

**~~SECOND~~THIRD AMENDED AND RESTATED**

**DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS**

**For  
WHITE PINE ESTATES**

**SECOND ~~THIRD~~ AMENDED AND RESTATED**

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~~THIS AMENDMENT amends, in its entirety, the certain Amended Declaration of Covenants, Conditions and Restrictions of Royal Pines II Condominium Project recorded in the office of the County Recorder of Washoe County, State of Nevada, on October 7, 1987, as Document Number 1198381 and any Amendments thereto.~~

**RECITALS**

~~A. Declarant is WHITE PINE CONDOMINIUM HOMEOWNERS ASSOCIATION, INC., a Nevada non-profit corporation, formerly known as ROYAL PINES II CONDOMINIUM HOMEOWNERS ASSOCIATION, INC.~~

~~A. The members of the corporation Declarant~~White Pine Estates Homeowners Association ~~are is comprised of~~ the owners of certain real property in Washoe County, State of Nevada, more particularly described on Exhibit A attached hereto and which is a portion of the real property shown on the Amended Official Plat of Royal Pines Condominium, filed in the office of the Recorder of Washoe County, State of Nevada, on June 12, 1974, as Series Number 330178 as Tract Map 1482. All of that property is hereinafter called the "Project".

~~B. On November 26, 1997, the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for White Pine Estates was recorded in Washoe County, Nevada as Document No. 2158032. This Third Amended and Restated Declaration of Covenants, Conditions and Restrictions is intended to and shall supersede and replace that document.~~

~~C. In Article XII of the Second Amended Declaration of Covenants, Conditions and Restrictions of Royal Pines II Condominium there was reserved to the members the right to amend said the declaration if the subject matter of the proposed amendment was included in the notice of the meeting of the members, a resolution adopting the proposed amendment was proposed by a member at the meeting and the resolution of the proposed amendment was adopted by the approval of not less than sixty six percent (66%)two-thirds (2/3) of the condominium owners.~~

~~D. At a meeting of the members of WHITE PINE ESTATES CONDOMINIUM HOMEOWNERS ASSOCIATION, INC., held on June 7, 1997, after notice containing the subject matter of the amendments contained herein, a resolution adopting the amendments~~

~~contained herein was proposed by a member and was approved by not less than sixty-six percent (66%) of the condominium owners and members of the Association.~~

NOW THEREFORE, it is declared that all of the property referred to above is and shall be held, conveyed, encumbered, leased, used, occupied, improved, and otherwise affected in any manner subject to the provisions of this Third Amended and Restated Declaration of Covenants, Conditions and Restrictions for White Pine Estates ("Declaration"), all of which are hereby declared to be in furtherance of ~~a the~~ general plan for the improvement of the Project, and are further declared to be for the purpose of enhancing, maintaining, and protecting the value and attractiveness of the Project. All provisions hereof shall be deemed to run with the land as covenants running with the land or as equitable servitudes, as the case may be, and shall constitute benefits and burdens to the owners and their assigns and to all persons hereafter acquiring or owning any interest in the Project, however such interest may be obtained.

## **ARTICLE I**

### **DEFINITIONS**

1.1 Act shall mean Chapter 116 and Chapter 116A of the Nevada Revised Statutes, together with the Nevada Administrative Code that is adopted regarding Chapters 116 and 116A, all as maybe amended from time to time.

1.2 Allocated Interest shall collectively mean and refer to the following interest allocated to each Unit: A fractional interest in the Common Area, liability for Common expenses and one (1) vote in the Association. The Allocated Interest of each Unit in the Common Area is 1/44. If a Unit Owner owns more than one (1) Unit, then that Owner will have one (1) Allocated Interest ~~in all the Common Area~~ for each Unit owned.

1.2.3 ~~Arbitration-Alternative Dispute Resolution~~ shall mean the requirement under NRS 38.310 for certain claims regarding the Declaration and the Association to be submitted to ~~Arbitration or mediation~~ Alternative Dispute Resolution.

1.3.4 Articles shall mean and refer to the Articles of Incorporation of the Association and any amendments to ~~said the~~ Articles.

1.5 Assessments shall mean any amount determined to be due for any reason by the Association, including but not limited to, annual assessments, individual assessments, special assessments, reserve assessments, fines, fees, late fees, attorney's fees, costs or charges of any kind.

1.4-6 Association shall mean and refer to WHITE PINE ESTATES CONDOMINIUM HOMEOWNERS ASSOCIATION, INC., a Nevada non- profit corporation, its successors and assigns.

1.5-7 Association Property shall mean and refer to any personal property owned by the Association.

~~1.6-8~~ Association Rules and Regulations shall mean the rules and regulations adopted pursuant to Section ~~4.42.14.5~~ of this Declaration.

~~1.7-9~~ Board means the Board of Directors or Executive Board of the Association.

~~1.8-10~~ By-Laws shall mean and refer to the By-Laws of the Association as amended from time to time.

~~1.9 Capital Expenses shall mean and include all costs of painting, roofing, paving or resurfacing roadways or parking areas, landscaping, watering systems, lighting systems, fencing, gating, the construction of other additions or improvements and any other cost that is not regularly and routinely incurred at least once each six (6) months. Capital Expenses shall not mean or include the repair of damage to any of the foregoing capital improvements, the regular and routine maintenance of any such capital improvements or minor replacements of any such capital improvements.~~

~~1.10-11~~ Common Area means all real property portions of the Project other than Living Units ~~and Association Property~~. Common Area included Limited Common Area. Common elements shall include Common Area and Association Property.

~~1.1-12~~ Common Expenses means expenditures made by, or financial liabilities of the Association, together with any allocations to reserve.

~~1.12-13~~ Declaration shall mean and refer to this ~~Second-Third~~ Amended and Restated Declaration of Covenants, Conditions and Restrictions.

~~1.13-14~~ Eligible Insurer or Guarantor shall mean and refer to an insurer or governmental guarantor who has requested notice from the Association of those matters which such insurer or guarantor is entitled to notice of by reason of this Declaration, the By- Laws of the Association or the laws of the State of Nevada.

~~1.14 Eligible Security Interest Holder shall mean and refer to a holder of a First Security Interest on a Unit who has requested a notice from the Association of those matters which such holder is entitled to notice of by reason of this Declaration, the By- Laws of the Association or the laws of the State of Nevada.~~

1.15 Eligible Security Interest shall mean and refer to a First Security Interest on a Unit whose holder has requested in writing a notice from the Association of those matter which such holder is entitled to notice of by reason of this Declaration, the By-Lawss of the Association or the laws of the State of Nevada.

1.16 First Security Interest shall mean and refer to the holder of a Security Interest on a Unit which is senior in priority, except as limited in Section 3.9(e)3.17 of the Declaration and/or the Act, to all other encumbrances.

1.17 FHA shall mean and refer to the Federal Housing Administration.

1.18 Limited Common Area means those portions of the Common Area which, except for certain uses, are designated as reserved for the exclusive use of the Living Units to which they are appurtenant and are identified in Sections 9.6 and 9.7 or on the Map or as provided and designated as limited common elements in the Act.

~~1.19 Living Unit(s) shall mean the physical portions of the Project designated for separate ownership, the boundaries of which are its ceilings, floors, and walls, including all electrical outlets, lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finish flooring, and any other material constituting any part of the finished surfaces within a Living Unit. All other portions of the walls, floors, and ceilings, are part of the Common Area. All spaces, interior partitions, and other fixtures and improvements within the boundaries of the Unit are part of the Living Unit.~~

1.~~20~~19 Manager shall mean the person or entity designated by the Board to manage the affairs of the Project and to perform various other duties assigned to it by the Board by the provisions of this Declaration and By-Laws and shall be a community manager as required by the Act.

1.~~21~~20 Member of Association or simply “Member” shall mean and refer to an Owner as defined in 1.23 of this Article I.

1.~~22~~21 Mortgagee shall mean and refer to a holder of a Security Interest, including a beneficiary under or holder of a Deed of Trust given for value, which encumbers any Unit.

1.~~23~~22 Operating Expenses shall mean and include all cost of water, sewerage, trash removal, snow removal, insurance, management fees, legal fees, accounting fees, tax preparation fees, ~~routine~~ office expenses and supplies, any utility costs or taxes payable by the Association, any other cost that is regularly and routinely incurred ~~at least one each six (6) months~~, the repair of damage to any of the ~~capital improvements~~ common elements, including those described in Section 1.9, the regular and routine maintenance of any of such ~~capital improvements~~ common elements or minor replacements of any such capital improvements. Operating Expenses shall not include any ~~Capital Reserve~~ Expenses.

1.~~24~~23 Owner shall mean and refer to the record owner, whether one (1) or more persons or entities, of fee simple title to any Unit which is part of the Project.

1.~~25~~24 Plat, Condominium Plat or Map shall mean and refer to that portion of the Amended Plat of Royal Pines Condominiums, filed in the office of the Recorder of Washoe County, State of Nevada, on June 12, 1974, as Series Number 330178 as Tract Map 1482, which pertains to the Project, and any amendments thereto.

1.~~26~~25 Project shall mean and refer to the entire real property above described and shown on Page A of ~~Tract the~~ Map ~~1482~~, including all structures and improvements erected

or to be erected thereon, and such additions as may hereafter be brought within the jurisdiction of the Association.

1.26 Reserve Expenses shall mean and include all costs of painting, roofing, paving or resurfacing roadways or parking areas, landscaping, watering systems, lighting systems, fencing, gating, and any other cost.

1.27 Security Interest shall mean and refer to an interest in real estate or personal property, created by contract or conveyance, which secures payment or performance of an obligation. The term included a lien created by a mortgage, deed of trust, security deed, contract for deed, land sales contract, lease intended as security, assignment of lease or rents intended as security, pledge of an ownership interest in an association and any other consensual lien or contract for retention of title intended as security for an obligation.

1.28 Unit or Living Unit shall mean and refer to the fee simple interest in the Living Unit as shown by the identifying number on the Plat, and shall include the physical portion of a Building identified on the Map that is designated for separate ownership and not owned in common with the Owners of the other Units in the Project, together with an undivided fractional interest in the Common Area, together with all easement rights and appurtenances belonging thereto. The boundaries of a Unit are the interior surfaces of the perimeter walls, floors, ceilings, windows, and doors thereof, together with all fixtures and improvements therein contained all electrical outlets, lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finish flooring, and any other material constituting any part of the finished surfaces within a Living Unit. All spaces, interior partitions, and other fixtures and improvements within the boundaries of the Unit are part of the Living Unit, together with the “Allocated Interest” assigned to each Unit. Specifically, it shall consist of:

- (a) The separate interest in each Living Unit;
- (b) Undivided 1/44<sup>th</sup> interest (Allocated Interest”) as tenants in common in the Common Area;~~and~~
- (c) Membership in the Association;~~and~~
- (d) Limited Common Area allocated to the Living Unit.

1.29 VA shall mean and refer to the Department of Veterans Affairs.

## ARTICLE II

### **THE ASSOCIATION; MEMBERSHIP, AND VOTING RIGHTS, AND PROPERTY RIGHTS IN ASSOCIATION**

2.1. Formation. The Association is a nonprofit corporation formed under the laws of the State of Nevada. The Association shall be charged with the duties and invested with the powers set forth in the Act, Articles, Bylaws, and this Declaration.

2.2. Association Action: Members' Approval. Except as to matters requiring the approval of Members as set forth in the Act, Articles, Bylaws, and this Declaration, the affairs of the Association shall be conducted by the Board and such officers as the Board may elect or appoint in accordance with this Declaration, the Bylaws, or their amendments. Except as otherwise provided in the Articles, Bylaws, or this Declaration, all matters requiring the approval of Members shall be deemed approved if Members holding a majority of the total voting rights assent to them by written consent as provided in the Bylaws or if approved by a majority vote of a quorum of Members at any regular or special meeting held in accordance with the Bylaws.

2.43 Membership Every Owner of a Unit is and shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of the Unit. Each Owner is obligated to comply with the Articles, Declaration, By-Laws, and the Association Rules and Regulations. Membership in the Association shall not be transferred, pledged or alienated in any way, except upon the sale of the Unit to which it is appurtenant, and then only to the purchaser of such Unit. Any attempt to make a prohibited transfer is void.

2.44 Voting Rights. The Association shall have one class of voting memberships. Owners shall be entitled to one (1) vote for each Unit Owned. When more than one (1) 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.

2.35 Proxies. Proxies shall be limited as set forth in the Act and the By-Laws, ~~of this Association.~~

2.6 Non-Severability of Component Parts of Unit. No part of a Unit or of the legal rights comprising ownership of a Unit may be severed from any other part thereof during the period of Unit ownership prescribed herein, so that each Unit and the undivided interest in the Common Area appurtenant to such Unit shall always be conveyed, devised, encumbered, and otherwise affected only as a complete Unit. Every gift, devise, bequest, transfer, encumbrance, conveyance, or other disposition of a Unit or any part thereof shall be presumed to be a gift, devise, bequest, transfer, encumbrance, or conveyance, respectively, of the entire Unit, together with all appurtenant rights created by law or by this Declaration. Further, the Common Area shall be owned in common by all Owners of Units; and no Owner may bring any action for partition thereof except as allowed by the Act.

2.7 Owner's Non-Exclusive Easement of Enjoyment: Limited Common Area. Every Owner shall have a non-exclusive easement of use and enjoyment in, to, and throughout the Common Area, and for ingress, egress, and support over and through the Common Area; however, such non-exclusive easements shall be subordinate to, and shall not interfere with, exclusive easements for the use and enjoyment of the Limited Common Area appurtenant to each Unit, which each Owner shall also have. Each such non-exclusive easement shall be appurtenant to and pass with title to each Unit, subject to the following rights and restrictions:

- (a) The right of the Board to adopt, amend, and enforce the Rules and Regulations;
- (b) The right of the Board to limit the number of guests;
- (c) The right of the Association to suspend the right of an Owner to use the common facilities or Common Area for any period during which any assessment against his or her Unit remains unpaid for more than 30 days after notice; the right of the Association to suspend the right of a Member to use the common facilities or Common Area for a period not to exceed 60 days for any other infraction of this Declaration or of the Rules and Regulations or successive 60-day periods in the event of a continuing violation;
- (d) The right of the Association to charge reasonable admission and other fees for the use of any unassigned parking and storage spaces situated upon the Common Area;
- (e) The right of the Association to borrow money to improve, repair, or maintain the Common Area;
- (f) The right of the Association to assign, rent, license, or otherwise designate and control use of unassigned parking and storage spaces within the Common Area (other than those portions that are part of the Limited Common Area);
- (g) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or entity for such purposes, and subject to the agreement of the Owners.

2.8 Delegation of Use: Contract Purchasers; Tenants. Any Owner may delegate his or her rights of use and enjoyment in the Project to the members of his or her family, guests, and invitees, and to such other persons as may be permitted by the Bylaws and the Rules and Regulations, subject, however, to this Declaration, the Bylaws, and the Rules and Regulations. However, if an Owner has rented his or her Unit to a tenant, then the Owner, members of his or her family, guests, and invitees shall not be entitled to use the facilities of the Project while the Owner's Unit is occupied by such tenant. Instead, the tenant, while occupying such Unit, shall be entitled to use and enjoy the facilities of the Project, and during the period of his or her occupancy, can delegate the rights of use and enjoyment in the same manner as if such tenant were an Owner. Each Owner shall notify the Association of the names of any contract purchasers or tenants of such Owner's Unit. Each Owner or tenant that has delegated any rights of use and enjoyment in the Project shall notify the Association of the relationship that each such person bears to the Owner or tenant. Any delegated rights of use and enjoyment are subject to suspension to the same extent as are the rights of Owners; and the Owner shall at all times be responsible for any and all activities of his or her tenant in the use of the Project.



2.9 Association's Right to Use of Common Area. The Association shall have a nonexclusive easement to make such use of the Common Area as may be necessary or appropriate to perform the duties and functions that it is obligated or permitted to perform pursuant to this including the right to construct and maintain in the Common Area maintenance and storage facilities for use by the Association.

2.10 Easements of Access for Repair, Maintenance, and Emergencies. Some of the Common Area is or may be located within the Units or may be conveniently accessible only through the Units. The Owners of other Units shall have the irrevocable right, to be exercised by the Association as their agent, to have access to each Unit and to all Common Area from to time during such reasonable hours as may be necessary for the maintenance, repair, or replacement of any of the Common Area located therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Area or to another Unit. Utility easements are provided below in Section 2.11. The Association shall also have such right independent of any agency relationship. To facilitate the provisions of this Section, each Owner shall make arrangements for emergency access and the information to obtain the access with the Manager, or his or her nominee. Damage to any part of an improvement on a Unit resulting from the maintenance, repair, emergency repair, or replacement of any of the Common Area or as a result of emergency repairs with another Unit by the Association or Owners shall be an expense of all of the Owners; provided, however, if such damage is the result of negligence of the Owner of a Unit or other factors are determined by the Board to be applicable and require the Owner be responsible, then such Owner shall be financially responsible for all such damage. Any deductible that may be due as a result of any insurance claim for a Unit shall be the responsibility of that Unit Owner. Amounts owing by Owners pursuant hereto shall be collected by the Association by assessment pursuant to Article 6 below.

2.11 Utility Easements. There is reserved for the benefit of each Unit and for the Association easements for location, maintenance, and replacement, including necessary excavation and other construction activities, for utility services over, under, or through such portions of the Project and other Units, where such utilities are constructed when construction of the Project is completed. There is a continuing easement for the Association to enter into each Living Unit and to have utility companies enter into the Living Unit to repair the plumbing, heating, and electrical systems located thereon, which are identified in this Declaration to be the Association's responsibility to maintain, subject to the following limitations. Entry into a Living Unit for emergency purposes may be immediate; provided, however, such entry shall be made with as little inconvenience as possible to the Owner. Any damages caused thereby shall be repaired by the entering party. Entry into a Living Unit for other than emergency repairs shall be made only after three (3) days notice to the Owner and shall be made with as little inconvenience as possible to the Owner. In addition, the Association is granted the right to establish and convey subsequent utility easements; and each Owner in accepting a deed to a Unit, expressly consents to such easements. However, no such easement can be granted if it would interfere with the use, occupancy, or enjoyment by any Owner of his or her Unit, his or her Limited Common Area, or the common facilities of the Project unless approved by the vote or written consent of the holders of not less than 75% of the voting rights of the Members. Nothing in this paragraph shall change

the existing easement for fire alarm equipment and electrical panels to be mounted on various Units.

2.12 Conveyance or Encumbrance of Common Area or Future Assessments. Portions of the Common Area may be conveyed or subject to a security interest or Future Assessments may be subject to a security interest by the Association if persons entitled to cast at least a majority of the votes in the Association agree to that action; but all Owners to which any Limited Common Area is allocated must agree to convey that Limited Common Area or subject it to a security interest. Proceeds of the sale are an asset of the Association. An agreement to convey Common Area, or to subject it to a security interest, must be evidenced by the execution of an agreement, or ratification thereof, in the same manner as a deed, by the requisite number of Owners. The agreement must specify a date after which the agreement will be void unless recorded before that date. The agreement and all ratification thereof shall be recorded in the Office of the County Recorder and shall be effective only upon recordation. The Association, on behalf of the Owners, may contract to convey an interest in the Common Area pursuant to the above provisions, but the contract shall not be enforceable against the Association until approved as set forth above. Thereafter, the Association shall have all powers necessary and appropriate to effect the conveyance or encumbrance, including the power to execute deeds or other instruments. Unless made pursuant to this Section, any purported conveyance, encumbrance, sale, or other voluntary transfer of Common Area is void. A conveyance or encumbrance of Common Area pursuant to this Section does not affect the priority or validity of preexisting encumbrances.

2.13 TRPA Land Coverage. The Association shall have the sole right to acquire, utilize, retain, modify, or transfer any and all TRPA land coverage on the Project, subject to the plans, ordinances, rules and regulations of TRPA.

2.14 Powers. The Association shall have all the powers of a nonprofit corporation organized under the laws of the State of Nevada, subject only to such limitations on the exercise of such powers as are set forth in the Act, Articles, the Bylaws, and this Declaration. It shall have the power to do any lawful thing that may be authorized, required, or permitted to be done by the Association, including, without limitation, the following:

2.14.1 Assessments. The Association shall have the power to establish, fix, and levy assessments against the Owners and to enforce payment of such assessments, in accordance with the provisions of this Declaration.

2.14.2 Right of Enforcement.

(a) The Association in its own name and on its behalf, in the sole discretion of the Board, can commence and maintain actions for damages, or to restrain and enjoin any actual or threatened breach of any provision of this Declaration, the Articles, Bylaws, Rules and Regulations, or any resolutions of the Board, or to enforce by mandatory injunction, or otherwise, all of these provisions.

(b) In addition, the Association can suspend the voting rights, can suspend use privileges of the Common Area, or can assess monetary penalties, including but not limited

to, fines, attorney's fees, costs, against any Owner or other person entitled to exercise such rights or privileges for any violation of this Declaration, the Articles, Bylaws, Rules and Regulations, or Board resolutions. However, any such suspension of use privileges cannot exceed a period of 60 days for any one violation. If the violation continues, successive suspensions may be invoked for 60 day successive periods. Before invoking any such suspension or assessing a fine or attorney's fees or costs or other amounts, the Board shall give such violating Owner or other person at least 5 days written notice and shall provide the Owner a hearing before the Board. The action imposing the fine or suspension must be approved by a majority of Board. The Owner or other person to be fined or suspended can appear, be represented by counsel, and be heard at the meeting. The Board may impose a special assessment against such Owner's Unit to collect any fine or attorney's fees and costs that remain unpaid for a period of 10 days or more. Except as provided in this Section, the Association does not have the power or authority to cause a forfeiture or abridgment of an Owner's right to the full use and enjoyment of such Owner's Unit if the Owner does not comply with provisions of this Declaration, the Articles, Bylaws, or the Rules and Regulations, except when the loss or forfeiture is the result of a court judgment or arbitration decision or a foreclosure or sale under a power of sale based on failure of the Owner to pay assessments levied by the Association.

2.14.3 Delegation of Powers; Professional Management; Other Services. The Association acting by and through the Board can delegate its powers, duties, and responsibilities to committees or employees, including a professional managing agent licensed as a community manager ("Manager") as may be allowed by the Act. Any agreement for professional management of the Project shall be terminable by either party with or without cause and without payment of a termination fee on 30 days' written notice. The Association, in the sole discretion of the Board, may obtain and pay for legal, accounting, and other services necessary and desirable in connection the operation of the Project and the enforcement of this Declaration.

2.14.4 Personal Property. The Association may acquire and hold for use and benefit of all the Owners tangible and intangible personal property, and may dispose of the same by sale or otherwise.

2.14.5 Rules and Regulations. The Board shall have the power to adopt, amend, and repeal the Rules and Regulations as it deems reasonable. The Rules and Regulations shall govern the use of the Common Area by all Owners, or their families, guests, invitees, or by any contract purchaser, or tenant, or their respective family members, guests, or invitees. However, the Rules and Regulations shall not be inconsistent with or materially alter any provisions of this Declaration, the Articles, or the Bylaws. A copy of the Rules and Regulations as adopted, amended, or repealed, shall be mailed or otherwise delivered to each Owner. Such Rules and Regulations, as amended from time to time, shall be effective thirty days after mailing or delivery and posting, or upon such other date specified in the Rules and Regulations. In case of any conflict between any provisions of the Rules and Regulations and any provisions of this Declaration, the Articles, or Bylaws, then the conflicting provision of the Rules and Regulations shall be void. Such rules may provide for fines for violation thereof and for assessments for expenses incurred by the Association in enforcing such rules or correcting violation thereof.

Such rules may contain provisions which discriminate between Owners, on the one hand,

and tenants or guests, on the other. Notwithstanding any other rule, regulation, or restriction, the Association shall make reasonable accommodations in the Association Rules and Regulations if those accommodations may be necessary or be required by law to afford a disabled person equal opportunity to use and enjoy the Project.

2.14.6 Other Services and Properties. The Association, in the sole discretion of the Board, shall have the power to obtain or pay for, as the case may be, any other property, services, taxes, or assessments that the Association or the Board is required to secure or pay for pursuant to the terms of this Declaration, the Articles, or Bylaws, including patrol or surveillance services for the Common Area or for the Project generally, or which, in its opinion, shall be necessary or proper for the operation of the Common Area.

2.14.7 Other Powers. The Board shall have all powers necessary to perform the duties under the Declaration and all powers allowed under the Act and as exercised by other corporations.

2.15 Duties of the Association. In addition to the duties delegated to it by its Articles or the Bylaws, and without limiting their generality, the Association, acting by and through the Board, or persons or entities described in Section 2.14.3, has the obligation to conduct all business affairs of common interest to the Owners and to perform each of the following duties:

2.15.1 Operation and Maintenance of Common Area. Except as otherwise provided, the Association shall operate, maintain, and otherwise manage or provide for the operation, maintenance, and management of the Common Area.

2.15.2 Taxes and Assessments. The Association shall pay all taxes and assessments levied against property owned by the Association or against the Association. Such taxes and assessments may be contested or compromised by the Association, provided that they are paid or that a bond insuring payment is posted before the sale or the disposition of any property to satisfy the payment of such taxes.

2.15.3 Utilities. The Association shall acquire, provide, and pay for water, sewer, garbage disposal, refuse and rubbish collection, electrical, telephone, gas, and other necessary utility services for the Common Area and for Units when the Units are not separately billed.

2.15.4 Insurance. The Association shall obtain and maintain, from reputable insurance companies, the insurance described in Article VIII or any insurance required by law, including the Act.

2.15.5 Enforcement. The Association shall perform such other acts, whether or not expressly authorized by this Declaration, that may be reasonably necessary to enforce any of the provisions of this Declaration, Articles, Bylaws, the Rules and Regulations, or Board resolutions.

2.15.6 Other. The Association shall carry out the other duties of the Association set forth in the Declaration, Articles, Bylaws, or the Act.

2.16 Personal Liability Indemnification. Except to the extent such liability, damage, or injury is covered by any type of insurance, no member of the Board, or of any committee of the Association or any officer of the Association, or any Manager, shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error or negligence of any such person or entity if such person or entity has, on the basis of such information as may be possessed by him or it, acted in good faith without willful or intentional misconduct. If a member of the Board is sued for liability for actions undertaken in his role as a member of the Board, the Association shall indemnify him or her for his or her losses or claims, and undertake all costs of defense, unless it is proven that he acted with willful or wanton misfeasance or with gross negligence. After such proof, the Association is no longer liable for the cost of defense, and may recover costs, if any, already expended from the member of the Board who so acted. Members of the Board are not personally liable to the victims of crimes occurring on the Project. Punitive damages may not be recovered against the Association or its Board members.

2.17. Meetings of Members. Meetings of Members shall be noticed and held as provided in the Articles, Bylaws, this Declaration, and the Act.

2.18. Inspection of Association Books and Records. Accounting records, and minutes of meetings of the Members, the Board and committees of the Board or the Association, shall be made available for inspection and copying by any Member of the Association, at any reasonable time and for a purpose reasonably related to his or her interest and as allowed by the Act, at the office of the Association or at such other place as the Board prescribes. The Board may establish by resolution reasonable rules with respect to (a) notice to be given to the custodian of the records of the Association by the Member, representative, or person desiring to make an inspection, (b) hours and days of the week when an inspection may be made, and (c) payment of the cost of reproducing copies of documents requested by a Member or by a representative. Every Member shall have the absolute right at any reasonable time to inspect the books, records, and documents of the Association available for inspection as provided in the Act and the physical properties owned or controlled by the Association. The right of inspection by a Member includes the right to make extracts and copies of documents as may be required by the Act. Members may not have privileged or confidential records.

### **ARTICLE III**

#### **COVENANT FOR MAINTENANCE ASSESSMENTS TO ASSOCIATION AND RESERVES**

3.1 Creation of Lien and Personal Obligation for Assessments. Each Owner of any Unit by acceptance of a deed therefor, whether or not it is stated in the deed, is deemed to covenant and agree to pay without deduction or offset to the Association:

- (a) Annual assessments based upon the last ratified periodic budget to provide for
  - (i) all Association Operating Expense and (ii) an adequate reserve; and
- (b) Special Capital assessments for capital improvements, such assessments to be established and collected as hereinafter provided.
- (c) Special Unit assessments to be established and collected as hereinafter provided.
- (d) Other charges to a Unit as provided in this Declaration or the Act.
- (e) Reserve Assessments as may be needed.

The full annual and special assessments and other charges, together with interest, costs and reasonable attorney's fees, where applicable, shall be a charge on the Unit and shall be a continuing lien upon the Unit against which each such assessment is made. Each such assessment together with interest, costs and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such Unit at the time when the assessment became due. The personal obligation for delinquent assessments shall not pass to an Owner's successors in title unless expressly assumed by them or as provided in the Act or this Declaration, but the lien shall run with the property.

The Board of Directors ~~may shall~~ fix the annual assessment ~~based upon the last budget ratified by the Owners pursuant to Selection 8.22 of the By Laws and Section 116.3103 of Nevada revised statutes and increase the assessment for unexpected Operating Expenses as it determines necessary subject to the restrictions set forth in section 3.14 of this Declaration~~ the Act. Any special assessments are subject to the limitations set out in Section 3.14(d).

3.2 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, ~~health, safety,~~ welfare and common good of all the residents in the entire Project and for the improvement and maintenance of the Common Area and Association Property. Reserve assessments shall be made as needed to adequately fund the reserves or to pay for any Reserve Expenses.

3.3 Special Capital Improvement Assessments. In addition to the annual assessments authorized above, the Association may levy Special Assessments for ~~Capital Expenses~~ capital improvements, provided that any such assessment shall be first approved by either (i) the vote of a majority of the Owners by written ballot or represented in person or by proxy at a meeting duly called and noticed to consider such assessment, at which meeting duly called and noticed to consider such assessment, at which meeting a quorum is present at the time of the vote of the assessment, or (ii) the ~~written~~ assessment is ~~levied for more than one category of Capital Expense, the portion thereof allocable to each such category shall be separately approved~~ ratified as may be included in the budget.

3.4 Special Unit Assessment. The Association may also levy a special assessment, including fines or abatement charges, against any Owner and Owner's Unit, to reimburse the Association for costs incurred in bringing an Owner and his or her Living Unit into compliance with the provisions of the Declaration, the Articles, the By- Laws, and the Association Rules and



Regulations. ~~Said-The~~ special assessment may be levied upon the vote of the Board after notice to the Owner and an opportunity to be heard.

3.5 Membership Approval. Any action of the Owners authorized under 3.1 or 3.3 above shall be taken at a semi- annual meeting or at a special meeting called for that purpose by written notice which must state the time, place, and the times to be considered at the meeting, and which shall be given to all Owners not less than fourteen (14) nor more than thirty (30) days before the meeting. In addition, a written ballot may be sent in lieu of a meeting.

3.6 Uniform Rate of Assessment. Except as otherwise provided herein, both annual and special assessments shall be fixed at a uniform rate for all Units. The annual assessments shall be collected in equal monthly installments.

3.7 Surplus. Surplus funds remaining after payment of or provisions for Common Expenses shall be retained by the Association ~~as a capital replacement~~for the reserve fund.

3.8 Reimbursement. A special assessment against an Owner to reimburse the Association for costs incurred in bringing the Member or his or her Living Unit into compliance with the provisions of the Declaration, the Articles, the By- Laws and the Association Rules and Regulations shall be assessed only against that Owner and his or her Unit.

3.9 Delinquent Assessment. Any assessment not paid within fifteen (15) days after the due date shall be delinquent and shall bear interest at the rate of ~~twelve two~~ percent (~~12~~%) per annum above prime or greater amount allowed by the Act from the due date until paid. The Association may also establish a reasonable late charge or penalty in the determination of the Board, in addition to the interest, which may be charged if any assessment is not paid within fifteen (15) days after the due date.

3.10 Suspension of Voting Rights. The Board may suspend the voting rights of an Owner who is in default in the payment of an assessment for any period during which such assessment remains unpaid.

~~3.7-11~~ Effect of Non-Payment of Assessments; Remedies of the Association. Any assessment made in accordance with this Declaration shall be a lien on the Unit and a debt of the Owner of a Unit from the time the assessment is due. At any time after any assessment levied by the Association against a Unit has become delinquent, the Board may record in the Office of the Washoe County Recorder a "Notice of Delinquent Assessment and Claim of Lien" as to such Unit, ~~in the form substantially as follows:~~as provided in the Act.

NOTICE OF DELINQUENT ASSESSMENTS  
AND CLAIM OF LIEN

To: \_\_\_\_\_  
(Owner)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
\_\_\_\_\_  
~~WHITE PINE ESTATES CONDOMINIUM HOMEOWNERS ASSOCIATION, INC.,~~  
(“Association”) claims a lien in the sum of \$\_\_\_\_\_ for maintenance assessments with interest at twelve percent (12%) per annum on the property owned by you, commonly known as 820 Oriole, Incline Village, Nevada, being Unit No. \_\_\_\_\_, as shown by the certain Subdivision Map entitled ~~AMENDED OFFICIAL PLAT OF ROYAL PINES CONDOMINIUMS~~ filed in the Office of the County Recorder of Washoe County, State of Nevada, on June 12, 1974, Series No. 330178, as Tract Map 1482, for failure to pay the maintenance assessments due for the months of \_\_\_\_\_, and all subsequent installments, interest, accruing costs, and attorney’s fees from date hereof until paid.

(\*Revise if it is a different type of assessment, i.e., capital or special unit assessment.)

\_\_\_\_\_  
Failure to pay said assessments, all accrued interest, costs, fines, and fees within fifteen (15) days from date hereof may result in commencement of foreclosure of this lien upon your Unit, and/or filing of legal action to collect same.

\_\_\_\_\_  
Payments should be made to ~~WHITE PINE ESTATES CONDOMINIUM HOMEOWNERS ASSOCIATION, INC.,~~ at (Address).

~~WHITE PINE ESTATES CONDOMINIUM~~  
~~HOMEOWNERS ASSOCIATION, INC.~~

By \_\_\_\_\_

Its \_\_\_\_\_

~~STATE OF NEVADA)~~  
\_\_\_\_\_) ss.  
~~COUNTY OF WASHOE )~~



\_\_\_\_\_  
On this \_\_\_\_ day of \_\_\_\_\_, 199\_\_, personally appeared before me, a Notary Public in and for said County and State, \_\_\_\_\_ of WHITE PINE ESTATES HOMEOWNERS ASSOCIATION, INC., who acknowledged to me that he/she executed the foregoing instrument freely and voluntarily and for the purpose and uses therein mentioned.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
NOTARY PUBLIC

Such notice shall be signed by an Officer or director of the Association, its manager (as allowed by the Act) or attorney. A copy of ~~said the~~ Notice shall be served ~~personally upon the Owner, or be sent by certified mail, postage prepaid, return receipt requested, to the then current address of the Owner in the Association's files.~~ as required by the Act.

3.12 Acceleration. Immediately upon mailing of any notice of delinquency pursuant to this section, the amounts delinquent, together with costs (including attorney's fees), and interest accruing thereon, shall be and become immediately due. The notice shall also secure all other payments and/or assessments, together with interest, costs, and attorney's fees with respect to ~~said the~~ Unit following such recording. ~~Such notice shall continue as a lien on a Unit for a period of three (3) years from and after the date the full amount of the assessment becomes due.~~

3.13 Additional Charges. In the event the delinquent assessments and all other assessments which have become due and payable with respect to the same Unit together with all costs (including attorney's fees) and interest which have accrued on such amounts are fully paid or otherwise satisfied prior to the complaint of any sale held to foreclose the lien as provided for in this Article, the Board shall record a satisfaction and release of ~~said the~~ lien similarly signed.

3.14 Foreclosure. Each assessment lien may be foreclosed ~~as and in the same manner as the foreclosure of a mortgage upon real property under the laws of the State of Nevada, or may be enforced by sale~~ pursuant to Section 116.3116~~2~~ and through 116.3116~~4~~8 of ~~Nevada Revised Statutes, the Act~~ as from time to time amended, or any successor statute and to that end a power of sale is hereby conferred upon the Association. The Association, acting on behalf of the Owners, shall have the power to bid for the Unit at a foreclosure sale, and to acquire and hold, lease, mortgage and convey the same.

3.15 Alternative Remedies. Suit to recover a money judgment for unpaid assessments, costs, fines, and attorney's fees ~~are is~~ permitted without foreclosure or waiver of the lien on the Unit.

The Board shall not have the power to forgive or waive any assessment against an Owner that has been properly made, except when required by the Act and that it may waive any late fees or penalties if it determines the circumstances warrant such waiver.

3.8-16 Notice to Lien Holders. A copy of the notice of default and election to sell, as well as the notice of sale, shall be mailed certified mail, return receipt requested, to ~~holders of recorded liens, and to persons who have recorded requests for notice pursuant to NRS 107.090 or any other statutes. Notice shall be mailed to the name and address as appears on the request for notice and on the recorded liens~~ all entities as required by the Act.

3.9-17 Lien/ Security Interest. A lien under Article III is prior to all other liens and encumbrances on the Unit except;

- (a) Lien and encumbrances recorded before the recordation of this Declaration.
- (b) Liens for real estate taxes and other governmental assessments of charges against The Unit.
- (c) A First Security Interest on the Unit recorded before the date on which the assessment sought to be enforced become delinquent, except that lien for assessments for common expenses based on the periodic budget adopted by the Association pursuant to NRS 116.3103 which became due during the ~~six~~ nine (69) months ~~immediately preceding institution of an action to enforce the lien~~ (or greater period as allowed by the Act) and all costs of collection, attorney's fees, interest, and late charges shall be prior to such First Security Interests.

This section does not affect the priority of mechanics' or materialmen's liens, or the priority of liens for other assessments made by the Association.

Recording of the Declaration constitutes record notice and perfection of the lien. No further recordation of any claim of lien for assessment under ~~the this~~ Article III is required; ~~except a notice of delinquent assessment must be recorded before commencement of foreclosure.~~

~~A lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within three (3) years after full amount of the assessments becomes due.~~

3.10-18 Subordination of the Lien to First Security Interest. Except as provided in ~~3.9(e)~~ the lien of the assessments provided for herein shall be subordinate to the lien upon any Unit of a First Security Interest recorded prior to the date the assessment sought to be enforced becomes delinquent. Sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to judicial or non judicial foreclosure of a First Security Interest shall, except as to the amounts pursuant to Section ~~3.9(e)~~, extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Unit from lien rights for any assessments thereafter becoming due. Where the holder of a recorded First Security Interest or other purchaser of a Unit obtains title to the same as a result of foreclosure, such acquirer of title, his or her successor and assigns, shall not, except pursuant to ~~3.9(e)~~, be liable for the share of the Common Expense or assessments by the Association chargeable to such Unit which became due prior to the acquisition of title to such Unit by such acquirer. Such unpaid share of Common Expenses or assessments shall be deemed

to be Common Expenses collectable from all of the Owners, including such acquirer, his or her successor and assigns.

3.14-9 Estoppel Certificate. The Association shall within ten (10) days after written request by an Owner provide a certificate in recordable form signed by an officer of the Association setting forth the amount of the unpaid assessment on the Unit and whether or not it is delinquent. A properly executed certificate of the Association as to the status of assessment on a Unit is binding upon the Association, the Board and every Owner as of the date of its issuance.

3.12-20 Personal Liability of Owner. No Owner may exempt himself or herself from personal liability for assessments levied by the Association, nor release the Unit owned by him or her from liens and charges hereof by waiver of the use or enjoyment of any of the Common Area or Association Property or by abandonment of his or her Unit.

3.13-21 Taxation of Association. If any taxes are assessed against the Common Area or the Association Property, rather than against the individual Units, ~~said the~~ taxes shall be added to the annual assessments and, if necessary, a special assessment may be levied against the Unit in an amount equal to ~~said the~~ taxes.

3.14-22 Approval of Certain Actions. Neither the Association nor the Board of Directors may take any of the following actions unless such action has been first approved by either (i) the vote of a majority of the Owners represented in person or by proxy at a meeting duly called and noticed to consider such action, at which meeting a quorum is present at the time of the vote on the action, or (ii) the written assent of a majority of the Owners:

- (a) Increase the annual assessment for any year, after the annual assessment for that year has been established by the Board of Directors, by more than twenty-five percent (25%) or for reasons other than unexpected increases in Operating Expenses.
- (b) Expend any funds for Capital Improvement Expenses, except Capital Improvement Expenses that were the subject of a special assessment approved by the Owners or included in the ratified budget as provided above.
- (c) Expend funds derived through a special assessment for any purpose other than that for which the special assessment was levied.
- ~~(d) Assess any special assessments in an aggregate amount of more than Five Hundred Dollars (\$500) per year per Unit.~~

3.23 Review of Financial Records. At least once every quarter, but not less than every 100 days, the Board shall review at one of its meetings: (a) a current year-to-date financial statement of the Association; (b) a current year-to-date schedule of revenues and expenses for the operating account and the reserve account, compared to the budget for those accounts; (c) a current reconciliation of the operating account of the Association; (d) a current reconciliation of the reserve account of the Association; (e) the latest account statements prepared by the financial institutions in which the accounts of the Association are maintained; and (f) the current status of

any civil action or claim submitted to arbitration or mediation in which the Association is a party.

3.24 Budget. The Board shall, not less than 30 days or more than 60 days before the beginning of the fiscal year of the Association, prepare and distribute to each Member a copy of (i) the budget for the daily operation of the Association, and (ii) the budget to maintain the reserve required by the Act. The budget must include, without limitation, (a) the estimated annual revenue and expenditures of the Association and any contributions to be made to the reserve account of the Association; (b) the current estimated replacement cost, estimated remaining life and estimated useful life of each major component of the common elements; (c) as of the end of the fiscal year for which the budget is prepared, the current estimate of the amount of cash reserves that are necessary, and the current amount of accumulated cash reserves that are set aside, to repair, replace or restore the major components of the common elements; (d) a statement as to whether the Board has determined or anticipates that the levy of one or more special assessments will be required to repair, replace or restore any major component of the common elements or to provide adequate reserves for that purpose; and (e) a general statement describing the procedures used for the accumulation of cash reserves, including, without limitation, the qualifications of the person responsible for the preparation of the reserve study.

In lieu of distributing copies of the budgets, the Board may distribute to each Member a summary of those budgets, accompanied by a written notice that the budgets are available for review at the business office of the Association or other suitable location and that copies of the budgets will be provided upon request.

3.25 Budget ratification. Within thirty days after adoption of any proposed budget for the Association, the Board shall provide a summary of the budget to all the Members and shall set a date for a meeting of the Members to consider ratification of the budget not less than 14 nor more than 30 days after mailing of the summary. Unless at that meeting a majority of all Members reject the budget, the budget is ratified, whether or not a quorum is present. No proxies are required to be sent for the budget ratification meeting. If the proposed budget is rejected, the periodic budget last ratified by the Members must be continued until such as the Members ratify a subsequent budget proposed by the Board.

#### **ARTICLE IV**

#### **RESPONSIBILITIES OF MAINTENANCE, REPAIR, REPLACEMENT**

4.1 Owner Maintenance of Living Unit. Each Owner of a Unit shall be responsible for the maintenance and repair of the Limited Common Area, including but not limited to, decks (excluding railings, rail caps and support structures), balconies, doors, screen doors, garage doors, windows and window screens enclosing his or her Living Unit, the interior of his or her Living Unit, including walls, floors, and ceilings, and also all appliances whether “built- in” or free- standing within a Unit. The Owner shall also be responsible for the maintenance and repair (and damage as a result of any repair) of the plumbing, gas, electrical, T.V. cable systems, and air conditioning, heating units and ducts servicing the Living Unit (wherever such systems are

located), including television cable equipment and connections. Each Owner shall be responsible for the plumbing, electrical and gas to the outlet at the Unit. "Outlet at the Unit" is defined as follows: for sewer lines, to the entry of the line to the Unit; for electrical, to and including the interior circuit breakers as originally installed; for water lines and gas lines, to the entry of the line of the Unit.

~~4.2 Owner's Grant of Easements. Each Owner hereby grants easements to the Association to enter into each Living Unit and to have utility companies enter into the Condominium to repair the plumbing, heating, and electrical systems located thereon, subject to the following limitations. Entry into a Living Unit for emergency purposes may be immediate; provided, however, such entry shall be made with as little inconvenience as possible to the Owner. Any damages caused thereby shall be repaired by the entering party. Entry into a Living Unit for other than emergency repairs shall be made only after three (3) days notice to the Owner and shall be made with as little inconvenience as possible to the Owner.~~

4.2 Association Maintenance of Common Area and Association Property. Except as otherwise provided herein, the Association acting through the Board and its officers shall have the sole and exclusive right and duty to manage, operate, control, repair, replace or restore all the Common Area and Association Property, and any portion thereof, together with the improvements, roofs, roads, sidewalks, entrances of buildings, landscaping, parking areas, trees, shrubbery, plants and grass thereon, all as more fully set forth in this Declaration, the Articles and By-Laws. Should ~~said the~~ maintenance or repair result from the negligence (either passive or active) of an Owner, his or her guests, or licenses, the Owner shall reimburse the Association for the costs of such maintenance or repair and all expenses incurred in assessing or collecting such costs.

4.3 Reserve Fund. The Association shall establish an adequate reserve, funded on a reasonable basis, for the repair, replacement and restoration of the major components of the common elements. The reserve may be used only for those purposes, including, without limitation, repairing, replacing and restoring roofs, roads and sidewalks, and must not be used for daily maintenance. Funds in the Association's reserve account may not be withdrawn without the signatures of at least two members of the board or the signatures of at least one member of the board and one officer of the Association.

4.4 Reserve Study. The Board shall (i) cause to be conducted at least once every 5 years, a study of the reserves required to repair, replace and restore the major components of the Common Area; (ii) review the results of that study at least annually to determine if those reserves are sufficient; and (iii) make any adjustments it deems necessary to maintain the required reserves.

~~4.4 Association Right to Adopt Rules. The Association may adopt reasonable rules and regulations not inconsistent with the provisions contained in this Declaration, and to amend the same from time to time relating to the use of the Common Area, Limited Common Area and all Living Units and facilities situated thereon by Owners, their tenants or guests, and the conduct of such persons with respect to such property and the other Owners and their tenants and guests~~

~~including, but not limited to, vehicle parking, outside storage of bicycles, wood and other objects, disposal of waste materials, drying of laundry, control of pets, noise and other activities which, if not so regulated, might detract from the appearance of the Project or offend or cause inconvenience or damage to persons residing or visiting therein.~~

~~All such rules and regulations must first be approved by either (i) the vote of a majority of the Owners represented in person or by proxy at a meeting duly called and noticed to consider proposed rules or regulations, or (ii) the written assent of a majority of the Owners.~~

~~Such rules may provide for fines for violation thereof and for assessments for expenses incurred by the Association in enforcing such rules or correcting violation thereof.~~

~~Such rules may contain provisions which discriminate between Owners, on the one hand, and tenants or guests, on the other.~~

## **ARTICLE V**

### **ARCHITECTURAL CONTROL**

5.1 Approval Required. No building, fence, wall, structure, improvement or alteration, including removal of partitions between Living Units shall be commenced, placed, erected or altered upon the Project by or on behalf of any Owner or any tenant of an Owner until the location and complete plans and specifications showing the nature, kind, shape, height and materials, including the color scheme, have been submitted to and approved in writing as to appropriateness of the structure or alteration, harmony of external design and location of surrounding structures by the Board of Directors, ~~or by an architectural committee appointed by the Board of Directors and composed of not less than three (3) Owners.~~ Any approval may be conditioned upon the agreement by the Owner, in recordable form, to such terms and conditions as the Board ~~or architectural committee~~ deems appropriate, such as indemnification of the Association and the other Owners and perpetual maintenance of the improvement or alteration by the Owner seeking approval and his or her successors and assigns.

5.2 Liability. Neither the Association, the Board, ~~the architectural committee,~~ nor any member thereof shall be liable to any Owner, or to any other party, for any damage, loss, prejudice or expense suffered or claims on account of (a) the approval or disapproval of any plans, drawings, or specifications, whether or not defective; (b) any defect in the construction or performance of any work, whether or not pursuant to approved plans and specifications; or (c) the inability of anyone to obtain a building permit for the construction or alteration of any improvement pursuant to plans and specifications; provided, however, that such Association or Board ~~or committee member~~ has acted in good faith on the basis of such information as may be possessed by it.

~~5.3 Handicapped. Notwithstanding any other rule, regulation, or restriction, the Association shall make reasonable accommodations in the Association Rules and Regulations if those accommodations may be necessary or be required by law to afford a handicapped person equal opportunity to use and enjoy the Project.~~



**ARTICLE VI**  
**PROHIBITION OF PARTITION OR SEPARATION OF INTEREST**

6.1 Separation of Interest. No Owner shall sell, assign, lease or convey:

- (a) The Allocated Interest separate and apart from the Living Unit, nor
- (b) The Living Unit separate and apart from the interest in the Common Area or the right to use the Limited Common Area.

6.2 Prohibition of Partition. Each Owner is hereby prohibited from partitioning or in any other way serving or separating such ownership from any of the other ownerships on the Project, except upon termination of the condominium form of ownership in accordance with the provisions of Section 116.2118 of ~~Nevada Revised Statutes~~ the Act, provided, however, that if any Unit shall be owned by two or more co-tenants as tenants-in-common or as joint tenants, nothing herein shall be deemed to prevent a judicial partition as between such co-tenants, so long as there is no physical division of the Unit. No Unit may be partitioned or subdivided without the prior written approval of the Mortgagee holding the First Security Interest on that Unit.

6.3 Power of Attorney. The Association is hereby granted an irrevocable power of attorney to sell the Project for the benefit of all the Owners thereof when the partition on the Owners' interest in ~~said-the~~ Project may be had pursuant to 6.2 above. The power of attorney herein granted may be exercised, after the vote or written consent of Owners holding in the aggregate at least two-thirds (2/3) of the Units, by any two (2) members of the Board. The Board shall record a copy of the resolution implementing the power of attorney in the office of the County Recorder, Washoe County, Nevada. Said resolution shall be conclusive evidence thereof in favor of any person relying thereon in good faith; provided, however, that ~~said-the~~ power of attorney shall not apply to the Secretary, Department of Veterans Affairs.

**ARTICLE VII**  
**RIGHT OF SECURITY INTEREST**

7.1 Security Interest's Consent. ~~Provided that~~ Except as provided, if the holder of the Eligible Security Interest informs the Association in writing of its appropriate address and requests in writing to be notified, neither the Association nor the Owners shall do any of the following, ~~unless: at least two-thirds of the Owners and two-thirds of the Eligible Security Interests (except upon substantial destruction or condemnation, the only fifty-one percent (51%) of the Eligible Security Interests are required) which encumber Units (based upon one (1) vote for each Security Interest) have given their prior written approval:~~

- (a) Seek, by act or omission, to abandon the Project or to terminate the Condominium plat or this Declaration, or waive or abandon any scheme for regulation or enforcement thereof, pertaining to architectural design or the exterior appearance or maintenance of Living Units or the Common Area;

- (b) Change the pro-rata interest or obligations of any Unit for purposes of levying assessments of allocating distribution of hazard insurance proceeds or condemnation awards or for determining the pro-rata share of the Common Area appurtenant to each Living Unit;
- (c) Partition or subdivide any Unit (~~applies only to~~ as to the affected Security Interest.);
- (d) Seek, by act or omission, to abandon, partition, subdivide, encumber, sell or transfer the Common Area; however, the granting of easements for public utility or other public purposes shall not be deemed a transfer within the meaning of this provision;
- (e) Use of hazard insurance proceeds for losses to any portion of the Project for other than the repair, replacement, or reconstruction of the Project, except as may be provided by status upon substantial loss to the Living Unit, Common Area or Association Property;
- (f) Fail to maintain fire and extended coverage insurance on the Common Areas and the improvements thereto on a current replacement cost basis in an amount less than one hundred percent (100%) of the insurable value based on current replacement cost.

If at least two-thirds of the Owners and two-thirds of the Eligible Security Interests (except upon substantial destruction or condemnation, then only fifty-one percent (51%) of the Eligible Security Interests are required) which encumber Units (based upon one (1) vote for each Security Interest) have given their prior written approval, then any or all of the prohibited acts of 7.1(a)-(f) may be done upon such vote.

**7.2 Notice of Eligible Security Holder.** Upon written request to the Association, identifying the name and address of the Eligible Security Interest Holder, Eligible Insurer or Guarantor and the Unit number and address, any Eligible Security Interest Holder or Eligible Insurer or Guarantor will be entitled to timely written notice of:

- (a) Any condemnation loss or any casualty loss which affects a material portion of the Project or any Unit which there is a first Mortgage held, insured or guaranteed by such Eligible Security Interest or Eligible Insurer or Guarantor, as applicable days.
- (b) Any delinquency in the payment of assessments or charges owed by an Owner of a Unit subject to a First Security Interest held, insured or guaranteed by such Eligible Security Holder ~~or Eligible Insurer or Guarantor, which remains uncured for a period of sixty (60) days~~ as provided in the Act.
- (c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.
- (d) Any proposed action which would require the consent of a specified percentage of Eligible Security Holders as required in this Declaration or the By- Laws for the Owners' Association.



7.3 Security Interest Protection. Neither the breach of any of the covenants, conditions and restrictions in this Declaration, nor the enforcement thereof or, except as provided in ~~3.9(e)~~3.17, of any lien provisions herein, shall defeat or render invalid the lien of any Security Interest held by an Eligible Security Interest Holder made in good faith and for value. However, all of the covenants, conditions and restrictions in this Declaration shall be binding upon any Owner whose title is derived through foreclosure or exercise of power of sale, or otherwise.

## **ARTICLE VIII**

### **DESTRUCTION OR CONDEMNATION OF COMMON AREA**

If any portion of the Project is damaged or destroyed by fire or other casualty, then the Association shall take such action as required under this Article VIII and the Act.

8.1 Estimate of Costs. As soon as practicable after an event causing damage to, or destruction of, any part of the Project, the Association shall obtain estimates that it deems reliable and complete of the costs of repair or reconstruction of that part of the Project damaged or destroyed.

8.2 Repair or Reconstruction. As soon as practicable after receiving these estimates, the Association shall diligently pursue to completion the repair or reconstruction of the part of the Project damaged or destroyed. The Association may take all necessary or appropriate action to effect repair or reconstruction as attorney-in-fact for the Owners. No consent or other action by any Owner shall be necessary in connection therewith. Such repair or reconstruction may be in accordance with the original plans and specifications of the Project or may be in accordance with any other plans and specifications the Association may approve, provided that in such latter event, the number of cubic feet and the number of square feet of any Living Unit may not vary by more than 5% from the number of cubic feet and the number of square feet for such Living Unit as originally constructed pursuant to such original plans and specifications, and the location of the improvements shall be substantially the same as prior to damage or destruction.

8.3 Funds for Reconstruction. The proceeds of any insurance collected shall be available to the Association for the purpose of repair or reconstruction. If the proceeds of the insurance are insufficient, then the Association, pursuant to Article III hereof, may levy in advance a special assessment sufficient to provide funds to pay such estimated or actual costs of repair or reconstruction. Such assessment shall be allocated and collected as provided in that Article. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair or reconstruction.

8.4 Decision Not to Rebuild. If all Owners and holders of ~~first mortgages~~First Security Interests on Units agree not to rebuild as provided herein, then the Project shall be sold. The proceeds of such sale shall be held by the Association as trustee for Owners and holders of liens on the Units as their interest may appear and shall be distributed in accordance with Nevada law.

8.5 Taking of Common Area. If any portion of the Project is taken by condemnation, eminent domain or any proceeding in lieu thereof, and the award therefore is not apportioned

among the Owners and their Security Holders by court judgment or by agreement between the condemning authority and each of the affected Owners, then the Owners and the Security Holders shall be entitled to receive a distribution from the award for such taking in the same proportion as proceeds will be distributed in the event of a decision to not rebuild and a sale. However, if it should be determined to repair or rebuild any portion of the Project, such proceeds shall be paid to the Association for that purpose in the same manner and subject to the same terms, conditions and limitations as are set forth above for repair of damaged or destroyed portions of the Common Area.

8.6 Casualty Destruction of Living Unit. In the event of damage or destruction of any Living Unit, the Owner thereof shall reconstruct all portions thereof which are not covered by the Association's insurance as soon as reasonably practicable and substantially in accord with the original plans and specifications therefore; provided, however, that any such Owner may, with the written consent of the Board, reconstruction or repair the same pursuant to new or changes plans and specifications.

## ARTICLE IX INSURANCE

8.79.1 Association Insurance. The Association shall obtain and continue in effect the following insurance;

~~(a)~~9.1.1 A master fire insurance policy with extended coverage endorsement for the full insurable value of all the improvements within the Project. "Improvements" means and refers to the Common Area together with the Living Units as set forth in the original plans and specifications and does not include items added to a Living Unit at a later time or any other settlements. It also does not include drapes or other window coverings, carpet or other floor covering, wallpaper or other wall coverings or appliances. The form and content of such policy must be satisfactory to all ~~institutional-First~~Eligible Security ~~Interest-Holders~~ and shall meet the maximum standards of the various institutional first mortgage lenders whose loan(s) encumber any of the Units.

~~(b)~~9.1.2 A public liability and property damage insurance policy with cross liability endorsement, if available, insuring the Association, any Manager, and the Owners against liability incident to ownership or use of the Common Area or Association Property, including the operation of automobiles on behalf of the Association. The limits of such insurance shall not be less than \$1,000,000.00 covering all claims for death, personal injury and property damage arising out of a single occurrence. Such policies must provide that they may not be cancelled or substantially modified by any party without at least thirty (30) days prior written notice to the Association, the Owners' and to each holder of a ~~First-Eligible~~ Security ~~Interest-Holder~~ which is listed as a schedule holder of a First Security Interest in the insurance policy.

~~(e)9.1.3 FidelityCrime insurance covering members of the Board officers and employees if shall be purchased the Association and employees and any manager or managing agent, whether or not such persons are compensated for their services, naming the Association as insured and written in an amount equal to at least the estimated maximum funds, including reserves in the custody of the Association or a management agent at any given time during the term of the bond. However, the bond shall not be less than a sum equal to three (3) months aggregate assessments on all Units plus reserve funds in such amounts and in such forms as it shall deem appropriate, coverage against dishonesty of employees, destruction or disappearance of money or securities, and forgery. The Board shall obtain and maintain (or ensure they are otherwise provided) insurance coverage for dishonest acts by members of the Board and the officers, employees, agents, independent contractors, directors, or other persons who either handle, control or are responsible for, funds held or administered by the Association, whether or not such persons receive compensation for their services and which extends coverage to any business entity that acts as the community manager for the Association and the employees of that entity. The policy must name the Association as an obligee, and shall be in an amount at least equal to the sum of the following: (i) the maximum amount of funds that will at any one time, be in the custody of the Association and the persons and entities covered by the policy, (ii) an amount equal to three (3) months' Regular Assessments on all Residence Sites plus reserve funds of \$5,000,000.00, whichever is less, and (iii) the amount of the Association's reserve fund. Such policy shall include a provision requiring at least ten (10) days' written notice before the policy can be cancelled or modified for any reason, which notice shall be given to the Association. In addition, a manager of the Association who is not an employee must obtain a fidelity or theft bond in an amount at least equal to the maximum amount of Association funds which will be in the manager's control at any one time.~~

9.1.4 Directors & Officers Insurance. The Board shall purchase and maintain a policy of directors' and officers' errors & omissions insurance naming the Association's directors and officers as insured parties. The limits of such insurance will not be less than one million dollars (\$1,000,000.00). Directors' and officers' errors & omissions insurance must insure against claims arising out of or based upon negligent acts, errors, omissions, or alleged breaches of duty of any Director or officer, whether elected or appointed, while acting in his or her capacity as such.

~~(d)9.1.5 State Industrial Insurance covering any employee of the Association.~~

~~(e)9.1.6~~ The Association may obtain insurance against such other risks as it shall deem appropriate with respect to the Project, including any personal property of the Association located thereon. Notwithstanding any other provisions herein, the Association shall continuously maintain in effect such casualty and liability insurance and fidelity bond meeting the insurance and fidelity bond requirements for condominium projects established by Federal National Mortgage Association and Government National Mortgage Association, so long as either is a mortgagee or Owner of a Unit within the Project, except to the extent such coverage is not available or has been waived in writing by Federal National Mortgage Association or Government National Mortgage Association.

9.2 Premiums. Insurance premiums for all such policies shall be a common expense to be included in the monthly assessments levied by the Association. Each Owner shall be responsible to pay any deductible amount for any loss to his or her Living Unit. Each Owner may separately insure the improvements not covered by the master fire insurance policy and personal property within his or her Living Unit. No Owner shall insure his or her Living Unit in any manner which would cause diminution in insurance proceeds from the master policy. Should any Owner violate this provision he or she shall be responsible to the Association for any such diminution.

9.3 Attorney-in-fact. The Board is appointed attorney-in-fact by each Owner to negotiate and agree on the value and extent of any loss under any policy carried. The Board is granted full right to authority to compromise and settle any claim or enforce any claim by legal action or otherwise and to execute releases in favor of any insurer.

8.8-9.4 Owner's Insurance Responsibility. The following insurance coverage's shall be the responsibility of each respective Owner: insurance on furnishing, fixtures and personal property located in the Living Unit; insurance on any upgrades and betterments made by an Owner to his or her Living Unit; insurance for appliances, wall, floor and window coverings, insurance for casualty and public liability coverage within each Living Unit; insurances coverage for activities of the Owner with respect to the Common Area; insurance against loss from theft on all personal property places in the Living Unit by the Owner and insurance for all contents and improvements not requires to be covered by insurance purchased by the Association.

8.99.5-Security Interest Approval. Any restoration or repair of the Project, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with original plans and specifications, unless other action is approved by Holders of fifty- one percent (51%) First Security Interests on Units subject to Eligible Security Interest.

8.10-9.6 Deductible, Owners. If a claim is made by an Owner against any policy owned by the Association, then the Owner shall be responsible for all deductibles ~~up to \$1,000 per occurrence~~ covered by the policies on such claims.

9.7 Administration of Claims. The Association as owner of the policies shall have the exclusive right to file and administer the settlement of any claims made against an Association policy. Owners are responsible for carrying at their expense insurance to augment or cover losses and damage not covered by the insurance policies carried by the Association.

## **ARTICLE X**

### **USE OCCUPANCY OF LIVING UNITS AND COMMON AREA**

910.1 Residential Purposes. Each Living Unit shall be improved, used and occupied for private, residential single- family dwelling purposes only. No portion of the Common Area or Living Units shall be used for any commercial purposes whatsoever, except that home occupations may be allowed, subject to the approval of the Board and subject to the following minimum restrictions:

- (a) The appearance of the structure shall not be altered, nor shall the occupation within the Living Unit be conducted in a manner which would cause the Living Unit to differ from its residential character either by the use of colors, materials, construction, lighting or signs, or by the emission of sounds, noises, fumes, odors or vibrations.
- (b) The Living Unit shall be primarily used as a dwelling unit. Up to twenty-five (25) percent of the living space or two hundred fifty (250) square feet, whichever is less, of the Unit may be used for the home occupation and any related storage or materials and supplies.
- (c) The home occupation shall not result in any change in the occupancy group of the Living Unit as defined by the Uniform Building Code.
- (d) There shall be no sale of merchandise or other conduct which requires customers to go to the property. Pedestrian and vehicular traffic will be limited to that normally associated with a residential environment.
- (e) The home occupation shall be confined to the living space as a clearly secondary use of the Living Unit. There shall be no activity or storage use which will eliminate the use of the garage as a parking space for a car.
- (f) The use of utilities and community facilities shall be limited to that normally associated with the use of the Living Unit for residential purposes.
- (g) There shall be no advertising which calls attention to the fact that the Living Unit is being used for any business purposes. Telephone listings, websites, billboards, business cards, vehicle advertising, or any other advertising of the business, shall not include the address of the Living Unit.
- (h) All employees of the business shall be members of the resident's family and shall reside on the premises.
- (i) Electrical or mechanical equipment which creates audible interference in radio receivers, or visual or audible interference in television receivers, or causes fluctuations in line voltage outside the Living Unit is prohibited.
- (j) Activities conducted and equipment or material used or stored shall not adversely change the fire safety of the premises or cause any increase in insurance.
- (k) There shall be no use or storage of mechanical equipment not recognized as being a part of normal household or hobby use.

The purpose of these restrictions is to provide for business uses of a Living Unit as a secondary use of the premises only where such uses will clearly not alter the character or appearance of the residential environment and shall not have any impact on any occupant or Owner. The Association may adopt further rules, regulations or restrictions in furtherance of this purpose and may disapprove the use of the Unit for any proposed business.

**910.2 Occupancy Limits.** No four bedroom Living Unit may be occupied by more than eight (8) persons and no three bedroom Unit may be occupied by more than six (6) persons without the approval of the Board. Any such approval or disapproval by the Board of the size of the Living Unit and the facilities contained herein, consistent with the standards established by the Department of Housing and Urban Development.

910.3 Lease. Each Owner shall have the right to lease his or her Living Unit provided that such lease is in writing, that is for not less than thirty (30) days, and provides that the tenant shall be bound by and obligated to the provisions of this Declaration, the By-Laws and the Association Rules and Regulations. The lease shall provide that a failure to comply with the provisions of these documents shall be a default under the Lease. No Owner shall lease his or her Living Unit for transient or hotel purposes. Any lease which is for less than thirty (30) days and/or provides any services normally associated with a hotel, shall be deemed to be for transient or hotel purposes.

910.4 Time Share. No Living Unit shall be made subject to any time share programs, interval ownership, or similar program whereby the right to exclusive use of the Living Unit rotates among multiple owners or members of the program on a fixed or floating time schedule over a period of years.

910.5 Unit Maintenance. In addition to the requirements of Section 4.1, eEach Owner shall at Owner's expense maintain, replace, repair, paint, paper, panel, sheetrock, plaster, tile the walls, including inside facing walls, the interior partitions, ceilings, floors, windows, window frames, doors, screen doors, glass doors and door frames of the Owner's Living Unit. Each Owner shall have the right to substitute new finished surfaces in place of those existing on said ceiling, floors, walls and doors of the Unit.

910.6 Limited Common Area. There are or may be adjacent and appurtenant to Living Units, balconies and decks, stairs, outside lighting fixtures serving the Living Unit, patios or deck areas immediately adjacent to the Units and which shall be designated Limited Common Area. All such Limited Common Area are for the exclusive use of the Owner of the Living Unit for ingress or egress to their Living Unit for emergency purposes or to occasionally move large objects in or out of their Unit and the use of outside stairs is exclusive to the Owners of the building served by the stairs.

Each Limited Common Area shall be:

- (a) Appurtenant to the Living Unit with which the Limited Common Areas is conveyed, ~~and;~~
- (b) Used only for the purposes set forth in this Declaration; ~~;~~
- (c) Except as set forth above, the right to use a Limited Common Area shall be exercisable only by the Owner(s) of the Living Unit appurtenant thereto and/or said Owner's tenants and licensee(s) and shall be terminated upon conveyance. No Limited Common Area or any rights thereto shall be transferred or conveyed apart from conveyance of the Living Unit to which they are appurtenant; ~~;~~
- (d) All expenses associated with the Limited Common Area shall be the responsibility of the Owner of the Unit appurtenant to the Limited Common Area; and



- (e) Each Limited Common Area shall be deemed to be Common Area for all those purposes set forth in this Declaration which are not inconsistent with this Article ~~IX~~ or Article IV.

910.7 Use of Limited Common Area. Each Owner shall have the following rights and duties with regard to the Limited Common Area which, except as stated above, he or she had the exclusive right to use:

- (a) To place furniture and plants upon ~~said area~~ the Limited Common Area; subject to the Association Rules and Regulations; ~~and~~
- (b) To repair and maintain, in a neat, clean condition and not store flammable, volatile or hazardous liquids or materials thereon, and otherwise use and maintain such areas in accordance with the Associations Rules and Regulations; ~~;~~
- (c) No Owner may use the Limited Common Areas for storage of wood or ~~other objects~~ non-typical deck furnishings;
- (d) No Owner may place anything on the Limited Common Areas determined to be unsightly by the Board;
- (e) All decks must remain open and no objects interfere with pedestrian traffic for ingress or egress to other Living Units ~~in case of an emergency~~ at any time or as a means to carry large objects to or from other Living Units.

910.8 Use of Common Area. Except as otherwise provided herein, the Common Area shall be improved and used only for the following purposes:

- (a) Vehicular passage and pedestrian movement within the Project, including access to the Living Units;
- (b) Recreational use by the Owners and occupants of Living Units in the Project and their guests, subject to Associations Rules and Regulations;
- (c) Beautification of Common Area and to provide privacy to the residents of the Project through landscaping and such other means as the Board shall deem appropriate; ~~;~~
- (d) Parking of automotive passenger vehicles in areas provided herein or as may be designated and approved by the Board upon such terms and conditions as may from time to time be determined by the Board; ~~;~~ and
- (e) Other improvements or use deemed appropriate by the Board.

Common Area shall not be used by anyone so as to interfere with its use for the purpose hereinabove permitted. Common Area ~~or Association Property~~ shall not be used for storage purposes (except as incidental to permitted uses, or for storage of maintenance equipment used exclusively to maintain the Common Area ~~or Association Property~~ or in storage areas designated by the Board), nor in any manner which shall increase the rate of insurance against loss by fire, or the perils of the extended coverage endorsement to any applicable Nevada Standard Fire Policy, or other provision identified as an insurance policy, form, or bodily injury, or property damage liability insurances covering the Common Area, Association Property and improvements

situated thereon may be, or cause such premises to be uninsurable against such risks or any policy or policies representing such insurance to be cancelled or suspended or the Company issuing the same to refuse renewal thereof.

910.9 Owners Liable for Damage. Each Owner shall be liable to the Association for all damage to the Association Property, Common Area and any improvements thereto, including buildings, recreation facilities and landscaping, caused by such Owner, his or her licensee(s) or any occupant of ~~said the~~ Owner's Living Unit.

10.10 Owners Liable for Compliance. Each Owner shall be responsible for compliances with the provisions of the Declaration, ~~A~~articles, By-Laws and Associations Rules and Regulations by his or her guests, lessees and all occupants of his or her Living Unit, and shall, after written notice and ~~an opportunity for a~~ hearing, pay the fines and penalties assessed pursuant to the Declaration, the By- Laws or Association Rules and Regulations for any violation by the Owner, his or her guests, lessees and occupants of his or her Living Unit.

910.10-11 Pets. ~~A-The~~ maximum of ~~three (3)~~ household pets (exclusive of caged birds or aquarium fish) that may be kept in any Living Unit or Limited Common Area ~~without the prior consent of the Board shall be determined by the Board, and Rules and Regulations may be adopted in accordance with such determination.~~ Pets shall not be allowed on other portions of the Common Area except as may be permitted by the Association Rules and Regulations. Except as provided herein, no animals, livestock, birds or poultry shall be brought within the Project or kept in any Living Unit, or on any portion of the Common Area. No pet shall be permitted to be kept within any portion of the Project if it makes ~~exclusive-excessive~~ noise or otherwise constitutes an unreasonable annoyance to other Owners as determined in the sole discretion of the Board.

910.11-12 Nuisance. No Living Unit or Limited Common Area shall be used in such manner as to interfere with the enjoyment of other Owners or annoy them by unreasonable noise or otherwise, nor shall any nuisance be committed or permitted to occur in any Living Unit, nor on the Common Area.

9.12-13 Sign Control. ~~No-Except as required by the Act,~~ signs other than one (1) sign of customary and reasonable dimensions advertising a Unit for sale shall be displayed in any Living Unit so that it is visible from outside of such Living Unit ~~are~~ without the prior written consent of the Board. No signs shall be displayed on the Common Area except signs approved by the Board.

910.13-14 Outside Antennas/Poles. Except with the approval of the Board or as required by law, there shall be no outside television, radio antennae, satellite dishes, poles for flag construction or maintained on the Project for any purpose. Under all circumstances, any apparatus not in use or inoperable shall be prohibited.

910.14-15 Use Causing Loss of Insurance. No Living Unit, Common Area, Limited Common Area, Association Property or improvements situated therein shall be used in any



manner which shall cause such improvements to be uninsurable against loss by fire or the perils of an extended coverage endorsement to the Nevada Standard Fire Policy or any other insurance policy provision form or cause any such policy or policies representing such insurance to be cancelled or suspended, or the company issuing the same to refuse renewal thereof.

910.15-16 Parking and Vehicular Restrictions. All parking in the Project shall be subject to the following:

- (a) Except as allowed by Rules and Regulations and with Board approval, no Owner shall park, store or keep on the Common Area any-a commercial truck or commercial type vehicle, any recreational vehicle (including, but not limited to, any camper unit, house/car or motor/mobile home), any bus, trailer, trailer coach, camper trailer, boat, ski-doo or any inoperable vehicle. The above excludes pick-ups, trucks with camper shells, vans and similar vehicles up to three-quarter (3/4) ton when used for everyday transportation.
- (b) No Owner shall park, store, or keep anywhere within the Project any vehicle or vehicular equipment, mobile or otherwise, deemed to be a nuisance by the Board. Trailers, campers, motor homes, boats and similar recreational vehicles shall be stored off the Project, except as may be allowed by the Rules and Regulations.
- (c) No Owner shall have more than three vehicles in the ~~condominium~~ Project at any one time, only one of which may be parked in the Common Area with the other two parked in the garage.
- (d) Owners shall not conduct repairs or restorations of any motor vehicle upon the Common Area.
- (e) The Board may enact Rules and Regulations regarding parking as it deems appropriate.

910.167 Alteration of Units. Subject to the provisions of this Declaration and any applicable law, an Owner:

- (a) May make improvements and alterations to the interior of his or her Living Unit that does not impair the structural integrity or mechanical systems or lessen the support of any portions of the Common Area;
- (b) May not change the appearance of the Common Area, or the exterior appearance of a Living Unit, including color, except with the prior written permission of the Board;
- (c) After acquiring an adjoining Living Unit or part of an adjoining Living Unit may, subject to Architectural Committee approval, remove or alter any intervening partition or create openings therein, even if the partition in whole or in part is a Common Area, if those acts do not impact the structural

integrity or mechanical systems or lessen the support of any portion of the Project. Removal of partitions or creation of apertures under this subsection is not an alteration of boundaries. Association assessments of merged Units will continue to be assessed on the same basis as they were prior to the merger or combination of Units.

10.18 Trash Disposal. Trash, garbage, or other waste shall be kept only in sanitary containers. No Owner shall permit or cause any trash or refuse to be kept on any portion of the Project other than in the receptacles customarily used for it, which shall be located only in places specifically designated for such purpose.

10.19 Compliance with Laws: Prohibition of Certain Activities. No Owner shall permit anything to be done or kept in his or her Unit that violates any law, ordinance, statute, rule, or regulation of any local, county, regional, state, or federal body.

10.20 Rules and Regulations. No Owner shall violate the Rules and Regulations as adopted from time to time by the Board.

10.21 Indemnification. Each Owner shall be liable to the other Owners for any damage to the Common Area that may be sustained by reason of the negligence of such Owner, members of his or her family, his or her contract purchases, tenants, guests, or invitees, but only to the extent that any such damage is not covered by insurance. Each Owner, by acceptance of his or her deed, agrees for himself or herself and for the members of his or her family, his or her contract purchaser, tenants, guests, or invitees, to indemnify the other Owners, and to hold them harmless from, and to defend them against any claim of any person for personal injury or property damage occurring within the Unit of Limited Common Area of that particular Owner, unless the injury or damage occurred by reason of the negligence of any of the other Owners or persons temporarily visiting in such Unit or Limited Common Area and is fully covered by insurance.

## **ARTICLE XI**

### **DISPUTES**

~~1011.1~~ Notice of ~~Significant Legal Proceeding~~Civil Actions. In accordance with the Act, and except as provided here, the Board shall not ~~institute any significant legal proceeding~~commence a civil action, including any arbitration or judicial reference proceeding, against any person without providinguntil the Members of the Association are provided notice with-at least ~~ten~~twenty-one (4021) days prior written notice of the Associations intention to institute ~~legal proceedings~~a civil action.

The notice shall describe the purpose of the proceeding, the anticipated cost to the Association (including attorney's fees) of the proceeding, the source of funds to fund the proceedings (~~reserves or~~ special or regular assessments) and suggested information that should be disclosed to third parties, such as prospective purchasers and lenders, while the proceeding is being prosecuted. Furthermore, if the Board in good faith determines that there is insufficient

~~time to provide the prior notice to the Members as required herein before the expiration of any applicable statute of limitations or before the loss of any other significant right of the Association, the Board may take the necessary steps to commence the proceeding to preserve the rights of the Association, provided that as soon as is reasonably practical thereafter, and not later than ninety (90) days following the commencement of the proceeding, the Board shall provide the Members with notice as required above. For purposes herein, "significant legal proceeding" shall mean any legal proceeding in which it reasonably could be anticipated that any of the following events could occur:~~

~~The levy of special assessment to fund all or any portion of the proceeding;~~

~~The expenditure of funds from the Association's reserves in connections with the proceeding in an amount in excess of five percent (5%) of then current reserves;~~

~~The amount of the Claim is in excess of \$10,000.00; or~~

~~A material adverse effect on the ability to sell and/or refinance any Unit within the development during the period the proceeding is being prosecuted.~~

Notwithstanding the foregoing, the notice shall not be required to commence and pursue any action that is related to: 1) enforce the payment of an assessment; 2) enforce the Declaration, Bylaws, Rules or other governing document; 3) enforce a contract with a vendor; 4) proceed with a counter claim; or 5) protect the health, safety and welfare of the members of the Association. ~~to collect delinquent assessments. Furthermore, if the Board in good faith determines that there is insufficient time to provide the to provide prior notice to the Members as required herein before the expiration of any applicable statute of limitations or before the loss of any other significant right of the Association, the Board may take the necessary steps to commence the proceeding to preserve the rights of the Association, provided that as soon as is reasonably practical thereafter, and not later than thirty (30) days following the commencement of the proceeding, the Board shall provide the Members with notice as required above.~~

~~4011.2~~ Arbitration/Legal Actions. Subject to the provisions of Chapter 38 Nevada Revised Statutes, the Association, and any Owner shall have the right to enforce an action at law or in equity, each covenant, condition, restriction and reservation, now or hereafter imposed by this Declaration. Failure by the Association or any Owner to enforce any covenant, condition, restriction or reservation contained in this Declaration, shall not be deemed a waiver of the right to do so thereafter. In any enforcement, where there is a civil action; (including arbitration) or not, reasonable attorney's fees ~~may shall be awarded paid~~ to the ~~prevailing party~~ Association.

## **ARTICLE XII**

### **GENERAL PROVISIONS**

~~4412.1~~ Severability. Should any provision in this Declaration be void or become unenforceable in law or equity by judgment or court order, the remaining provisions of this Declaration shall remain in full force and effect.

12.2 Violation of Law. Any violation of any state, regional, municipal, or local law, ordinance, or regulation pertaining to the ownership, occupation, or use of any portion of the

Project is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures herein set forth.

12.3 Remedies Cumulative. Each and every remedy provided by the Declaration is cumulative and nonexclusive.

11.4 Non-Waiver. The failure to enforce the provisions of any covenant, condition, or restriction contained in the Declaration shall not constitute a waiver of any right to enforce any such provisions or any other provisions of their Declaration.

12.5 Obligations of Owners. No Owner may avoid the burdens or obligations imposed on him by the Declaration through nonuse of any Association Property or the facilities located thereon or by abandonment of his or her Unit. Upon the conveyance, sale, assignment, or other transfer of a Unit to a new Owner, the transferring Owner shall not be liable for any assessments with respect to such Unit levied after the date of such transfer. No person, after the termination of his status as an Owner and prior to his or her again becoming an Owner, shall incur any of the obligations or enjoy any of the benefits of an Owner under the Declaration.

12.6 Notices. All notices hereunder to the Association or the Board shall be sent by registered or certified mail to the Board at the Project, or to such other address as the Board may designate from time to time by notice in writing to the Owners. All notices shall be deemed to have been given when mailed except notices of change of address, which shall be deemed to have been given when received, and except as otherwise provided herein.

#### 12.7 Construction of the Declaration.

12.7.1 Restrictions Construed Together. All of the covenants, conditions, and restrictions of the Declaration shall be liberally construed together to promote and effectuate the fundamental concepts set forth in the "Recitals" at the beginning of this Declaration.

12.7.2 Restrictions Severable. The covenants, conditions, and restrictions of the Declaration shall be deemed independent and severable. The invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provisions.

12.7.3 Singular Includes Plural. The singular shall include the plural and the plural the singular unless the context requires the contrary. The masculine, feminine, or neuter shall each include the masculine, feminine, and neuter, as the context requires.

12.7.4 Captions. All captions or titles used in the Declaration are intended solely for convenience of reference and shall not affect that which is set forth in any of the provisions of any Section.

124.82 Amendments. This Declaration may be amended by an instrument approved by two-thirds of the Owners. The amendment shall become effective upon its recordation in the Office of the County Recorder of Washoe County, Nevada. However, no amendment material to an Eligible Security Interest may be made to this Declaration without the prior written consent of those Eligible Security Holders holding fifty-one percent (51%) of the Security Interest encumbering Units within the Project. For these purposes, any amendments to provisions of this Declaration governing any of the following subjects, shall be deemed “material to a Eligible Security Interest”:

- (1) Any change in the required number of votes to amend this declaration if the change results in a requirement of less than two-thirds;
- (2) Subordination of assessment liens, except as may be allowed by ~~Chapter 116 of Nevada Revised Statutes~~ the Act;
- (3) Elimination of the requirement for reserves for maintenance, repair and replacement for the Common Area;
- (4) Eliminating the requirement for casualty insurance, liability insurance ~~or fidelity bonds or crime insurance~~;
- (5) Reallocation of interests in limited or Common Area or rights to use of the Common Area;
- (6) Expansion or contraction of the Project by the addition, annexation or withdrawal of property to or from the Project;
- (7) Redefinition of boundaries of any Living Unit which materially affect the value of the ~~unit~~ Unit;
- (8) A decision by the ~~Owner's~~ Association to establish self-management when professional management had been required previously by the Project documents or by an Eligible Security Interest Holder;
- (9) Restoration or repair of the Project (after a hazard damage or partial condemnation) in the manner other than that specified in the documents;
- (10) Convertibility of Living Units into Common Area or of Common Area into Living Units;
- (11) Any provisions which are for the express benefit of Security Holders, Eligible Security Interest Holders or Eligible Insurers or Guarantors.

An addition or amendment to the Declaration or By-Laws shall not be considered material if it is for the purpose of correcting technical errors for clarification only. An Eligible Security Holder who receives a written request to approve additions or amendments who does not deliver or mail to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request.

124.3-9 Extension of Declaration. Each and all of these covenants, condition and restrictions shall continue in full force and effect for a term of 50 years from ~~July 21, 1979, the date of the original Declaration of Covenants, Conditions and Restrictions for the Royal Pines II Condominium Project~~ the date this declaration is recorded, after which date they shall automatically be extended for successive period of ten (10) years unless eighty percent (80%) of the Owners have executed and recorded ~~at any time within six (6) months prior to July 21, 2029,~~

~~or within six (6) months prior to the end of any such ten (10) year period,~~ in the manner required for a conveyance of real property, a writing in which it is agreed that ~~said-the~~ restrictions shall terminate on ~~July 21, 2029, or any the end of any such ten (1) year period~~ a certain date. In the event such an agreement is executed, the procedure for termination shall be as set forth in Sections 116.2118 of Nevada Revised Statutes.

~~121.4-10~~ Adoption of ~~NRS 116~~the Act. The amendments contained herein are adopted pursuant to the provisions of ~~Chapter 116 of Nevada Revised Statutes~~the Act and the Association agrees to be bound by all obligations, liabilities and restrictions set forth in ~~Chapter 116~~the Act which are correlative to rights, powers or privileges contained herein.

~~121.5-11~~ Common Area Distinctions. The Amended Declaration of Covenants, Conditions and Restrictions of Royal Pines II Condominium Project recorded in the Office of the County Recorder of Washoe County, State of Nevada, on October 7, 1987, as Document Number 1198381, contained distinctions between Common Area (structure) and Common Area (green belt/recreation). Those distinctions are hereby eliminated. All persons or entities who acquired or conveyed an interest in a Unity by way of a deed or other conveyance which referred to such distinctions are deemed to have acquired or conveyed in addition to the Unity, a 1/44<sup>th</sup> interest in all the Common Area as shown on Page A of Tract Map 1482, being a portion of the Amended Official Plat of Royal Pines Condominiums filed in the Office of the Recorder of Washoe County, State of Nevada, on June 13, 1874, as Series Number 330178.

~~121.6-12~~ Encroachment Easement. In the event any portion of the Common Area encroaches upon any Living Unit or any Living Unit encroaches upon the Common Area or another Living Unit as a result of construction, reconstruction, repair, shifting, settlement or movement of any portion of the improvements, a valid easement for the encroachment and for the maintenance of the same shall exist as long as the encroachment exists. ~~Said-This~~ valid easement shall apply only to minor encroachments, not exceeding one foot (1').

There shall be easements for the maintenance of ~~said-the~~ encroachment as long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by ~~said-the~~ encroachments, settlement or shifting, provided, however, that in no event shall an easement for encroachment be created in ~~front favor~~ of an Owner if ~~said-the~~ encroachment occurred due to the willful misconduct of any Owner. In the event any portion of a structure in the Project is partially or totally destroyed then repaired or rebuilt, each Owner agrees that minor encroachments over adjoining Living Units or Common Area shall be easements for the maintenance of said encroachments so long as they shall exist.

IN WITNESS WHEREOF, the undersigned, being the President and the Secretary of \_\_\_\_\_, have executed this instrument the day and year set forth below.

BY: \_\_\_\_\_

President,

BY: \_\_\_\_\_

Secretary,

**Certification**

We, the undersigned, hereby certify, under penalty of perjury, that this First Restated Declaration of Covenants, Conditions and Restrictions of White Pines Estates Homeowners Association, Inc. was provided to its members for action and that \_\_\_\_\_ ( ) voted in favor of this Restated Declaration; that the affirmative action was taken by those members whose votes are recorded in the official records of the Association, and that such affirmative vote conforms with the requirements that there be at least \_\_\_\_\_ ( %) affirmative vote found in the Declaration.

WHITE PINE ESTATES HOMEOWNERS ASSOCIATION INC.

Dated: \_\_\_\_\_, 2017 By: \_\_\_\_\_  
\_\_\_\_\_, Vice President

Dated: \_\_\_\_\_, 2017 By: \_\_\_\_\_  
\_\_\_\_\_, Secretary

STATE OF NEVADA \_\_\_\_\_)  
: ss.  
COUNTY OF WASHOE \_\_\_\_\_)

This instrument was acknowledged before me on the \_\_\_\_\_ day of April, 2017 by \_\_\_\_\_ as Vice President of White Pines Estates Homeowners Association, Inc.

\_\_\_\_\_  
Notary Public

STATE OF NEVADA \_\_\_\_\_)

COUNTY OF WASHOE ) : SS.

This instrument was acknowledged before me on the \_\_\_\_\_ day of April, 2017 by  
\_\_\_\_\_ , as Secretary of White Pines Estates Homeowners Association, Inc.

Notary Public