

APN# 126-300-00

Recording Requested by:

Name: Heidi Burton

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City/State/Zip: Incline Village, NV 89451

When Recorded Mail to:

Name: Incline Pines Home Owners Association

Address: 848 Tanager St.

City/State/Zip: Incline Village, NV 89451

Mail Tax Statement to:

Name: Incline Pines Home Owners Association

Address: 848 Tanager St.

City/State/Zip: Incline Village, NV 89451

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Washoe County Recorder

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Page 1 of 61

(for Recorder's use only)

THIRD AMENDED AND RESTATED DECLARATION
OF COVENANTS, CONDITIONS, AND
RESTRICTIONS

(Title of Document)

Please complete Affirmation Statement below:

☒ I the undersigned hereby affirm that the attached document, including any exhibits, hereby submitted for recording does not contain the personal information of any person or persons.
(Per NRS 239B.030)

-OR-

☐ I the undersigned hereby affirm that the attached document, including any exhibits, hereby submitted for recording does contain the personal information of a person or persons as required by law: _____
(State specific law)

Heidi Burton
Heidi Burton (Mar 14, 2022 09:03 PDT)

Signature

Incline Pines HOA president

Title

Heidi Burton

Printed Name

This page added to provide additional information required by NRS 111.312 Sections 1-2
and NRS 239B.030 Section 4.

This cover page must be typed or printed in black ink.

APN 126-300-00

When recorded return to:

Incline Pines Home Owners Association
c/o Incline Property Management
848 Tanager St.
Incline Village, NV 89451

**THIRD AMENDED AND RESTATED DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS FOR INCLINE PINES HOME OWNERS
ASSOCIATION**

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**THIRD AMENDED AND RESTATED DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS FOR INCLINE PINES HOME OWNERS
ASSOCIATION**

THIS THIRD AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR INCLINE PINES HOME OWNERS ASSOCIATION is made as of this seventh day of February, 2022, by the Incline Pines Home Owners Association, a Nevada non-profit corporation (“Association”).

RECITALS

WHEREAS, Incline Pines Home Owners Association (“Association”) was created on March 22, 1976;

WHEREAS, the Association is made up of that certain real property located in Incline Village, County of Washoe, State of Nevada, which is more particularly described on the subdivision map of Incline Pines a condominium association (Incline Pines Complex), recorded on January 12, 1972, in the office of the County Recorder of Washoe County, Nevada, as File No. 231529 and as described in Exhibit “A”;

WHEREAS, the original Condominium Declaration of Incline Pines, a Condominium Project (the “Original Declaration”) was recorded on February 16, 1973 in Book No. 709, as Document No. 275965 in the Office of the Washoe County Recorder;

WHEREAS, a Revised Declaration of Covenants, Conditions and Restrictions of Incline Pines, a Condominium Project was recorded on December 2, 1980 as Document No. 709817 in the Office of the Washoe County Recorder;

WHEREAS, the Amended Restrictions of Incline Pines Condominium HomeOwners Association was recorded August 15, 1995 as Document No. 1916622 in the Office of the Washoe County Recorder;

WHEREAS, the Restated Declaration of Covenants, Conditions and Restrictions was recorded on December 15, 2006 as Document No. 3475655 in the Office of the Washoe County Recorder;

WHEREAS, a second Restated Declaration of Covenants, Conditions and Restrictions recorded on June 29, 2015 as Document No. 4484569 in the Office of the Washoe County Recorder (the “Second Declaration”). This Second Declaration purported to incorporate all restrictions and amendments previously recorded against the properties within the Association into one document;

WHEREAS, pursuant to **Section 15.1** of the Second Declaration, the Declaration may be amended with the approval of two-thirds (2/3) of the Owners (27 Owners); and

WHEREAS, the Members of the Association desire to amend and restate the covenants, conditions and restrictions set forth in the Second Declaration and Owners representing the requisite percentage described above have voted in favor;

NOW, THEREFORE, the Association, acting by and through its Membership, hereby adopts and approves the Third Amended and Restated Declaration of Covenants, Conditions, and Restrictions of Incline Pines Home Owners Association ("Third Declaration"), which shall supersede and replace all prior documents, including but not limited to the Second Declaration and any amendments thereto, as follows:

All of the Property held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved subject to the limitations, restrictions, reservations, rights, easements, conditions, and covenants contained in this Declaration, all of which are declared and agreed to be in furtherance of a plan for the protection, maintenance, improvement, and sale of the Property and for the purpose of enhancing the value, desirability and attractiveness of the Property. All provisions of this Declaration, including, without limitation, the easements, uses, obligations, covenants, conditions, and restrictions hereof, are hereby imposed as equitable servitudes upon the Property. All of the limitations, restrictions, reservations, rights, easements, conditions and covenants herein shall run with and burden the Property and shall be binding on and for the benefit of all of the Property and all Persons, as hereinafter defined, having or acquiring any right, title, or interest in the Property, or any part thereof, and their successors in interest and assigns.

ARTICLE I DEFINITIONS

Unless the context otherwise specifies or requires, the terms defined in this Declaration shall have the meanings herein specified.

1.01 Act: “Act” shall mean and refer to the State of Nevada’s version of the Uniform Common Interest Ownership Act, codified in NRS and NAC Chapter 116, as it may be amended from time to time, or any portion or provision thereof.

1.02 Allocated Interests: “Allocated Interests” shall mean the undivided interest in the Common Elements, the liability for Common Expenses and the votes in the Association to each Unit as set forth in this Declaration.

1.03 Articles of Incorporation or Articles: “Articles of Incorporation” or “Articles” shall mean the Amended and Restated Articles of Incorporation of the Association, as they may be amended from time to time.

1.04 Assessment: “Assessment” shall mean Capital Improvement Assessments, Annual Assessments, Enforcement Assessments, Reserve Assessments and Special Assessments or other assessments that may be charged against each Owner and Owner’s Unit in accordance with the provisions of this Declaration or the Act.

1.05 Assessment, Annual: “Annual Assessment” shall mean the annual charge against each Owner and the Owner’s Unit, subject to this Declaration, representing a portion of the total, ordinary costs of maintaining, improving, repairing, replacing, managing and operating the Common Elements or any Improvements thereon or other Common Expenses, which are to be paid by each Owner to the Association as provided in this Declaration, or as otherwise authorized by the Act or the Governing Documents.

1.06 Assessment, Capital Improvement: “Capital Improvement Assessment” shall mean a charge against each Owner and the Owner’s Unit representing a portion of the costs to the Association for installation or construction of any new Improvements on any portion of the Common Elements which the Association may from time to time authorize, pursuant to this Declaration.

1.07 Assessment, Enforcement: “Enforcement Assessment” shall mean a charge against a particular Owner and the Owner’s Unit, subject to this Declaration, directly attributable to or reimbursable by the Owner, equal to the cost incurred by the Association for corrective action performed pursuant to the provisions of this Declaration (including, if applicable, the amount of any deductible payable in connection with an insured loss), or levied by the Board as a reasonable fine or penalty for non-compliance with the restrictions contained in this Declaration, plus interest and other charges on such Special Assessment that will be imposed in the manner described in this Declaration, or as otherwise authorized by the Act or this Declaration.

1.08 Assessment, Reserve: “Reserve Assessment” shall mean the charges against each Owner and the Owner’s Unit, pursuant to this Declaration, representing the amount necessary to adequately fund the Reserve Account.

1.09 Assessment, Special: “Special Assessment” shall mean a charge assessed against all Owners or a subset of Owners for unforeseen or emergency expenditures, plus interest and other charges on such Special Assessment that will be imposed in the manner described in this Declaration, or as otherwise authorized by the Act or this Declaration.

1.10 Association: “Association” shall mean Incline Pines Home Owners Association, a Nevada nonprofit corporation, organized under NRS Chapter 82.

1.11 Board of Directors or Board: “Board of Directors” or “Board” shall mean the board of directors of the Association.

1.12 Budget: “Budget” shall mean the Operating Budget and the Reserve Budget for the Association as defined in this Declaration.

1.13 Building: “Building” shall mean a structure containing one Unit.

1.14 Business Day: “Business Day” shall mean a Monday, Tuesday, Wednesday, Thursday, or Friday, on which banking institutions are open for business in Washoe County, Nevada.

1.15 Bylaws: “Bylaws” shall mean the Amended and Restated Bylaws for Incline Pines Home Owners Association, as they may be amended from time to time.

1.16 Common Elements: “Common Elements” shall have the meaning ascribed to such term in NRS 116.017, and shall include the Limited Common Elements. More specifically, the Common Elements include, but are not limited to, the land on which the Units are located, the roads, trees, shrubbery and other plantings, walkways, driveways, streets, roadways, bear boxes, exterior landscaping on the Common Element grounds, parking spaces or pads, and other land included in the description of the Incline Pines Complex on the subdivision map of Incline Pines, a Condominium Association, recorded on January 12, 1972, in the Office of the County Recorder of Washoe County, Nevada, as File No. 231529 or any amendments thereto, as well as the monument sign. Utility service lines exist under Association real property outside and beneath Units placed there by the original Declarant and its contractors during initial development of Incline Pines. The utility service line equipment, pipes, conduits, wire, etc., are the property of the service provider (gas, electric, telephone, water, sewer, TV, etc.) up to the point of the Unit service meter, shut off valve or entry into the Unit are Common Elements. At this interior connection point, any such utility service lines, pipes conduits, flues, chutes, wires, and similar equipment become and are hereby designated as the responsibility of the Unit Owner for purposes of maintenance and repair.

All utility service lines, pipes, conduits, etc., outside the Unit, from which the Unit receives household utility service; i.e., water, sewage waste, gas, electrical, telephone, television, etc., to the point where such are introduced into the Unit, or said Unit's shut off valve or meter are within the Common Elements, and as such are coordinated with the service providers by and through the Association.

Water, sewer, garbage removal, removal of snow on the main road, parking areas and walkways to each Unit's front door are provided by the Association; all other utility services, at or into a Unit, are at the expense of the Unit Owner.

1.17 Common Expenses: "Common Expenses" shall have the meaning ascribed to such term in NRS 116.019 and shall include the expenses or financial liabilities for the operation of the Property and the Association, together with any allocations to reserves and shall include but may not be limited to:

(a) Expenses of administration, insurance, operation, maintenance, repair and replacement of the Common Elements except to the extent such repairs and replacements are the responsibility of a particular Owner pursuant to the terms of this Declaration. Such expenses shall include, but not be limited to, trash collection, snow removal as specified in **Section 1.16**, main road and parking space maintenance, water, sewer, and other necessary utility services for the Common Elements, painting, maintenance, repair of the Common Elements including main walkways, handrails, and any other elements determined by the Board to be necessary or proper; painting, repair and maintenance of all exterior walls, roofs (excluding portions of the roofs identified as Limited Common Elements in **Section 1.33(a)**) and other exterior surfaces of the Units (excluding windows, doors, rear-facing decks and entryways) reasonably necessary to keep all such exterior surfaces uniform in condition and color as determined necessary and reasonable by the Board from time to time; furnishings, tools, equipment, appliances, and other items for the Common Elements as the Board shall determine are necessary or proper and the Board or Manager shall have the exclusive right and duty to acquire the same, as directed;

(b) Expenses declared to be Common Expenses under the Governing Documents or the Act;

(c) Expenses agreed upon as Common Expenses by the Members of the Association by majority vote of the Owners;

(d) Allocation for reserves established by the Association for repair, replacement and restoration of the major components of the Common Elements pursuant to the Act;

(e) Expenses, fees, and other charges imposed upon the Association by any governmental entity because the Property is a common interest community pursuant to the Act;

(f) Costs of management and administration of the Association, including but not limited to compensation paid to managers, accountants, attorneys, agents and employees;

(g) Costs of fire, casualty, and property insurance, liability insurance, crime insurance, workers compensation insurance, directors and officers insurance, and other insurance covering the Common Elements or as required by the Act;

(h) Costs of bonding members of the Board;

(i) Taxes paid by the Association;

(j) Amounts paid by the Association for the discharge of any lien or encumbrance against the Common Elements;

(k) Costs of any expense that is required to be incurred in compliance with the Act; and

(l) The costs of any other item or items incurred by Association in connection with the Common Elements, for the benefit of the Owners.

1.18 Community: “Community” shall mean the Incline Pines community and the Property and Improvements.

1.19 Condominium: “Condominium” means a common-interest community in which portions of the real estate are designated for separate Ownership and the remainder of the real estate is designated for common Ownership solely by the Owners of those portions where the undivided interests in the common elements are vested in the Owners.

1.20 County: “County” shall mean Washoe County, Nevada and its various departments, divisions, employees and representatives.

1.21 Declaration: “Declaration” shall mean this Third Amended and Restated Declaration of Covenants, Conditions, and Restrictions of Incline Pines Home Owners Association, Recorded in the Office of the County Recorder, Washoe County, Nevada, as may be amended from time to time.

1.22 Director: “Director” shall mean and refer to a member of the Board of Directors.

1.23 Eligible Mortgagee: “Eligible Mortgagee” shall mean the holder of a First Security Interest in a Unit, which has notified the Association in writing of its name and address and that it holds a first Security Interest in a Unit, has provided the Association with the Unit number and address of the Unit on which it is the holder of a first Security Interest, and has requested that the Eligible Mortgagee be given the notices and other rights described in this Declaration.

1.24 Emergency: “Emergency” means any situation, condition or event which threatens substantial imminent damage or injury to person or property. Notwithstanding the foregoing, when used in the context of a Board or Membership meeting, the term “emergency” shall have the definition prescribed in the Act.

1.25 Final Map: “Final Map” shall mean the Final Map of Incline Pines, a Condominium Association, as recorded on January 12, 1972, in the Office of the County Recorder of Washoe County, Nevada, as File No. 231529 or any amendments thereto.

1.26 First Security Interest: “First Security Interest” means a Security Interest which has priority under the Laws over all other Security Interests encumbering a specific Unit.

1.27 Fiscal Year: “Fiscal Year” shall mean the twelve (12) month period used by the Association for preparing its annual financial reports. Unless otherwise specified by the Board of Directors, the Fiscal Year for the Association shall commence on July 1st and end on June 30th.

1.28 Governing Documents: “Governing Documents” shall mean this Declaration, the Articles, the Bylaws, and any Rules and Regulations that may be adopted or approved by the Board, as they may be amended from time to time, including any exhibits, schedules or certifications attached thereto.

1.29 Improvements: “Improvements” shall mean as applicable

(a) All buildings and structures and appurtenances thereto of every type and kind, including without limitation, Units and other buildings, walkways, trails, utility installations, recreational facilities, roads, sidewalks, walkways, driveways, parking areas, fences, screening walls, block walls, retaining walls, awnings, patio and balcony covers, stairs, decks, balconies, trellises, landscaping, irrigation systems, hedges, slopes, windbreaks, the exterior surfaces of any visible structure, paintings, planted trees and shrubs, antennae, poles, signs, IVGID main, shut off valves, gutters, downspouts, and water softener, heater or air conditioning and heating fixtures or equipment;

(b) The grading, excavation, filling or similar disturbance to the surface of the land including, without limitation, change of grade, change of ground level, change of drainage pattern or change of stream bed; landscaping, planting, clearing or removing of trees, shrubs, grass or plants; and

(c) Change or alteration of any previously installed improvement. None of the foregoing shall expressly or impliedly authorize the construction of any of the specified types of Improvements in the Community or constitute an express or implied representation that such Improvements shall exist or be constructed.

1.30 Invitee: “Invitee” shall mean a tenant, guest, contractor, occupant, employee, family member, agent, or any other Person on the Property at the request of, with the consent or approval of, or for the benefit of Owner.

1.31 Law: “Law” means any statutes, regulations, case law, and other legal authority to which the Property or any Person or Owner may be subject.

1.32 Lien: “Lien” means the Lien created by and perfected by this Declaration and any prior declarations set forth in the Recitals encumbering the Property. The Lien includes but is not limited to any and all assessments of whatsoever nature, costs of collection, late charges, fees, collection charges, attorney’s fees, transfer fees, and interest.

1.33 Limited Common Elements: “Limited Common Elements” shall mean those portions of the Common Elements over which exclusive easements are reserved for the benefit of one or more but fewer than all of the Owners, and designated by NRS Section 116.2102(2) and (4) of the Act. As stated in **Section 7.01**, prior Board approval is required before any alterations are made on a Unit’s Limited Common Elements.

Without limiting the foregoing, the Limited Common Elements shall include:

(a) Rear-facing decks, deck supports, front entry pads and decks, and those portions of a Unit’s roof, including roof components, that are unique in design and construction to that individual Unit. Examples include additional skylights, extended rooflines, shed roofs over mudrooms, etc.

(b) The ground area behind a Unit running the length of the Unit in the immediate footprint below the Unit’s upstairs structure, including the area under the rear-facing deck as identified in Exhibit “B” at the end of this document;

(c) All Board-approved additions including hot tubs, HVAC units and other items that otherwise may not be placed in the Common Elements;

(d) A three-foot-wide strip of the Common Elements immediately to one side of a Unit for a Board-approved walkway to provide outdoor access between the upper and lower levels;

(e) Any French drains that may be required adjacent to the Units that are installed and maintained by the Unit Owner.

(f) Any components of a French drain system beyond the immediate boundaries of a Unit, such as a “dry well” that are underground and not visible, subject to a notarized and recorded Common Area agreement.

(g) Any Board-approved electric vehicle charger at or near a Unit’s assigned parking spaces, subject to a Washoe County building permit and Association design specifications that may change from time to time, and a notarized and recorded Common Area agreement.

(h) Improvements by a Unit's Owner on Common Elements as defined in **Section 1.16**, that were in place prior to Jan. 1, 2022 are considered existing improvements that may remain unless the Board determines the continuing use causes a safety, access, or aesthetic issue within the community. Although these improvements continue to be the sole maintenance responsibility of the Unit Owner, the improvements remain a part of the Common Elements and thus may not be represented by the Unit Owner to be a Limited Common Element.

1.34 Manager: “Manager” shall mean a Person, firm or corporation possessing all pertinent licenses and certifications required to engage in community management work on the Association’s behalf, including all permits and/or certifications required by NRS 116A and NAC 116A, as may be amended from time to time.

1.35 Member: “Member” shall mean a Person entitled to membership in the Association as provided in the Governing Documents.

1.36 Membership: “Membership” shall mean the Members of the Association.

1.37 Notice and Hearing: “Notice and Hearing” shall mean written notice and a hearing before the Board, at which the Owner concerned shall have an opportunity to be heard in person or by counsel at Owner’s expense, in the manner provided in the Act.

1.38 NRS: “NRS” shall mean the Nevada Revised Statutes, as it may be amended from time to time. Any reference to any particular section of the NRS shall be deemed to include that section of the NRS, as well as any amendment and any successor statute.

1.39 Owner: “Owner” shall mean the Person who owns a Unit, as evidenced by a deed recorded in official records of Washoe County, but does not include a Person merely having a Security Interest in a Unit.

1.40 Person: “Person” shall include an individual, corporation, business trust, estate, trust, partnership, association, joint venture, government, government subdivision or agency or other legal or commercial entity.

1.41 Property: “Property” shall refer to the Property as a whole, including the Units and Common Elements.

1.42 Record, Recording, Recorded, or Recordation: “Record,” “Recording,” “Recorded,” or “Recordation” (including any derivation or tense thereof), unless otherwise specifically provided, shall mean or signify to file or have filed with the Official Records, Washoe County, Nevada.

1.43 Recreational Vehicle: “Recreational Vehicle” shall mean any motorized scooter, camper unit, house car, motor home, motor coach, trailer, trailer coach or camp trailer, watercraft, jet ski, canoe, kayak or boat, four-wheel, all-terrain vehicle, dune buggy, aircraft, or any other vehicle or vessel that is ordinarily used for purposes other than ordinary commuting.

1.44 Rules and Regulations: “Rules” shall mean the rules and regulations adopted by the Board of Directors from time to time pursuant to this Declaration and the Bylaws.

1.45 Security Interest: “Security Interest” shall mean an interest in real estate or personal property, created by contract or conveyance, which secures payment or performance of an obligation. The term includes a lien on a Unit created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of lease or rents intended as security, pledge of an Ownership interest in an Association, or any other consensual lien or title retention contract intended as security for any obligation.

1.46 Unit: “Unit” shall mean the real property within the Property, excluding the Common Elements, shown on the Final Map as individual numbered separate legal parcels in the maximum amount of forty (40).

(a) The Unit boundaries are designated to clarify responsibility for maintenance and repair. The interior side of the perimeter walls, roof, and foundation shall be the Unit boundaries.

(b) The exterior doors, windows, rear-facing deck, front entry pad or deck and portions of roof and roof components identified as Limited Common Elements in **Section 1.33(a)** of the Unit are the responsibility of the Owner to maintain and/or repair, subject to Association approval as stated in **Section 5.03**.

ARTICLE II ASSOCIATION AND ASSOCIATION PROPERTY

2.01 Association Duties and Powers: The duties and powers of the Association are those set forth in this Declaration, the Articles and Bylaws, together with the general and implied powers of an “association” (as defined in NRS Section 116.011 of the Act) and a nonprofit corporation generally, to do any and all things that such a corporation may lawfully do which are necessary or proper, in operating for the general welfare of the Owners, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Governing Documents and the Governing Documents. The Association shall further have the right to install or construct capital improvements on the Common Elements. The Association may at any time, and from time to time modify, reconstruct, replace or refinish any Improvement or portion thereof upon the Common Elements and replace destroyed trees or other vegetation and plant trees, shrubs and ground cover upon any portion of the Common Elements. The Association may employ personnel necessary for the effective operation and maintenance of the Common Elements, including the employment of legal, management and accounting services and/or other professionals. None of the Governing Documents shall, for any reason, be amended or otherwise changed so as to be inconsistent with this Declaration.

2.02 Professional Management: The Board of Directors, on behalf of the Association, may contract with one or more Managers to conduct certain activities on behalf of the Association, as may be determined by the Board. Each such contract shall provide for the termination by the Association without cause and without payment of a termination fee upon at least thirty (30) days’ written notice to the Manager.

2.03 Ownership of Common Elements: Each Owner of a Unit shall own an undivided one fortieth (1/40th) interest in the Common Elements, including all Limited Common Elements. The Common Elements shall include:

- (a) The Property in which the Owners hold an undivided interest, and
- (b) All property which the Association holds easement or other property rights. The Common Elements shall be held for the use, enjoyment, and convenience of the Owners and shall include all portions of the Property. Each Unit and its Owner(s) shall have an easement over all of the Common Elements, and such easement is hereby granted, transferred, and conveyed to all Owners by the Declarant for the benefit of the Units, the Owners, and each of them, and for their respective Invitees, subject however to **Section 2.04**.

2.04 Use of Common Elements: Each Owner and Owner’s Invitees shall be entitled to use the Common Elements, subject to the following:

- (a) The right of the Association to charge reasonable dues, use fees, and other fees for those facilities or amenities for which such fees are normally charged or assessed;

(b) The right of the Association to limit the number of guests of Members that may use the Common Elements at any one time, and to limit the use of the Common Elements by Owners, who by leasing their Unit, have delegated their right to use the Common Elements to their lessee;

(c) The right of the Association to suspend the rights of an Owner and/or an Owner's Invitees to use the Common Elements, excluding any vehicular or pedestrian ingress or egress to or from a Unit, and any area used for parking, for (1) any period during which any Assessment against the Owner's Unit remains past due and unpaid and (2) after Notice and Hearing for any violation of the Governing Documents for a period not to exceed thirty (30) days for each violation, provided however, that, if the violation is continuing, the suspension may continue until the violation is cured;

(d) The right of the Association to require that security deposits be made and deposited with the Association to secure all sums payable to the Association and to guarantee performance of all duties due and owing or to become due and owing to the Association;

(e) Such rights to use and encumbrances with respect to the Common Elements as may have been granted by the Association to others or that may exist of record;

(f) The right of the Association to establish reasonable Rules for the operation and use of the Common Elements and the conduct of Persons thereon, and to limit access to portions of the Common Elements as determined by the Board, or in order to comply with the requirements of Law;

(g) The right of the Association to maintain, repair, refurnish, reconstruct, replace or modify Improvements located in the Common Elements, to remove without replacing trees or other vegetation which may be damaging either a Unit or Common Elements, and the right of the Association to close or limit the use of all or a portion of the Common Elements, while maintaining and repairing the same;

(h) The right of the Association, upon (1) the adoption of a resolution by the Board that the present use of Common Elements or a facility thereon is no longer in the best interests of the Owners and (2) the approval of such resolution by a majority of the Members, to change the use thereof and in connection therewith to construct, reconstruct, alter or change the Improvement to accommodate the new use, provided that such new use is consistent with any deed restrictions, or governmental ordinances or regulations as more fully provided in this Declaration;

(i) The right of the Association to establish with the City or County, a special tax assessment district for the performance of all or a portion of the maintenance and other functions now within the responsibility of the Association;

(j) The right of the Association, subject to the approval rights of Eligible Mortgagees, to dedicate or transfer all or any part of the Common Element to any public agency, authority or utility or other entity. No such dedication or transfer, including, without limitation, the conveyance, lease or other transfer of any portion of the Common Elements to a special tax assessment district or to the City or County, shall be effective unless an instrument signed by Members entitled to cast a majority of the voting power of the Membership has been recorded, agreeing to such dedication or transfer. The certificate of the President and the Secretary of the Association attached to such instrument certifying that the Members signing such instrument represent a majority of the voting power of the Association shall be deemed conclusive proof thereof; and

(k) The right of the Association to identify, and the identification under this Declaration of various areas of Common Elements as “no parking” or restricted parking areas.

ARTICLE III

PERSONS AND UNITS SUBJECT TO GOVERNING DOCUMENTS

3.01 Compliance with Governing Documents: All Owners and Invitees of Units shall comply with the Governing Documents. The acceptance of a deed or the exercise of any incident of Ownership or the entering into of a lease or the occupancy of a Unit constitutes agreement that the provisions of the Governing Documents are accepted and ratified by that Owner or Invitee. All provisions of the Governing Documents that are Recorded are covenants running with the land and shall bind any Persons having at any time any interest or estate in any Unit.

3.02 No Separate Conveyance: The interest of each Owner in the use and benefit of the Common Elements shall be appurtenant to the Unit owned by the Owner. No Unit shall be conveyed by the Owner separately from the right to use the Common Elements. Any conveyance of any Unit shall automatically transfer the interest in the Owner's right to use the Common Elements, as provided in this Declaration without the necessity of express reference in the instrument of conveyance.

3.03 Membership in the Association. Every Owner, upon becoming the Owner of a Unit, shall automatically become a member of the Association and shall remain a member of the Association until such Person is no longer an Owner, at which time such Membership shall automatically cease. Ownership of a Unit shall be the sole qualification for Membership in the Association. Membership shall not be assignable except to the Person to which title to the Unit has been transferred, and every Membership shall be appurtenant to and may not be separated from the fee Ownership of such Unit. The rights, duties, privileges and obligations of all Owners shall be as provided in the Governing Documents.

3.04 Transfer of Membership. The Membership shall not be transferred, pledged or alienated in any way, except upon the sale of a Unit, and then only to the Purchaser. A prohibited transfer is void and will not be reflected upon the books and records of the Association. An Owner who has entered into an executory contract to sell a Unit shall be entitled to delegate to the prospective Purchaser the Membership rights in the Association appurtenant to such Unit. The delegation shall be in writing and shall be delivered to the Board before the prospective Purchaser may vote. However, the Owner shall remain liable for all charges and Assessments attributable to the Unit until fee title to the Unit is transferred. If the Owner fails or refuses to transfer Membership to the Purchaser of the Unit upon transfer of fee title thereto, the Board shall have the right to record the transfer upon the books of the Association. Until satisfactory evidence of such transfer has been presented to the Board, the Purchaser shall not be entitled to vote at meetings of the Association. The Association may levy a reasonable transfer fee against a Purchaser and his or her Unit (which fee shall be added to the Annual Assessment chargeable to such Purchaser) to reimburse the Association for the administrative cost of transferring the Membership to the Purchaser on the records of the Association provided such fee does not exceed the Association's actual cost involved in changing its records of Ownership.

3.05 Voting Rights. All voting rights shall be subject to the Governing Documents. Owners shall be entitled to cast one (1) vote for each Unit in which they hold the interest required for Membership. When more than one (1) Person holds such interest or interests in any Unit (“*Co-Owners*”), all such Co-Owners shall be Members of the Association and may attend any meeting of the Association. Such Co-Owners shall designate one individual who shall be entitled to receive notices and exercise the single vote for the Unit on each item brought before the Membership to which the Unit is entitled (the “*Designated Co-Owner*”). Only the Designated Co-Owner shall be entitled to exercise the vote on behalf of the Membership representing the Unit, *provided, however*, that in the event the Designated Co-Owner is not present at a meeting in person or by proxy but one or more of several Co-Owners is or are present, only one of the Co-Owners (as determined by a majority of the Co-Owners which are present at the meeting) shall be entitled to cast the vote allocated to the Unit. No vote shall be cast for any Unit if the Designated Co-Owner is not present in person or by proxy at a meeting and the Co-Owners which are present cannot agree upon said vote or other action. Fractional voting shall not be allowed, and the vote for each Unit shall be exercised, if at all, as a unit. The nonvoting Co-Owner or Co-Owners shall be jointly and severally liable for all of the obligations imposed upon the jointly owned Unit and shall be entitled to all other benefits of Ownership. The name and address of the Designated Co-Owner shall be delivered to the Association and shall be valid until a new designation signed by all Co-Owners of the Unit is delivered to the Board. It shall be conclusively presumed that the Designated Co-Owner is acting with the consent of and on behalf of the other Co-Owners.

3.06 Responsibility for Violations: Consistent with the Governing Documents and the Act, an Owner is responsible for the actions and conduct of his or her Invitees. Violations of the Governing Documents by an Owner or any Invitees shall subject the Owner and the Unit to fines and penalties in accordance with the Act and the fine policies established by the Association from time to time. By acceptance of a deed to the Unit, the Owner agrees to be so bound.

3.07 Adoption of Rules and Regulations: The Board of Directors may adopt reasonable Rules and Regulations regarding the Community generally as well the activities of Owners and Invitees within and thereupon.

3.08 No Further Subdivision or Merger of a Unit: No Unit may be further subdivided or merged with another Unit.

ARTICLE IV EASEMENTS AND LICENSES

4.01 Easements of Record: The Property is presently subject to all easements and licenses of Record, including those shown on the Final Map or otherwise contained herein, which may have some restricting effect on the use of the Common Elements within the Property. Known easements of this sort as of the date of Recordation of the Final Map are referenced on the same. In addition, the Property may be subject to other easements or licenses granted by the Association and liens created under this Declaration.

4.02 Encroachment Easement: The Property, and all portions thereof, shall be subject to an easement from the Unit's or Common Element's boundaries for the actual extent of encroachments created by construction as originally designed or originally constructed and for settling, shifting, and movement of any portion of the Property, except that no such easement is created for an encroachment which is the result of willful conduct on the part of an Owner, Owner's Invitee, the Association, or any other Person. A valid easement for any encroachments and for the maintenance thereof shall exist. Such encroachments shall not be considered to be encumbrances upon any part of the Property. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of Improvements constructed on any Unit, by settling, rising, or shifting of the earth, or by changes in position caused by repair or reconstruction of any Improvements on the Property.

4.03 Association Easement: The Association shall have an easement over the Common Elements for performing its duties and exercising its powers described in this Declaration. In addition, the Association shall have an easement over each Unit for the purpose of maintaining or repairing the Common Elements, including any portion of the Common Elements that may encroach upon a Unit.

4.04 Member's Easement in Common Element: Subject to the provisions of this Declaration, including without limitation **Section 2.04**, every Owner shall have a non-exclusive easement of access, ingress, egress, use and enjoyment of, in and to the Common Elements.

4.05 Delegation of Use: Any Owner holding an easement for the use and enjoyment of the Common Elements may delegate such right and easement to tenants, contract purchasers, or subtenants who reside in the Unit, subject to reasonable regulation by the Board. Any Owner who has so delegated his easement rights shall not be entitled to the use and enjoyment of any Common Elements including any recreational facilities for so long as the delegation shall remain in effect other than such access rights as are directly related to the Owner's rights and duties as landlord.

4.06 Drainage and Runoff: Each Unit shall have an easement for drainage through the established drainage pipes and facilities and an easement for runoff of surface water on, over, through and across the other Units and the Common Elements. No planting or other material or structure (including patios or other hardscape) shall be constructed, altered, placed or permitted to remain upon a Unit which may change the direction or flow of the established drainage on the Unit or which may damage or alter any drainage system originally installed and serving the Unit or which may obstruct, interfere or retard the flow of water through such system, except as may be approved in accordance with **Article VII**.

4.07 Light, Air and View: No Owner shall have an easement for light, air or view over the Unit of another Owner or over the Common Element and no diminution of light, air or view by any Improvement now existing or hereafter erected shall entitle the Owner or any Invitee to claim any easement for light, air or view within the Property.

4.08 Right of Access: Every Owner shall have the right to enjoy free and unobstructed passage between every such Owner's Unit, through the Common Element to all publicly dedicated streets bordering the Property, subject to any restrictions or Laws imposed by any City, County or state and subject to any reservations in the deed, Final Map and Governing Documents.

**ARTICLE V
MAINTENANCE**

5.01 Duty to Maintain Includes Duty to Repair and Replace. Unless otherwise specified herein, the duty to maintain includes the duty to repair, replace and restore.

5.02 Common Elements. Except as provided in this Declaration as to Limited Common Elements, the Association shall maintain all of the Common Elements and other areas for which the Association is responsible. All maintenance shall be performed in accordance with the standard established by the Board which shall be comparable to communities of similar type. Such duty to maintain includes, but is not limited to, the following:

- (a) Periodic trimming and/or pruning of any trees or shrubbery located on or comprising part of the Common Elements;
- (b) Replacement of injured or diseased shrubbery, trees or other vegetation together with the irrigation lines located on or comprising part of the Common Elements to the extent that the Board, in its sole and absolute discretion, deems necessary for the conservation of water and soil, and for aesthetic purposes;
- (c) Periodic maintenance of any non-exclusive use and/or utility easements designated on the Final Map or granted by this Declaration;
- (d) Maintenance of any Improvements located on the Common Elements;
- (e) Maintenance of the parking areas located within the Property, except as provided in **Section 5.03**;
- (f) Maintenance of lights located on the Common Elements, but not on any Unit;
- (g) Painting, repair and maintenance of all exterior walls, exterior siding, roofs (excluding portions of the roofs identified as Limited Common Elements in **Section 1.33(a)**), main walkways, handrails and other exterior surfaces (excluding windows, doors, decks and improvements added by Unit Owners) of the Units as reasonably necessary to keep all such exterior surfaces uniform in condition and color as determined necessary and reasonable by the Board from time to time;
- (h) Maintenance of water lines from main to shut off valve at Unit;
- (i) Removal of all papers, debris, and refuse from the Common Elements and clearing of storm drains in Common Elements; and
- (j) Compliance with any other maintenance obligations for which Association is responsible.

5.03 Units, Limited Common Elements (as defined in Section 1.33): Each Owner shall, at Owner's sole cost and expense, maintain and repair the interior of their unit, maintain Limited Common Elements and, with written Board approval, install Improvements located on or appurtenant to the Owner's Unit, and comply with any other maintenance obligations for which an Owner is responsible hereunder. Each Owner shall keep their designated parking spaces clean and free of debris. Furthermore, each Owner shall keep the Unit, and Improvements, including its equipment and appurtenances, as well as the windows, doors, decks and entryways, in a neat, sanitary, and attractive condition and in accordance with all restrictions contained in this Declaration and shall do all redecoration, painting and other finishing and maintenance which may from time to time be necessary to maintain the good appearance and condition of their Unit, except the painting, maintenance and repair described in **Section 5.02(g)**. Each Owner shall immediately notify the Manager, or Board, in writing, of any damage to, or maintenance required, perceived, threatened or actual or malfunction or maintenance required of any pipe, wire, or other utility installation which is or may be located in Common Elements adjacent to their Unit.

If any Owner permits the Unit or any Improvements on or appurtenant to the Unit to fall into disrepair or to become unsafe, unsightly or unattractive as determined by the Board in its sole and absolute discretion, or permits any Improvements or Unit to otherwise violate the restrictions contained in this Declaration, the Association shall have the right to seek any remedies at law or in equity it may have. In addition, and without limitation, the Board shall have the right, but not the obligation, if such unacceptable maintenance is not corrected within thirty (30) days' written notice from the Association (or such longer period if reasonably necessary under the circumstance, provided that Owner is diligently performing such repairs or maintenance or the Owner has provided a documented reason why the maintenance has not been corrected together with a plan to correct the maintenance in a reasonable time), to enter upon Owner's Unit or the Limited Common Element and make such repairs and perform such maintenance and charge the costs thereof to Owner. In the case of a maintenance repair that is for health, safety, welfare, the correction must be commensurate with the severity of the repair and may be required to be completed in less time than allotted for other unacceptable maintenance. The foregoing restrictions shall not be interpreted as creating any right or obligation of Association to enter into or perform any maintenance or inspection whatsoever of the interior of any Unit, or contrary to the provisions of any Law. Such costs shall be enforced, including penalty fees and costs, as an Enforcement Assessment on the Unit.

5.04 Limited Common Element Landscaping: Owners may plant flowers and shrubs in the immediate vicinity of their Units, provided:

- (a) The type of planting is on the current TRPA-approved list and will blend in with the overall landscaping of Incline Pines;
- (b) Perennials be drought tolerant and shall not exceed four feet in height.
- (c) No trees may be planted.

(d) All Owner planting shall be maintained at the expense of the Owner.

All other alterations to the Common Elements shall be made only after receiving the prior written approval of the Board following a discussion of the proposal in an open meeting.

5.05 Decks/Front Entry Pads: As defined in **Section 1.33(a)** the rear-facing decks and front entry pads and decks are considered Limited Common Elements, and as such are the Unit Owner's responsibility to maintain and repair at the Owner's expense. The surfaces of the rear-facing decks, railings, decking boards, entry deck or pad surface, including attached steps, are also the maintenance and repair responsibility of the individual Owner, subject to Association approval of materials, colors, textures, surfaces and similar exterior details which may be changed only with Board permission, approval or consent.

5.06 Unit boundaries: The boundaries of the Unit, as defined in **Section 1.46(a)**, are the interior side of the perimeter walls, floors and ceiling of the Unit. If any chute, flue, duct, wire, conduit, bearing wall, bearing column, pipe or other fixture lies partially within and partially outside the boundaries of the Unit, then any portion lying within the boundaries of the Unit is part of the Unit and any portion lying outside the Unit but serving only the Unit is a Limited Common Element appurtenant to the Unit. All spaces, interior partitions and other fixtures and improvements within the boundaries of the Unit are part of the Unit. Any shutters, deck, awnings, window boxes, doorsteps, stoops, storage closets allocated to a Unit are Limited Common Elements.

5.07 Preventative Maintenance Requirements: Each Owner, by acceptance of a deed to a Unit, acknowledges and agrees that such Owner is responsible to properly maintain such Owner's Unit in accordance with the requirements of this Declaration and the Owner's maintenance manual. Accepted preventative maintenance practices for proper winterization may include, but are not limited to, draining water lines and ensuring that the Unit remains heated at a level sufficient to prevent pipes from freezing and breaking. Each Owner acknowledges and agrees that any damage which results to the Common Elements or another Unit as a result of such Owner's failure to timely or properly perform preventative maintenance shall be considered a grossly negligent act and the costs of repair shall be levied as an Enforcement Assessment against the Owner's Unit even if the Association maintains insurance which would cover such damage.

5.08 Right of Entry: In addition to all other easements reserved or granted herein, there is hereby reserved to the Association an easement as is necessary to permit a reasonable right of entry into each Unit for the purpose of performing emergency repairs or to do other work reasonably necessary for the proper maintenance of the Property. The Association shall further have the right to remove or abate any public nuisance on the exterior of a Unit that is visible from any Common Elements or public street; which threatens or may threaten the health or safety of the residents of the common-interest community; which results in blighting or deterioration of the Unit or surrounding area; and which adversely affects the use and enjoyment of nearby Units. In addition, if a Unit is vacant, consistent with NRS 116.310312(4)-(7), the Association may enter the grounds and interior of the Unit to abate a water or sewage leak in the Unit and remove any water or sewage from the Unit that is causing damage or, if not immediately abated, may cause damage to the Common Elements or another Unit if the Unit's Owner refuses or fails to abate the water or sewage leak. After Notice and Hearing, the Association may order that the costs of any maintenance or abatement or the reasonable costs of remediation or removal, including, without limitation, reasonable inspection fees, notification and collection costs and interest, be charged against the Unit. The Association shall keep a record of such costs and interest charged against the Unit and has a lien on the Unit for any unpaid amount of the charges. Any such entry shall be made with as much notice to the Unit Owner and as little inconvenience to the Unit Owner as practicable.

5.09 Repairs Resulting From Negligence: Each Owner will reimburse the Association for any damages to any other Unit or to any Common Elements caused intentionally, negligently or by the Owner's or the Owner's Guest's failure to properly maintain his or her Unit or any property. It will be imposed as an Enforcement Assessment to the Association account of the Owner deemed to be responsible for such conduct, following Notice and Hearing, and may include attorneys' fees and costs.

5.09 Association Maintenance of Walls or Fences: The Association shall maintain in a good condition any wall or fence situated exclusively on the Common Elements. The Association shall also be responsible for the prompt removal of all graffiti from walls situated within or visible from the Common Elements or from security walls, as that term is defined by the Act.

ARTICLE VI RESTRICTIONS ON ALIENATION AND OCCUPANCY

6.01 Restrictions: The following restrictions set forth in this Article apply to all Units and to the Common Elements.

6.02 Single Family Residence/Occupancy: The use of each Unit is restricted to that of a single-family residence and accessory uses as permitted herein. A Unit owned by an individual, corporation, limited liability company, partnership, trust or other fiduciary may only be occupied by the following Persons, and such Persons' families: (i) the individual Unit Owner, (ii) a member, manager, employee or designee of such limited liability company, (iii) an officer, director, stockholder, employee or designee of such corporation, (iv) a partner, employee or designee of such partnership, (v) the fiduciary or beneficiary of such trust, or (vi) permitted occupants under an approved lease of a Unit, as the case may be. Occupants of an approved leased Unit must consist of the following Persons, and such Persons' families who reside with them: (A) an individual lessee; (B) an officer, director, stockholder, employee or designee of a corporate lessee; (C) a partner, employee or designee of such partnership lessee; or (D) the fiduciary or beneficiary of a fiduciary lessee.

No industry, business, trade or commercial activities shall be conducted, maintained or permitted on a Unit. Transient commercial use, that is rentals for less than thirty (30) days, is prohibited. The provisions of this section shall not preclude any of the above-described activities, so long as such activities cannot be observed from the Common Elements and provided that all of the following conditions are fulfilled:

- (a) Such activities are conducted in conformance with all applicable law;
- (b) The patrons or clientele of such activities do not park automobiles or other vehicles within the Property, except during brief and limited drop-off and pick-up periods and within areas specified for that purpose;
- (c) No such activity increases the liability or casualty insurance obligation or premium of the Association;
- (d) Such activities are consistent with the residential character of the Property and conform with all provisions of the Governing Documents; and
- (e) There shall be no externally visible evidence of the carrying on of a business, including but not limited to the existence of any external commercial signage or similar Improvements.
- (f) The intent of the foregoing, in all respects, is that the Property must retain its residential character and appearance, and the provisions above shall be interpreted toward those ends.

6.03 Parking, General: The Board has the right to designate “no parking” or restricted parking areas within the parking areas within the Property, and parking shall be restricted as designated in any such areas. The Board also has the right to assign and re-assign parking spaces to specific Units or Persons. Currently, each Unit is entitled to two (2) parking spaces. The parking spaces are typically, but not always, in close proximity to the Owner’s Unit. Guest parking shall only be for the use of guests, and not for Owners or residents.

The Board also has the right to limit or prohibit vehicles it deems inappropriate within the Property. The following vehicles are prohibited vehicles which may not be parked within the Property:

- (a) Commercial-type vehicles (e.g., stake bed trucks, tank trucks, dump trucks, step vans, concrete trucks, limousines, etc.);
- (b) Buses or vans designed to accommodate more than ten (10) people;
- (c) Vehicles having more than two (2) axles;
- (d) Trailers, inoperable vehicles or parts of vehicles;
- (e) Aircraft;
- (f) Any vehicle with a width in excess of eighty-four (84) inches; or
- (g) Any vehicle or vehicular equipment deemed a nuisance by the Board.

6.04 Motorized Boat and Watercraft Parking:

A limited number of motorized boats and other watercraft may be allowed seasonal parking between May and October based on an annual list defined in the Rules and Regulations. The parking and/or storage of motorized boats or other watercraft in Incline Pines not on the approved list and/or out of season is prohibited. No motorized watercraft shall be parked or stored in parking spaces or other areas not designated for boat/watercraft storage.

6.05 Recreational Vehicle Parking: No Recreational Vehicle, which includes but is not limited to motorhomes, travel trailers, camper vans, snowmobiles, off-road vehicles, etc., or similar equipment or vehicle may be parked, maintained, constructed, reconstructed or repaired on any Unit or Common Element or on any street so as to be visible from any neighboring Unit or from any Common Element without the prior written approval of the Board.

6.06 Nuisances: No noxious, offensive, dangerous or unsafe activity shall be conducted anywhere in the Property, nor shall anything be done, either willfully or negligently, which may, in the sole discretion of the Board, be or become an annoyance or nuisance to, or poses a threat to the health, safety, and/or welfare of the other Owners or Guests of Units. No Owner or Guest of a Unit shall make or permit any disturbing noises nor do or permit anything to be done by others that will interfere with the rights, quiet use and enjoyment of other Owners or Guests. No use that is reasonably deemed immoral, improper, offensive or unlawful by the Board of Directors may be made of the Property or any portion thereof. Owners shall comply with and conform to all applicable laws. The violating Owner shall hold harmless the Association and other Owners from all fines, penalties, costs and prosecutions for any violation or noncompliance.

6.07 Signs. Except as provided herein, no sign, poster, billboard, advertising device or other display of any kind shall be displayed without the pre-approval of the Board except as permitted in the Act or as otherwise specified in the Rules and Regulations. No signs may be placed in the Common Area except as approved by the Board. One sign, not exceeding 24 x 36, advertising a Unit for sale may be placed on the exterior of the Unit.

6.08 Animals: No animals, fowl, reptiles, poultry or insects of any kind ("Animals") shall be raised, bred or kept within the Community, except that dogs, cats or other common, domestic household pets may be kept, provided that they are not bred or maintained for any commercial purpose, or in numbers deemed unreasonable by the Board. Domestic reptiles, birds, rodents, and fish shall be permitted so long as such animals are kept in the interior of a Unit. Notwithstanding the foregoing, the Association Rules may further limit or restrict the keeping of animals and the Board shall have the power to prohibit the keeping or maintenance of any animal, which, in the sole discretion of the Board, after Notice and Hearing, is deemed by the Board to constitute a nuisance to any other Owner or resident or which constitutes a threat to the personal safety of any Owner or resident in the sole and absolute opinion of the Board. Each person bringing or keeping an animal within the Community shall be absolutely liable to other Owners and their Invitees for any damage to persons or property caused by any animal brought upon or kept upon the Community by such person or any Invitee of such person. Each Owner shall clean up after such animals that have deposited droppings or otherwise used any portion of the Community. When outside the confines of the Unit, animals belonging to Owners or Invitees of any Owner must be kept on a leash held by a person capable of controlling the animal. Nothing contained herein shall constitute a restriction on service animals as may be required by the law.

6.09 Garbage and Recycling: No rubbish, trash, garbage, recycling or other waste shall be permitted to accumulate on or in any Unit, Limited Common Elements or Common Elements in a manner which may permit the spread of fire, odors, seepage or encouragement of vermin. All rubbish, trash, garbage, recycling and other waste must be properly disposed in the appropriate enclosed Bear Box, trash receptacles, or recycling boxes. Consistent with the Act, the Board may adopt Rules that reasonably restrict garbage and recycling storage and collection. Bear Box receptacles, designed for specific Units, are to be used for garbage. Fireplace ashes must be safely disposed of in a metal container.

6.10 Use of Decks, Patios and Balconies. No bicycles, refrigerators, boxes, refuse or debris or other items which may be deemed storage items may be placed on the deck or patio areas where they can be seen from any other Unit or from the Common Area. No wood burning devices or charcoal barbecues shall be placed on any patio, deck, or balcony. Propane or electric barbecues may be allowed unless they cause a nuisance or constitute a fire hazard. Any plants or similar items to be kept on the decks shall be subject to approval by the Board, as applicable, shall be watered and maintained in good condition, and dead plants, leaves, and other items shall be removed. No over-watering of any plants on the decks (i.e., of such a nature to cause water run-off) shall be permitted. The decks, patios, entryways and balconies shall be kept in a clean and orderly fashion.

6.11 Additions, Alterations, and Improvements: No Owner may make any structural addition, alteration (including removal) or Improvement to his or her Unit without the prior written approval of the Board. No Owner may make any addition, alteration (including removal) or Improvement to the Limited Common Element or Common Elements without the prior written approval of the Board. The Association shall provide a standard application form and applications involving changes in use of Limited Common Elements and/or Common Elements will be considered in an open meeting of the Board.

6.12 Laws and Insurance Requirements: Nothing shall be done to or kept on any Unit that might increase the rate of, or cause the cancellation of, insurance for the Property, or any portion of the Property, without the prior written consent of the Association. No Owner shall permit anything to be done or kept in that Owner's Unit that violates any of the restrictions contained in this Declaration or any laws.

6.13 Mineral Exploration: No Property within the Community shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, earth or any earth substance or other mineral of any kind. No well for the production of, or from which there is produced, water, oil or gas shall be operated within the Property, nor shall any machinery, appliance or structure be placed, operated or maintained thereon for use in connection with any trading, manufacturing or repairing business. No slant drilling shall be permitted.

6.14 Rental of Residential Units: An Owner shall be entitled to rent the Unit subject to the restrictions contained in the Governing Documents, any other restrictions of record applicable to such Owner's Unit and all applicable laws. Any rental or lease agreement shall be in writing, shall be for an initial term of not less than thirty (30) consecutive days, shall provide that the lease is subject to the Governing Documents, and shall provide that any failure to comply with any provisions of the Governing Documents shall be a default under the terms of the rental or lease agreement. Other conditions include:

- (a) A copy of the rental or lease agreement shall be provided to the Association prior to the tenant commencing occupancy;
- (b) Owners must provide to the tenants a copy of the Governing Documents, including the Rules and Regulations;
- (c) Unless contrary to state and/or federal fair housing laws, occupancy shall be limited to no more than two (2) adults per bedroom;
- (d) The names of all adult tenants shall appear on the rental or lease agreement;
- (e) Tenants shall have access to their Unit's two (2) assigned parking spaces and shall not park in guest or visitor parking spaces.

The Owners shall, at all times, be responsible for their compliance with all of the provisions of this Declaration pursuant to the occupancy and use of the Unit. A tenant shall have no obligation to the Association to pay assessments imposed by the Association nor shall any tenant have any voting rights in the Association. No Owner may lease less than the entire Unit or lease such Owner's Unit for hotel, motel or transient purposes. Any lease which is either for a period of fewer than thirty (30) days or pursuant to which the lessor provides any services normally associated with a hotel shall be deemed to be for transient commercial or hotel purposes and shall be prohibited. Transient commercial use including short-term rentals and home exchange programs is strictly prohibited. No Unit may be listed for rent on a short-term rental platform. Owners of rented Units who are not responsive to concerns and/or complaints from neighbors may be required to hire a local professional property manager following a hearing with the Board.

6.15 Time Sharing: A Unit may not be divided or conveyed on a time increment basis (commonly referred to as "time sharing") of measurable chronological periods. The term "time sharing" as used herein shall be defined to include, but shall not be limited to, any agreement, plan, program or arrangement under which the right to use, occupy or possess the Unit or any portion thereof in the Community rotates among various persons, either corporate partnership, individual or otherwise, on a periodically recurring basis for value exchanged, whether monetary or like-kind use privileges, according to a fixed or floating interval or period of time sixty (60) consecutive calendar days or less.

6.16 Antenna Restrictions: Except as may be provided in the Rules, an Owner shall not install any antenna, satellite dish, or other over-the-air receiving device ("Antenna")

(a) On any real property which such Owner is not entitled to exclusively use or control, as provided in Title 47 U.S.C. §§ 1 et seq., 47 CFR § 1.4000 and any other applicable laws, rules and decisions promulgated thereunder (collectively "Antenna Laws");

(b) In a particular location if, in the Board's opinion, the installation, location or maintenance of such Antenna unreasonably affects the safety of the Owners or any other Person, or for any other safety-related reason established by the Board; or

(c) That is of a size larger than is permitted under the Antenna Laws.

If an Owner is entitled to install an Antenna under the foregoing requirements, such Owner shall provide the Board with written notice that such Owner has installed or is about to install the Antenna. If an Owner desires to install an Antenna, other than as described in (a) through (c) above, such Owner may do so only upon the prior approval by the Board in accordance with this Declaration. Association shall not impose or enforce any restrictions upon Antennae that are inconsistent with the Antenna Laws. Notwithstanding any provision hereof, this section shall be interpreted to comply with state and federal laws applicable to antennas in effect at the time of enforcement of this section. In that regard, this section shall not be interpreted or enforced in a manner which would (i) unreasonably delay or prevent installation, maintenance or use of such Authorized Antenna, (ii) unreasonably increase the cost of installation, maintenance or use, or (iii) preclude reception of an acceptable quality signal. The Board may adopt Rules specifying preferred locations for Antenna installation.

6.17 Roof Mounted Equipment: No Owner shall install, construct, alter or remove any mechanical equipment, tank, duct, elevator enclosure, cooling tower, mechanical ventilator, air conditioner, skylight, antenna or other equipment or fixture on the roof of any Building, unless such equipment has been approved by the Board. The Owner shall be solely responsible for all maintenance and repair of any such Improvements.

6.18 Storage: No merchandise, material or equipment shall be stored on the roof of any Unit. The year-round storage of bicycles, sporting goods, toys, cooking equipment, ladders, baby carriages and other personal articles and equipment, when not in use, must be kept within the Unit, so as not to be exposed to the view of other Owners. Owners shall be responsible to keep their Limited Common Elements clean and free from any unsightly objects and free from noxious or offensive odors.

6.19 Firewood: Firewood not kept within a Unit must be split, stacked and stored in a safe method and location. This shall mean all firewood must be stored under a fire-retardant canvas tarp approved by the local fire department with additional specifications (color, material, etc.) designated from time to time by the Association. Firewood must be covered and wrapped in the tarp – meaning the tarp must completely cover the wood and be tucked in so no wood is exposed. The area around firewood must be clear of pine needles and other combustible items which shall mean at least five (5) feet of clearance. The Board may adopt additional or different requirements pursuant to the Rules and Regulations.

6.20 Barbecues/Grills/Fire Pits: Outside gas barbecue grills are restricted to the Unit's deck areas only. When in use, grills must be at least eighteen (18) inches from the Unit wall. No charcoal burning grills are permitted. Wood-burning fires such as fire pits or grills are prohibited at all times.

6.21 Roof Access: Outside roof access and roof areas are to be used for maintenance and repair purposes only.

6.22 Exterior Lighting: Any exterior electrical, gas or other artificial lighting installed within the Community shall be positioned, screened, or otherwise directed or situated and of such controlled focus and intensity so as to fall on the same property on which such lighting is located in accordance with Law and any Rules adopted.

6.23 Outside Drying and Laundering: No exterior clothesline shall be erected or maintained within the Community and there shall be no exterior drying or laundering of clothes on any Unit.

6.24 Firearms and Fireworks: The use of all firearms, air rifles, or pistols is strictly prohibited. Fireworks are prohibited at all times.

6.25 Repair of Vehicles: No servicing or repair to vehicles on the Common Elements is permitted. Any vehicle not in running condition and left unattended for more than one (1) week is subject to being towed at the expense of the registered Owner after being given notice consistent with the Act.

ARTICLE VII ADDITIONS, ALTERATIONS AND IMPROVEMENTS

7.01 Requisite Approvals and Procedures for Owner Alteration: No Owner may make or permit to be made, any alterations, inclusive but not limited to structural improvements, windows or doors in or to their Unit without prior written approval from the Board. No Owner shall take any action, or permit any action to be taken, that will impair the soundness, integrity or safety of any building or other structure in the Community or impair any easement, access, right of way or personal property which is a part of the Community. No Owner may paint, decorate, make any addition, alteration (including removal) or Improvement to the exterior of his or her Unit, the Limited Common Element, or the Common Elements without the prior written approval of the Board.

(a) Prior to commencing any work, the Owner shall submit a written request for approval to the Board of Directors in a form acceptable to the Board, along with a reasonable fee, if any, established by the Board for the review and processing of design review requests. Any proposed changes in use of Limited Common Elements and/or Common Elements will be considered in an open meeting of the Board. The Board of Directors or any committee appointed by the Board shall answer any written request for approval within thirty (30) days after the Owner has submitted a complete request. Failure to answer the request within this time shall constitute a denial by the Board of Directors of the proposed action, but the Owner shall be entitled to a hearing within ten (10) days to address the failure of the Board to respond to the request. Any such request shall be reviewed in accordance with any Rules then in effect, and this Declaration. The thirty (30) day time period shall begin on the date the Board receives a complete written request.

(b) The Board shall have the authority to approve, deny or approve with modifications any written request that is in accordance with this Declaration. Any request for a variance shall be submitted to the Board of Directors. The Board may approve, deny, or approve with modifications, any request for a variance provided that any approval is not contrary to the Declaration. The decision of the Board is final.

(c) All additions, alterations and Improvements to the Units and Common Elements shall not, except pursuant to prior approval by the Board of Directors, cause any increase in the premiums of any insurance policies carried by the Association or by the Owners of any Units other than those affected by such change.

7.02 Fees and Deposits. The Board, by resolution, may establish a fee or a range of fees for review and subsequent inspection of design review requests, which may include review and/or inspection by professionals such as architects and engineers. In addition, the Board, by resolution, may require a reasonable deposit from the Owner against damage to the Common Element resulting from Owner work under this Article.

7.03 Construction Timelines and Penalties: Upon approval by the Board of a request submitted by an Owner, the Owner shall have a specified number of days from the date that he or she receives the written approval from the Board within which to construct the alteration or Improvement, unless the Board agrees in writing to extend the time period.

7.04 Limitation on Liability of the Board: Neither the Association nor any member of the Board thereof shall be liable to any Owner, or any other Person for any damage, loss, or prejudice suffered or claimed on account of:

(a) the approval or disapproval of any plans, drawings, and specifications, whether or not defective;

(b) the construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications; or

(c) the development of any property subject to this Declaration. Without limiting the generality of the foregoing, the Board may consult with knowledgeable third parties with respect to any plans, drawings, specifications, or any other proposal submitted to the Board.

7.05 Board of Directors' Discretion: Except as may be expressly provided in this Declaration, any consent or approval of the Board of Directors or Association that is required under the provisions hereof may be granted or withheld in the sole and absolute discretion of the Board of Directors. In that regard, the granting or withholding of such consent or approval shall not be subject to any objective standards of "reasonableness" or otherwise; provided, however, that the decision of the Board of Directors shall be consistent with the Governing Documents, including any Rules and Regulations, as may be in effect at the time of such granting or withholding of consent or approval. Furthermore, the approval of or consent to any matter shall not be deemed to be a waiver of the right to disapprove the same or similar matters in subsequent requests for consents or approvals from the same or other parties.

7.06 No Applicability to Board of Directors: Subject to the express limitations in this Declaration or the Act, the Board of Directors may make any additions, alterations or improvements to the Common Elements which, in its judgment, it deems necessary, and the provisions of this Article shall not apply to such work.

ARTICLE VIII
ASSESSMENT AND COLLECTION OF COMMON EXPENSES

8.01 Liability for Common Expenses: The percentage of liability for Common Expenses allocated to each Unit (except as otherwise set forth herein, including without limitation **Section 8.02**) is a fraction, the numerator being one (1) and the denominator being the total number of Units within the Property, that is forty (40). Nothing contained in this section shall prohibit certain Common Expenses from being apportioned to particular Units under this Declaration.

8.02 Common Expenses Attributable to Fewer than all Units; Exempt Property:

(a) Any Common Expense associated with the maintenance, repair, restoration or replacement of a Limited Common Element must be assessed against the Unit(s) to which that Limited Common Element is assigned;

(b) Any Common Expense or portion thereof benefiting fewer than all of the Units shall be assessed exclusively against the Units benefited.

(c) Except as provided by the Act, the costs of insurance and shall be assessed equally amongst all Units.

(d) An Assessment to pay a judgment against the Association may be made only against the Units in the Property at the time the judgment was entered, in proportion to the respective Liability for Common Expense.

(e) If a Common Expense is caused by the misconduct or other actions or failure to act of an Owner, the Association may assess that expense exclusively against that Owner's Unit.

(f) If the Liability for Common Expenses is reallocated, Common Expenses Assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated liabilities.

8.03 Lien:

(a) The Association has a Lien on a Unit for any Assessment levied against the Unit and construction penalty or fines imposed against its Owner from the time the Assessment or fine becomes due and effective as of the Original Declaration. Fees, charges, late charges, fines, attorneys' fees, and interest charged pursuant to the Act and the Governing Documents and any costs of collection charged pursuant to the Act are enforceable as Assessments under this section; provided, however, that unless otherwise permitted by law, the Association may not foreclose upon a Lien for unpaid Assessments which is comprised solely of fines levied against an Owner for violation of the Governing Documents unless the violation is of a type that poses an imminent threat of causing a substantial adverse effect on the health, safety and/or welfare of the Owners or Invitees of the Property. If an Assessment is payable in installments, the full amount of the Assessment is a Lien from the time the first installment becomes due.

(b) Except to the extent permitted under the Act, a Lien under this Owner is prior to all other liens and encumbrances on a Unit except: (1) liens and encumbrances Recorded before the Recordation of the Original Declaration; (2) a first Security Interest on the Unit Recorded before the date on which the Assessment sought to be enforced became delinquent, except as to nine (9) months of Assessments and except that a Lien under this section is prior to all such Security Interests as set for in the Act; (3) liens for real estate taxes and other governmental assessments or charges against the Unit; and (4) liens for fees or charges levied pursuant to NRS 444.520(1). This subsection does not affect the priority of mechanics' or materialmen's liens or the priority of a lien for other Assessments made by the Association.

(c) Recording of the Original Declaration constitutes Record notice and perfection of the Lien. Further Recording of a claim of Lien for Assessment under this section is not required.

(d) A Lien for an unpaid Assessment is extinguished unless a notice of default and election to sell is recorded or judicial proceedings to enforce the Lien are instituted within three (3) years after the full amount of the Assessment becomes due, except that if an Owner of a Unit subject to a lien under this section files a petition for relief under the United States Bankruptcy Code ("Bankruptcy Code"), the time period for instituting proceedings to enforce the Association's lien shall be tolled until the later of the time period allowed hereunder or thirty (30) days after the automatic stay of proceedings under Section 362 of the Bankruptcy Code is lifted.

(e) This section does not prohibit an action to recover sums for which subsection (a) of this section creates a Lien or prohibit the Association from taking a deed in lieu of foreclosure.

(f) A judgment or decree in any action brought under this section shall include costs and reasonable attorneys' fees for the prevailing party.

(g) The Association's Lien may be foreclosed by the same procedure set forth in the Act, including NRS 116.3116 through NRS 116.31168.

(h) In any action by the Association to collect Assessments or to foreclose a Lien for unpaid Assessments, the court may appoint a receiver for the Owner to collect all sums alleged to be due to that Owner from third parties prior to or during the pendency of the action. The court may order the receiver to pay any sums held by the receiver to the Association during the pendency of the action to the extent of the Association's Annual Assessments, based on a periodic budget adopted by the Association pursuant to **Section 8.04**.

(i) If a holder of a First Security Interest in a Unit forecloses that Security Interest, the purchaser at the foreclosure sale is not liable for any unpaid Assessments against that Unit which became due before the sale, other than the Assessments which are prior to that Security Interest under Subsection (b) of this section of this Declaration and as provided in the Act. Any unpaid Assessments not satisfied from the proceeds of sale become Common Expenses collectible from all the Owners, including the purchaser.

(j) Any payments received by the Association in the discharge of an Owner's obligation may be applied to the oldest balance due; provided, however, that the Association may not apply any Assessment, fee or other charge that is paid by an Owner toward a fine imposed against the Owner by the Association unless otherwise directed by the Owner or as permitted by law.

8.04 Budget Adoption and Ratification: Prior to the commencement of each Fiscal Year, the Board shall determine the Budget for the Association for such Fiscal Year in the following manner:

(a) The Board shall, not less than thirty (30) days nor more than sixty (60) days before the beginning of each Fiscal Year of the Association, prepare and distribute to each Owner a copy of the budget for the daily operation of the Association (the "Operating Budget"). The Operating Budget must include, without limitation, the estimated annual revenue and expenditures of the Association and any contributions to be made to the reserve fund established by this Article VIII. In lieu of distributing copies of the Operating Budget, the Board may distribute summaries of the Operating Budget, accompanied by a written notice that the Operating Budget is available for review at the business office of the Association or other suitable location and that copies of the Operating Budget will be provided upon request.

(b) The Association shall also establish adequate reserves, funded upon a reasonable basis, for the repair, replacement, and restoration of the major components of the Common Elements. The reserve funds may be used only for those purposes and not for daily maintenance. Money in the reserve accounts may not be withdrawn without the signatures of at least two (2) members of the Board or the signatures of at least one (1) member of the Board and one (1) officer of the Association who is not a member of the Board.

(c) The Board shall, not less than thirty (30) days or more than sixty (60) days before the beginning of the Fiscal Year of the Association prepare and distribute to each Owner a copy of the reserve budget (the "Reserve Budget"). In lieu of distributing copies of the Reserve Budget, the Board may distribute (1) appropriate pages of the Reserve Study or (2) the complete Reserve Study or (3) summaries of the Reserve Budget, such summaries to also be accompanied by a written notice that the Reserve Budget or Reserve Study is available for review at the business office of the Association or other suitable location and that copies of the budget will be provided upon request.

The Reserve Budget must include, without limitation:

(i) The current estimated replacement cost, estimated remaining life, and estimated useful life of each major component of the Common Elements;

(ii) As of the end of the Fiscal Year for which the Reserve Budget is prepared, the current estimate of the amount of cash reserves that are necessary, and the current amount of accumulated cash reserves that are set aside, to repair, replace, or restore the major components of the Common Elements;

(iii) A statement as to whether the Board has determined or anticipates that the levy of one or more Assessments will be required to repair, replace, or restore any major component of the Common Elements or to provide adequate reserves for that purpose; and

(iv) A general statement describing the procedures used for the estimation and accumulation of cash reserves, including, without limitation, the qualifications of the Person responsible for the preparation of the reserve study required under this Section.

The Board shall cause to be conducted at least once every five (5) years, a study of the reserves required to be maintained by this section, review the results of that study at least annually to determine if those reserves are sufficient, and make any adjustments it deems necessary to maintain the required reserves. The reserve study must be conducted by a Person licensed to conduct such a study (as determined pursuant to the Act). The study must include, without limitation:

(i) A summary of an inspection of the major components of the Common Elements that the Association is obligated to repair, replace, or restore;

(ii) An identification of the major components of the Common Elements that the Association is obligated to repair, replace, or restore which have a remaining useful life of less than thirty (30) years;

(iii) An estimate of the remaining useful life of each major component so identified;

(iv) An estimate of the cost of repair, replacement, or restoration of each major component so identified;

(v) An estimate of the total Annual Assessments that may be required to cover the cost of repair, replacement, or restoration of the major components so identified after subtracting the reserves of the Association as of the date of the study; and

(vi) An estimate of the funding plan that may be necessary to provide adequate funding for the required reserves.

As used herein, “major component” shall mean any component of the Common Elements, including, without limitation, any amenity, improvement, furnishing, fixture, finish, system or equipment, that may, within 30 years after its original installation, require repair, replacement or restoration in excess of routine annual maintenance which is included in the annual operating budget of the Association.

In the event a reserve study shows a deficiency in the reserve account for the Association, the Association may establish a funding plan that is designed to allocate the costs for the repair, replacement and restoration of the major components of the Common Elements over a period of years; provided the funding plan is designed in an actuarially sound manner which will ensure that sufficient money is available when the repair, replacement and restoration of the major components of the Common Elements are necessary.

(d) Upon determination of the Budget for a Fiscal Year, the Board shall furnish a copy of the Budget to each Owner as herein provided (which Budget shall separately identify amounts attributable to the Operating Budget and the Reserve Budget) together with a written statement of the amount of the Annual Assessment to be assessed against the Owner's Unit for the applicable Fiscal Year. The Board shall set a date for a meeting of the Owners to consider ratification of the budget not less than fourteen (14) nor more than thirty (30) days after the mailing of the budget. Unless at that meeting a majority of all Owners reject the Budget, the Budget is ratified, whether or not a quorum is present. If the proposed Budget is rejected, the periodic Budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent Budget proposed by the Board.

(e) The amount to be raised by Annual Assessments during a Fiscal Year shall be equal to the Operating Budget for such period plus the Reserve Budget to be set aside for said period.

(f) The Board may elect to use any surplus funds from prior years to: (1) pre-pay reserves or Common Expenses; (2) establish a reasonable contingency fund for unanticipated expenses; (3) reduce future Assessments; or (4) rebate to the current Owners in proportion to the Owner's liability for Common Expenses.

(g) If the Board fails to determine or cause to be determined the total amount to be raised by Annual Assessments in any Fiscal Year and/or fails to notify the Owners of the amount of such Annual Assessments for any Fiscal Year, then the amounts of Annual Assessments shall be deemed to be the amounts assessed in the previous Fiscal Year.

(h) Except as emergencies may require, the Association shall make no commitments or expenditures in excess of the funds reasonably expected to be available to the Association.

8.05 Special Assessments. If the Association determines that the estimated total amount of funds necessary to defray the Common Expenses of the Association for a given Fiscal Year is or will become inadequate to meet expenses for any reason, including, without limitation, unanticipated delinquencies, costs of construction, unexpected repairs or replacements of capital improvements, damage and destruction or condemnation of, the Association Property or Common Elements, the Board may levy a special assessment ("Special Assessment"). The Board may, in its discretion, prorate such Special Assessment over the remaining months of the Fiscal Year or levy the Assessment immediately against each Unit.

8.06 Enforcement Assessments. The Association may levy an Enforcement Assessment against any Owner for bringing an Owner or its Unit into compliance with the provisions of the Governing Documents. Subject to the Act, the Enforcement Assessment may include any other charge designated an Enforcement Assessment in the Governing Documents, together with attorneys' fees, interest and other charges related thereto as provided in this Declaration. If the Association undertakes to provide materials or services which benefit individual Owners, then such Owners in accepting such materials or services agree that the costs thereof shall be an Enforcement Assessment. The Board shall have the authority to adopt a reasonable schedule of Enforcement Assessments in accordance with the Bylaws for any violation of the Governing Documents. If, after Notice and Hearing, the Owner fails to cure or continues such violation, the Association may impose an additional fine each time the violation is repeated, and may assess such Owner and enforce the Enforcement Assessment as herein provided for nonpayment of an Assessment. A hearing committee may be established by the Board to administer the foregoing.

8.07 Reserve Assessments: If the Reserve Study identified an amount necessary to adequately fund the Reserves, the Association may levy a Reserve Assessment without vote or ratification in order to provide adequate funding to the Reserves.

8.08 Limitations on Assessments: Capital Improvement Assessments shall not be imposed that in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for that Fiscal Year, without the consent of the Members, constituting a quorum and casting a majority of the votes at a vote of the Members in accordance with the Law and Governing Documents. A Capital Improvement is a new enhancement or improvement to the Common Area. It is not a repair or replacement of the existing components of the Common Area.

8.09 Capital Improvement Assessments: If the Board of Directors votes to levy a Capital Improvement Assessment, the Owners shall be provided with written notice of a meeting at which the Capital Improvement Assessment is to be considered or action is to be taken on such Assessment at least twenty-one (21) days before the date of the meeting. A Capital Improvement is defined the installation or construction of a new, additional major component of or upon the Common Elements, which is reasonably estimated to cost \$10,000.00 or more.

8.10 Certificate of Payment of Annual Assessments: The Association, upon written request, shall furnish an Owner with a statement, in Recordable form, setting out the amount of unpaid Assessments against the Unit. The statement must be furnished within ten (10) business days after receipt of the request and is binding on the Association, the Board of Directors and each Owner.

8.11 Assessment Due Dates: Subject to Board decision, all Annual Assessments assessed under Sections 8.01, 8.02, 8.05 and/or 8.07 of this Declaration shall be due and payable on the first day of each month, at 1/12th of the annual total (in cases where an annual total is applicable). Other Assessments are due on the date established by the Board or as approved by the Members.

8.12 Acceleration of Annual Assessments and Imposition of Late Fee: In the event of default in which any Owner does not make the payment of any Assessment levied against his or her Unit within sixty (60) days after the date due, the Board of Directors shall have the right to declare all unpaid Assessments for the pertinent Fiscal Year immediately due and payable. A late fee and other charges along with assessment and collection procedures, which shall be established by the Board through resolution, will be imposed against the Owner's account if an Annual or Special Allocation Assessment is not received by 5:00 PM on the thirtieth (30th) calendar day of the month. Past due Assessments for Common Expenses shall bear interest as provided in the Act.

8.13 No Waiver of Liability for Common Expenses: No Owner may be exempt from the personal liability for any Assessments described in this Declaration, nor release the Unit owned by the Owner from the liens and charges thereof by waiver of the use or enjoyment of any of the Common Elements or by abandonment of the Owner's Unit.

8.14 Personal Liability of Owners: The Owner of a Unit, at the time an Assessment or portion thereof is due and payable, is personally liable for the Assessment. Additionally, the Owner of a Unit, by acceptance of a deed or other conveyance therefor, whether it shall be so expressed in such deed or such other instrument, is deemed to covenant and agree to pay to the Association any Assessment made in accordance with this Declaration, if any, such Assessments to be established and collected as herein provided. All Assessments, together with interest, costs, and reasonable attorneys' fees for the collection thereof, shall be a charge on the land and shall be a continuing lien upon the Unit against which such Assessment is made. Personal liability for the Assessment shall not pass to a successor in title to the Unit unless the successor agrees to assume the obligation. The successor in title shall be personally liable for any Assessments thereafter due.

ARTICLE IX AMENDMENTS TO DECLARATION

9.01 In General: Except in cases of amendments that may be executed: (a) by certain Owners under the Act, including, without limitation, NRS 116.2113(2), and NRS 116.2118, and except as limited by **Article XV** of this Declaration, this Declaration, including the Final Map, may be amended only by vote or agreement of not less than two-thirds (2/3) of Owners (27 of the Owners). The procedure for amendment must follow the procedures set forth in NRS 116.2117 and/or NRS 116.21175.

9.02 Limitation of Challenges: An action to challenge the validity of an amendment adopted by the Association pursuant to this Article may not be brought more than one (1) year after the amendment is Recorded.

9.03 Recordation of Amendments: Each amendment to this Declaration must be Recorded and the amendment is effective only upon being Recorded.

9.04 Unanimous Consent: Except to the extent expressly permitted or required by other provisions of this Declaration or the Act, no amendment may change the boundaries of any Unit, or the Allocated Interests of a Unit in the absence of unanimous consent of only those Owners affected and consent of a majority of Owners of the remaining Units. In addition, an amendment that would alter the land use designation or classification of a Unit or would alter the character of the Property (for example, changing a Unit from residential use to commercial use or changing the Property from single-family residential use to commercial use) requires unanimous consent of Owners affected and a majority of the remaining Units. Any amendment to an existing restriction set forth in **Article VI** of this Declaration or any new restriction that does not affect the designation or classification of a Unit or the Property, requires a majority of Owners.

9.05 Execution of Amendments: An amendment to this Declaration required by the Act to be Recorded by the Association, which has been adopted in accordance with this Declaration and the Act, must be prepared, executed, Recorded and certified on behalf of the Association by an officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association.

9.06 Consent of Holders of Security Interests: Certain amendments are subject to the consent requirements of **Article XV** of this Declaration.

**ARTICLE X
TERMINATION**

Termination of the Property may be accomplished upon the approval of the Owners of Eighty Percent (80%) of the total number of Units within the Property, and then in accordance with the provisions of the Act. Additionally, if substantially all of the Units in the Association have been destroyed or are uninhabitable, the Board or any person holding an interest in Property or any portion thereof may commence an appropriate action in the Second Judicial District Court seeking to terminate the Community, pursuant to the requirements of Nevada law.

ARTICLE XI
RIGHT TO ASSIGN FUTURE INCOME

The Association may assign its future income, including its right to receive Annual Assessments, only upon the approval of a majority of Owners, at a meeting called for that purpose, and, as applicable, with Eligible Mortgagees' consent described in Article XV.

ARTICLE XII INSURANCE

12.01 Coverage: To the extent reasonably available, the Board of Directors shall obtain and maintain insurance coverage as set forth in this Article or as required by the Act. If such insurance is not reasonably available, and the Board of Directors determines that any insurance described in this Article will not be maintained, the Board of Directors shall promptly cause notice of that fact to be hand-delivered or sent prepaid by United States mail to all Owners and Eligible Mortgagees at their respective last known addresses at which time each Owner shall become responsible for obtaining and maintaining such insurance coverage.

12.02 Property Insurance Coverage:

(a) Coverage. Property insurance will cover:

(i) The Common Elements, and Improvements thereon, insuring against all risks of direct physical loss commonly insured against.

(ii) The Unit but not any improvements or betterments installed by Unit Owners, including a Unit's Limited Common Elements.

(iii) All personal property owned by the Association.

(b) Amounts. The insurance will be for an amount (after application of any deductions) equal to eighty percent (80%) of the actual replacement value of the covered items at the time the insurance is purchased and at each renewal date, excluding the cost of land, foundations, or excavations. The Board of Directors is authorized to obtain appraisals periodically for the purpose of establishing replacement cost of the insured items, and the cost of such appraisals shall be a Common Expense.

(c) Risks Insured Against. The insurance shall afford protection against "all risks" of direct physical loss commonly insured.

(d) Other Provisions. Insurance policies required by this section and to the extent available shall provide that:

(i) Each Owner is an insured Person under the policy with respect to liability arising out of the Owner's interest in the Common Elements or membership in the Association.

(ii) The insurer waives the right to subrogation under the policy against an Owner or member of the household of an Owner.

(iii) An act or omission by an Owner, unless acting within the scope of the Owner's authority on behalf of the Association, will not void the policy or be a condition of recovery under the policy.

(iv) If, at the time of a loss under the policy, there is other insurance in the name of an Owner which covers the same risk covered by the policy, the Association's policy provides primary insurance.

(v) Losses must be adjusted with the Association.

(vi) Insurance proceeds shall be paid to any insurance trustee designated in the policy for that purpose, and otherwise to the Association, but, in any case, it is to be held in trust for each Owner and the Owner's mortgagee.

(vii) The insurer may not cancel or refuse to renew the policy until thirty (30) days after notice of the proposed cancellation or nonrenewal has been mailed to the Association, to each Owner and to each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued, at their respective last known addresses.

(viii) The name of the insured shall be substantially as follows: Incline Pines Home Owners Association for the use and benefit of the individual Owners.

(ix) Such policy of insurance shall contain a standard mortgage clause, or equivalent endorsement (without contribution), which is commonly accepted by private institutional mortgage investors in the area in which the Property is located.

(x) Such policy of insurance shall be unacceptable where: (a) under the terms of the insurance carrier's charter, by-laws, or policy, contributions or assessments may be made against borrowers, FNMA, FHLMC, or the designee of FNMA or FHLMC; (b) by the terms of the carrier's charter, loss payments are contingent on action by the carrier's board of directors, policy holders, or members; or (c) the policy includes any limiting clauses (other than insurance conditions) that could prevent FNMA, FHLMC or the borrowers from collecting insurance proceeds.

(xi) Such policy of insurance shall include "agreed amount endorsements" and, if available, an "inflation guard endorsement."

(xii) Such policy of insurance shall include coverage for losses or perils by fire or other perils covered by the standard extended coverage endorsement.

12.03 Flood Insurance: If the Property or portions thereof are identified as being within a flood hazard area and if flood hazard insurance is available under the National Flood Insurance Program, the Association shall be required to acquire such insurance, as a Common Expense, in an amount not less than: (a) the maximum coverage available; or (b) one hundred percent (100%) of the replacement costs of all buildings and other property.

12.04 Liability Insurance: Liability insurance, including medical payments insurance, will be maintained as determined by the Board of Directors. This insurance shall cover all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, Ownership or maintenance of the Common Elements and the activities of the Association.

Insurance policies carried pursuant to this section shall provide that:

(a) Each Owner is an insured Person under the policy with respect to liability arising out of the Owner's interest in the Common Elements or membership in the Association;

(b) The insurer waives the right to subrogation under the policy against an Owner or member of the household of an Owner.

(c) An act or omission by an Owner or the Association will not void the policy or be a condition to recovery under the policy.

(d) If, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the policy of the Association provides primary insurance.

(e) Losses must be adjusted with the Association.

(f) Insurance proceeds shall be paid to any insurance trustee designated in the policy for that purpose, and otherwise to the Association, but, in any case, it is to be held in trust for each Owner and the Owner's mortgagee.

(g) The insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the Association, each Owner and each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued at their last known addresses.

(h) Legal fees shall be outside the limits.

12.05 Crime Insurance: The Board shall maintain crime insurance which includes coverage for dishonest acts by Board Members and the officers, employees, agents, directors, and volunteers of the Association and which extends coverage to any business entity that acts as Manager of the Association and the employees of that entity. Such insurance may not contain a conviction requirement, and the minimum amount of the policy must not be less than an amount equal to three (3) months of aggregate assessments on all Units plus reserve funds or \$5,000,000, whichever is less.

12.06 Owner Policies: Except as otherwise provided in Sections 12.01 and 12.02, the Owner is required to obtain a separate insurance policy to provide replacement cost coverage for the Owner's Unit and Owner's personal property. If the Association's property insurance policy covers the Unit, then the amount of insurance coverage obtained by the Owner must be sufficient to repair or replace any improvements or betterments installed in the Unit. The requirement for separate Owner's insurance could change if the Association chooses to obtain all-inclusive coverage. If the Owner rents the Unit, the Owner shall require the tenant obtain renter's insurance. Owners shall provide evidence of any insurance required upon request. Nothing herein shall preclude any Owner from carrying any public liability or such other insurance as such Owner deems desirable to cover individual liability for damage to persons or property occurring inside a Unit or elsewhere upon the Project. Such insurance policies shall not adversely affect or diminish any liability under any insurance obtained by or on behalf of the Association and copies of such other policies shall be deposited with the Board upon request. If any loss intended to be covered by insurance carried by or on behalf of the Association shall occur and the proceeds payable thereunder shall be reduced by reason of insurance carried by any Owner, such Owner shall assign the proceeds of such insurance carried to the Association, to the extent of such reduction, for application by the Board to the same purposes as the reduced proceeds are to be applied.

12.07 Workers' Compensation Insurance: The Board of Directors shall obtain and maintain Workers' Compensation Insurance to meet the requirements of the laws of the State of Nevada.

12.08 Directors' and Officers' Liability Insurance: To the extent reasonably available and subject to reasonable deductibles, the Board of Directors shall obtain and maintain directors' and officers' liability insurance in a minimum aggregate amount of not less than \$1,000,000 naming the Association as the Owner and the named insured. The coverage shall extend to the directors and officers, employees, agents, and volunteers of the Association (including committee members), and to the Manager and any employees of the Manager while acting as agents.

12.09 Other Insurance: The Association may carry other insurance, including cyber theft liability, which the Board of Directors considers appropriate to protect the Association and/or the Owners, and any insurance necessary to comply with minimum HUD requirements.

12.10 Premiums and Deductibles: Insurance premiums for insurance carried or to be carried by the Association shall be a Common Expense. Any policy to be maintained hereunder may be subject to reasonable deductibles. To the extent permitted under the Act, the deductible shall be an expense of the affected Units.

12.11 Insurer Ratings: With regard to any insurance policy for the Common Elements or any master or blanket insurance coverage described hereunder, to the extent reasonably available, an insurer shall have a “B” or better general policyholder’s rating or a “6” or better financial performance index rating in Best’s Insurance Reports, an “A” or better general policyholder’s rating and a financial size category of “VIII” or better in Best’s Insurance Reports, International Edition, an “A” or better rating in Demotech, Inc’s Hazard Insurance Stability Ratings, a “BBB” quality rating in Standard and Poor’s Insurer Solvency Review, or a “BBB” or better claims-paying ability rating in Standard and Poor’s International Confidential Rating Service.

12.12 Compliance with Federal Regulations: Notwithstanding any other provisions contained herein, the Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the minimum insurance and fidelity bond requirements established by the Federal National Mortgage Association (“FNMA”), the Government National Mortgage Association (“GNMA”), and the Federal Home Loan Mortgage Corporation (“FHLMC”), or any successor to those entities, if any, so long as any of the above is a Mortgagee or an Owner of a Unit, except to the extent such coverage is not available or has been waived in writing by the FNMA, GNMA, and FHLMC as applicable. If the FNMA or FHLMC requirements conflict, the more stringent requirements shall be met.

ARTICLE XIII
DAMAGE TO OR DESTRUCTION OF PROPERTY

13.01 Damage and Destruction to the Common Elements: In the case of destruction of or damage to the Common Elements, including any Improvements thereon, by fire or other casualty, the Board shall have the following rights and privileges:

(a) Liberty to Reconstruct. If the cost to repair or replace the Common Elements, including any Improvements thereon, over and above all insurance proceeds, is less than Five Hundred Thousand Dollars (\$500,000.00), the Board may, without the consent of the Members, determine to repair or replace the damaged property with property substantially the same as those that were destroyed or damaged.

(b) Decision to Reconstruct. If the cost to repair or replace the Common Elements, over and above all insurance proceeds, is equal to or greater than Five Hundred Thousand Dollars (\$500,000.00) and the Board determines to rebuild any Common Elements destroyed or damaged in the form substantially the same as those that were destroyed or damaged, it shall prepare plans and obtain bids and shall submit the plans and bids to the Members for approval, which approval shall require the affirmative vote of a Supermajority of Members. The Board will modify the plans until the required vote is obtained or the restoration becomes subject to subsection (c) below. If approved, the Board shall cause the repairs or replacements to be done and assess the Members for the costs as a Special Assessment.

(c) Decision Not to Reconstruct. If the Board determines not to rebuild any Common Elements so destroyed or damaged or to build facilities substantially different from those that were destroyed or damaged, it shall submit its decision to the Members for their approval or disapproval, which approval shall require the consent of eighty percent (80%) of the Members entitled to vote. If the Members elect to approve the decision, the Board shall act accordingly; but if the Members do not approve the decision, after notice and a hearing, the Board shall proceed to repair or rebuild the damaged or destroyed facility pursuant to subsections (a) or (b) above; provided, however, that such reconstruction work shall be performed in any event to not restrict ingress to and egress from any Unit.

(d) Damage or Destruction by Owner. In the event any portion of the Common Elements is damaged or destroyed by an Owner or by Owner's Invitee(s), the Board may repair said damaged area. In the event the Board determines to repair said damage, the amount necessary for such repairs shall be paid by the Owner or Owner's Invitee, upon demand, to the Board. If said amounts are not immediately paid, they shall be deemed to be Assessments, and the Board may enforce collection of same in the same manner as provided hereof for collection and enforcement of Assessments.

13.02 Replacement of Less Than Entire Property: The insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Property.

13.03 Insurance Proceeds: The Trustee, or if there is no Trustee, then the Board of Directors of the Association, acting by the President, shall hold any insurance proceeds in trust for the Association, Owners and lien holders as their interests may appear. The proceeds shall be disbursed first for the repair or restoration of the damaged Property. The Association, Owners and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus after the Property has been completely repaired or restored, or unless the Association is terminated. In the event of a surplus after the Property has been completely repaired or restored, the proceeds shall be distributed to the Owners or the Eligible Mortgagees as their interests appear and in proportion to the liabilities of all the Units for Common Expenses.

13.04 Certificates by Board of Directors: The Trustee, if any, may rely on the following certifications in writing made by the Board of Directors:

- (a) Whether or not damaged or destroyed Property is to be repaired or restored; and
- (b) The amount or amounts to be paid for repairs or restoration and the names and addresses of the parties to whom such amounts are to be paid.

13.05 Certificates by Title Insurance Companies: If payments are to be made to Owners or mortgagees, then the Board of Directors and the Trustee, if any, shall obtain and may rely on a title insurance company's certificate or a title insurance policy based on a search of the Records in the Office of the County Recorder, Washoe County, Nevada, from the date of the Recording of the original Declaration, stating the names of the Owners and the mortgagees.

**ARTICLE XIV
CONDEMNATION**

If part or all of the Property is taken by any Person or entity having the authority of eminent domain, all compensation and damages for and on account of the taking shall be payable in accordance with the Act. The Association shall represent the Owners in any such proceeding or negotiations, settlements and agreements with the condemning authority for acquisition of the Common Elements, or part thereof, by the condemning authority. Each Owner appoints the Association as attorney-in-fact for such purpose. The Association may appoint a trustee to act on behalf of the Association to carry out the Associations functions under this Article. Except as otherwise provided herein, in the event of a taking or acquisition of part or all of the Common Elements by a condemning authority, the award or proceeds of settlement shall be payable to the Association, or any trustee, to be held in trust for the Owners and their first mortgage holders, as their interests may appear.

ARTICLE XV MORTGAGEE PROTECTIONS

15.01 Introduction: This Article establishes certain standards and covenants which are for the benefit of the holders, insurers and guarantors of certain Security Interests. This Article is supplemental to, and not a substitution for, any other provisions of the Governing Documents, but in the case of conflict, this Article shall control.

15.02 Percentage of Eligible Mortgagees: Wherever in this Declaration the approval or consent of a specified percentage of Eligible Mortgagees is required, it shall mean the approval or consent of Eligible Mortgagees holding First Security Interests in Units which in the aggregate have allocated to them that specified percentage of votes as compared to the total votes allocated to all Units in the Association then subject to Security Interests held by all Eligible Mortgagees.

15.03 Notice of Actions: The Association shall give prompt written notice to each Eligible Mortgagee and Eligible Insurer of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Property or any Unit in which there is a First Security Interest held, insured or guaranteed by that Eligible Mortgagee or Eligible Insurer, as applicable; and and

(b) Any proposed action which would require the approval of a specified percentage of Eligible Mortgagees as specified in **Section 15.04**.

15.04 Consent and Notice Required:

(a) Document Changes: Notwithstanding any requirement permitted by this Declaration or the Act, no amendment of any material provision of this Declaration by the Association or Owners described in this section may be effective without notice to all Eligible Mortgagees and Eligible Insurers, as required by **Section 15.03**, without the vote of at least the majority of Owners and without approval by at least fifty-one percent (51%) of the Eligible Mortgagees (or any greater Eligible Mortgagee approval required by this Declaration). The foregoing approval requirements do not apply to amendments effected by the exercise of any Developmental Right. A change to or attempted addition of any of the following would be considered material:

(i) Any provision of this Declaration pertaining to voting rights;

(ii) Any provision of this Declaration pertaining to Assessments, assessment liens or priority of assessment liens;

(iii) Any provision of this Declaration pertaining to reserves for maintenance, repair and replacement of Common Elements;

(iv) Any provision of this Declaration pertaining to responsibility for maintenance and repairs;

(v) Any provision of this Declaration pertaining to expansion or contraction of the Property, the addition, annexation or withdrawal of property to or from the Property, or the allocation of interests in the Property;

(vi) Any provision of this Declaration pertaining to the amount or type of insurance or fidelity bonds to be maintained;

(vii) Any provision of this Declaration pertaining to leasing of Units;

(viii) Any provision of this Declaration conditioning or limiting rights to use the Common Elements;

(ix) Any provision of this Declaration that expressly benefits holders, insurers or guarantors of Security Interests;

(x) Any provision of this Declaration pertaining to the convertibility of Units into Common Elements or Common Elements into Units;

(xi) Any provision of this Declaration pertaining to the imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey the Owner's Unit;

(xii) Any provision of this Declaration pertaining to the establishment of self-management where professional management has previously been required;

(xiii) Any changes to the boundaries of any Unit;

(xiv) Any provision of this Declaration pertaining to the restoration or repair of the Property;

(xv) Any provision regarding the termination of the Property;

(xvi) Any provision requiring a holder of a Security Interest who acquires a Unit through foreclosure to pay more than its proportionate share of any unpaid Assessments accruing after foreclosure;

(xvii) Any provision which could result in a mortgage being canceled by forfeiture or in a Unit not being assessed separately for tax purposes; or

(xviii) Any provision which could result in a partition or subdivision in a manner not consistent with this Declaration.

(b) Actions. Notwithstanding any lower requirement permitted by this Declaration or the Act, the Association may not take any of the following actions without notice to all Eligible Mortgagees and Eligible Insurers, as required by **Section 15.03**, and approval of at least a majority (or the indicated percentage, if higher) of the Eligible Mortgagees:

(i) Any restoration or repair of any part of the Property after partial condemnation or damage due to an insurable hazard in a manner not in substantial compliance with this Declaration and the original Subdivision Map;

(ii) Any election to terminate the Property after occurrence of substantial destruction or condemnation;

(iii) Any reallocation of Allocated Interests resulting from partial destruction or condemnation; or

(iv) The termination of the Property, for which approval of at least Sixty- Seven Percent (67%) of Eligible Mortgagees is required.

(c) Implied Approval. The failure of an Eligible Mortgagee or Insurer to respond within sixty (60) days to any written request for approval of an addition or amendment to the Document wherever Eligible Mortgagee or Insurer approval is required, or any other matter pursuant to this Declaration, when such request is delivered by certified or registered mail, return receipt requested, shall conclusively constitute an implied approval of the addition or amendment. If any holder, insurer or guarantor of any First Security Interest has not requested, in writing, notice of any proposed amendment or matter, the approval of such holder, insurer or guarantor shall be deemed given.

15.05 Inspection of Books: The Association must maintain current copies of the Governing Documents, books, records, and financial statements of the Association. The Association shall permit any Eligible Mortgagee or Eligible Insurer or other first mortgagee of Units to inspect the books and records of the Association during normal business hours that are required or allowed to be inspected subject to the provisions of the Act.

15.06 Financial Statements: The Association shall provide any Eligible Mortgagee or Eligible Insurer, or any agency or corporation that has a prospective interest in the Property, with a copy of a financial statement, prepared in accordance with the requirements of the Act. The financial statement shall be for the preceding Fiscal Year and will be provided within a reasonable amount of time to any Eligible Mortgagee or Eligible Insurer upon written request to the Association.

15.07 Enforcement: The provisions of this Article are for the benefit of Eligible Mortgagees and Eligible Insurers and their successors and may be enforced by any of them by any available means, at law or in equity.

15.08 Appointment of Trustee: In the event of damage or destruction under Article XIII of this Declaration or condemnation of all or a portion of the Property, any Eligible Mortgagee may require that such proceeds be payable to a Trustee established pursuant to this Declaration. This Trustee may be required to be a corporate trustee licensed by the State of Nevada. Proceeds will then be distributed pursuant to Article XIII of this Declaration or pursuant to a condemnation award. Unless otherwise required, the members of the Board of Directors, acting by majority vote through the president, may act as Trustee.

ARTICLE XVI
MISCELLANEOUS PROVISIONS

16.01 Changes in Services and Use of Common Elements: The Board shall have the power and right to terminate services or change the use of portions of the Common Elements with the approval of a majority of the Owners provided that a vote of the Owners shall not be required in the following circumstances. The Board shall adopt a resolution which describes the proposed new service or use and makes the following findings: (1) the present use or service is no longer in the best interest of the Association, (2) the new, proposed use or service is of benefit to the Association, and (3) the new, proposed use or service is consistent with any covenants, deed restrictions, zoning ordinances and Master Plan currently in effect. The Board shall give written notice to the Owners of the proposed change and the Owner's right to object to the proposed change within thirty (30) days of the notice. If less than ten percent (10%) of the Members submit written objections, the change in services or use shall be deemed approved. If ten percent (10%) or more of the Owners object, then the approval of majority of the Owners shall be required to change the service or use of the Common Elements.

16.02 Enforcement: The Association or an Owner shall have the right to enforce by any proceedings at law or in equity, each covenant, condition, restriction and reservation now or hereafter imposed by the provisions of the Governing Documents. Failure by the Association or an Owner to enforce any covenant, condition, restriction or reservation contained herein shall not be deemed a waiver or the right to do so thereafter.

(a) In the event the Association or Owner shall commence litigation or arbitration to enforce any of the covenants, conditions, restrictions, or reservations contained in the Governing Documents, the prevailing party in such litigation or arbitration shall be entitled to costs of suit and such attorney's fees as the Court or arbitrator may adjudge reasonable and proper.

(b) In accordance with the Act, in the event that the Association does not institute litigation or arbitration proceedings for the enforcement of the Governing Documents but retains counsel or otherwise incurs expenses to enforce a violation of the Governing Documents, any attorneys' fees incurred by the Association for such enforcement shall be paid for by the Person responsible for the claimed violation of the Governing Documents.

16.03 Captions: The captions contained in this Declaration are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provision thereof.

16.04 Gender: The use of the masculine gender refers to the feminine gender, and vice versa, and the use of the singular includes the plural, and vice versa, whenever the context of this Declaration so requires.

16.05 Waiver: No provision contained in this Declaration is abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

16.06 Invalidity: The invalidity of any provision of this Declaration does not impair or affect in any manner the validity, enforceability or effect of the remainder, and if a provision is invalid, all of the other provisions of this Declaration shall continue in full force and effect.

16.07 Conflict: This Declaration is intended to comply with the requirements of the Act applicable to common-interest communities and the Declaration shall be interpreted, if at all possible, so as to be consistent with the Act. If there is any conflict between this Declaration and the provisions of the Act, the provisions of the Act shall control, without any requirement express or implied to amend or modify this Declaration (though amendment for purposes of making the Declaration match the Act is not hereby limited or prohibited). In the event of any conflict between this Declaration and any of the Governing Documents, this Declaration shall control. The hierarchy of the Governing Documents shall be the following order: Declaration, Articles, Bylaws and then Rules, Design Guidelines, resolutions and policies.

16.08 Notification of Sale of Unit: Concurrently with the consummation of the sale of any Unit under circumstances whereby the transferee becomes an Owner thereof, or within five (5) Business Days thereafter, the transferee shall notify the Board in writing of such sale. Such notification shall set forth the name of the transferee and its Mortgagee and transferor, the common address of the Unit purchased by the transferee, the transferee's and the Mortgagee's mailing address, and the date of sale. Prior to the receipt of such notification, any and all communications required or permitted to be given by the Association, the Board or the manager shall be deemed to be duly made and given to the transferee if duly and timely made and given to said transferee's transferor.

16.09 Notices: Any notice permitted or required to be given under the provisions of this Declaration shall be in writing and may be delivered either personally, by email or by mail. If delivery is made by mail, it shall be deemed to have been delivered on the third (3rd) day (other than a Sunday or a legal holiday) after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to the Person at the address given by such Person to the Association for the purpose of service of notices, or to the Unit of such Person if no address has been given to the Association. Such address may be changed from time to time by notice in writing given by such Person to the Association.

16.10 Term: This Declaration, including all of the covenants, conditions and restrictions hereof, shall run with and bind the Property for a term of fifty (50) years from the date this Declaration is recorded. After such time, the covenants, conditions and restrictions contained herein, shall be automatically extended for successive periods of ten (10) years, unless an instrument is signed by the Owner(s) of at least eighty percent (80%) of the total number of Units in the Property and recorded in the Office of the County Recorder, Washoe County, Nevada, within the year preceding the beginning of each successive period of ten (10) years, agreeing to change the terms of this Declaration, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated as specified therein.

CERTIFICATION

We, the undersigned, hereby certify, under penalty of perjury, that this THIRD AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR INCLINE PINES HOME OWNERS ASSOCIATION was provided to its members for action with votes tallied on March 14, 2022. The result was 27 owners voting "yes" (68%), six members voting "no" (15%) with seven owners not voting (17%). The votes have been recorded in the official records of the Association, meeting the requirement that there be at least a 67 percent (67%) affirmative vote, as specified in the Original Declaration.

DATED THIS 14th day of March, 2022.

ASSOCIATION:

Incline Pines Home Owners Association,
A Nevada Non-Profit Corporation

By: Heidi Burton
Heidi Burton, HOA president

By: George Warren
George Warren, HOA vice president

STATE OF) ss.
COUNTY OF)

On this 14th day of March, 2022, before me, _____ the undersigned Notary Public, in and for said County and State, personally appeared Heidi Burton, known or proved to me to be the person identified in the foregoing instrument, and who acknowledged to me that he/she did so freely and voluntarily and for the uses and purposes therein provided.

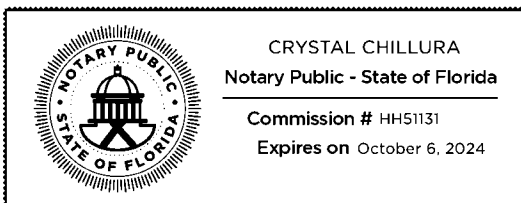
See Below

NOTARY PUBLIC

STATE OF FLORIDA COUNTY OF PASCO
On this 14th day of March, 2022, before me, Crystal Chillura Online Notary the undersigned Notary Public, in and for said County and State, personally appeared George Warren, known or proved to me to be the person identified in the foregoing instrument, and who acknowledged to me that he/she did so freely and voluntarily and for the uses and purposes therein provided.

Heidi Lynn Burton Appeared before me

Signing as president and Vice President of HOA
IDs both Provided California Driver's License



Crystal Chillura
NOTARY PUBLIC Crystal Chillura
My Commission expires 10/06/2024

Notarized online using audio-video communication

EXHIBIT "A"

Lots 1 through 40 and Common Area as shown on the certain Subdivision Map entitled "Incline Pines Condominium", filed in the office of the County Recorder of Washoe County, State of Nevada, on January 12, 1972 as Document No. 231529.

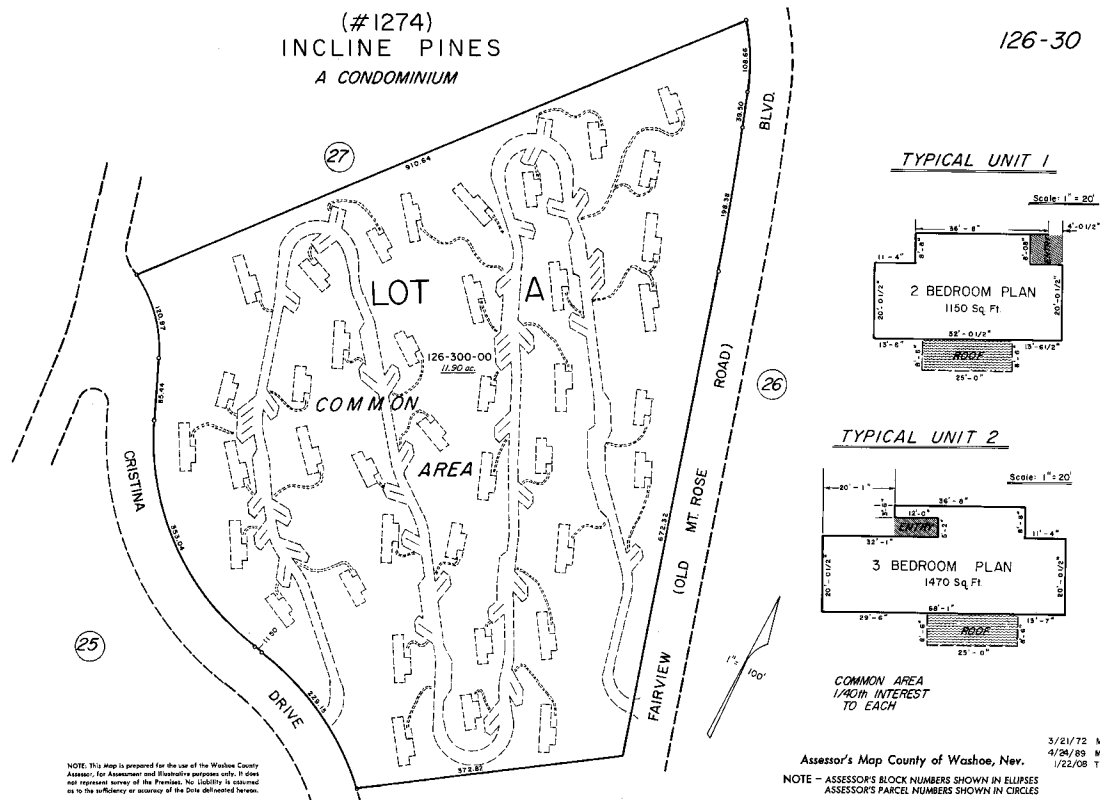


EXHIBIT "B"

Diagram of Limited Common Elements immediately adjacent to individual Units as defined in **Section 1.33(b)** of this document.

