

AFTER RECORDING MAIL TO:

BIBLE, SANTINI, HOY, MILLER & TRACHOK
232 Court Street
Reno, NV 89501

1149178

SECOND AMENDED DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS OF
PLUMAS SOUTH CONDOMINIUMS

1. RECITALS

1.1 Declarant: James D. Colter and Deanna Colfer, and Betty M. Hall, an unmarried woman, and William Glenn Wilkinson, an unmarried man, hereinafter referred to as "Declarant", are the owners of that certain real property located in the City of Reno, County of Washoe, State of Nevada, described more particularly as follows:

Blocks A and B of Plumas South Condominiums
as shown on Condominium Tract Map No. 2321
filed in the office of the County Recorder
of Washoe County, Nevada under File No.
1057943.

1.2 Purpose: It is the purpose of this Declaration to submit the land described above and the improvements to be constructed thereon to the condominium form of ownership and use in the manner provided by Nevada Revised Statutes Title 10, Chapter 117. The name by which this condominium is to be identified is Plumas South Condominiums, a condominium subdivision, and its address is 2650 Plumas, Reno, Nevada.

1.3 Declaration: Declarant hereby declares that all of the real property described above is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to the following limitations, restrictions, covenants and conditions, all of which are declared and agreed to be in furtherance of a plan for the subdivision, improvement and sale of said real property and are established and agreed upon for the purpose of enhancing the perfecting the value, desirability and attractiveness of the real property and every part thereof. All of the limitations, covenants, restrictions and conditions shall run with the real property and shall be binding on all parties having or acquiring any right, title or interest in the described real property or any part thereof, and shall be for the benefit of each owner of any portion of said real property, or any interest therein, and shall inure to the benefit of and be binding upon each successor in interest of the owners thereof.

1.4 Dimensional Units: The common elements consist of the entire condominium property, including all parts of the building

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other than the units, and including, without limitation, the following:

- (a) The land on which the buildings are erected;
- (b) All foundations, columns, beams and supports;
- (c) All exterior walls of the building, all walls and partitions separating units from the corridors, elevator shafts, stairs and other mechanical equipment spaces, and all concrete floors and concrete ceilings;
- (d) Roofs, halls, corridors, lobbies, stairs, stairways, elevator shafts, and entrances to and exits from the building;
- (e) Yards, gardens, recreational or community facilities, mail rooms, parking and driveway areas and storage spaces;
- (f) All central and appurtenant installations for services such as power, light, telephone, gas, hot and cold water, heat, refrigeration, air-conditioning, (including all pipes, ducts, wires, cables and conduits used in connection therewith, whether located in common areas or in units);
- (g) All elevators, tanks, pumps, motors, fans, compressors, and control equipment in common areas;
- (h) All sewer pipes;
- (i) The areas designated parking on the map;
- (j) All space devoted to the lodging and use of the manager and other persons employed by the Association in connection with the operation of the condominium property; and
- (i) All other parts of the project and all apparatus and installations existing in the building or on the property for common use or necessary or convenient to the existence, maintenance, or safety of the condominium.

1.5 Interests in Common Elements: Each unit owner shall own a share in the common area and in any surplus possessed by the Association, and be liable for common expenses as set forth in Exhibit A which is attached hereto and made a part hereof.

2. DEFINITIONS

2.1 As used in this Declaration the following definitions

shall apply, unless the context otherwise requires:

(a) Articles of Incorporation and Bylaws: Articles of Incorporation or bylaws, or both as the case may be, of the Association, as the same may be amended from time to time.

(b) Association: Plumas South Condominium Association, its successors and assigns.

(c) Common Area: The entire project excepting all units granted or reserved. Common area shall include but not be limited to restricted common areas (defined below), all facilities and improvements located within the common area, including recreational facilities, driveways, parking stalls, open spaces, planted and landscaped areas, roofs, foundations, stairs, walkways, storm drainage pipelines, catch-basins, sanitary sewer lines, manholes, cleanouts, pipes, ducts, flues, chutes, conduits, wires and other utility installations to the outlets, bearing walls and columns and girders to the unfinished exterior surfaces thereof, regardless of location and all other improvements which may be placed upon or located in the common area. All the common area is subject to a blanket easement for sewers, drainage and other public utilities for the benefit of the property owners of this subdivision, such easement to include, but not be limited to, sewer, storm drain, power, gas, water, telephone and television cable lines. Such blanket easement is hereby reserved for the installation and maintenance of the above mentioned utilities within the above mentioned subdivision, as the extension of said utilities to adjacent properties.

(d) Restricted Common Area: The term "restricted common area" shall mean and refer to any portion of the common area, the exclusive use of which is restricted to a particular unit and so designated and so attached to that designated unit.

(e) Condominium: An estate in real property consisting of an undivided interest in common in portions of a parcel of real property together with a separate interest in space in a residential building on such real property.

(f) Owner: Each person shown by a duly acknowledged instrument recorded in the office of the County Recorder of Washoe County, Nevada, to be the owner of a fee interest in a unit.

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(g) Residence Unit: The portion of a unit ownership as to which an owner is entitled to exclusive occupancy and all its appurtenances.

(h) Unit: The elements of a condominium which are not owned in common with the owners of other condominiums in the project. The boundaries of each unit are the interior unfinished surfaces (exclusive of paint, paper, wax, tile, enamel or other finishes) of its perimeter walls, floors, ceilings, windows and window frames, doors and door frames and trim, and includes both the portions of the building so describe and the air spaces so enclosed.

(i) Declarant: JAMES D. Colfer and Deanna Colfer, or their successors.

(j) The Property: The real property described in 1.1 above, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

(k) The Project: The entire parcel of real property divided or to be divided into condominiums, including the structures thereon.

3. PROPERTY RIGHTS, OCCUPANCY AND USE OF UNITS AND COMMON AREA

3.1 Unit and Occupancy: Each unit shall be used as a residence and for no other purpose. No individual residence shall be occupied by any person or persons other than the owner, the owner's immediate family and approved lessees. Notwithstanding the foregoing, Declarant shall have the right to use one unit for an office for sales and administrative purposes related to the property so long as the unit is owned by Declarant.

No studio condominium may be occupied by more than two people; no one bedroom condominium may be occupied by more than three people; and no two bedroom condominium may be occupied by more than five people.

3.2 Common Area: The common area shall be improved and used for the following described uses and no other:

(a) The construction and maintenance of the buildings in which the residence units are located.

(b) Providing vehicular, pedestrian and utility service access to the residence units and all other portions of the common area.

(c) The construction and maintenance of recreational facilities and structures, and in the use thereof by all the residence owners located in the property and the persons referred to in 3.1 along with any tenants or contract purchasers who reside in the unit.

(d) Providing landscaping for the buildings in which the units are located and the recreational facilities located on portions of the common area.

(e) Providing parking facilities serving the units and providing facilities and structures necessary to maintain the buildings and the common area.

(f) Providing balconies or patios for the exclusive use of each unit to which such a balcony or patio is appurtenant, and providing storage lockers and areas for the exclusive and nonexclusive use of each unit.

(g) Providing heating and air conditioning services to the unit and to the common area.

There shall be no obstruction of the common area nor shall anything be altered or constructed in or removed from or stored in the common area without the written consent of the Association.

3.3 Owner's Easements of Enjoyment: Every owner shall have a nonexclusive right and easement of enjoyment in and to the common area which shall be appurtenant to and shall pass with the title to every unit ownership, which right and easement may be delegated by owner to those persons referred to in Article 3.1, subject to the provisions of this Declaration, including but not limited to:

(a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the common area.

(b) The right of the Association to suspend the voting right and right to the use of the recreational facilities by an owner and those persons listed in Article 3.1 hereof, for any period during which any assessment against his unit ownership remains unpaid pursuant to 3.9; and for a period not to exceed that provided for in 3.9 for any infraction of this Declaration and the Association's published rules.

(c) The right of the Association to dedicate or transfer all or any part of the common area to any public agency.

authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by sixty-seven percent (67%) of the voting power of both classes of members agreeing to such dedication or transfer has been recorded.

(d) The right of the Association to restrict access to or interference with heating and air-conditioning equipment.

3.4 Signs: No signs of any kind shall be displayed to the public view from any residence unit or the common area. Notwithstanding the foregoing, Declarant shall have the right to place and maintain upon the common area and in units not yet conveyed by Declarant signs and displays of reasonable dimensions for the purpose of transferring all the units in the property from Declarant to owners.

3.5 Pets and Window Covering: No animals, other than small household pets, shall be permitted to be kept in any unit or in the common area. As to household pets the Association shall have the right to adopt reasonable rules permitting pets outside a unit if the pet is properly restrained so as to be under the direct physical control of a person at all times and to require any owner to remove any animal which is a nuisance or disturbance to any owner of a unit. The decision of whether an animal is a disturbance or a nuisance shall be solely in the discretion of the Association. Each unit owner must install window coverings in his unit with a material visible from the outside which is beige in color acceptable to the Association or Developer as the case may be, in order to provide a uniform appearance to the exterior of each building.

3.6 Nuisances and Antenna: No noxious or offensive activity shall be carried on in any unit or in the common area, nor shall anything be done in either place which may become an annoyance or nuisance to the other owners. No antenna, wires and aerials of any type or kind shall be installed or located outside a residence unit.

3.7 Alterations: Nothing shall be done in or to any unit, or in, on or to the common area which will impair the structural integrity of the buildings, or which will structurally change the buildings or which would alter or change the appearance of any other non-structural condition of the buildings, as originally constructed without the prior approval of the Association pursuant to 9.6, provided that any owner may paint, repaint, tile, wax, paper, or otherwise refinish and decorate the interior surfaces of

the walls, ceilings, floors, and doors comprising his unit without the prior written approval of the Association.

3.8 Membership: Every person or entity which is a record owner of a fee or undivided fee interest in any condominium unit shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from any unit ownership.

The Association shall have two (2) classes of voting membership:

Class A: Class A members shall be all owners of condominium units with the exception of Declarant, or its successors, and shall be entitled to a vote weighted in accordance with Exhibit A. When more than one person or entity is shown of record to be the owner of a condominium unit, all such persons or entities shall be members. The vote for such condominium unit shall be exercised as the owners thereof among themselves determine, but in no event shall more than one vote be cast with respect to any condominium unit.

Class B: Class B members shall consist of Declarant or its successors, and shall be entitled to three votes for each condominium unit of which it is the owner in fee. Class B membership shall cease and terminate when the total votes of Class A members equal or are greater than the total votes of the Class B members. Upon the termination of Class B membership, the Class B member shall be deemed a Class A member, and all members thereafter shall have equal and identical interests and voting rights for each unit of ownership.

3.9 Rules and Penalties: The Association shall have the power to adopt reasonable rules for the regulation of the occupancy and use of the units, balconies, decks and patios and the remaining portions of the common area, provided that such rules are approved by 51% or more of the voting power of both classes of membership of the Association. Written copies of such rules and any schedule of fines and penalties adopted pursuant to this paragraph shall be furnished to owners. The Association shall have the power to adopt a schedule of reasonable fines and penalties for violations of the terms of this Declaration, and for violations of any rules adopted pursuant to this paragraph, provided that such schedule is approved by 51% or more of the voting power of both classes of membership of the Association. The penalties prescribed may include suspension of all right and

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privileges of membership; provided, however, that suspension for failure to pay assessments shall be for a maximum period of 30 days, renewable by the Association for an additional 30-day period or periods until paid; and provided further that suspension for infraction of rules or violation of this Declaration, other than for failure to pay assessments, shall be limited to a maximum period of 30 days per infraction or violation, and shall be imposed only after a hearing before the Board of Directors. The Board may extend said period for an additional period or periods in the case of a continuing infraction or violation, and no hearing need be held for such extension. The Association shall assess fines and penalties and shall enforce such assessments in the manner provided in paragraphs 6 and 7.

4. PRESERVATION OF THE PROPERTY

4.1 Waiver of Partition and/or Subdivision: There shall be no judicial partition and/or subdivision of the common area and/or any one or more units, nor shall Declarant or any person acquiring any interest in the property or any part thereof seek any such judicial partition and/or subdivision thereof; provided, however, that if any condominium unit shall be owned by two or more co-tenants as tenants in common or as joint tenants, nothing contained herein shall be deemed to prevent a judicial partition as between co-tenants so long as such judicial partition does not result in any physical partitioning.

4.2 Severability: No owner shall in any way sever his unit from his interest in the common area.

4.3 Use Restrictions: Each unit shall be used as a residence and for no other purpose, as defined in 3.1. Notwithstanding the foregoing, Declarant shall have the right to use one unit for an office so long as the unit is owned by Declarant. The portion of the common area so designated on the Condominium Map of the property as to be used as open space and to be used for recreational purposes shall be continuously maintained pursuant to the terms of this Declaration for the exclusive use and benefit of the units and occupants thereof. No building or other substantial improvement which may in any way conflict with the use of the portion of the common area for open space and recreational purpose shall be constructed upon such portion of the common area.

5. ASSOCIATION

5.1 Powers and Duties: The Association shall perform each and every duty required of it by this Declaration.

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5.2 Enforcement: The Association shall have the right and the duty to enforce all the provisions this Declaration, including the duty to seek to enjoin any breach or threatened breach of any of the provisions hereof, and to pay all costs (including attorneys' fees) of any such action or other enforcement procedure.

5.3 Taxes: Each owner to the extent permitted by law shall cause his condominium unit to be separately assessed for ad valorem property taxes, and shall pay all such taxes when due. Except to the extent separately assessed and charged to the owner or the condominium unit of the owners, the Association shall have the authority and duty to pay all taxes and assessments, if any, levied against the common area or the property generally. Any amounts so paid shall be part of the assessment made against each owner pursuant to paragraph 6.

5.4 Individual Utilities: Utilities such as electricity and telephone, shall be separately metered and charged to the owners on the basis of the services used by each owner for his unit, which shall include any residence units owned by Declarant. But the Association shall have the authority and duty to pay for the utilities and utility services required for the common area, and shall have the authority to pay for the utilities and utility services for units which are not separately metered or charged to all the owners; provided, however, that the Association shall be reimbursed by the owners thereof for any charge paid by the Association for utilities and utility services rendered to a residence unit and the common area. Such charges will be made by the Association to the unit owners based on their percentage interest in the common area.

5.5 Common Utilities: The heating to the individual units and the utilities to the common area shall be billed to the Association. The Association shall allocate the total cost of heating and utilities supplied throughout the property among the various units based upon the percentage interest in the common area. The percentage interest in the common area is based upon the area of each type of condominium and it is presumed that the area of a condominium unit is the most reasonable relationship to the amount of heating and utilities used by such unit.

The assessment for utilities shall become a lien upon each unit pursuant to the terms of paragraphs 6 and 7 hereof.

5.6 Extension of Jurisdiction: The Association shall have the power and authority to accept jurisdiction over other property contiguous to the boundaries of the property provided such property is subject to a Declaration of Covenants, Conditions and

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Restrictions similar to the terms herein that the annual assessments of the Association against each condominium unit in the Association immediately prior to the acceptance of jurisdiction are not unreasonably increased as a result thereof, and that the assent is obtained of 67% or more of the voting power of both classes of members of the Association. The Association shall have the authority and power to enter into contracts with owners of lands adjoining or near the property and with associations, incorporated or otherwise, having powers with reference to said land similar to the powers held by the Association. Any contracts so entered into may provide, among other things, for the joint installation, maintenance, repair and removal of facilities benefitting subject property and other lands for the joint retention of and use of maintenance, professional and management services for the joint discharge of any of the duties of each party to such contract to the extent that the duties so defined shall not be inconsistent with the duties, powers and rights of the Association as herein defined. Without limiting the generality of the foregoing listed contractual purposes, the Association may also contract with other owners of lands or associations created by owners of lands toward the end that enforcement of the liens established by paragraph 7 shall be exercised by such other owners or associations in the event that the Association should default in its duties of enforcement as provided in this paragraph. The right conferred upon the Association to contract with land owners of adjacent lands shall include the right to merge and enter into such management bodies or associations, provided that the assent is obtained of 67% or more of the voting power of both classes of members of the Association.

5.7 Improvements: The Association shall have the authority and power to construct, improve, repair, demolish, remove and reconstruct any part of the common area not inconsistent with this Declaration, and appropriate for the use and benefit of the members of the Association, and to charge for the use thereof, provided that the Association shall not include in any assessment, annual or special, the cost of any new capital improvement which exceeds \$1,000.00 in cost to be expended in any one calendar year, unless a majority of the Board of Directors shall have approved said expenditure.

5.8 Dedication: The Association shall have the authority and power to dedicate, to sell, or to transfer any interest to all or any part of the common area to any public agency, authority or utility to be used for such purposes and subject to such conditions as shall be deemed to be necessary or beneficial to the Association. No such dedication, sale or transfer shall be effective unless an instrument agreeing to such dedication, sale

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or transfer has been signed by 67% or more of both classes of members of the Association.

6. ASSESSMENTS

6.1 Annual Assessment: Promptly after the conveyance by Declarant of the first condominium unit to an owner and not less than 30 days prior to the beginning of each calendar year thereafter, the Association shall estimate the net cash requirements for the balance of the calendar year or the ensuing year, as the case may be, necessary for the Association to operate and to maintain the property (including maintaining reasonable reserves) and to perform all of its duties in accordance with this Declaration. Each condominium unit shall be assessed for its prorata share of the amount so estimated. The prorata share of each condominium unit shall be in direct proportion to what each condominium unit bears to the total of all unit ownerships in the property. Any condominium unit not yet conveyed to an owner by Declarant shall be included in computing the prorata share of each owner, with Declarant paying the amount of such assessment until it is conveyed to an owner. After the initial assessment, maximum annual assessments may be increased 25% above the annual assessment for the previous year without a vote of the members of the Association. Any increase in excess of 25% shall require the vote of 51% or more of both classes of members.

6.2 Special Assessments: In addition, if after establishing the amount of the annual assessment the Association determines the annual assessment is inadequate or anticipated to be inadequate to pay the costs of operating and maintaining the property, or if the Association determines that extraordinary costs applicable to one or more years should be or have been incurred for the purpose of paying for the costs of rebuilding, remodeling, removing or constructing capital improvements which are the obligation of the Association, the Association may from time to time during a year establish a special assessment to remedy any such inadequacy or pay the cost of such capital improvement, and each condominium unit shall be assessed for its prorata share of any such special assessment in the manner provided in 6.1. In the event any special assessment, except a special assessment required as a result of the restoration of damage and destruction by the Association pursuant to 9.3 and 9.9, when added to the annual assessment causes the total annual assessment for said calendar year to be more than 25% higher than the annual assessment for the prior year, the vote or written consent of both classes of members shall be required for such special assessment; otherwise the special assessment may be established without a vote of the members. The amount of any special assessment for capital improvements in the

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prior calendar year shall be excluded from the total of annual assessments for the prior calendar year in determining whether a 25% increase in the annual assessment over the preceding year has occurred pursuant to 6.1.

6.3 Special Assessments: Each condominium unit shall also be assessed from time to time for all fines and penalties to which its owner is subject as a result of violation of the terms of this Declaration or any rules prescribed by the terms of this Declaration or any rules prescribed by the Association, and for any other liability, indebtedness or other obligation of the owner to the Association arising under 9.5 under any other provision of this Declaration or otherwise.

6.4 Costs and Interest Assessments: In addition to the foregoing assessments, each condominium unit shall also be assessed from time to time costs (including reasonable attorneys' fees) incurred in collecting the foregoing assessments and interest at the legal rate per year on such assessments from the date due until paid in full.

6.5 Payment: The Association shall inform each owner in writing of all assessments against his condominium unit. The annual assessment shall be payable in equal monthly installments in advance, on the first day of each month of the year to which such assessment pertains. Special and individual assessments shall be payable in full on the first day of the first month next following the date on which the owner is informed of such assessment, unless other provision is made therefor. Each assessment shall become delinquent 10 days after it is due. All such assessments shall be paid to the Association or to any commercial banking institution designated by the Association to handle the receipt and disbursement of all such funds pursuant to the direction of the Association. The Association, upon request and for a reasonable charge, shall furnish an owner a certificate executed by an officer setting forth the status of payment of all assessment against an owner.

6.6 Procedure for Assessment Requiring Vote of Members: Any assessment requiring the vote of the members of the Association shall be done at either the annual or special meeting of the members pursuant to the Bylaws of the Association.

6.7 Transfer: Any assessment upon any condominium unit in addition to any lien rights provided in paragraph 7 shall be a personal debt of the owner thereof at the time the assessment is made. The interest of any owner in the amounts paid pursuant to any assessment upon the transfer of the condominium unit shall

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pass to the new owner. Upon the termination of these covenants for any reason, any amounts remaining from the collection of such assessments after paying all amounts properly charged against such assessments shall be distributed to the then unit member owners on the same prorata basis on which the assessments were collected.

7. LIENS

7.1. General: The amount of any assessment plus any other charges thereon, such as interest, costs and penalties, and the amount of any delinquent payment or fine as may be provided for in this Declaration, shall be and become a lien upon the condominium unit assessed when the Association causes to be recorded with the County Recorder of Washoe County, Nevada, a notice of assessment, which shall state the amount of such assessment and such other charges as may be authorized by this Declaration, a description of the condominium unit against which the same have been assessed, and the name of the record owner thereof. Such notice shall be signed by an authorized representative of the Association. Upon payment of said assessment and charges in connection with which such notice has been so recorded, or other satisfaction thereof, the Association shall cause to be recorded a further notice stating the satisfaction and release of the lien thereof.

7.2 Priority: Such lien shall be prior to all other liens recorded subsequent to the recordation of said notice of assessment, except that such liens shall be subordinate to any valid bona fide first mortgage or first trust deed which has been or may hereafter be given in good faith and for value on any condominium unit covered by this Declaration. Unless sooner satisfied and released or the enforcement thereof initiated as hereinafter provided, said lien shall expire and be of no further force and effect one year from the date of recordation of said notice of assessment; provided, however, that said one-year period may be extended by the Association for not to exceed one additional year by recording a written extension thereof.

7.3 Enforcement: Such lien may be enforced by sale by the Association, its attorney, or other person authorized to make the sale, after failure of the owner to pay such an assessment in accordance with its terms, such sale to be conducted in accordance with the provisions of Sections 117.070 and 117.075 of the Nevada Revised Statutes, or in any other manner permitted by law. The Association shall have power to bid in the condominium unit at foreclosure sale and to hold, lease, mortgage and convey the same.

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8. INSURANCE

8.1 General: The Association shall have the duty to purchase, carry and at all times maintain in force, insurance covering the common area and all personal property and equipment located thereon for the interest of the Association and of all owners and their mortgagees, as their interests may appear, in such amounts and with such endorsements and coverage as shall be considered good sound insurance coverage for properties similar in construction, location and use to the property. The Association shall purchase thereof in addition to any annual assessment, the following described insurance covering the owner and the condominium unit and personal property located in the residence unit; provided, however, that the Association shall not be obligated to insure any condominium unit of any owner unless the Association is compensated therefor by such owner, and provided further that the Association shall not be obligated to insure any personal property such as household furnishings of any of the owners unless the Association decides to do so for all the owners on an equal basis. Such insurance shall include, but need not be limited to:

(a) Insurance against loss or damage by fire, hazards covered by a standard extended coverage endorsement, and vandalism, with a clause providing for a waiver of subrogation rights of the insurer provided it does not substantially increase the cost of the policy, with the insurance to be in an amount which shall be equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the insurance carrier. The insurance shall include coverage for loss of floors, ceilings, walls, cabinets and attachments to each of such items, including carpets, flooring and electrical fixtures.

(b) Bodily injury liability and property damage insurance on a broad form basis.

(c) A fidelity bond or bonds for all officers and employees of the Association having control over the receipt and disbursement of funds in such penal sums as shall be determined by the Association in accordance with its Bylaws.

(d) Workmen's compensation insurance to the extent necessary to comply with any applicable laws.

8.2 Other Insurance: The following provisions apply to other insurance obtained by individual owners on their residence units, if they have authorized the Association to obtain insurance policies on their behalf:

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(a) The Association shall furnish to each owner a certificate of insurance, or other evidence of insurance coverage under the Association's master policy and policies issued to the owner. No owner shall obtain any other insurance duplicating in any respect the coverage the Association has obtained, without the prior approval of the Association. This provision is for the mutual benefit of the Association and all owners, in order that reduction of insurance proceeds due to "other insurance" and "proration" clauses shall not occur.

(b) The prohibition against other insurance shall not apply to insurance on personal property or to any insurance obtained by any owner on any risk or on any property which is not covered by policies obtained by the Association.

8.3 Application of Proceeds: The payment and application of the insurance proceeds, if any, from any policy obtained by the Association for itself or on behalf of any owner pursuant to 8.1 hereof, or from any loss payable endorsement, shall be as follows:

(a) In any case where the proceeds are less than \$500, the proceeds shall be paid to the Association to be used by it for repair or reconstruction of the damage or destruction to which the proceeds relate.

(b) In all other cases, the proceeds shall be paid to the trust account (hereinafter referred to as the "insurance trustee") designated by the Association according to its bylaws to be held in trust for the benefit of the owners, their mortgagee and the Association, as their interests may appear. The Association is authorized on behalf of the owners to enter into such agreement with the insurance trustee relating to the powers and duties of said trustee as the Association may approve. Said trustee must apply any proceeds to the repair or reconstruction of the damage or destruction to which the proceeds relate.

(c) In any case in which proceeds of insurance exceed the cost of repair or reconstruction on account of damage or destruction to which such proceeds relate, after completion of the repair or reconstruction, the excess shall be turned over to or retained by the Association and shall be used by the Association to operate and maintain the common area in accordance with its duties.

(d) In any case in which proceeds of insurance are less than the cost of repair or reconstruction on account of

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damage or destruction to which such proceeds relate, the balance of the cost of repair or reconstruction shall be paid in the manner provided for in Paragraph 9 hereof.

(e) In the event the Association after a vote of the members pursuant to 9.9 decides not to rebuild the damaged or destroyed improvements, any insurance proceeds remaining after paying any amounts owing to mortgagees shall be distributed to the owners whose residence units are untenable as a result of the damage or destruction that is not being rebuilt in proportion to their undivided interest in the common area.

8.4 Pre-emption of Proceeds by Lender: In any case where insurance proceeds are pre-empted by any owner's lender for application to said owner's debt, the Association shall immediately impose an individual assessment upon said owner's unit equal in amount to such pre-emption pursuant to 6.3, and shall enforce such assessment in accordance with paragraphs 6 and 7 hereof. The proceeds of such assessment or lien shall then be substituted for the pre-empted insurance proceeds.

9. MAINTENANCE, REPAIR AND RESTORATION

9.1 General: Notwithstanding the provision for insurance in paragraph 8, the Association and the owners are under the obligation of maintenance, repair and restoration set forth as follows; provided, however, that all expenses to the extent covered by insurance shall be paid from such insurance proceeds.

9.2 Owners: The owner of each residence unit shall maintain at his sole expense, and in the case of damage or destruction shall repair or restore the interior surface of the walls, ceilings, floors, windows and door frames, fireplaces and any fixtures attached to and extending beyond the interior surface of his condominium unit including all window and door glass except as specified in (c). All such repair or restoration shall be done substantially in accordance with the original plans and specifications, or in accordance with any modification thereof as approved by the Association. In the event an owner shall fail to properly maintain, repair or restore such areas after written demand from the Association, then the Association shall have the right to cause said work to be done with the cost thereof to be assessed against the owner. Notwithstanding anything to the contrary, any loss covered by insurance shall be repaired or restored by the Association from the insurance proceeds.

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9.3 The Association:

(a) The Association shall have the obligation to maintain at its expense the common areas including all portions of the buildings (including but not limited to bearing walls, columns, floors, roofs, foundations, elevator equipment and shafts, central heating, tanks, pumps and other central services, pipes, ducts, flues, conduits, wires and other utility installations) in which the condominium units are located (except that portion that the owners are required to maintain), all recreational buildings and facilities, all parking areas, roads and driveways and all landscaped and open areas and all furniture, furnishings, equipment and supplies required for the operation of the common area. Such maintenance shall include prompt and efficient removal of snow from all parking areas, driveways and sidewalks, and the planting and cultivating in a neat and attractive manner all landscaping during the applicable seasons of the year. In case of damage or destruction, at its expense, promptly after such damage or destruction occurs in accordance with the original plans and specifications unless 51% or more of both classes of members approve a material deviation or modification thereof.

(b) The expense of any extraordinary maintenance (which shall be determined by the Association) or any repair or restoration caused by the intentional or negligent acts of an owner or a member of his family or a person occupying his condominium unit, or any licensee, or invitee or guest of said persons, all shall be assessed against the owner.

9.4 Cost Allocation: In the event the work required to maintain or to repair or restore damage or destruction involves work that is the responsibility of owner and the Association as provided in 9.2 and 9.3, then all of such work shall be directed by the Association, with the expense to be allocated between owner and the Association pursuant to 9.2 and 9.3. If more than one owner is involved, the expense to be paid by each owner shall be conclusively apportioned by the Association.

9.5 Liens: If the Association undertakes any work which 9.2 requires an owner to undertake, or any work which 9.3 hereof requires the Association to undertake at the expense of the owner, the Association shall assess the unit ownership of the owner for such work and shall so inform the owner thereof in writing; provided, however, that the assessment shall be reduced by the amount of any insurance proceeds paid to the Association for such work as a result of damage to or destruction of the residence unit involved. Such assessments shall be a lien upon the condominium unit and may be foreclosed as set forth in paragraphs 6 and 7.

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9.6 Approval of Plans: No work provided for in this article or elsewhere in this Declaration shall be commenced until complete plans and specifications for the work shall have been approved by the Association. The Association shall have the right to supervise when and how the work is conducted in order to minimize any interference with the peaceful enjoyment by the other owners of their condominium units.

9.7 Waiver of Approval: Approval by the Association of any plans or specifications shall not prevent the Association from withholding its approval of an identical plan or specification, or part thereof, when subsequently or additionally submitted for approval by the same or any other owner.

9.8 Non-liability: Approval by the Association of any plan or specification submitted to or for approval shall not cause the Association, or its members, to be liable in any way to any person.

9.9 Destruction: If 75% or more of the gross square foot area of any one of the buildings in which the residence units are located is substantially or totally destroyed, the Association shall obtain bids from at least three contractors to restore the improvements as nearly as possible to their condition immediately prior to their destruction, excluding any improvements added by individual owners. As soon as possible thereafter, and after a determination has been made of the amounts available from any insurance policies (provided such a determination can be made without any unreasonable delay), the Association shall hold a special meeting to consider the bids. Unless owners holding an aggregate of more than a 75% interest in the common elements are opposed to repair or restoration of the project, the project shall be restored according to the provisions of this paragraph 9. In the event the owners vote not to restore the buildings or structures in the project that have been destroyed, then any portion of the project not destroyed shall have debris and materials removed with the area left in a clean, safe and orderly manner, so that it presents an attractive and harmonious appearance for the remaining improvements. In the event all of the buildings and structures are destroyed and the owners vote not to restore, then the property shall be cleared of all debris and materials and shall be left in a clean, safe and orderly condition. The property and any improvements remaining thereon shall be held or disposed of by the Association, on behalf of all members, in the manner and on such terms and conditions as shall be approved by a vote of 67% or more of both classes of members. Any transfer of the property pursuant to this 9.9 shall be effective as to the interest of all owners in the property upon the execution of a written instrument signed by

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owners representing the necessary 67% of the membership of the Association.

9.10 Termination: If after 50 years from the time this Declaration is recorded the project is obsolete and uneconomic the unit owners holding 75% or more of an interest in the common elements may oppose the repair or restoration of the project and may dispose of the project on behalf of all members in the manner and on such terms and conditions as they elect. Such a transfer of property shall be effective as to the interest of all owners in the property upon the execution of a written instrument signed by the owners representing the necessary 75% interest in the common elements. Proceeds will be distributed according to percentage interests in the common elements.

10. EASEMENTS

10.1 Encroachments: There is reserved for the benefit of each residence unit and the common area a reciprocal easement of maintenance and use to which the entire project shall be subject for any and all encroachments attributable or resulting from construction errors, lateral shifting or settlement, or any other cause, and any and all encroachments resulting from construction of sewer, water, storm drainage, gas and electrical lines and other utilities.

10.2 Ingress, Egress and Support: A nonexclusive easement for ingress, egress and support throughout the common area is appurtenant to each residence unit and the common area is subject to such easement.

10.3 Entry and Access of Association: There is reserved to the Association an easement, to which the entire project, including the residence unit shall be subject, of entry and of access for the performance by the Association and persons and organizations authorized by it, generally, of its rights and duties as provided in this Declaration. Entry into the residence of an owner pursuant to this easement shall be restricted to reasonable times and must be preceded by reasonable notice to occupant, unless entry is required by an emergency.

10.4 Utilities: There is reserved an easement over, under and through each residence unit and the common area for installation, maintenance and repair of each and every utility service, including but not limited to, sewage, water, electricity, gas, telephone and television service for each residence unit and the common area; provided, however, that the exercise of the easements

reserved herein shall not result in damage to existing improvements, unless adequate compensation is made for any such damage.

10.5 Easement: There is reserved for the benefit of each residence unit an exclusive easement to use any balcony, deck or patio located contiguous to a residence unit.

11. ROADS AND PARKING SPACES

11.1 General: Declarant shall set aside within the common area at least one parking space for each unit and such private roads and driveways as are necessary to provide vehicular access from such parking spaces to any public road. Each parking space shall be of suitable size for the parking of one automobile. Each parking space may be used only for the parking of automobiles and such other vehicles and objects as shall be permitted by rules adopted by the Association. The use of the parking areas, roads and driveways shall be subject to such rules as the Association may adopt. The parking spaces allocated to each unit ownership shall entitle the owner or owners thereof to the exclusive right to use the space so allocated. Any remaining parking spaces may be allocated to owners by the developer. After the developer has sold all its condominium units, the Association shall have the right to allocate any unallocated parking spaces in such manner and subject to such charges as the developer or Association shall determine, or may be retained by the Association for guest parking.

Each parking space assigned to a unit is an appurtenance to such unit and may not be transferred independently of the transfer of the unit.

11.2 Maintenance of Roads and Parking Spaces: The cost of maintaining the roads, driveways and parking spaces shall be paid by the Association. A single parking space per unit shall never be severed from the unit ownership to which it has been allocated, except that the owner or owners involved may permit other owners to use any such space, provided that such permission be revocable at any time without notice.

12. PROFESSIONAL MANAGEMENT

12.1 Management: The Association shall employ a full time professional management company or a full time professional manager experienced in the management of condominiums similar to the property to manage the property.

12.2 Duties: The manager employed by the company shall supervise and be responsible for all maintenance of the common area, the distribution of heating and air conditioning, the billings for heating and air conditioning and the general administration of the property.

12.3 Fees: Each unit shall pay a management fee in an amount of not less than \$13.00 per month or such other amount as the Association shall determine.

12.4 Removal of Manager: The Association may remove the manager and the manager may resign at any time without cause or payment of a fee upon ninety (90) days notice in writing. No contract for management shall extend beyond three (3) years.

13. MORTGAGE PROTECTIONS: The following special provisions hereinafter set forth are and are intended to be controlling over any of the other conditions contained in these covenants, conditions and restrictions that may be in conflict with the following special provisions:

(a) A first mortgagee, upon request, is entitled to written notification from the homeowners' association of any default in the performance by the individual unit mortgagor of any obligation under the condominium documents which is not cured within sixty (60) days.

(b) Any first mortgagee who obtains title to the unit pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage, or Deed (or assignment) in Lieu of Foreclosure, shall be exempt from any "right of first refusal".

(c) Any first mortgagee who obtains title to the unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage shall not be liable for such unit's unpaid dues or charges which accrue prior to the acquisition of title to such unit by the mortgagee.

(d) Unless at least seventy-five percent (75%) of the first mortgagees (based upon one vote for each first mortgage owned), or owners (other than the sponsor, developer, or builder) of the individual condominium units have given their prior written approval, the condominium owners association shall not be entitled to:

(1) by act or omission, seek to abandon or terminate the condominium regime;

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(2) change the prorata interest or obligations of any individual unit for (i) the purpose of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the prorata share of ownership of each unit in the common elements;

(3) partition or subdivide any condominium unit;

(4) by act or omission, seek to abandon, partition, subdivide, encumber, sell, or to transfer the common elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the condominium project shall not be deemed a transfer within the meaning of this clause;

(5) use hazard insurance proceeds for losses to any condominium property (whether to units or to common elements) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in case of substantial loss to the units and/or common elements of the condominium project.

(e) First mortgagees shall have the right to examine the books and records of the condominium owners association for the condominium project.

(f) The Association shall give notice in writing to the Federal Home Loan Mortgage Co. of any loss to or taking of the common area of the project if such loss or taking exceeds \$10,000.00 or damage in excess of \$1,000.00 to a condominium unit covered by a mortgage or deed of trust purchased in whole or in part by Federal Home Loan Mortgage Co.

(g) Condominium dues or charges shall include an adequate reserve fund for maintenance, repairs and replacement of those common elements that must be replaced on a periodic basis, and shall be payable in regular installments rather than by special assessments.

(h) All taxes, assessments and charges which may become liens prior to the first mortgage under local law shall relate only to the individual condominium units and not to the condominium project as a whole.

(i) No provision of the Articles of Incorporation or of this Declaration of Covenants, Conditions and Restrictions, or of any Bylaws or any similar instruments pertaining to this project shall

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give a condominium unit owner or any other party priority over any rights of first mortgagees of condominium units pursuant to their mortgages in the case of a distribution to condominium unit owners of insurance proceeds, of condemnation awards for losses to or taking of condominium units and/or common elements.

14. ANNEXATION OF ADDITIONAL PROPERTY

The real property described on Exhibit B (hereinafter in this Section referred to as the "Annexation Property") and any other real property may be annexed to and become subject to this Declaration by any of the methods set forth hereinafter in this Section, as follows:

14.1 Development of the Adjacent Property: Declarant intends to sequentially develop the Annexation Property on a phased basis; however, Declarant may elect not to develop all or any part of such real property, to annex such real property to this Declaration in increments of one or more blocks, or to develop more than one such increment at any given time and in any given order. Moreover, Declarant reserves the right to subject all or any portion of the Annexation Property to the plan of this Declaration or one or more separate declarations of covenants, conditions and restrictions which subjects said property to the jurisdiction and powers of a homeowners association or other entity with powers and obligations similar to the Association and which is not subject to the provisions of this Declaration. Although Declarant shall have the ability to annex the Annexation Property as provided in this Article, Declarant shall not be obligated to annex all or any portion of such property, and such property shall not become subject to this Declaration unless and until a Supplementary Declaration shall have been so executed and recorded.

14.2 Supplementary Declarations: A Supplementary Declaration shall be a writing in recordable form which annexes real property to the plan of this Declaration and which incorporates by reference all of the covenants, conditions, restrictions, easements and other provisions of this Declaration and shall contain such other provisions as set forth in this Declaration relating to Supplementary Declarations. Such Supplementary Declarations contemplated above may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the annexed property and as are not inconsistent with the plan of this Declaration. In no event, however, shall any such Supplementary Declaration, or any merger or consolidation, revoke, modify or add to the covenants established by this Declaration with respect to the existing property.

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14.3 Annexation Without Approval and Pursuant to General Plan: All or any part of the Annexation Property or any real property contiguous with the Annexation which is now or hereafter owned by James D. Colfer and Deanna Colfer may be annexed to and become subject to this Declaration and subject to the jurisdiction of the Association without the approval, assent or vote of the Association or its Members, provided that a Supplementary Declaration covering the portion of the Annexation Property to be annexed, shall be executed and recorded by James D. Colfer and Deanna Colfer; provided, however, no Supplementary Declaration shall be so executed and recorded pursuant to this Section more than ten (10) years subsequent to the recordation of this Declaration. The recordation of said Supplementary Declaration shall constitute and effectuate the annexation of the said real property described therein, making said real property subject to this Declaration and subject to the functions, powers and jurisdiction of the Association, and thereafter said annexed real property shall be part of the Covered Property and all of the Owners of Residences in said annexed real property shall automatically be Members.

15. MISCELLANEOUS

15.1 General: To the extent that all or any portion of the subject property shall heretofore have been made subject to any conditions or restrictions of use by a recorded instrument or instruments, the Association and each member shall abide by any such condition or restriction. Nothing herein contained is intended to abrogate any existing valid restrictions or covenants concerning the subject property.

15.2 Acceptance of Provisions by Grantees: The Association and each grantee hereafter of any part or portion of or interest in the project, and any purchaser under any grant or contract of sale, or any lessee under any lease covering any part or portion of or interest in the project, acc pts the same subject to all of the restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction rights and powers of the Association and Declarant provided for in this Declaration.

15.3 Conclusiveness of Records: A certificate of the Secretary of the Association, or in his absence, of any two directors of the Association, shall be conclusive proof of all matters contained in the certificate when the certificate shall relate to acts or non-acts of the Association, its Board of Directors, or any committee or agent of the Association, and when the certificate shall be prepared for or delivered to any title insurer or land abstractor for use in a search, in preparing an abstract or

in insuring title in any unit ownership or other interest therein, or lien thereupon.

15.4 Interpretation of Restrictions: In interpreting and applying the provisions of this Declaration they shall be held to be minimum requirements adopted for the promotion of the health, safety, comfort, convenience general welfare of the owners and occupants of the property affected by this Declaration. It is not the intent of this Declaration to interfere with any provisions of law or ordinance or any rules, regulations or permits previously adopted or issued or which may be adopted or issued pursuant to law relating to the use of buildings or premises; nor is it the intent of this Declaration to interfere with or abrogate or annul easements, covenants or other agreements between parties; provided, however, that where this Declaration imposes a greater restriction upon the use or occupancy of any unit, or upon the construction of buildings or structures, or in connection with any other matters that are imposed or required by such provisions of law or ordinances, or by such rules, regulations or permits or by such easements, covenants and agreements, then in that case the provisions of this Declaration shall control.

15.5 Construction and Validity of Restrictions: All of said restrictions, covenants, conditions, reservations, liens and charges contained in this Declaration shall be construed together; but if it shall at any time be held that any one or more of such restrictions, conditions, covenants, reservations, liens or charges or any part thereof, is invalid or for any reason becomes unenforceable, no other restrictions, conditions, covenants, reservations, lien or charge, or any part thereof, shall be thereby affected or impaired.

15.6 Assignment of Powers: Any and all rights and powers of Declarant provided for in this Declaration, and any modification or amendment hereof, may be delegated, transferred, assigned, conveyed or released by Declarant to the Association and the Association shall accept the same upon the recording of a notice thereof, and the same shall be effective for the period and to the extent stated therein.

15.7 Waiver and Exemption: The failure by the Association or of Declarant or of any other of any unit ownership included in the property or any other person, to enforce any of the restrictions, conditions, covenants, reservations, liens or charges to which said unit ownership or any part thereof is subject, shall in no event be deemed to be a waiver of the right to do so thereafter or to enforce any other restriction, condition, covenants, reservation, lien or charge.

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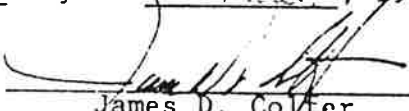
15.8 Titles: All titles used in this Declaration, including those of paragraphs and subparagraphs, are intended solely for convenience of reference and the same shall not nor shall any of them affect that which is set forth in such paragraph or subparagraph nor any of the terms or provisions of this Declaration nor the meaning thereof.

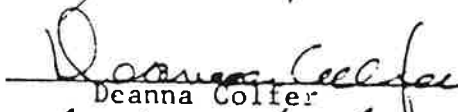
15.9 Amendment: This Declaration shall be for a term of twenty (20) years after the date of recordation, and shall be extended automatically thereafter for successive ten year periods unless the owners representing 75% or more interest in the common element vote or give their written consent, at least thirty (30) days prior thereto, to terminate this Declaration upon the expiration of any current period. This Declaration may be amended, except paragraphs 4 and 11, but not terminated, at any time, upon the vote or consent of not less than the above 75% given after reasonable notice. This Declaration may not be amended to place any restrictions on the free alienability of any condominium units owned by Declarant.

Any amendment must be recorded and upon recording shall be binding upon every owner and every unit ownership, whether the burdens thereon are increased or decreased thereby, and whether the owner of each and every unit ownership consents thereto or not.

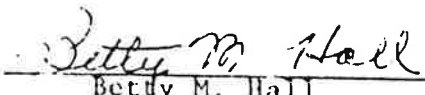
This Declaration supercedes that certain Declaration recorded July 30, 1986, as Document No. 1088874, Official Records of Washoe County, Nevada.

IN WITNESS WHEREOF, the undersigned have caused this Declaration to be executed this 19 day of March, 1987.


James D. Colter


Deanna Colter

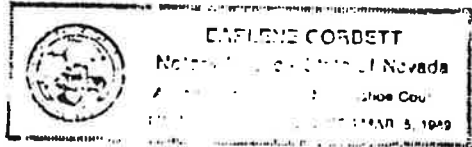

William Glenn Wilkinson


Betty M. Hall

B25160580

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

On this 19 day of March, 1987, personally appeared before me, a Notary Public, James D. Colfer and Deanna Colfer, who acknowledged that they executed the within instrument.

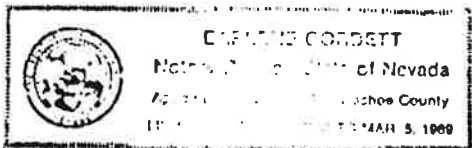


Carlene Corbett
Notary Public

MAR 23 1987

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

On this 19 day of March, 1987, personally appeared before me, a Notary Public, William Glenn Wilkinson, who acknowledged that he executed the within instrument.



Carlene Corbett
Notary Public

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

On this 19 day of March, 1987, personally appeared before me, a Notary Public, Betty M. Hall, who acknowledged that she executed the within instrument.



Carlene Corbett
Notary Public

PHASE I BUDGET
PLUMAS SOUTH CONDOMINIUMS
BUILDINGS A & B
UNITS 1-8

<u>INCOME</u>	<u>AMOUNT</u>	<u>% OF BUDGET</u>
Fees	\$ 6,048.00	99.99%
Late Fees	<u>60.00</u>	<u>.01%</u>
TOTAL INCOME	\$ 6,108.00	100.00%
 <u>EXPENSES</u>		
Administrative		
Management	\$ 1,344.00	22.00%
Accounting/Legal	<u>125.00</u>	<u>2.00%</u>
Total Administrative	\$ 1,469.00	24.00%
Operations		
Water	\$ 1,500.00	24.60%
Maintenance/Landscape	Developer to maintain for one year	
Fixed Expenses		
Insurance	\$ 1,296.00	21.20%
Reserves for Replacement/ Miscellaneous	<u>\$ 1,843.00</u>	<u>30.20%</u>
TOTAL EXPENSES	\$ 6,108.00	100.00%

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PHASE I BUDGET
PLUMAS SOUTH CONDOMINIUMS
BUILDINGS A & B
UNITS 1-8

<u>INCOME</u>	<u>AMOUNT</u>	<u>% OF BUDGET</u>
Fees	\$ 6,048.00	99.99%
Late Fees	<u>60.00</u>	<u>.01%</u>
TOTAL INCOME	\$ 6,108.00	100.00%
 <u>EXPENSES</u>		
Administrative		
Management	\$ 1,344.00	22.00%
Accounting/Legal	<u>125.00</u>	<u>2.00%</u>
Total Administrative	\$ 1,469.00	24.00%
Operations		
Water	\$ 1,500.00	24.60%
Maintenance/Landscape	Developer to maintain for one year	
Fixed Expenses		
Insurance	\$ 1,296.00	21.20%
Reserves for Replacement/ Miscellaneous	<u>\$ 1,843.00</u>	<u>30.20%</u>
TOTAL EXPENSES	\$ 6,108.00	100.00%

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ANNEXATION PROPERTY

BLOCK C

BLOCK D

BLOCK E

BLOCK F

BLOCK G

All as shown on Condominium Tract Map No. 2321,
Plumas South Condominiums, filed in the office
of the County Recorder of Washoe County, Nevada
under File No. 1057943.

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BIBLE SANTINI ETAL.
EXHIBIT 20B 3-11

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