this Declaration and may obtain fidelity bonds for such of its employees as it may deem advisable.

x. With respect to each contract made by the Executive Board for repainting of exterior surfaces of building(s) and car storage spaces and each contract for work and/or materials related to maintenance, repair, rebuilding, or replacement of any building, structure, or other improvement situated upon the Common Area, in which the amount to be paid by the Executive Board exceeds \$500.00, the Executive Board shall secure at least two (2) bids from responsible contractors and shall accept the lowest bid so obtained. If the amount of the contract exceeds the sum of \$1,000.00, the Executive Board shall require the contractor to furnish a completion bond assuring completion of the work and payment of all labor and material bills for which a lien on the Common Area or any residential unit could be claimed. The Executive Board shall require from each contractor which it engages satisfactory evidence that adequate workers' compensation and liability insurance is carried with respect to the employees and activities of such contractor. In cases where a completion bond is not required, the Executive Board shall require labor and material releases to be furnished by the contractor prior to making payment to same, unless the Executive Board deems such



requirements to be impractical or unnecessary to afford protection against liens.

y. Only with written consent of a majority of the voting power of the Association residing in owners, other than Declarant: (i) to incur expenditures for capital improvements to the Common Area in any fiscal year in excess of 20% of the budgeted gross expenses of the Association for the fiscal year; (ii) sell during any fiscal year property of the Association having an aggregate fair market value greater than 5% of the budgeted gross expenses of the Association for that fiscal year; (iii) pay compensation to members of the Executive Board or to officers of the Association for services performed in the conduct of Association business; provided, however, that the Executive Board may cause a member or officer to be reimbursed for expenses incurred in carrying on the business of the Association.

z. Generally, to exercise the powers provided for in NRS 116.3102(1)(a) - (h), inclusive.

ARTICLE VI

COVENANT FOR MAINTENANCE EASEMENTS

Section 1. CREATION OF LIEN - PERSONAL OBLIGATION OF ASSESSMENTS. Declarant, for each unit owned by it within the Project, hereby covenants and each owner of any unit within the Project, by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association: (i) regular monthly assessments or charges; (ii) special assessments to be fixed, established and collected from time to time, as hereinafter proved. The regular, special and emergency assessments, together with interest therein and costs of collection thereof, as



hereinafter provided, shall be a charge on the land and a continuing lien upon the Unit against which each such assessment is made, which lien shall be created and enforced in accordance with the provisions of this Article VI. Each such assessment (and all other assessments levied in accordance with this Declaration), together with late charges, interest, costs, penalties and reasonable attorney's fees, as provided for herein, shall also be the joint and several personal obligations of each person who was an owner of such Unit at the time the assessment fell due.

Section 2. BASIC MAXIMUM AMOUNT OF REGULAR MONTHLY ASSESSMENT.

- a. **Initial Regular Monthly Assessment.** Each owner shall be obligated to pay to the Executive Board and/or Association an initial monthly maintenance assessment as indicated on Exhibit "B" attached hereto and made a part hereof.
- b. **Increase of Monthly Assessment by Executive Board.** The Executive Board may not, without the vote or written assent of a majority of the voting power of the Association residing in owners other than Declarant, impose a regular annual assessment per unit which is more than 20% greater than the regular assessment for the immediate preceding fiscal year.
- c. **Certification of Payment.** The Association shall, upon demand, furnish to any owner liable for assessments a certificate in writing, signed by an officer of the Association setting forth whether the assessments on a specified Unit have been paid and the amount of delinquency, if any. A charge of \$20.00 per certificate may be made by the Executive Board for issuance of said certificates. Such certificates shall

be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 3. SPECIAL ASSESSMENT FOR CAPITAL IMPROVEMENTS AND EMERGENCY NEEDS. In case the regular monthly charge described in Section 2 (a) hereof is insufficient for any reason, the Executive Board shall have authority to levy a special assessment to make up the deficiency in the maintenance fund on the same basis as a regular assessment in accordance with the provisions of NRS 116.3115. However, on any proposed special assessment in any fiscal year, the Executive Board may not, without the vote or written consent of a majority of the voting power residing in owners other than Declarant levy special assessments to defray the costs of any action or undertaking on behalf of the Association which in the aggregate exceeds 5% of the budgeted gross expenses of the Association for that fiscal year. The provision herein, with respect to special assessments, do not apply in the case where the special assessment against an owner is a remedy utilized by the Executive Board to reimburse the Association for costs incurred in bringing the member and his subdivision interest into compliance with the provisions of this Declaration.

Section 4. PAYMENT OF ASSESSMENT BY DECLARANT. Upon the Close of Escrow of the first Unit in the Project, Declarant shall be obligated to pay the monthly maintenance charge and assessments hereinbefore provided for each unsold unit.

Section 5. DATE OF COMMENCEMENT OF ASSESSMENTS - DUE DATES. Regular assessments shall be paid by each owner in equal monthly installments in advance on the first day of each month, beginning upon the Close of Escrow for each



particular Unit, and prorated through Escrow to the date of Close of Escrow for the month in which Escrow closes. Special and emergency assessments shall be paid within thirty (30) days of receipt of a request to pay same. Declarant shall pay assessments for all unsold Units, commencing immediately following the date of recordation of a deed to the first purchaser of a Unit.

Section 6. MAINTENANCE FUND. Assessment charges so collected shall be promptly deposited in a commercial bank account in a bank to be selected by the Executive Board or by the manager, if any, which account shall be clearly designated in the name of the Owners Association. The Executive Board or the manager, if any, as the case may be, shall have exclusive control of said account and shall be responsible to the owners for the maintenance of accurate records thereof at all times. No withdrawal shall be made from said account, except to pay for the charges and expenses for the common benefit of all owners.

Section 7. EFFECT OF NON-PAYMENT OF ASSESSMENTS - LIEN RIGHTS - REMEDIES OF THE ASSOCIATION. Every owner, including Declarant, shall be deemed to covenant and agree to pay the assessments provided for in this Declaration, and further, agree to enforcement of such assessments in the manner provided for in this Declaration.

a. Delinquency. The assessment charge which each owner is obligated to pay shall be a debt of each owner at the time each monthly installment becomes due. In the event of default by any owner in the payment of such installment, such amounts that be in default, together with interest therein at the rate of 7% per annum, and all costs which may be incurred by the Executive Board or the manager in

the collection of such charges, including reasonable attorney's fees, shall be and become a lien upon the Unit of the defaulting owner upon compliance with NRS 116.31162 through 116.31164.

b. Notice of Default - Foreclosure Sale. Not less than thirty (30) days from the filing and mailing of said Notice of Delinquent Assessment, the Executive Board shall file and record a Notice of Default and Election to Sell and thereafter may cause the Unit of said defaulting owner to be sold in the manner as provided in NRS 116.31162 through 116.31164, et seq., or through judicial foreclosure.

c. Enforcement of Lien by Suit. The sale of said Unit must be held or legal action to enforce the lien must be instituted, within one hundred eighty (180) days of the recording of the Notice of Default, or said lien shall be deemed void and of no effect. If any action is filed by the Executive Board to enforce the provisions of this Article, any judgment rendered against the defaulting owner shall include all costs and expenses and reasonable attorney fees necessarily incurred in prosecuting such action. If any such default is cured prior to sale or prior to filing a judicial foreclosure, the Executive Board shall cause to be recorded a certificate setting forth the satisfaction of such claim and release of such lien, upon payment of actual expenses incurred, including reasonable attorney fees, not to exceed \$250.00 by such defaulting owner.

Section 8. CURING OF DEFAULT. Upon the timely payment or other satisfaction of all delinquent assessments set forth in the Notice of Assessment filed and recorded in accordance with this Article, and all other assessments which have become due and payable with respect to the Unit as to which Notice of Assessment

was filed and recorded, following the date of such recordation, together with all costs (including reasonable attorney fees) and all late charges and interest which have accrued thereof, stating the satisfaction and release of the lien created by the Notice of Assessment. An administration fee in the amount of \$100.00 covering the costs of preparation shall be paid to the Association prior to the execution, filing and recordation of such Notice of Release and Satisfaction by the Executive Board. The Notice of Release and Satisfaction of the lien created by the Notice of Assessment shall be executed by any officer of the Association or by any authorized representative of the Executive Board. For the purpose of this paragraph, the term "costs" shall include costs and expenses actually incurred or expended by the Association in connection with the costs of preparation and recordation of the Notice of Assessment and in efforts to collect the delinquent assessments secured by the lien created by the Notice of Assessments and shall also include a reasonable sum for attorney fees.

Section 9. PRIORITY OF ASSESSMENT LIEN - SUBORDINATION OF LIEN.

Any lien created or claimed under the provisions of this Declaration is expressly made subject and subordinate to the rights of the beneficiary of any first deed of trust upon the entire Project or upon any Unit therein made in good faith and for value and no such lien shall in any way defeat, invalidate or impair the obligation of the priority of such first deed of trust, unless the beneficiary thereof shall expressly subordinate his interest in writing to such lien.

Section 10. RIGHTS OF EXECUTIVE BOARD - WAIVER OF OWNERS. Each owner hereby vests in and delegates to the Executive Board, or its duly authorized representatives, the right and power to bring all actions at law or lien foreclosures,

whether judicially or by power of sale or otherwise, against any owner or owners for the collection of delinquent assessments in accordance herewith and hereby expressly waives any objection to the enforcement in accordance with this Declaration, of the obligation to pay assessments as set forth herein.

Section 11. EQUAL RATE OF ASSESSMENT. Both regular and special assessments shall be fixed in the same proportionate share as the owners' respective interests in the Common Area and may be collected on a monthly basis.

Section 12. PURPOSE OF ASSESSMENTS. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of members thereof, their guests and invitees and, in particular, shall be used for the purpose of improving, protecting, operating and maintaining the Common Area and facilities, improvements, landscaping and structures located thereon and providing for the acquisition and maintenance of the Common Area and the units and every one of the powers and duties of the Executive Board.

Section 13. RESERVES FOR REPLACEMENT. An adequate reserve fund for replacement of the Common Area facilities must be established and reviewed pursuant to NRS 116.31152 by the Association and must be funded by regular monthly assessments or by special assessments.

ARTICLE VII

USE RESTRICTIONS

Section 1. ONE USE, BUSINESS USAGE PROHIBITED. All units in the Project above described shall be used solely for single family residence purposes and shall not be occupied by more than four (4) persons. Timeshare/Interval ownership is

prohibited. Rental of Units is permitted.

Section 2. MAINTENANCE OF UNIT. The owners shall maintain in good repair the interior of their Units and shall have the exclusive right, at their sole cost and expense, to paint, repaint, tile, wax, paper, or other finish and decorate the inner surfaces of the walls, ceilings, floors, windows, and doors bounding their respective units. If an owner fails to so maintain his Unit or make repairs thereto in such manner as may deemed be necessary in the judgment of the Executive Board to preserve and protect the attractive appearance and value of the Project, the Executive Board shall give written notice to such owner, stating with particularity the work of maintenance or repair which the Executive Board finds to be required and requesting that same be carried out within a period of sixty (60) days from the giving of such notice. If such owner fails to carry out such maintenance or repair within the period specified by the Notice, the Executive Board shall cause such work to be done and shall assess the cost thereof to such owner, such assessment to be due and payable within thirty (30) days after the Executive Board gives written notice thereof.

Section 3. OTHER STRUCTURAL CHANGES. No owner shall, at his own expense or otherwise, make any alteration, addition or modification to the building in which his Unit is located or to any part or portion of the Common Area without the prior written approval of the Executive Board. The front door of each Unit must be the same color. With respect to the installation of awnings, sunshades, screen doors and other minor installations to any individual Unit, the prior written consent of the Executive Board shall be exercised with a view toward promoting uniformity and thereby enhancing the attractiveness of the property as a whole. No radio or television

receiving or transmitting antennae or external apparatus shall be installed on or upon any Unit or in, on or upon any part of the Common Area without prior written approval of the Executive Board. Normal radio and television installations within an individual Unit are excepted.

Section 4. SIGNS. The owner of a Unit, or his agent, may display a sign of customary and reasonable dimension advertising his Unit for sale or lease, which shall be of a professional type and dignified appearance and shall be placed in some appropriate location, as determined by the Executive Board, on the Common Area open to public view. The owner or his agent may include advertising on the sign which indicates that: (i) the property is for sale, lease or exchange; (ii) the agent's or owner's name; and (iii) the address and telephone number of the agent or owner. Such sign may be the sign of a licensed real estate broker, engaged by an owner for the purpose of selling or leasing his Unit.

Section 5. OFFENSIVE ACTIVITY. No owner shall permit or suffer anything to be done or kept upon the Project which shall increase the rate of insurance thereon or which shall obstruct or interfere with the right of other owners or annoy them by unreasonable noises or otherwise, nor shall he commit or suffer any immoral or illegal act to be committed thereon. Each owner shall comply with all applicable ordinances and statutes and with the requirements of all local government authority with respect to the occupancy and use of his Unit.

Section 6. OWNER LIABILITY. Each owner shall be liable to the Executive Board for any damage to the Common Area or to any of the equipment or improvements thereon which may be sustained by reason of the negligence or willful



Unit.

Section 9. PARKING AND VEHICLE USE RESTRICTIONS. An owner or lessee shall park his automobile, truck, camper, van, motorcycle, boat, boat trailer, or similar vehicle only in the parking space(s) provided by the Tahoe Village Owners Association.

Guests of owners or lessees shall park their vehicles only in designated guest parking spaces, and then not for a period to exceed forty-eight (48) hours without the permission of the Executive Board.

No vehicle as described herein, or any other similar vehicle, shall be washed, cleaned, repaired or maintained upon the Project.

The Executive Board shall have the right to cause the removal of any vehicle, boat or trailer any owner, lessee, or their guests from any portion of the Common Area where said vehicle, boat or trailer is not authorized to be parked.

Section 10. RUBBISH. Trash, rubbish, trash bins, and trash receptacles shall not be permitted to remain on any portion of the Common Area. All rubbish, refuse and/or garbage shall be deposited in Tahoe Village Homeowners Association Dumpsters and nowhere else.

Section 11. PETS AND ANIMALS. No animal, reptiles, rodents, birds, fish, livestock or poultry shall be kept in any Unit or upon the Project, except that domestic dogs, cats, fish and birds inside bird cages, may be kept as household pets within a Unit, provided they are not kept, bred or raised therein for commercial purposes. No exotic pets or barking dogs are allowed. Only one large domestic dog or two (2) small domestic dogs weighing not more than twenty pounds (20 lbs.) each or two (2) cats or

one (1) cat and one (1) small domestic dog shall be allowed per unit. The Executive Board shall have the right to prohibit upon the Project any animal or creature described herein which constitutes, in the sole opinion of the Executive Board, a nuisance to any other owner. Each person bringing or keeping an animal upon the Project shall be absolutely liable to each and all other owners, their family members, guests, invitees, licensees, lessees, renters, contract purchasers and their respective family members, guests and invitees for any damage to persons or property caused by any animal brought upon or kept upon the Project by such person or by the members of his family, his guests or invitees. No dog or cat, as allowed herein, shall be allowed upon the Project except on a leash under control of the owner, lessee or their family members. Any dog or cat on the Project not on a leash shall be deemed an unowned animal and the Executive Board may cause for it to be apprehended. The Executive Board may also adopt rules and regulations for the assessment of fines for a violation of this Section 11 and may further, for repeated violations, prohibit the animal from the Project. Such Executive Board actions as provided for herein shall be taken after notice and hearing given to the subject owner or lessee.

The Executive Board shall have the right to require an owner, lessee and their family members to register any dog or cat being kept or maintained in their Unit.

Section 12. ASSOCIATION MAINTENANCE AND DECORATION

AUTHORITY. The Executive Board or its duly appointed agent, including the manager, if any, shall have the exclusive right to paint, decorate, repair, maintain and alter or modify the exterior walls, balconies, railings, exterior door surfaces, roof and all installations and improvements in the Common Area, and no owner of a Unit shall be

permitted to do or have any such work done. The prior written approval of the Executive Board shall be required for installation of any awnings, sunshades or screen doors. The restrictions set forth herein shall not apply to the initial construction of buildings and improvements by Declarant.

Section 13. ALL USES SUBJECT TO THE DECLARATION OF LOT 2, BOULDER COURT CONDOMINIUMS. All Units in the Project, above described, shall be subject to the terms and conditions of that certain Declaration of Covenants, Conditions and Restrictions for TAHOE VILLAGE UNITS 1, 2 and as amended. The original Declaration was recorded August 31, 1971, and has been subject to amendments thereafter.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. OWNER KEY DEPOSIT FOR EMERGENCY REPAIR - RIGHT OF ENTRY. The Executive Board shall have authority to designate one or more qualified repairmen or other persons to enter upon and within any individual Unit, in the presence of the owner thereof, or otherwise, for the purpose of making emergency repairs therein or for necessary maintenance or repair to portions of the Common Area or to abate any nuisance being conducted or maintained in said Unit in order to protect the property rights and best interests of the remaining owners. To facilitate this paragraph, all owners shall deposit with the Executive or its nominee a key to their Units.

Section 2. CONTINUING LIABILITY FOR ASSESSMENTS. The membership register, books of account and minutes of meetings of members of the

Executive Board and of committees of the Executive Board shall be made available for inspection and copying by any member of the Association or by his duly appointed representative at any reasonable time and for a purpose reasonably related to his interest as a member at the office of the Association. The Executive Board shall establish reasonable rules with respect to: (i) notice to be given the custodian of records by the member desiring to make the inspection; (ii) hours and days of the week when such inspection may be made; and (iii) payment of costs for reproduction of documents required by a member. Every Director shall have the absolute right at any reasonable time to inspect books, records and documents of the Association and physical properties owned or controlled by the Association. The right of inspection by a Director shall include the right to make extracts and copies of documents at the Directors expense.

Section 3. TAXES. Each owner shall pay real and personal property taxes separately assessed against his Unit and all utility charges separately metered or charges against his Unit, and such payment shall be made by each owner in addition to and separately from assessments otherwise payable to the Association by each owner.

Section 4. ENFORCEMENT OF DECLARATION AND BY-LAWS. The owners, or any one of them, or any member of the Executive Board, or the Executive Board acting on behalf of the owners, or the Tahoe Village Owners Association, shall be entitled to bring legal action pursuant to NRS 116.30188 against any owner who shall default in the performance of any of the provisions hereof, the By-Laws or rules and regulations adopted by the Executive Board for the protection of the Project, including but not limited to, the covenant to pay assessment charges. Further, said

persons shall be entitled to enjoin any violation of said documents, such Executive Board rules and regulations and shall further be entitled to prosecute any other legal or equitable action that may be necessary to protect the Project. If any owner or the Executive Board shall deem it necessary to initiate any legal or equitable action for the protection of the Project against any owner, provided the Executive Board complies with NRS 166 .31088, then the prevailing party shall be entitled to reasonable attorney's fees and costs incurred in bringing or initiating said action; any judgment rendered against such defaulting owner shall include costs of action, together with reasonable attorney's fees, in an amount fixed by the Court. Notwithstanding the foregoing, there shall be no purported power in the Association to cause a forfeiture or abridgement of any owner's rights to the full use and enjoyment of his individually owned Unit on account of a failure by the owner to comply with the provisions of this Declaration or the By-Laws or of duly enacted rules of operation for the Common Area and facilities, except where the loss or forfeiture is the result of judgment of a court or a decision arising out of arbitration or on account of a foreclosure sale under a power of sale for failure of the owner to pay assessments levied by the Association.

Section 5. LIBERAL INTERPRETATION OF DECLARATION. The provision of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of the Project for the mutual benefit of all owners.

Section 6. SEVERABILITY OF PROVISIONS. The provisions herein shall be deemed independent and severable and the invalidity or partial invalidity or unenforceability of any of the provisions hereof, shall not affect the validity of the

remaining provisions.

Section 7. CUMULATIVE REMEDIES. Each and all legal or equitable remedies provided for herein shall be deemed cumulative, whether so expressly provided for or not.

Section 8. SUCCESSORS AND ASSIGNS. This Declaration shall be binding upon and shall inure to the benefit of the heirs, personal representatives, successors and assigns and the heirs, personal representatives, grantees, lessees and assignees of owners.

Section 9. WAIVER OR BREACH OF DECLARATION. No waiver or any breach of any of the covenants or conditions of this Declaration shall constitute a waiver of any succeeding or preceding breach of the same or any covenant or condition herein contained.

Section 10. DELIVERY OF NOTICES AND DOCUMENTS. Any written notice or other documents relating as required by this Declaration may be delivered personally or by mail. If by mail, such notice, unless expressly provided for herein or in the By-Laws to the contrary as to the type of notice being given, shall be deemed to have been delivered and received forty-eight (48) hours after a copy thereof has been deposited in the United States mail, postage prepaid, addressed as follows:

a. If to an owner, other than Declarant, to the address of any unit in the Project owned by him in whole or in part, or to the address last furnished to the Executive Board by such owner for the purpose of giving notice and delivering documents. Each owner, other than Declarant, shall file in writing with the Executive Board promptly upon becoming an owner, his address for the purpose of giving notice



and delivering documents and shall promptly notify the Executive Board in writing of any subsequent change of address.

b. If to Declarant, whether in its capacity as an owner or in any other capacity: P.O. Box 4786, Stateline, Nevada 89449.

Section 11. NOTIFICATION OF SALE OF CONDOMINIUMS. Concurrently with the consummation of the sale of any Condominium under circumstances whereby the transferee becomes an owner thereof, or within five (5) business days thereafter,, the transferee shall notify the Executive Board, in writing, of such sale. Such notification shall set forth: (i) the name of the transferee and his transferor; (ii) the street address or unit number of the Unit purchased by the transferee; (iii) the transferee's mailing address; and (iv) the date of the sale. Prior to receipt of such notification, any and all communications required or permitted to be given by Declarant, the Executive Board or any agent or representative thereof, shall be deemed to be duly made and given to the transferee, if duly and timely made and given to said transferee's transferor.

Section 12. JOINT AND SEVERAL LIABILITY. In the case of joint ownership of a Condominium, the liability of each of the owners thereof in connection with the liabilities and obligation of owners, set forth in or imposed by this Declaration, shall be joint and several.

ARTICLE IX

UTILITIES

Section 1. UTILITY RIGHTS. The rights and duties of the owners with respect to lines for sanitary sewer, water, gas, electricity, telephone cables and air



conditioning shall be governed by the following:

a. Wherever sanitary sewer house connections and lines or electricity, gas, telephone, air conditioning lines or television cables are installed within the property, which connections or any portion thereof lie in or upon portions of the property owned by others than the unit owner of a Unit served by said connections, the unit owners of any unit served by said connection shall have the right, and are hereby granted an easement to the full extent necessary therefore, to enter upon such portion of the property or to have the utility companies enter thereupon to repair, replace, and generally maintain said connection as and when the same may be necessary as set forth below.

b. Wherever sanitary sewer house connections and lines, facilities and/or water house connections and lines for electricity, gas, telephone lines, air conditioning lines or television cable lines are installed within the property, 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 portions of said connection as services his Unit.

c. In the event any portion of said connection of line is damaged or destroyed through the negligent act or acts or failure to act or willful misconduct of one unit owner or any of his agents, invitees, tenants, servants, guests or members of his family, so as to deprive other unit owners of the full use and enjoyment of said connection or line, then such connection or line shall be repaired and restored by the Association, but at the expense of the Unit owner who commits or whose guests, agents, or family members commit such act or acts.



d. In the event any portion of such connection or line is damaged or destroyed by some cause other than this negligence or willful misconduct of one of the Unit owners, his agent, guests, servants, tenants, invitees, or family members (including ordinary wear and tear and deterioration from lapse of time), then in such event connections or lines shall be repaired and restored by the Executive Board, such repair and restoration to be paid out of the assessments levied in accordance with this Declaration equally against all owners.

e. In the event of a dispute between owners with respect to the repair or rebuilding of said 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 Association, the matter shall be submitted to the Executive Board for a final and binding determination.

Section 2. EASEMENTS. Easements through the Units and Common Area for all facilities for the furnishing of utility services, television cable service and heating and air conditioning lines within any Unit, which facilities shall include but not be limited to conduits, ducts, plumbing and wiring, shall be appurtenant to each Unit, and all other Units and the Common Area shall be subject thereto; provided, however, that easements for such facilities shall at all time be and remain substantially in accordance with the initial construction of the Project or the Project as reconstructed upon damage or destruction pursuant to the terms of this Declaration.

ARTICLE X

DESTRUCTION OF IMPROVEMENTS

Section 1. RECONSTRUCTION WITH ELECTION OF OWNERS. In the event of total or partial destruction of the improvements in the Project, a special

meeting shall be called for the purpose of having the Association owners vote on whether or not to repair the damage. Said meeting shall be called within forty-five (45) days of said destruction. If reconstruction is to take place, as approved by a majority of the owners, the Executive Board shall be required to execute, acknowledge, file and record, not later than one hundred twenty (120) days from the date of said destruction, a certificate declaring the intention of the owners to rebuild.

Section 2. LOT 2 BOULDER COURT CONDOMINIUMS OWNERS ASSOCIATION APPROVAL OF RECONSTRUCTION PLANS. In the event of a total or partial destruction of the improvements and an owner's vote to reconstruct, then such restoration shall take place only after approval of all plans by the TAHOE VILLAGE OWNERS ASSOCIATION and said Association shall have the authority to require reconstruction to be in conformity with all building codes and ordinances then in effect.

Section 3. RECONSTRUCTION ASSESSMENTS. If a majority of owners determine to rebuild, each owner shall be obligated to contribute such funds as shall be necessary to pay his proportionate share of the cost or reconstruction over and above the insurance proceeds and the proportionate share of each owner shall be the same as his proportionate interest in the Common Area. In the event of failure or refusal by any owner to pay his proportionate share, after notice to him, and should failure or refusal continue for a period of sixty (60) days, the Executive Board may levy a special assessment against such owner, which may be enforced under the lien provisions contained in this Declaration.

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Section 4. OBLIGATION OF EXECUTIVE BOARD. If a majority of owners determine to rebuild, the Executive Board shall obtain bids from at least two reputable contractors and shall award construction work to the lowest bidder. The Executive Board shall have authority to enter into a written contract with said contractor for such reconstruction work and the insurance proceeds held by the Executive Board shall be disbursed to said contractor according to the terms of the agreement. It shall be the obligation of the Executive Board to take all steps necessary to insure the commencement and completion of such reconstruction at the earliest possible time.

Section 5. DETERMINATION NOT TO REBUILD. If the vote of a majority of owners shall be insufficient to authorize rebuilding:

a. Distribution of Insurance Proceeds. Subject to the rights of mortgages, any insurance proceeds available for such rebuilding shall be distributed among the owners and their individual lenders by the Executive Board, as their respective interests may appear. The proportionate interests of each owner in said proceeds in relation to other owners shall be the same as the proportionate ownership in the Common Area. If a majority of owners elect not to rebuild, the Executive Board shall file and record a certificate as provided in Section 1, hereinabove.

b. Recordation of Certificate not to Rebuild. The Executive Board shall have the duty, within one hundred twenty (120) days of such loss, to execute, acknowledge and record a certificate setting forth the determination of the owners not to rebuild and shall promptly cause to be prepared and file such revised maps and other documents as may be necessary to show the conversion of the Project to the status of unimproved land or to show the elimination of one or more units as a result of

such destruction. The TAHOE VILLAGE OWNERS ASSOCIATION shall approve, prior to their filing, any maps or documents required by this Section 5, or before the sale of all or any portion of the Project due to a decision to not rebuild.

Section 6. REVIVAL OF RIGHT TO PARTITION CONDOMINIUM.

Upon recordation of such certificate, the right of any owner to partition his Unit through legal action shall forthwith revive.

Section 7. CONDEMNATION. In the event an action for condemnation is proposed or commenced by any governmental body having the right of eminent domain, the following provisions shall apply: If such action or proposed action is for the condemnation of the entire Project, or a portion thereof, upon the unanimous consent of all owners, the Project may be sold to such government body prior to judgment and the proceeds of such sale shall be distributed to the owners and their lenders, as their respective interests may appear, based upon each owner's interest in the Common Area. Lacking such unanimous consent, any compensation for the taking shall be distributed to the owners, according to their proportionate interest in the property taken by the government body.

ARTICLE XI

SUSPENSION OF THE RIGHT OF PARTITION

The right of partition of the Common Area is hereby suspended pursuant to NRS 117.050. The Project may be partitioned and sold as a whole, pursuant to the provisions of NRS 117.060 upon a showing of the occurrences of any one of the events therein provided. Additionally, partition may be had of the Project upon the showing that the conditions for such partition by sale set forth in Article X have been met.

Nothing herein contained shall prevent the partition or division of interest between joint or common owners of one Unit.

ARTICLE XII

PROHIBITION AGAINST SEVERABILITY OF COMPONENT INTEREST IN CONDOMINIUMS

Section 1. PROHIBITION OF SEVERANCE.

No owner shall be entitled to sever his Unit from his undivided interest in the Common Area for any purpose. Neither of said component interests may be severally sold, conveyed, encumbered, hypothecated or otherwise dealt with and any violation or attempted violation of this provision shall be void and of no effect.

Section 2. CONVEYING OF ENTIRE CONDOMINIUM. Subsequent to the initial sales of the Condominiums, any conveyance of a Unit or of the component interests in the Common Area, by the owner of any Condominium, shall be presumed to convey the entire Unit; provided, however, that nothing contained herein shall be construed to preclude the owner of any Unit from creating a co-tenancy in the ownership of said Unit with any other person or persons.

ARTICLE XIII

TERM OF DECLARATION - COMPLAINE WITH RULE AGAINST PERPETUITIES AND RESTRAINTS OF ALIENATION

The covenants contained herein shall run with the land and shall be binding upon all parties and all persons claiming hereunder them until December 31, 2056, after which time the covenants shall be automatically extended for successive periods of five (5) years, unless an instrument executed by not less than a majority of owners of

the Units shall be recorded, canceling or terminating this Declaration.

ARTICLE XIV

PROTECTION OF LENDERS

Section 1. WRITTEN NOTIFICATION OF FIRST MORTGAGEES. A first mortgagee, upon written request, is entitled to written notification from the Executive Board of the Association of any default in the performance by an individual Unit mortgagor of any obligation under the Condominium documents (Declaration of Restrictions and By-Laws) which is not cured within sixty (60) days. It shall be the responsibility of each owner of a Unit to notify the Association within thirty (30) days of the Close of Escrow to purchase such unit, of the name and address of the holder of the first mortgage on his particular Condominium.

Section 2. SUBORDINATION OF ASSESSMENT LIEN TO MORTGAGES.
Any holder of a first mortgage which comes into the possession of the Unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage, shall take the property free of any claim for unpaid assessments or charges against the mortgaged unit which accrue prior to the time such holder comes into possession of the Unit (except for claims for a share of such assessments or charges resulting from a reallocation of such assessments or charges to all residential Units, including the mortgaged Unit). The lien assessment provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure of trustee's sale. Such



sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

Section 3. MORTGAGEES RIGHT TO PAY TAXES OR CHARGES. The mortgagees may, jointly or singularly, pay taxes or other charges which are in default and which may or have become a charge against any portion of the Common Area and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such Common Area and mortgagees making such payments shall be owed immediate reimbursement therefore from the Association.

Section 4. TAXES, ASSESSMENTS AND CHARGES. All taxes, assessments and charges which may become liens prior to the first mortgage under local law, shall relate only to the individual Units and not to the Project as a whole.

Section 5. NO PRIORITY OVER RIGHTS OF FIRST MORTGAGEES. No provision herein shall give a unit owner, or any other party, priority over any rights of first mortgagees of units, pursuant to their mortgages in the case of a distribution of unit owners of insurance proceeds or condemnation awards for losses or to a taking of units and/or the Common Area.

Section 6. CONFLICT. If there is any conflict between any provisions of this Article and any other provision in this Declaration or the By-Laws of the Association, the language contained in this Article "Protection of Lenders" shall control.

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ARTICLE XV

BREACH

Section 1. RIGHT OF ENTRY. Violation of any of the provisions, conditions, restriction, covenants, easements or reservations contained herein shall give to Declarant or its successors, or to the Association, the right to enter on the property upon or as to which such violation exists and to abate and remove, at the expense of the owner thereof, any erection, thing and condition that may be or exists thereon contrary to the intent and meaning of the provisions hereof. Such entry shall be made only after three (3) days' notice to said owner and with as little inconvenience to the owner as possible, and any damage caused thereby shall be repaired by the owner. Declarant or its successors or the Association shall not thereby be deemed guilty of any manner of trespass by such entry, abatement or removal.

Section 2. NUISANCE. The result of every act or omission whereby any provision, condition, restriction, covenant, easement or reservation herein contained is violated, in whole or in part, is hereby declared to be and constitutes a nuisance and every remedy allowed by law or equity against a nuisance, either public or private, shall be applicable against every such result and may be exercised by Declarant or its successors or the Association. Such remedy shall be deemed cumulative and not exclusive.

Section 3. RIGHT OF LIEN HOLDER. A breach of any of the provisions, conditions, restrictions, covenants, easements or reservation herein contained shall not affect or impair the lien or charge of any bona fide first mortgage or first deed of trust made in good faith and for value on any of the Units; provided, however, that any



subsequent owner of the Unit shall be bound by these provisions, conditions, restrictions, covenants, easements and reservations whether such owner's title was acquired by foreclosure, trustee's sale or otherwise.

Section 4. ENFORCEMENT. In the event of a breach of any of the provisions, conditions, restrictions, easements, covenants or reservations hereby established which is continued for thirty (30) days, the Executive Board may enforce any and all terms and conditions of this Declaration. It is hereby declared that damages at law for such breach are inadequate. The restrictions provided for herein shall be enforceable equitable servitudes and shall inure to and bind all the owners of the residential units.

ARTICLE XVI

AMENDMENT

Section 1. SUBSEQUENT TO CLOSE OF FIRST ESCROW. Subsequent to the Close of the first Escrow, each and all of the covenants, conditions and restriction contained herein may be modified, amended, augmented or deleted in the following manner and not otherwise: By the execution of either an amended Declaration or an amendment to this Declaration duly executed and acknowledged by not less than seventy-five percent (75%) of the owners of units; provided, however, that the percentage of voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause; provided further that no amendment hereto shall be valid which would tend to defeat the encumbrancer-mortgagee's priority position with respect to its lien or which would concert the encumbrancer-mortgage to an illegal status under



governmental regulations unless written consent is obtained from the encumbrancer-mortgagee; further, no amendment hereto shall be valid without prior written approval of the TAHOE VILLAGE OWNERS ASSOCIATION, if the adoption of such amendment would negate the obligations of the Association to maintain the Project in a first class condition and in a good state of repair and/or defeat any provision that provides for assessment and obligation for the maintenance and upkeep thereof.

Section 2. PRIOR TO CLOSE OF FIRST ESCROW. Prior to the close of the first Escrow, Declarant shall have the right to amend this Declaration by executing and recording with consent of beneficiaries, all of trust deeds then of record, the desired amendment thereto.

Section 3. APPROVAL OF THE TAHOE VILLAGE OWNERS ASSOCIATION.
Any amendment which would defeat the obligation of the Association to maintain the Common Area in a first class condition and in a good state of repair, or which would defeat the assessment procedure to insure said maintenance, must be first approved in writing by the TAHOE VILLAGE OWNERS ASSOCIATION.

IN WITNESS WHEREOF, Declarant has executed this Declaration the day and year first written above.



SHERRI TEMPLE



KEVIN TEMPLE



ACKNOWLEDGEMENT

STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

On the 19th day of July, 2006, personally appeared before me, a Notary Public, in and for said County and State, SHERRI TEMPLE and KEVIN TEMPLE, known to me to be the persons described in and who executed the foregoing instrument, who acknowledged to me that they executed the same, freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State above-named, the day and year in this certificate first above written.

Jeffrey K. Rahbeck

NOTARY PUBLIC

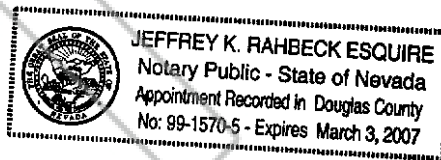


EXHIBIT "B"

PURSUANT TO THIS ARTICLE II. 4. AMD ARTICLE VI. 2. OF THIS DECLARATION,
THIS EXHIBIT IS ATTACHED HERETO AND MADE A PART HEREOF.

Unit	Fraction Interest in In Common Area	Estimated Initial Monthly Maintenance Charge
Units 1 through 18, inclusive	1/18th	\$75.00



EXHIBIT "A"

The land referred to herein is situated in the State of Nevada, County of Douglas, described as follows:

PARCEL 1:

Units 1 through 18 of Lot 2 Condominium Map, as set forth on Sheet 6 of the 3rd Amended Map of Tahoe Village No. 2 filed for record on August 14, 1979, as Document No. 35555 of Official Records of Douglas County, State of Nevada.

APNs 1319-30-512-001 through 1319-30-512-018

PARCEL 2:

An undivided 18/18ths interest in and to those areas designated as "Common Areas" as set forth on the Map of Lot of Condominium Map, as set forth on Sheet 6 of the 3rd Amended Map of Tahoe Village No. 2, filed for record on August 14, 1979, as Document No. 35555 of Official Records of Douglas County, State of Nevada.

