

DECLARATION OF RECIPROCAL
COVENANTS FOR SUMMIT VILLAGE

WHEREAS, Kingsbury Alpine Village, a limited partnership, hereafter called "Declarant", is the owner of that certain real property located in Kingsbury General Improvement District, Douglas County, Nevada, described as follows:

A portion of Section 19, Township 13 North, Range 19 East, M.D.B. & M. being that certain recorded amended subdivision known as "Summit Village" recorded with the County Recorder of Douglas County September 17 1968 as Document No 42231 in Official Records of Douglas County, Nevada, comprising approximately 43 gross acres.

and WHEREAS, Declarant contemplates that portions of the Summit Village Subdivision will comprise common areas utilized as open space or green areas or for recreational uses which will be subject to a separate "Declaration of Covenants, Conditions and Restrictions" recorded concurrently herewith in the office of the County Recorder of Douglas County, Nevada to be owned and controlled by a non-profit non-stock corporation with membership consisting of residence lot owners within the Summit Village Subdivision, and

WHEREAS, said corporation is known as Summit Village, Inc., and

WHEREAS, it is the Declarant's intention to impose upon the common area to be designated mutually beneficial restrictions under a general plan of improvement for the benefit of all of the owners within the Summit Village Subdivision:

NOW THEREFORE, Declarant hereby declares that the common areas now or hereafter designated as such within the Summit Village Subdivision are held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to the reciprocal right of each owner of any residence lot ^{or residence unit} contained within the Summit Village Subdivision to use, pass over and enjoy such common areas.

It is further declared that the residence lot owners and residence unit owners of the said subdivision shall each be bound by the "Declaration of Covenants, Conditions and Restrictions" for Summit Village recorded concurrently herewith and that the common area of said subdivision shall be subject to such covenants, conditions and restrictions.

Said rights shall run with the real property and shall be binding on all parties having or acquiring any right, title or interest to the Summit Village Subdivision or any portion thereof and shall be for the benefit of each owner of any interest in said subdivision and shall inure to the benefit of and be binding upon each successor in interest of the owners thereof.

Dated this 30 day of September, 1968

KINGSBURY ALPINE VILLAGE
a Limited Partnership

Ferdie Clevers
By/s/ Ferdie Clevers

Received and Reviewed

by: _____

Signature _____ Date: _____

Signature _____ Date: _____

STATE OF NEVADA)
)ss
COUNTY OF DOUGLAS)

On this 30 day of September, 1968 personally appeared before me FERDIE SIEVERS, personally known to me to be a member of the firm of Kingsbury Alpine Village and to me known to be the person described in and who executed the foregoing instrument in the firm name of Kingsbury Alpine Village, and he acknowledged that he executed the same as the act and deed of said firm of Kingsbury Alpine Village for the uses and purposes therein mentioned.

Lester H. Berkson
/s/ Lester H. Berkson
Notary Public in and for Clark County,
Nevada

My commission expires: Nov. 10, 1968



recorded at Request of SILVER STATE TITLE CO.
On Oct 14, 1968 At 52 Min. Past 9 AM
Official Records of Douglas County, Nevada, Fee 4.00 42592
Ethel N. Schacht, Recorder. By *Ethel N. Schacht*

RECORDING REQUESTED BY:
U.S. Forest Service
Lake Tahoe Basin Management Unit
P.O. Box 731002
South Lake Tahoe, CA 95731
✓ WHEN RECORDED RETURN TO:
U.S. Forest Service
Lake Tahoe Basin Management Unit
P.O. Box 731002
South Lake Tahoe, CA 95731-7302

RESOLUTION BY UNANIMOUS CONSENT OF
THE BOARD OF DIRECTORS OF
SUMMIT VILLAGE OWNERS' ASSOCIATION

We, the undersigned, constituting all of the members of the Board of Directors of SUMMIT VILLAGE OWNERS' ASSOCIATION, a Nevada non-profit corporation, take the following action by the unanimous written consent:

WHEREAS under the Declaration of Covenants, Conditions, and Restrictions for Summit Village, recorded in Book 62, pages 526 thru 550, as Document #42592, Official Records of Douglas County, Nevada, Summit Village Owners' Association has, among other things, the right to collect and make assessments on certain lots or parcels of land; and

WHEREAS the United States of America is interested in purchasing development rights on certain environmentally sensitive lots within this area through open space easements;

NOW, THEREFORE upon the recording of an easement deed to the United States of America of any lot that is subject to these assessments, the Summit Village Owners' Association shall not obligate the United States of America to pay any assessments associated with the real property in which the open space easement is located. Said obligation remains with the underlying fee interest. The holder of the open space easement does not become a member of the Summit Village Homeowners' Association, nor are open space easements subject to any special assessments of said Association. Any obligation to maintain the parcel or the general appearance thereof remains with the underlying fee owner. It is further resolved and determined that the Summit Village Owners' Association will accept the underlying fee title to properties subject to an open space easement.

Dated: Oct 27, 87

Roy Darrow
Roy Darrow, President

Dated: Oct 27, 87

Tom Firestone
Tom Firestone, Secretary-Treasurer

Dated: Oct 27, 87

Charles Mimos
Charles Mimos, Director

Dated: Oct 27, 87

Jimm Vasquez
Jimm Vasquez, Vice President

Resolution/Unanimous Consent/Bd of Directors

-1-

166026

BOOK 1187 PAGE 1085

I hereby certify that the foregoing is a full, true and correct copy of the Resolution Adopted by Unanimous Consent of the Board of Directors of Summit Village Owners' Association.

Dated Oct 27 87

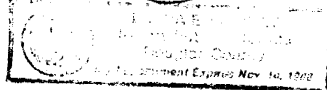
Tom Firestone
Tom Firestone, Secretary
SUMMIT VILLAGE OWNERS' ASSOCIATION

STATE OF Nevada)
~~CALIFORNIA~~)
COUNTY OF Douglas) ss.

On this 27th day of Oct, 1987, before me the undersigned Notary Public, personally appeared ROY DARROW, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as Director or on behalf of the corporation therein named and acknowledged to me that the corporation executed it.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

James E. Murray
Notary Public

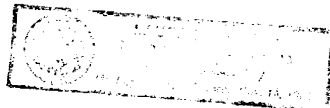


STATE OF Nevada)
~~CALIFORNIA~~)
COUNTY OF Douglas) ss.

On this 27th day of Oct, 1987, before me the undersigned Notary Public, personally appeared TOM FIRESTONE, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as Director or on behalf of the corporation therein named and acknowledged to me that the corporation executed it.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

James E. Murray
Notary Public



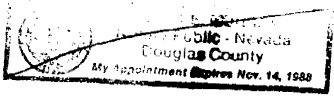
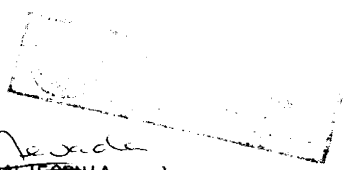
Resolution/Unanimous Consent/Bd of Directors/

STATE OF Nevada)
CALIFORNIA)
COUNTY OF Douglas) ss.

On this 25th day of Oct., 1987, before me the undersigned Notary Public, personally appeared CHARLES MILOS, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as Director or on behalf of the corporation therein named and acknowledged to me that the corporation executed it.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

[Signature]
Notary Public

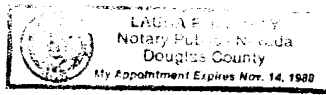


STATE OF Nevada)
CALIFORNIA)
COUNTY OF Douglas) ss.

On this 25th day of Oct., 1987, before me the undersigned Notary Public, personally appeared JIMM VASQUEZ, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as Director or on behalf of the corporation therein named and acknowledged to me that the corporation executed it.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

[Signature]
Notary Public



REQUESTED BY
[Signature]
IN OFFICIAL RECORDS OF
SPRINGFIELD, NEVADA

Resolution/Unanimous Consent/Bd of Directors/

'87 NOV -9 P1:35 -3-

SUZANNE BEAUDREAU
RECORDER

\$ 0 PAID [Signature] DEPUTY

166026
BOOK 1187 PAGE 1087

RECORDING REQUESTED BY:
SUMMIT VILLAGE INC.
P.O. BOX 4677
SPRINGFIELD, NEVADA 89449

IF NOT RECORDED RETURN TO:
SUMMIT VILLAGE INC.
P.O. BOX 4677
SPRINGFIELD, NEVADA 89449

RESOLUTION BY THE MAJORITY CONSENT OF
THE BOARD OF DIRECTORS OF
SUMMIT VILLAGE INC.

We, the undersigned, constituting the majority of the members of the Board of Directors of SUMMIT VILLAGE INC., a Nevada non-profit corporation, take the following action by the majority written consent;

WHEREAS under the Declaration of Covenants, Conditions, and Restrictions for SUMMIT VILLAGE, recorded in Book 62, pages 526 thru 550, as Document #42592, Official Records of Douglas County, Nevada, SUMMIT VILLAGE INC. has, among other things, the right to collect and make assessments on certain lots or parcels of land; and

WHEREAS SUMMIT VILLAGE INC. will charge a one hundred dollar (\$ 100.00) administrative fee on all property transferred in SUMMIT VILLAGE INC.

Dated: 8/15/88

[Signature]
ROY DARROW

Dated: _____

Dated: 8/15/88

[Signature]
CHARLES M. LEE

Dated: 8/15/88

[Signature]
FRANKLIN YIP

Dated: 8-15-88

[Signature]
ROBERT A. WINGER

Resolution/Majority Consent/Bd of Directors

[Signature]
ROY DARROW - WITNESS

184882

BOOK 888 PAGE 3719

WITNESS

STATE OF NEVADA
COUNTY OF DOUGLAS

ON August 23, 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared ROY DARROW, personally known to me to be the person whose name is subscribed to the within Instrument, as a Witness thereto, who being by me duly sworn, disposes and says:

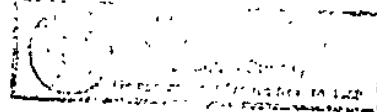
That he resides in Douglas County, and that he was present and saw JIMM VASQUEZ, CHARLES MILOS, FRANKLIN YIP AND ROBERT ATTINGER, personally known to him to be the same persons described in and whose names are subscribed to the within and annexed Instrument as Parties thereto, execute and deliver the same, and they acknowledged to said affiant that they executed the same; and that said affiant subscribed his name thereto as a Witness.

WITNESS my hand and official seal.

SIGNATURE:

LAURA E. MURRAY

Name (Typed or Printed)



STATE OF NEVADA,

County of DOUGLAS } ss.

On AUGUST 23, 1988 personally appeared before me,

DATE

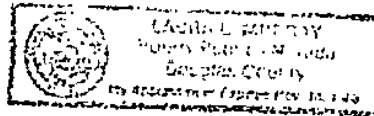
LAURA E. MURRAY

a Notary Public (or judge or other officer, as the case may be),

ROY DARROW

who acknowledged that he executed the above instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official stamp at my office in the County of DOUGLAS the day and year in this certificate first above written.



Signature of Notary

184882

BOOK 888 PAGE 3720

RECORDED BY
Armenia Village Inc
OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

'88 AUG 24 P12:47

SUZANNE BEAUDREAU
RECORDER

7.00 PAID *[Signature]* DEPUTY

184882
BOOK 888 PAGE 3721

DOUGLAS COUNTY

RECORDING REQUESTED BY:
SUMMIT VILLAGE, INC.
P.O. BOX 4677
STATELINE, NEVADA 89449

WHEN RECORDED, RETURN TO:
SUMMIT VILLAGE, INC.
P.O. BOX 4677
STATELINE, NEVADA 89449

RESOLUTION BY THE MAJORITY CONSENT OF
THE BOARD OF DIRECTORS OF
SUMMIT VILLAGE, INC.

We, the undersigned, constituting the majority of the members of the Board of Directors of SUMMIT VILLAGE, INC., a Nevada non-profit corporation, take the following action by the majority written consent;

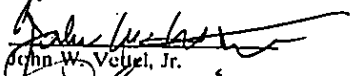
WHEREAS under the Declaration of Covenants, Conditions, and Restrictions for SUMMIT VILLAGE, recorded in Book 62, Pages 526 through 550, as Document #42592. Official Records of Douglas County, Nevada, SUMMIT VILLAGE, INC. has, among other things, the right to collect and make assessments on certain lots or parcels of land; and

WHEREAS SUMMIT VILLAGE, INC. will charge a one hundred fifty (\$150.00) administrative fee on all property transferred in SUMMIT VILLAGE, INC.

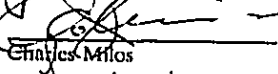
Dated: 3/16/92


Roy Darrow

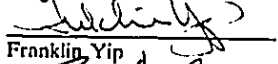
Dated: 3/16/92


John W. Vettel, Jr.

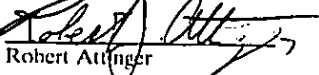
Dated: 3-30-92


Charles Milos


Dated: 3/16/92


Franklin Yip

Dated: 3-16-92


Robert Attlinger

Resolution/Majority Consent/Board of Directors


Roy Darrow - Witness

DOUGLAS COUNTY

A C K N O W L E D G E M E N T

STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

On March 16, 1992, before me, the undersigned, a Notary Public in and for said County and State, personally appeared ROY DARROW known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

WITNESS my hand and official seal.



Milani G. Watson

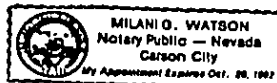
NOTARY PUBLIC

A C K N O W L E D G E M E N T

STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

On March 16, 1992, before me, the undersigned, a Notary Public in and for said County and State, personally appeared JOHN W. VETTEL, JR. known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

WITNESS my hand and official seal.



Milani G. Watson

NOTARY PUBLIC

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275961

BOOK 492 PAGE 2513

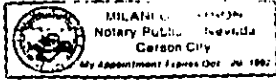
DOUGLAS COUNTY

A C K N O W L E D G E M E N T

STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

On March 30, 1992, before me, the undersigned, a Notary Public in and for said County and State, personally appeared CHARLES MILOS known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

WITNESS my hand and official seal.



Milan G. Watson
NOTARY PUBLIC

///
///
///

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

92 APR 14 AM 11:32

3

SUZANNE J. DEWOLF
RECORDER
PAID *SD* 275961 DEPUTY
BOOK 492 PAGE 2515

42593

BOOK 62 PAGE 538

DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR SUMMIT VILLAGE

I. DESCRIPTION AND OWNERSHIP OF REAL PROPERTY

The property covered by this declaration is called "Summit Village" and consists of approximately 43 gross acres (including dedicated roadways) and approximately 37 1/2 net acres in the Lake Tahoe Basin portion of Douglas County, Nevada in proximity to the intersection of Kingsbury Grade (State Highway 19) and Benjamin Drive, being a portion of Section 19, Township 13 North, Range 19 East, M. D. B. & M. An amended subdivision map has been filed with the County Recorder of Douglas County on the 17th day of September, 1968 as Document No 42231 in Official Records of Douglas County, which fully describes the property covered by this declaration.

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

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

42593

BOOK 62 PAGE 538

II. DEFINITIONS

a. ARTICLES OF INCORPORATION AND BY-LAWS:

Articles of Incorporation or Bylaws, as the case may be, of the association, as the same may be amended from time to time.

b. ASSOCIATION:

Summit Village Owners' Association, a non-profit Nevada Corporation.

c. COMMON AREA:

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

d. DECLARANT:

The original owner of Summit Village which is Kingsbury Alpine Village, a limited partnership, or any other person, firm or corporation acquiring fee title to any portion of the subdivision not designated for residence lots, easements, roadways, parkways or common area.

e. OWNER or OWNERS:

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

f. RESIDENCE LOTS:

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

g. UNIT OWNERSHIP or UNIT:

The entire interest conveyed to an owner, including the residence lot and/or residence unit, the related interest in the common area and the association membership appurtenant to the residence lot and any easement rights.

h. STRUCTURE:

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

i. SUBDIVIDED PROPERTY:

Shall mean all of the real property described above including residence lots, public roads, easements and common area.

j. RESIDENCE UNIT:

A residence unit shall be all or a portion of any structure which is a separate residence living area. For example, a duplex on a residence lot shall be considered as (2) two residence units. The residence unit shall include all or a portion of the residence lot, the related interest in the common area, and the association membership appurtenant to the residence unit.

III. OCCUPANCY AND USE OF RESIDENTIAL AND COMMON AREA

1. Each residence lot shall be utilized solely as a site for a residential structure or in connection therewith. Any structures erected upon a residence lot shall be of new construction and no building or structure of a temporary nature, guest house, trailer, basement, tent, shack, shed, barn or other outbuilding shall be used, placed or constructed on any residence lot at any time either temporarily or permanently. Each residence lot may contain one or more residence units.
2. No animals, livestock or poultry of any kind shall be raised, bred or kept on any residence lot except that dogs, cats or other household pets may be kept, provided they are not kept, bred or maintained for any commercial purpose and provided all requirements of any governmental agency as to the keeping of such pets are complied with.
3. All structures and improvements constructed in the subdivision shall be built in a good workmanlike manner and shall be maintained in good condition. No structure shall be moved from any other location unless it shall have been newly constructed elsewhere for the express purpose of placing it on a residence lot. No individual garages, carports, driveways, or walkways shall be allowed unless specifically set forth upon a plan approved in writing by the architectural control board.
4. No walkways, sidewalks, paths or driveways shall be built or maintained over any common area without the written approval of the architectural control board.
5. Prior to the commencement of construction of any structure the owner shall first obtain written approval of the architectural control board. When the construction of any structure, addition or improvement is commenced the owner shall cause the structure or improvement to be completed with all reasonable diligence.
6. No structure shall be occupied for residence use until the same shall be connected to a satisfactory sanitary sewage disposal system (temporary or permanent) approved by the appropriate county, state, municipal or federal authorities. No cesspool or outside toilet shall be permitted.
7. No television or radio antennas shall be erected above roof level without the written consent of the architectural control board.
8. No advertising signs (except one of not more than 5 square feet "For Rent" or "For Sale" sign per residence lot) billboards, unsightly objects, unsightly appearance or nuisance shall be erected, placed or permitted to remain on any residence lot nor shall the real property or any part thereof be used in any way or for any manner or for any purpose which may endanger the health or unreasonably disturb the occupants of any residence lot. No business activities of any kind shall be conducted on the real property or any part thereof, however such restriction shall not apply to the business activities, signs and billboards, if any, by the declarant, its agents and assigns during the sale and construction period and by the association, its successors and assigns, in furtherance of association powers and purposes hereinafter set forth.
9. No garbage, refuse or obnoxious or offensive material shall be permitted to accumulate on any residence lot and the owner thereof shall cause all garbage and other like material to be disposed of by and in accordance with accepted sanitary practice. All garbage or trash containers, oil tanks, gas tanks and other facilities must be placed so as not to be visible from another residence lot or from the streets.
10. The provisions as to occupancy and use of residential and common areas shall be equally binding on any Lessee, agent, employee or representative of the owner and on any occupant of a residence lot.

11. No work or exploration for any minerals, or drilling for any minerals, or mining of any minerals, or quarrying of any minerals, rock, soil or any material shall be conducted on the subdivision or any part thereof nor shall any excavation be made thereon except as may be incident to the installation of utility services, drainage lines, excavations incident to the grading and preparation of building sites, and the construction of dwellings and then any such excavation shall only be made with the prior written approval of the architectural control board.

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

13. No fences, hedges, walls, exterior clotheslines or unenclosed garbage receptacle shall be erected or maintained upon the real property or any part thereof unless prior written approval is obtained from the architectural control board.

14. Each of the provisions herein is for the express purpose of maintaining property values and to preserve the natural scenic beauty of the area and are intended to be for the express benefit of declarant, the present and future owners and occupants of the residence lots and all of their respective successors in interest and mortgage or lien holders. In order to maintain and enforce such provisions each owner agrees to abide thereby, such provisions being incident and part of the present and future ownership of the residence lots. Any of the said parties may enforce compliance with the provisions in any court of competent jurisdiction by injunctive relief or otherwise..it being understood that a material violation of any provision herein would create irreparable harm and damage to the declarant and owners and occupants of the other residence lots and mortgage and lien holders.

The right to enforce the provisions hereof shall inure not only to the declarant, owners and occupants of the residence lots and residence units, the association, mortgage or lien holders, but also any appropriate governmental agency.

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

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

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

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

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

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

(f) These covenants shall remain in full force and effect until modified or abrogated as to any particular party wall by the agreement of all persons that have an interest therein.

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

(a) Any walkway, sidewalk, driveway or path which shall be used in common by two or more residence lot owners for the purposes of ingress or egress from their lots shall be governed by the same rules, rights, obligations and liabilities as are applicable and set forth in Paragraph III (15) pertaining to party walls.

17. The rights and duties of the owners of residence lots and residence units with respect to sewer, septic systems, water, electricity, gas and telephone shall be governed by the following:

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

(b) Each residence lot and residence unit owner benefited by a joint connection or line shall be entitled to full enjoyment and use of such portion which benefits the residence lot served.

(c) In the event any portion of such a connection or line is damaged or destroyed through an act of an owner of the residence lot being served, or any act of his agents, tenants, guests or members of his family (whether or not such act is negligible or otherwise culpable) so as to deprive the residence lots capable of being served to the full use and enjoyment of said connection or line then such owner shall forthwith proceed to replace or repair the same to as good condition as formerly without cost to the other residence lots served thereby.

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

(e) In the event of a dispute between owners with respect to the repair or rebuilding of such connection or line or with respect to the sharing of the cost thereof the matter shall be settled by arbitration in accordance with the Rules of the American Arbitration Association, and judgement on the award may be entered in any court having jurisdiction.

IV. ASSOCIATION

The powers, rights and duties of the association are as follows, and may be adopted in its Articles of Incorporation and Bylaws. However, the Articles and Bylaws where not in conflict with this declaration may expand and contain additional rights, powers and duties.

1. NATURE OF ASSOCIATION: The association is a non-profit Nevada corporation. It was created by Articles of Incorporation, filed with the office of the Secretary of State, State of Nevada, March 27, 1968. From time to time there may be amendments to the Articles and Bylaws governing the association which need not be recorded with the County Recorder, nevertheless the association shall be bound thereby.

2. MEMBERSHIP:

- (a) There shall be two types of membership:
 (i) reserved membership
 (ii) existing membership

(b) Reserved Membership: Initially there shall be 400 reserved memberships which is equivalent to the anticipated number of potential residence units which may be erected in the subdivision. The rights incidental to reserved memberships shall be exercised by the owners of the fee title to the undivided portion of the subdivision. The reserved memberships shall be appurtenant to all of the real property in the subdivision not designated for residence lots or common area or dedicated to public use, however, in the event of a sale, division, severance or partition of the said real property to which the reserved memberships are appurtenant, then the reserved memberships shall be appurtenant to such real property on a pro-rata basis.

(c) All of the incidents of reserved memberships shall be identical to the existing memberships except as to levy of assessments which shall be broken into three assessment categories, to wit:

- (1) Existing memberships appurtenant to improved residence lots. There shall be one membership for each residence unit.
- (2) Existing memberships appurtenant to unimproved residence lots and reserved memberships.
- (3) Reserved memberships.

(d) Ownership of residence lot or a residence unit or of the real property not designated for residence lots or common area shall be the sole qualification for membership.

(e) Existing Memberships: Upon selection and designation of a residence lot the owner of the undivided portion designating such residence lot shall assign to such residence lot one or more reserved memberships which shall thereafter be termed an "Existing Membership" and shall be appurtenant to such residence lot. Upon development of each residence lot the memberships shall then be assigned to each residence unit. The number of reserved memberships shall be reduced accordingly. No existing membership shall be severed or separated from a residence lot or residence unit and any sale, transfer, or conveyance of a residence lot or residence unit shall operate to transfer the appurtenant membership without the requirement of express reference thereto. Each residence lot shall be assigned one membership for each residence unit located or to be located on such lot.

(f) At such time as the subdivision has reached its maximum number of residence units allowable by law then if there are any reserved memberships still remaining they shall become void. In the event more than 400 residence units are allowed then the Articles and Bylaws may be amended to increase the number of memberships. Whenever the word membership is used it shall include both existing and reserved memberships.

(g) No owner may avoid the burdens or obligations incidental to memberships by non-use of the common area or abandonment of his residence lot or residence unit.

(h) Upon conveyance, sale or assignment of a residence lot or residence unit to a new owner or owners, the selling owner or owners shall not be liable for any assessments levied upon the membership in the association appurtenant to such residence lot after the date of such sale, however, the new owner will be liable for delinquent assessments of the former owner.

(i) The rights, duties, privileges and obligations incidental to membership in the association shall be exercised and imposed in accordance with the provisions of these restrictions, the Articles and the Bylaws. Each membership shall represent an equal, underlying beneficial interest in the association's property.

(j) The incorporators and Board of Directors do not have to be residence unit owners or residence lot owners.

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

(l) There shall be one vote for each existing and reserved membership.

(m) No membership may be separated from the property to which it is appurtenant; provided, however, that the privileges of ownership may be exercised by a nominee of an owner designated in writing so long as (1) the nominee is a resident on the property to which the membership is appurtenant, (2) no charge is made for use of the membership in excess of the amount of any assessments levied against the owner by reason thereof, and (3) any such assignment of privileges is revocable at the will of the owner. The designation of a nominee shall in no way relieve the owner of a membership from any liability arising by reason thereof. Nothing herein contained shall be deemed to prohibit use of association facilities by guests or other persons pursuant to reasonable rules and regulations adopted by the Board.

3. OWNERSHIP OF PROPERTY: The association shall hold title in fee or in permanent easement to parking areas, open spaces, parkways, rights of way, and areas that may be designated as common areas as may be acquired by it or set aside and maintained for the use, enjoyment or convenience of residence lot owners.

4. AUTHORITY OF ASSOCIATION TO MAINTAIN PROPERTY: The association shall maintain and otherwise manage and administrate the landscaping, parking areas, open spaces, common areas and recreational facilities located upon the areas described in (3) above.

5. ASSESSMENTS: Each member shall be subject to an assessment in an amount to be determined by the Board of Directors on a pro-rata basis. Provided, however, that each member with an unimproved residence lot and each reserved membership shall not be assessed in an amount more than 50% of a member owning an improved residence lot on which a dwelling or any part thereof is located or which is used ancillary to an existing dwelling. Such assessment shall be for the following purposes and shall not be levied in an amount more than is necessary reasonable for such purposes together with a reasonable reserve for future expenses:

(a) Repair and maintenance of all common areas and any taxes or other charges required by Paragraph IV (3) above.

(b) Actual cost to the association of such recreational facilities as may from time to time be provided by the association.

(c) Liability, fire and other necessary insurance premiums. Such insurance to include liability insurance of not less than \$500,000 for any occurrence and \$350,000 to any one person for bodily injury and \$1,000,000 property damage and insurance affording protection for the assets of the association against damage by fire, vandalism, malicious mischief and such other hazards as the Board of Directors

may determine. The disposition of insurance proceeds shall be made upon a majority of the Board of Directors, but in all events shall be used to further the purposes of the association.

(d) Such sums as the Board of Directors shall determine to be necessary to carry on the purposes of the association subject to the limitations set forth herein or in the Articles or Bylaws of the association.

6. MAINTENANCE FUND: ASSESSMENTS

(a) Within thirty (30) days prior to the beginning of each calendar year the association's Board of Directors shall estimate the net charges to be paid during such year pursuant to the terms hereof (including a reasonable provision for contingencies and replacements and less any expected income and any surplus from the prior year's fund). Said "estimated cash requirement" shall be assessed to each member on a pro-rata basis as set forth herein.

If said sum estimated proves inadequate for any reason, including nonpayment of any member's assessment, the association may at any time levy a further assessment, which shall be assessed to the members in like proportions, unless otherwise provided herein. Each member shall be obligated to pay assessments made pursuant to this paragraph to the association in equal monthly installments on or before the first day of each month during such year, or in other such manner as the association shall designate.

(b) All funds collected hereunder shall be expended only for the purposes set forth in these restrictions and purposes incidental thereto. No member may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area or abandonment of his or her residence lot.

(c) Such assessments as may be fixed may be included with other trust funds or impounds collected by the holder of any Deed of Trust encumbering any residence lot or may be collected by the County Treasurer in connection with real property taxes.

7. SPECIAL ASSESSMENT: The association shall also have the authority, through the Board of Directors, to establish, fix, and levy a special assessment on any parcel of land and any residence lot and any residence unit in said subdivision to secure the liability of the owner thereof to the association arising from breach of such owner of any of the provisions of this declaration, which breach shall require the expenditure of time or money or both, by the association for repair or remedy.

8. DEFAULT IN PAYMENT OF ASSESSMENTS:

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

(b) The real property to which reserved memberships are appurtenant shall be subject to a lien to secure all assessments against such reserved membership.

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

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

(e) The lien may be enforced by court foreclosure sale or by a non-judicial sale conducted in accordance with the provisions relating to a sale by trust deed foreclosure under the appropriate provisions of the Nevada Revised Statutes.

In lieu of a foreclosure sale as set forth above, the association may enforce its lien by any remedy allowed by law or may waive its lien and hold the owner personally liable.

9. OWNERS OBLIGATION TO MAINTAIN AND REPAIR: Each member shall be obligated to maintain his residence unit or lot and all improvements thereon in a manner acceptable to the Board of Directors of the association. In the event member fails to do so then the association shall have the right to enter such premises and make such repairs as may be reasonably necessary and the cost thereof shall be a special assessment lien against such member's lot or residence unit. Each member shall also maintain in a manner acceptable to the Board of Directors all walkways, driveways, sidewalks or paths used for ingress and egress, individually or in common, and the expense of maintenance shall be governed by the provisions relating to party walls where applicable.

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

V. ARCHITECTURAL CONTROL BOARD

There is hereby created an Architectural Control Board consisting of three members as follows: (1) JACK SIEVERS, (2) FERDIE SIEVERS, (3) EARL FRASER, any two of which can approve plans and appoint a new member when necessary. In case of death, resignation or incapacity or any failure of any member or members of the Architectural Control Board to act, the remaining member or members shall fill any vacancy or vacancies. Any member of the Architectural Control Board may be removed from the Board for any cause upon the vote of two members thereof. The Architectural Control Board shall have the power to establish and amend its own rules and regulations with regard to meetings, quorums and other procedural matters. The Architectural Control Board hereby created is hereinafter referred to as "The Board".

1. No improvement, alteration or structure of any kind shall be erected, constructed, placed and moved on, maintained on a said residence lot, or portion thereof, or shall any alteration, addition, change or repair be made to the exterior of a structure or to the outside area of a residence lot, unless prior to the commencement of such activity, two complete sets of plans and specifications thereof, including front, side and rear elevations, and floor plan for each floor and basement, color scheme and texture thereof, and detailed plot plan, indicating and fixing the exact location of such structure or such alteration thereof and the outside area, shall first have been submitted to the "Board" in writing for approval and such approval obtained in writing from the "Board". Said plans shall be accompanied by a checking fee in the amount of \$25.00.

2. Board approval may be withheld (a) because of the noncompliance with any of the specific conditions and restrictions contained in this declaration of restrictions, or (b) because of the reasonable dissatisfaction of the Board with the location of the structure on the building site, or with the appearance of the proposed structure or with the lot grading plan, considering the character of the area in which it is proposed to be erected, the materials of which it is to be built, the harmony thereof with the surroundings, and the effect of the buildings or other structures as planned on the outlook from the adjacent or neighboring property or properties.

3. Waiver or Approval. Approval by the Architectural Control Board of any plan or specification shall not prevent the association from withholding its approval of an identical plan or specification, or part thereof, when subsequently or additionally submitted for approval by the same or any other owner.

4. Non-Liability. Approval by the Architectural Control Board of any plan or specification submitted to it for approval shall not cause the association to be liable in any way to any person.

5. The Board shall act with all due promptness in approving or disapproving plans and in the event the Board shall fail to approve or disapprove any matter submitted within thirty days from submission then the matter shall be deemed approved.

6. The Board may, by unanimous consent of all members designate the association as the agency responsible to appoint any portion or all of the members of the Board.

VI. PARTITION

There shall be no judicial partition and or physical subdivision by deed or otherwise of the common area and/or any one or more residence units, nor shall declarant or any person acquiring any interest in the project or any part thereof seek any such judicial partition and/or subdivision thereof; provided, however, that if any unit ownership shall be owned by two or more co-tenants as tenants-in-common or as joint tenants, nothing herein contained shall be deemed to prevent a judicial partition as between such co-tenants as long as such judicial partition does not result in any physical partition.

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

VII. EASEMENTS

Section 1. Encroachments. There is reserved for the benefit of each residence lot an easement of maintenance and use to which the entire project shall be subject for any and all encroachments resulting from roof overhang and any other causes attributable to the design and construction of improvements on each residence lot and any and all encroachments resulting from construction errors, lateral shifting or settlement or any other cause and any and all encroachments resulting from construction of sewer, water and electrical lines and other utilities. Projecting private docks, patios, terrace or balconies attached to a residence unit may occupy a permanent easement over the common ground, but the owner of a residence unit assumes the responsibility and sole liability for maintenance, insurance coverage and use, saving the association harmless from any and all activities or suits resulting from such use and occupancy.

Section 2. Ingress, Egress and Support. An easement for ingress, egress and support through the common area is appurtenant to each residence unit and residence lot and all the common area is subject to such easements.

Section 3. Rights of Association. There is reserved to the association an easement to which the entire project shall be subject, of entry and of access for the performance generally of its rights and duties as provided in this Declaration. Entry into the residence of an owner pursuant to this easement shall be restricted to reasonable times and must be preceded by seven (7) days notice to the occupant, unless entry is required by an emergency.

Section 4. Utilities. There is reserved an easement over, under and through each residence unit and residence lot and the common area for installation, maintenance and repair of each and every utility service including but not limited to sewage, water, electricity, gas, television and telephone service.

Section 5. It is agreed that for purposes of valuation and assessment by the County Assessor of Douglas County, Nevada, that the easements herein provided for shall be valued as part of and assessed against the residence lot to which any easement is appurtenant.

Section 6. Because of the mountainous nature of the terrain it is anticipated that there will be walkways from the road to each of the residence lots and residence units. Such walkways may be partly or entirely used in common with other residence lot owners for ingress and egress. Each such walkway shall be considered appurtenant to the residence lot or residence unit it benefits as an easement so long as it is subject to use. Initially the walkways will be provided by Declarant. Any subsequent walkways will be allowed only with the approval in writing of the Architectural Control Board. The definition of walkways shall also include any paths, sidewalks, driveways or any type of easement for ingress and egress. Such easements for walkways shall survive the termination of the association and these deed restrictions. The residence lot owners and residence unit owners benefited by such walkway shall be fully responsible for the maintenance thereof.

VIII. TAXES AND ASSESSMENTS

Each owner shall be obligated to pay all taxes or assessments against his own residence lot, or personal property, or interest in the common area, or appurtenant easements. Each owner shall be obligated to pay an assessment by the association for the portion of any taxes or assessments against any part of the common area in proportion to his interest in the common area, such payment to the association to be made at least thirty (30) days prior to delinquency of such tax or assessment. Such assessments or taxes are secured by the lien which may be created by Paragraph IV or may otherwise be collected as provided therein.

IX. MORTGAGE HOLDERS

Any mortgage holder will be subject to the deed restrictions provided herein. In the event of foreclosure the purchaser at a foreclosure sale shall be subject to assessments of the association which have been recorded as a lien.

X. USE OF COMMON AREA

The common area shall be occupied and used as follows:

(a) Nothing shall be stored in the common area without the prior consent of the association except as hereinafter provided:

(b) Nothing shall be done or kept in the common area which will increase the rate of insurance on the common area, without the prior written consent of the association. No owner shall permit anything to be done or kept on his residence lot or in the common area which will result in the cancellation of insurance on any residence or any part of the common area, or which would be in violation of any law. No waste will be permitted in the common area.

XI. ALTERATIONS, ADDITIONS AND IMPROVEMENTS OF COMMON AREA

There shall be no structural alterations, capital additions to, or capital improvements of the common area requiring an expenditure in excess of FIVE THOUSAND (\$5,000.00) DOLLARS without the prior approval of Sixty (60%) Per Cent of the members existing and reserved of the association.

XII. AUDIT

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

XIII. INTERPRETATION

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

XIV. AMENDMENT

Except as otherwise provided herein, the provisions of these restrictions may be amended by an instrument in writing signed and acknowledged by Eighty (80%) Per Cent of the total members of the association, which amendment shall be effective upon recordation in the Office of the Recorder of the County of Douglas, Nevada.

XV.

This declaration shall terminate upon the obsolescence of the subdivision after it has been in existence for a period of Fifty (50) Years.

XVI. SEVERABILITY

The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof.

XVII. ACCEPTANCE OF PROVISIONS BY GRANTEES

The association and each grantee hereafter of any part or portion of or interest in the project, and any purchaser under any grant or contract of sale, or any lessee under any lease covering any part or portion of or interest in the project, and any mortgage holder accepts the same, subject to all of the restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers of the association and declarant provided in this declaration.

Dated this 29 day of September, 1968

KINGSBURY ALPINE VILLAGE
A Limited Partnership

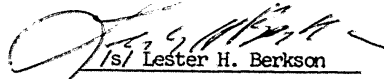
Ferdie Sievers
By /s/ Ferdie Sievers
General Partner

42593

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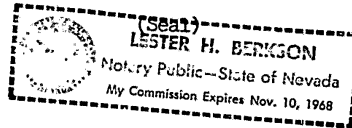
STATE OF NEVADA)
COUNTY OF DOUGLAS)ss

On this 3rd day of September, 1968, personally appeared before me FERDIE SIEVERS, personally known to me to be a member of the firm of Kingsbury Alpine Village and to me known to be the person described in and who executed the foregoing instrument in the firm name of Kingsbury Alpine Village, and he acknowledged that he executed the same as the act and deed of said firm of Kingsbury Alpine Village for the uses and purposes therein mentioned.

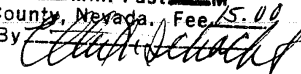

/s/ Lester H. Berkson

Notary Public for Clark County,
Nevada

My Commission expires: November 10, 1968



42593

Recorded at Request of SILVER STATE TITLE CO.
On Oct 14, 1968 At 53 Min. Past 9 AM
Official Records of Douglas County, Nevada. Fee 15.00
Ethel N. Schacht, Recorder. By 

-13-

42593

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SUMMIT VILLAGE, INC.
P. O. Box 4677
Stateline, Nevada 89449
AREA CODE 702-588-3957

AMENDMENT TO PRESENT COVENANTS, CONDITIONS AND RESTRICTIONS
OF SUMMIT VILLAGE, INC.

July 15, 1976

To Whom It May Concern:

We have received approval of 80% or more of the members of the Summit Village Homeowner's Association to comply with FHA 1400 standards.

The articles to be deleted and the articles to be incorporated in the Summit Village, Inc. Covenants, Conditions and Restrictions are as follows:

Articles to be deleted:

Article IV, 5. (a, b, c, d) 6. (a, b, c) 7. and 8. (a, b, c, d, e)

Articles to be incorporated:

Article IV, Section 1, Section 2, Section 3. (a, b, c),
Section 4, Section 5, Section 6, Section 7,
Section 8, and Section 9.

Subscribed and sworn to before me this 15th day of July, 1976.

SUMMIT VILLAGE HOMEOWNER'S ASSOCIATION

Lois Storke
Notary Public

Donald M. Toombs
Donald M. Toombs,
President

JMB

LOIS STORKE
Notary Public — State of Nevada
Douglas County
My Commission Expires Dec. 17, 1978

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AMENDMENT TO COVENANTS, CONDITIONS AND RESTRICTIONS
TO BE INCORPORATED

ARTICLE IV
COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided.

The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property 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 property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area.

Liability, fire, and other necessary insurance premiums. Such insurance to include liability insurance of not less than \$500.00 for any occurrence and \$350,000 to any one person for bodily injury and \$100,000 property damage and insurance affording protection for the assets of the association against damage by fire, vandalism, malicious mischief and such other hazards as the Board of Directors may determine. The disposition of insurance proceeds shall be made upon a majority of the Board of Directors, but in all events shall be used to further the purposes of the association.

Section 3. Maximum Annual Assessment. Until July 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment shall be sixty dollars (\$60.00) per resident lot.

(a) From and after July 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than 5% above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above 5% by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

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Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of 9 per cent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

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PORTION OF COVENANTS, CONDITIONS AND RESTRICTIONS
TO BE DELETED

IV. ASSOCIATION

5. ASSESSMENTS: Each member shall be subject to an assessment in an amount to be determined by the Board of Directors on a pro-rata basis. Provided, however, that each member with an unimproved residence lot and each reserved membership shall not be assessed in an amount more than 50% of a member owning an improved residence lot on which a dwelling or any part thereof is located or which is used ancillary to an existing dwelling. Such assessment shall be for the following purposes and shall not be levied in an amount more than is necessary reasonable for such purposes together with a reasonable reserve for future expenses:

(a) Repair and maintenance of all common areas and any taxes or other charges required by Paragraph IV (3) above.

(b) Actual cost to the association of such recreational facilities as may from time to time be provided by the association.

(c) Not to be deleted.

(d) Such sums as the Board of Directors shall determine to be necessary to carry on the purposes of the association subject to the limitations set forth herein or in the Articles or Bylaws of the association. (bottom of page 7)

6. MAINTENANCE FUND: ASSESSMENTS

(a) Within thirty (30) days prior to the beginning of each calendar year the association's Board of Directors shall estimate the net charges to be paid during such year pursuant to the terms hereof (including a reasonable provision for contingencies and replacements and less any expected income and any surplus from the prior year's fund). Said "estimated cash requirement" shall be assessed to each member on a pro-rata basis as set forth herein.

If said sum estimated proves inadequate for any reason, including nonpayment of any member's assessment, the association may at any time levy a further assessment, which shall be assessed to the members in like proportions, unless otherwise provided herein. Each member shall be obligated to pay assessments made pursuant to the paragraph to the association in equal monthly installments on or before the first day of each month during such year, or in other such manner as the association shall designate.

(b) All funds collected hereunder shall be expended only for the purposes set forth in these restrictions and purposes incidental thereto. No member may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area or abandonment of his or her residence lot.

(c) Such assessments as may be fixed may be included with other trust funds or impounds collected by the holder of any Deed of Trust encumbering any residence lot or may be collected by the County Treasurer in connection with real property taxes.

DOUGLAS COUNTY

7. SPECIAL ASSESSMENT: The association shall also have the authority, through the Board of Directors, to establish, fix, and levy a special assessment on any parcel of land and any residence lot and any residence unit in said subdivision to secure the liability of the owner thereof to the association arising from breach of such owner of any of the provisions of this declaration, which breach shall require the expenditure of time or money or both, by the association for repair or remedy.

8. DEFAULT IN PAYMENT OF ASSESSMENTS:

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

(b) The real property to which reserved memberships are appurtenant shall be subject to a lien to secure all assessments against such reserved membership.

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

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

(e) The lien may be enforced by court foreclosure sale or by a non-judicial sale conducted in accordance with the provisions relating to a sale by trust deed foreclosure under the appropriate provisions of the Nevada Revised Statutes.

In lieu of a foreclosure sale as set forth above, the association may enforce its lien by any remedy allowed by law or may waive its lien and hold the owner personally liable.

(page 8)

Part of Covenants, Conditions and
Restrictions Dated this _____ day
of September, 1968

KINGSBURY ALPINE VILLAGE
a Limited Partnership

By/s/ Ferdie Sievers

01723
BOOK 776 PAGE 661

DOUGLAS COUNTY

REQUESTED BY *RE*
Summit Village Inc
IN OFFICIAL RECORDS OF

48.0000
76 JUL 15 A 9: 41

DOUGLAS CO. NEV.
PATRICIA J. WILLIAMS
RECORDER

Patricia Williams Deputy

01723

BOOK 776 PAGE 662

RECORDING REQUESTED BY:

Summit Village Homeowners Association, Inc.,
A Non-Stock, Non-Profit Cooperative Corporation.

1 AND WHEN RECORDED, RETURN TO:

2 Michael J. Roeser, Esq.
3 P. O. Box 10791
4 Zephyr Cove, Nevada 89448

5 RESOLUTION
6 OF
7 SUMMIT VILLAGE HOMEOWNERS ASSOCIATION
8 BOARD OF TRUSTEES

9 TO ALL PERSONS owning property in the Summit Village
10 Homeowners Association, who are thereby subject to the
11 Declaration of Covenants, Conditions, and Restrictions on file
12 in the Douglas County Recorder's office, the following resolution
13 is hereby adopted by the Board of Trustees:

14 1. WHEREAS, in September 1968 the Declaration of
15 Covenants, Conditions, and Restrictions for Summit Village was
16 filed pursuant to the power vested in the Board of Trustees by
17 the Articles of Incorporation and ByLaws of the Homeowners
18 Association, a non-stock, non-profit cooperative corporation.

19 2. WHEREAS, on or about July 15, 1976, an Amendment
20 to the present Covenants, Conditions, and Restrictions of Summit
21 Village, Inc., was recorded in Book 776, Page 657.

22 3. WHEREAS, said Amendment represented that approval
23 of 80 percent or more of the Summit Village Homeowners
24 Association was obtained authorizing the amendment of the
25 Covenants, Conditions, and Restrictions.

26 4. WHEREAS, the Board of Trustees have determined
27 that the documents were falsely filed, in that 80 percent of the
28 members did not assent to the amendment.

MICHAEL J. ROESER
Attorney at Law
Post Office Box 10791
Zephyr Cove
Nevada 89448
(702) 588-8452

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1 5. NOW WHEREFORE, the acting Board of Trustees does
2 hereby declare in its resolution the following: The Amendments
3 to the Covenants, Conditions, and Restrictions are hereby declared
4 null and void, of no effect, and recorded contrary to and in vio-
5 lation of the provisions of the original Declaration of Covenants,
6 Conditions, and Restrictions filed in 1968. This resolution is
7 meant to inform all property owners in the Homeowners Association
8 that the governing board of the Homeowners Association is, has
9 been, and will continue to operate under the powers granted to
10 it by the Articles of Incorporation, the ByLaws, and the original
11 Declaration of Covenants, Conditions, and Restrictions filed in
12 1968.

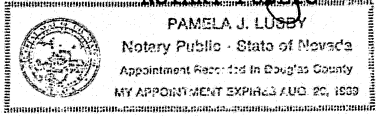
13 Dated Oct. 16, 1985.

14
15 Herbert C. Nystrom
HERBERT C. NYSTROM, President

16 SUBSCRIBED AND SWORN TO BEFORE ME THIS

17 16th DAY OF October, 1985.

18 Pamela J. Lusby
19 NOTARY PUBLIC

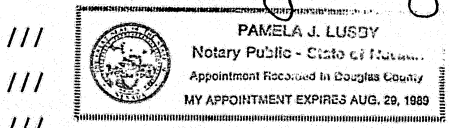


20
21 John H. Peel
JOHN PEEL, Vice President

22 SUBSCRIBED AND SWORN TO BEFORE ME THIS

23 17th DAY OF October, 1985.

24 Pamela J. Lusby
25 NOTARY PUBLIC

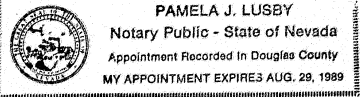
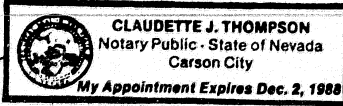


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27
28 MICHAEL J. ROESER
Attorney at Law
Post Office Box 10791
Zephyr Cove
Nevada 89448
(702) 588-8452

Douglas Anton
DOUGLAS ANTON, Secretary/Treasurer

SUBSCRIBED AND SWORN TO BEFORE ME THIS
24th DAY OF *October*, 1985.

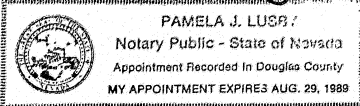
Claudette J. Thompson
NOTARY PUBLIC



William Cole
WILLIAM COLE, Director

SUBSCRIBED AND SWORN TO BEFORE ME THIS
17th DAY OF *October*, 1985.

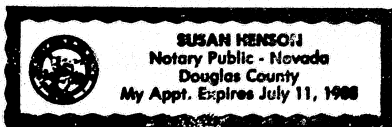
Pamela J. Lusby
NOTARY PUBLIC



Jim Vasquez
JIM VASQUEZ, Director

SUBSCRIBED AND SWORN TO BEFORE ME THIS
18th DAY OF *October*, 1985.

Susan Menconi
NOTARY PUBLIC



REQUESTED BY
H.C. Dupont
IN OFFICIAL RECORDS OF
DOUGLAS COUNTY, NEVADA

'85 OCT 25 A9:51

SUZANNE BEAUDREAU
RECORDER

\$ 7.00 PAID *AL* DEPUTY 125680

BOOK 1085 PAGE 2290

MICHAEL J. ROESER
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Post Office Box 10791
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(702) 588-8452

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

AMENDED
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS

SUMMIT VILLAGE, INC.

ARTICLE I

Section 1.1 DESCRIPTION AND OWNERSHIP OF REAL PROPERTY

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

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

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

ARTICLE II
DEFINITIONS

Section 2.1 ARTICLES OF INCORPORATION AND BY-LAWS

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

Section 2.2 ASSOCIATION

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

Section 2.3 BOARD

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

Section 2.4 COMMON AREA

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

Section 2.5 DECLARANT

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

Section 2.6 SUB-ASSOCIATION

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

Section 2.7 OWNER OR OWNERS

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

Section 2.8 RESIDENCE LOTS

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

Section 2.9 RESIDENCE UNIT

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

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

Section 2.10 **STRUCTURE**

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

Section 2.11 **SUBDIVIDED PROPERTY**

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

Section 2.12 **UNIT OWNERSHIP OF UNIT**

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

Section 2.13 **WALKWAYS**

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

ARTICLE III
OCCUPANCY AND USE OF RESIDENTIAL AND COMMON AREAS

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

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

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

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

Section 3.4

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IV
ASSOCIATION

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

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

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

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

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

Section 4.4

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 4.7

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

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

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

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

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

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

Section 4.8

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

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

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

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

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

(E) IMPROVEMENT ASSESSMENTS

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

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

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

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

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

Section 4.10

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

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

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

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

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

Section 4.11

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

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

Section 4.12

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

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

ARTICLE V
ARCHITECTURAL CONTROL

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

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

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

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

newly constructed parking space requirement of this section.

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

Section 5.3 Board approval may be withheld:

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

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

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

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

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

ARTICLE VI
PARTITION

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

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

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

ARTICLE VII EASEMENTS

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

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

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

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

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

Section 7.7

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

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

ARTICLE VIII
STATE, COUNTY AND ASSOCIATION
TAXES AND ASSESSMENTS

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

ARTICLE IX
MORTGAGE HOLDERS

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

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

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

ARTICLE X
USE OF COMMON AREAS

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

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

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

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

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

SECTION XI
ANNEXATION

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

ARTICLE XII
AUDIT

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

ARTICLE XIII
INTERPRETATION AND SEVERABILITY

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

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

ARTICLE XIV
AMENDMENT

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

ARTICLE XV
TERMINATION

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

ARTICLE XVI
ACCEPTANCE OF PROVISIONS BY GRANTEEES

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

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

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

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

STATE OF NEVADA)

COUNTY OF DOUGLAS)

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

Julie Wambold
NOTARY PUBLIC



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

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RECORDER

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