

WHEN RECORDED MAIL TO:

1833561

Law Offices of Steve Grumer, Esq.
931 Tahoe Boulevard, Suite 6
Incline Village, Nevada 89451

GRANT OF EASEMENT

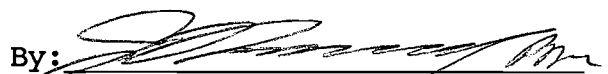
FOR A VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the undersigned, being the owners of all of the properties within Country Club Estates, Estates Drive, Incline Village, Nevada, do hereby grant unto INCLINE COUNTRY CLUB ESTATES, a Nevada non-profit corporation, whose mailing address is Post Office Box 338, Crystal Bay, Nevada, 89402, a non-exclusive utility and roadway easement described as follows:


There is no APN assigned

See Exhibit A attached hereto and, by this reference, made a part hereof. Exhibit A is provided to show the general location of the existing roadway, specific easements for which have previously been granted.

DATED: *JB* June 1, 1994.

SUMMIT PROJECT DEVELOPMENT, INC.

By: 
JAY NAISMITH, President


JAMES ROBERT NAISMITH, Trustee
of THE JAMES ROBERT NAISMITH AND
AUDREY MARGUERITE NAISMITH 1990
FAMILY TRUST

BK 4152 PG 0548

Audrey Marguerite Naismith

AUDREY MARGUERITE NAISMITH,
Trustee of THE JAMES ROBERT
NAISMITH AND AUDREY MARGUERITE
NAISMITH 1990 FAMILY TRUST

J. Mansel Ocheltree

J. MANSEL OCHELTRÉE, Trustee of
the J. MANSEL OCHELTRÉE TRUST

Patricia Rae Ocheltree, Trustee

PATRICIA RAE OCHELTRÉE, Trustee
of the PATRICIA RAE OCHELTRÉE
TRUST

David A. Stieb

DAVID A. ~~STIEB~~
Stieb

Patricia K. Stieb

PATRICIA ~~STIEB~~
Stieb

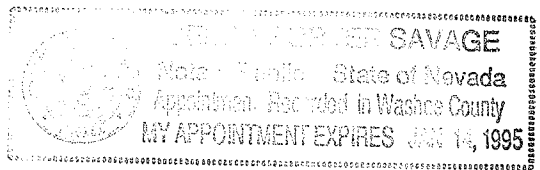
Kathryn Clark Bassett

KATHRYN CLARK BASSETT

STATE OF NEVADA)
 : ss
COUNTY OF WASHOE)

On ~~June~~ 23, 1994, personally appeared before me, a Notary
Public, JAY NAISMITH, personally known or proved to me to be the
person whose name is subscribed to the above instrument who
acknowledged that he executed the instrument as President of SUMMIT
PROJECT DEVELOPMENT, INC.

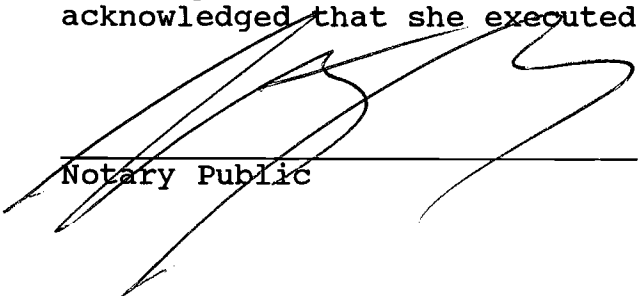
[Signature]
Notary Public



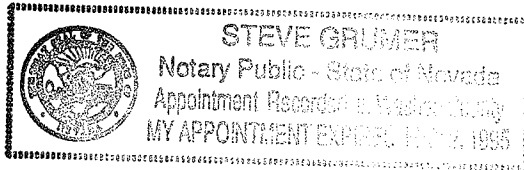
BK4152PG054c

STATE OF NEVADA)
 :SS
COUNTY OF WASHOE)

On ~~June~~ ^{Sept} 2, 1994, personally appeared before me, a Notary Public, KATHRYN CLARK BASSETT, personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged that she executed the instrument.

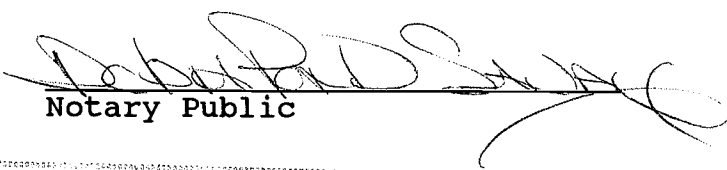


Notary Public

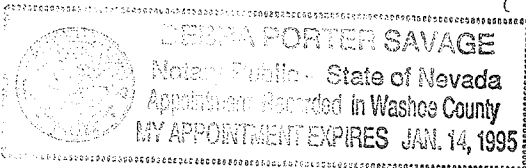


STATE OF NEVADA)
 :SS
COUNTY OF WASHOE)

On ~~May~~ ^{May} 23, 1994, personally appeared before me, a Notary Public, JAY NAISMITH and AUDREY NAISMITH, personally known or proved to me to be the persons whose names are subscribed to the above instrument who acknowledged that they executed the instrument.



Notary Public



BK4152PG0550

BK4152PG0552

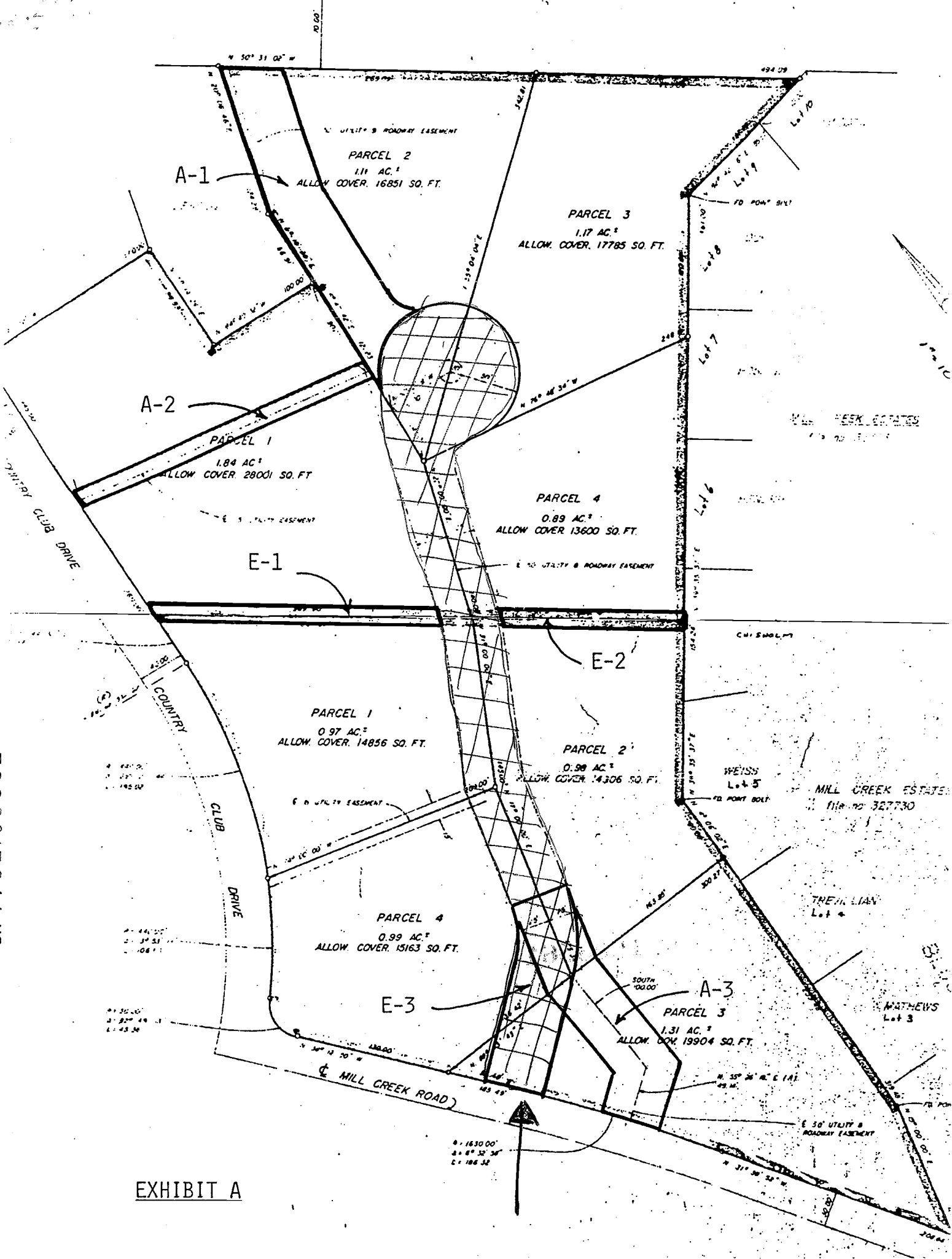


EXHIBIT A

C

ACCOMMODATION ONLY
NO LIABILITY ASSUMED

DECLARATION OF PROTECTIVE COVENANTS : **1588747**

This DECLARATION made this Fourth day of December 1991, by JAY NAISMITH AND AUDREY NAISMITH, husband and wife, as to Parcels 1, 2 and 3 of Parcel Map No. 1163, and Parcels 1 and 4 of Parcel Map No. 1164; SUMMIT PROJECT DEVELOPMENT, INC., a Nevada corporation, as to Parcel 2 of Parcel Map No. 1164; DAVID STEINBERG, an unmarried man, as to Parcel 4 of Parcel Map No. 1163; and J. MANSEL OCHELTREE, trustee of the J. MANSEL OCHELTREE TRUST dated June 6, 1990, as to an undivided 1/2 interest, and PATRICIA RAE OCHELTREE, trustee of the PATRICIA RAE OCHELTREE TRUST dated June 6, 1990, as to an undivided 1/2 interest, as to Parcel 3 of Parcel Map No. 1164, hereinafter known as (DECLARANT).

RECITALS

Declarant is the owner and developer of that certain real property located in the county of Washoe, State of Nevada, known as COUNTRY CLUB ESTATES referred to herein as "CCE" described in Exhibit A attached hereto and made a part thereof.

Declarant intends to sell and convey the lots situated within CCE and before doing so, desires to impose upon them mutual and beneficial restrictions, covenants, equitable servitudes and charges under a general plan or scheme of improvement for the benefit of all of the lots therein and the owners and future owners thereof.

NOW THEREFORE, Declarant declares that all of the lots in CCE are held and shall be held, conveyed, occupied and improved, subject to the provisions of this Declaration, all of which are declared and agreed to be in furtherance of a plan for the development, improvement and sale of said lots and are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness thereof. The provisions of the Declaration are intended to create mutual equitable servitude upon each of said lots in favor of each and all other lots; to create reciprocal rights between the respective owners of all such lots; to create a privity of contract and estate between the grantees of such lots, their heirs, successors or assigns, and shall, as to the owner of each such lot, his heirs, successors and assigns, operate as covenants running with the land for the benefit of each and all other such lots in the development as hereinafter defined and their respective owners, present and future.

I. DEFINITIONS. The following terms as used in the Declaration are defined as follows:

ACCOMMODATION ONLY
NO LIABILITY ASSUMED

- A. "Articles" means the Articles of Incorporation of the Association.
- B. "Association" means CCE Homeowners Association, the property owner's association which is a Nevada non-profit corporation.
- C. "Board" means the Board of Directors of the Association.
- D. "By-Laws" means the By-Laws of the Association.
- E. "Committee" means the CCE Architectural Committee.
- F. "Easement Areas" means all of the real property designated as such and all real property acquired by title or easement by the Association, whether from Declarant or otherwise, together in each instance with all improvements which may at any time be constructed thereon and owned by the Association, including, but not limited to recreational and community facilities, parks, streets, fencing and gate.
- G. "Declarant" means CCE Joint Venture, its successors and assigns.
- H. "Declaration" means this Declaration of Protective Covenants and any amendments hereto.
- I. "Development" means all the real property situated in the County of Washoe, State of Nevada, described in Exhibit A, consisting in its entirety of 8 single family residence lots and easement areas.
- J. "Improvements" mean all buildings, roads, driveways, parking areas, fences, and retaining and other walls, landscaping, light standards, antenna and any other structures of any type or kind.
- K. "Lot" means any numbered lot as designated on the map.
- L. "Map" means the maps of the development as recorded.
- M. "Owner" means:
1. Any person or legal entity, including Declarant who holds fee simple title to any lot within the Development.
 2. Owner does not include the Association.
- N. "Single Family Dwelling" means a residential dwelling for the owner and his immediate family, his casual guests and his domestic servants and domestic employees, which dwelling is constructed on a lot as designed in Exhibit B as a single family residential lot.

II. LAND USE:

A. Single Family Residential. Only single family dwellings and such outbuildings as are usually accessory thereto and as may be permitted by the Committee shall be permitted on any lot. The following restrictions shall apply to such lots:

1. Minimum Area. Each dwelling constructed shall have fully enclosed floor area (Exclusive of roofed or unroofed porches, terraces, garages, carports, guest houses or other outbuildings) not less than 3,500 square feet.

2. Height Limitations. No structure or portion thereof, (except chimneys, fireplaces, and flues) constructed on any lot within the development shall extend to a point higher than that designated for such lot as shown in the building envelopes. In the event that the height limitations result in undue hardship in home design or construction, the Committee, in its sole discretion, may allow minor variations in said restrictions.

3. Building Envelopes. The Declarant shall establish a building envelope and recommended point of access for each lot. This envelope shall be based upon the topography of the lot, its relationship to neighboring lots and any unique feature that the lot may have such as trees, rock outcropping, etc. The size and shape of the building envelope may vary from lot to lot. In general, all building construction shall be confined to the building envelope area. If, in the opinion of the committee, the building envelope shall cause the lot owner undue hardship in locating his home or accessory improvement, variances may be permitted by the Committee. Any such variance must be in writing and signed by the chair person of the Committee. The Committee shall not grant variances which are not in compliance with the Incline Village set-back requirements.

B. EASEMENT AREA. All areas in the Development designated as common areas (owned and to be owned by the Association) are and shall remain private property and Declarant's recordation of the map showing such common areas shall not be construed as dedication to the public of any such common areas located therein.

1. Ownership. Owners will convey all such common area easements to the Association, but subject to such easements and right-of-way as then appear of record.

2. Use. The use and enjoyment of said common areas and improvements thereon, whether before or after conveyance to the Association, shall be subject to the powers of the Association as set forth in its Articles and By-laws and to such rules and regulations governing the use of such property and improvements as may from time to time be adopted by the Board of the Association.

3. Maintenance. Maintenance of such common areas and repairs to any improvements thereon shall be the obligation and responsibility of Declarant until conveyance thereof to the Association; thereafter, the Association shall have sole responsibility thereof.

4. Subsequent Dedication. At any time after conveyance to the Association of any common areas, the Association

may, upon the affirmative vote of seven (7) of its members, offer any such property for dedication to public use. Such offer shall be subject to acceptance by the appropriate governmental authority pursuant to its then applicable standards.

III. RESIDENTIAL RESTRICTIONS. The following shall be applicable to all lots within the development, and each owner, as to his lot, covenants to observe and perform the same:

A. Accessory Outbuildings. No accessory outbuildings (e.g. garages or sheds) shall be erected on any lot prior to the erection thereon of a dwelling. Guests, for up to seven (7) days, may occupy a trailer or motor home on the property, but in no other event shall any accessory outbuilding, temporary structure, trailer or tent, ever be used for human occupancy or habitation except such guest houses or servants quarters as may be approved in writing by the Committee. Unattached accessory outbuildings may be constructed only as may be approved in writing by the committee.

B. Completion of Construction. Construction of any improvement, once commenced, shall be pursued diligently to completion. Improvements not so completed or upon which construction has ceased for ninety (90) consecutive days or which have been partially or totally destroyed and not rebuilt within a reasonable period shall be deemed nuisances. Declarant or the Association may remove any such nuisance or repair or complete the same at the cost of the owner provided the owner has not commenced required work within thirty (30) days after written notice thereof is given to the owner, or if such owner cannot be found, after the lapse of thirty (30) days from posting a notice to commence such work upon the property. Such notice shall state the steps to be taken to eliminate the nuisance.

C. Prohibition Against Used Structures. No used or existing or previously constructed buildings or structures, intended for use as a dwelling or outbuilding, shall be placed on any lot from the date of recording this Declaration.

D. Maintenance of Lots. All lots, whether vacant or improved, occupied or unoccupied, and any improvements placed thereon, shall at all times be maintained in such manner as to prevent there becoming unsightly, unsanitary or a hazard to health. If not so maintained, the Association shall have the right, after giving thirty (30) days written notice in like manner as set forth above in subparagraph B. through its agents and employees, to undertake such work as may be necessary and desirable to

remedy the unsightly, unsanitary or hazardous condition, the cost of which shall be added to and become a part of the annual assessment to which such lot is subject. The Board of Directors has sole discretion as to what is unsightly or unsanitary. Neither the Association nor any of its agents, employees or contractors shall be liable for any damage which may result from any maintenance work as performed nor shall the Association or any of its agents or employees be liable for any failure to exercise its rights to so maintain any lot.

E. Disposal of Sanitary Waste. All permanent plumbing, dishwashers, toilets, or garbage disposal systems shall be connected to the sanitary sewer system in the Development.

F. Fences. All property lines from single family dwelling houses, shall be kept free and open and no fences or walls shall be permitted thereon. There shall be no fence within the Development except for backyard pet enclosures and swimming pool fencing as approved by the Committee. Fence to be provided by declarant. All fences and walls shall be approved by the Committee prior to installation and detailed plans therefor shall be submitted to the Committee as in the case of other structures. Nothing herein contained shall prevent necessary erection of retaining walls required by topography and approved by the Committee.

G. Nuisances. No noxious or offensive activities or nuisances shall be permitted on any lot in the Development. No refuse, unsightly or abandoned vehicles, debris, noxious materials, discarded personal effects, construction materials not for immediate use, compost materials and similar matter shall be permitted on any lot or portion thereof. It is incumbent upon all property owners to maintain their lots and yards in a neat, orderly and well-groomed manner, whether said lots are vacant or improved except as provided in paragraph.

H. Signs and Lot Numbers. Other than during construction of houses, no signs, billboards or advertising structures of any kind may be displayed on any lot except upon application to and receipt of written permission from the Committee. The Committee shall not unreasonably withhold permission with respect to signs advertising a lot for sale; however, the Committee may provide such signs of a standard size and color with space provided for the name and telephone number of the seller or seller's agent, which signs only shall be used if provided. One sign, identifying the contractor during construction or advertising a home for sale, is permitted, provided it is a single-sided, of the Committee approved background color, with the Committee approved color of lettering, with a


maximum area of eight hundred (800) square inches and the longest dimension not greater than thirty-six (36) inches. The sign is to be on its own post and shall not be placed higher than forty-two (42) inches from the prevailing ground plain. The sign must be placed no closer than twenty (20) feet from the nearest roadway and be approximately parallel to the centerline of the roadway. Wording of the contractor sign shall be limited to the name and phone number of the contractor, the words "contractor" or "general contractor" if not contained in the firm name, and the Architect or Designer and Owner(s) of the home. Subcontractor and material signs are prohibited. Contractor signs must be removed upon completion of construction. All residences shall have a designated lot number that is easily viewable from the road of such design that is consistent with the community and approved by the Committee. Signs not meeting the standards of size, color and other specifications set forth herein, or as approved by the Committee, shall be removed from the premises where displayed. They shall be held for fourteen (14) days in an office designated by the Association to be claimed by owner. Exceptions to the above criteria may be granted by the Committee upon application. No other signs shall be permitted, except as specified in this section.

I. Animals. No animal shall be kept or maintained on any lot except the usual household pets not kept for commercial purposes which shall be kept reasonably confined so as not to become a nuisance. Household pets shall not unreasonably interfere with the comfort, privacy or safety of other owners within the Development. No lot shall have more than three household pets.

J. Garbage and Refuse Disposal. There shall be no exterior burning of trash, garbage or other like household refuse without a permit from the Committee, nor shall any owner accumulate on his lot junked or unsightly vehicles or litter, refuse or garbage, except in receptacles provided for such purposes.

K. Concealment of Fuel Storage Tanks and Trash Receptacles. Fuel storage tanks on any lot shall be prohibited. Every receptacle for ashes, trash, rubbish or garbage shall be installed underground or be so placed and kept as not to be visible from any street, lot, or common area within the Development except as to the times when refuse collections are made.

L. Antennas. Radio transmitting and receiving antennas for short wave, ham radio, TV or satellite dishes shall not be installed on any lot without the express written permission of the Committee.



M. Travel Trailers, Motor Homes and Boat Storage. One travel trailer, motor home (R.V.) or boat trailer may be parked within the Development, if it is placed in a garage or enclosed covered area.

N. Defacing or Removal of Common Area Improvements. No tree, shrub or improvement within a common area shall be defaced or removed except at the express direction of the Association.

O. Limited Access. There shall be no access to any lot on the perimeter of the Development except from the designated street or road as shown on the recorded map of the Development. Exception may be made for construction with Board approval.

P. Resubdivision or Joinder of Lots. No lot shall be further subdivided, nor shall there be any severance of the surface and subsurface rights. The owner of two or more contiguous lots may apply to the Committee for permission to use such lots as the site of a single dwelling.

Q. Operation of Motor Vehicles. All speed limit and other traffic control signs erected within the Development shall be observed at all times.

R. Utility Lines. All utility lines and connections within the Development shall be placed underground. No light shall be suspended from a pole or structure within the Development except those owned and maintained by the Declarant or the Association or as expressly approved in writing by the Committee. Only those utility lines which exist along the boundary of the Development shall be allowed to remain above ground.

S. No Commercial Enterprise. No business or commercial enterprise shall be performed or conducted upon any lot or within any dwelling or outbuilding within the Development except for construction and sales activities directly related to and during the development state of the Development. Nothing herein contained shall be construed as preventing the construction of improvements within the Development approved by the Committee. No dwelling may be rented for vacation purposes or for less than 30 days.

T. Temporary Structures. No temporary structure of any form or type shall be permitted on any lot or parcel except during construction of a specific residential dwelling on that lot.

U. Peaceful Enjoyment. No use of any lot or structure within the Development shall annoy or adversely affect the use, value, occupation and enjoyment of adjoining property

of the general neighborhood. Final determination within these bounds shall be left to the decision of the Association.

V. Excavation. No excavation for minerals, stone, gravel or earth shall be made upon any lot other than excavation for necessary construction purposes relating to main dwelling units, retaining walls, outbuildings and pools, and for the purpose of contouring, shaping, and landscaping, generally improving any lot.

W. Certificate of Occupancy. A Certificate of Occupancy must be issued by the Washoe County Building Department prior to occupancy of any residential dwelling.

X. Clothes Lines. No clothes line shall be constructed or erected which would be visible from any street, common area or other lot.

Y. Landscaping. Within six (6) months of the completion of the main residential dwelling, each lot shall be completely landscaped consistent with approved landscape plans from front to rear and side to side in a manner suitable to the character and quality of CCE, and all landscaping shall be maintained to harmonize with and sustain the attractiveness of the Development. No above grade swimming or wading pools will be allowed. All landscaping provided by Declarant or visible from entry roadway shall be maintained by the Association.

Z. Garages or Carports. Every single family dwelling constructed within the subdivision shall have on the same lot enough automobile storage space for a least three automobiles. No vehicles or equipment shall be stored outside of garage.

AA. No Commerical Leasing. No owner of any lot shall participate in any plan or scheme for the rental of the improvements on such lot, nor shall any such lot be operated as a commercial venture. Nothing in this paragraph shall prevent an owner of a lot from renting the lot and improvements thereon during periods of such owner's absence.

BB. Chimneys. All exterior chimneys, must be of such color as to blend in aesthetically with the residential dwelling and shall be subject to approval by the Committee.

CC. Driveways. Driveway cuts shall be limited to one (1) per lot, unless otherwise approved by the Committee. The maximum entrance widths shall be eighteen (18) feet. The use of one (1) driveway for more than one (1) lot shall be encouraged by the Committee. However, the approval of a

common driveway shall require that a legal easement be established between the lot owners prior to approval.

DD. Exterior Lighting. All exterior lighting plans must be submitted to the Committee with Construction plans. Exterior lighting which can be seen from the roads, the greenbelts, or a neighboring plot shall be indirect. The light source shall not be visible in such circumstances.

EE. Exterior Walls and Trims. Natural wood species, natural stones, brick, river rock, stucco or other materials deemed in the character of the Development for a specific lot by the Committee, are required for all exterior walls. If exterior sidings are treated, preservative or semi-transparent stains are preferred. Solid body stains are acceptable for trim. Exterior colors must harmonize with the surrounding landscape and all colors are subject to approval by the Committee. All reflective metal such as chimney stacks, flashing, exhaust vents and pipes must be painted to match or blend with surrounding materials. All such colors are subject to approval of the Committee. The Declarant may file subsequent declarations specifying acceptable colors of stains and paints.

FF. Mailboxes. Mailboxes and newspaper holders shall be of natural materials and natural colors, and the design is subject to the approval of the Committee. Location shall be outside entry gate as per postal service gang type installation.

GG. Roofs. Standing Seam metal roofing in a color suitable to the Committee are encouraged. Other materials will be considered if deemed in character with the Development by the Committee. Flat roofs are highly discouraged.

HH. Removal of Rocks, or Other Natural Forms. All removal of rocks or other natural vegetation must be shown on the construction plans and approved by the Committee.

II. Construction Procedures. Prior to the commencement of any construction activity on any lot, the owner and/or contractor shall rope off those areas not intended for actual construction or staging to protect the lot from unnecessary damage to foliage and to reduce erosion and dust problems. The lot shall be kept in a clean and orderly fashion at all times and the contractor shall have approved sanitary facilities on lot as well as a garbage dumpster or other suitable device for regular disposal of trash. No construction materials shall be dumped or stored on roadways, pathways, trails, greenbelts, open space or

common area. Construction work hours shall be limited to 7:00 A.M. to 6:00 P.M. Monday through Saturday. Owner shall furnish Association with copy of \$1,000,000.00 Liability Policy showing Association as insured and shall indemnify Association as to any damage to common improvements resulting from construction.

JJ. Building Heights. Building height limitations may be imposed by the Declarant in order to preserve views from neighboring lots.

IV. COUNTRY CLUB ESTATES ARCHITECTURAL COMMITTEE.

A. General Powers. All improvements constructed or placed on any lot must first have the written approval of the Committee. Such approval shall be granted only after written application has been made to the Committee in the manner and form prescribed by it. The application, to be accompanied by not less than two (2) sets of plans and specifications, shall show the location of all improvements, if any existing upon said lot, the location of the improvement proposed to be constructed, the existing topography to two foot contours and finished grades on the entire lot to two foot contours; front, rear and all side elevations, all cuts and fills, the color and composition of all exterior materials to be used, landscape plan, and any other information which the Committee may require, including soil and engineering reports and recommendations, if requested by the Committee. Only house plans that are prepared by a registered architect or licensed residential building designer are eligible for filing with the Committee. Every structure constructed within the Development shall be designed by either a registered architect or a licensed building designer. In the event a lot owner desires to redecorate the exterior of any existing structure, it shall only be necessary to submit the new proposed color scheme to the Committee for its approval. Remodeling or adding to existing structures or making structural changes shall require the lot owner to submit complete plans therefore to the Committee as in the case of erecting new structures. Failure of the Committee to comment on any application, property submitted, within forty-five (45) days of receipt by the Committee at its office shall be deemed approval of such application by the Committee. The Committee shall have the power to render decisions on such other matters as are referred to the Committee under this Declaration, or as may be referred to the Committee by the Association with the Committee's consent, with applications for such decisions and the rendering thereof to be in accordance with such rules and regulations as may from time to time be adopted by the Committee. Committee comments with respect to any applications shall be strictly followed. If requested by

the Committee, applications must be resubmitted to the Committee, in which case the Committee shall have forty-five (45) days after the resubmission to comment thereon. Construction of the improvements of an approved plan must be commenced within one year of the date the Committee approves said plan or the approval will become null and void.

B. Committee Membership. The Committee shall be composed of three (3) members, to be appointed by Declarant, at least one of whom shall be a qualified member of one of the allied physical design professions (i.e., civil engineer, architect, land planner, etc.) with the first Committee to consist of Jay Naismith, Ken Stoner/General Contractor and Richard Mungeam. Committee members shall be subject to removal by Declarant and any vacancies from time to time existing shall be filled by appointment of Declarant, except that the Committee need have no more than three (3) members. The power to appoint or remove Committee members shall be transferred permanently to the Association upon the sale by Declarant of all lots within the Development, or at any time prior thereto at the discretion of the Declarant.

C. Grounds for Disapproval. The Committee may disapprove any application:

1. If such application does not comply with this declaration:

2. Because of the reasonable dissatisfaction of the Committee with grading plans, location of the proposed improvement on a lot, finished ground elevation, color scheme, finish, design, proportions, architecture, shape, height or style of the proposed improvement, the material used therein, the kind, pitch or type of roof proposed to be placed thereon: or

3. If, in the judgement of a majority of the Committee reasonable exercised, the proposed improvement will be inharmonious with the Development or with the improvements erected on other lots.

D. Rules and Regulations. The Committee may from time to time adopt written rules and regulations of general application governing its procedures and approval criteria which may include, among other things, provisions for the form and content of applications; required number of copies of plans and specifications; provisions for notice of approval of disapproval, and various approval criteria. Copies of such rules shall if adopted, be available to each buyer of a lot within the Development at the time of, or before, close of escrow and shall be maintained at the office of the Committee.

E. Variances. The Committee may grant reasonable variances or adjustments from the provisions in this Declaration where literal application thereof results in unnecessary hardship and if the granting thereof in the opinion of the Committee will not be materiality detrimental or injurious to owners of other lots.

F. Certification of Compliance. At any time prior to completion of construction of an improvement, the Committee may require a certification, upon such form as it shall furnish, from the contractor, owner or a licensed surveyor that such improvement does not violate any set-back rule, ordinance or statute, and/or does not encroach upon any easement or right-of-way of record.

G. Administration Fees. As a means of defraying its expenses, the Committee shall require a filing fee of \$100.00 to accompany the submission of plans and specifications and a filing fee of \$50.00 for submitting plans for remodeling or additions or exterior redecorating color scheme. No additional fee shall be required for re-submissions, nor shall a fee be required for proposals for erection of a fence not a part of the original construction.

H. Liability. Notwithstanding the approval by the Committee of plans and specifications neither it, the Declarant, the Association nor any person acting in behalf of any of them shall be responsible in any way for any defects in any plans or specification or other material submitted to the Committee, nor for any defects in any work done pursuant thereof. Each person submitting such plans or specifications shall be solely responsible for the sufficiency thereof and the adequacy of improvements constructed pursuant thereto. No member of the Committee shall be held liable to any person, whether an owner of a lot within the Development or not, on account of any action or decision of the Committee or failure of the Committee to take any action or make any decision.

I. Principal Office. The principal offices of the Committee shall be at 120 Country Club Dr. #9; or mailing address P.O. Box 5889, Incline Village, Nevada 89450, or at such other address as the Committee shall notify the Association of in writing from time to time.

J. Enforcement. In the event any improvement shall be commenced without Committee approval as herein required or in the event any improvement is constructed not in conformance with plans therefore approved by the Committee, the same shall constitute a violation of this Declaration. In addition to the remedies for violation of any portions of this Declaration set forth in Section VI below, the

Committee shall also have the power and authority to institute legal or other appropriate proceedings to enjoin or otherwise prevent a violation of the provisions of this section provided, however, that no suit or other proceedings shall be commenced by the Committee after the expiration of sixty (60) days from such violation coming to the attention of the Committee in writing. Persons causing violation shall pay all legal fees for Association.

V. COUNTRY CLUB ESTATES ASSOCIATION (The Association)

A. General. The Association is a Nevada non-profit corporation organized to maintain, develop and operate the common areas of the development and improvements located thereon. The Association shall have such powers in the furtherance of its purposes as are set forth in its Articles and By-Laws.

B. Control of Association by Declarant. The Declarant shall have sole management of the Association and the right to vote all memberships therein on all matters which may properly be voted on by members until such time that title is passed to the individual lot owners. All lot owners (including Declarant) shall have one vote per lot.

C. Membership. Membership in the Association is limited to the owners of the lots within the Development and is automatic with and appurtenant to such ownership and may be represented by a membership certificate; provided, however, that no such Certificate shall be transferred on the books of the Association until all prior charges and assessments against said membership shall have been paid in full. No other persons may become members. Ownership of each lot in the Development shall entitle the record owner thereof to only one membership in the Association irrespective of the number of persons or entities that comprise the ownership of said lot. Each lot owner shall be represented in the Association (including the Declarant) by one vote which shall be cast by resident owner and/or owners thereof.

D. Membership Rights, Privileges & Obligations. The rights and duties, privileges and obligations, including voting rights and assessment obligations and penalties for failure to comply with the Association's Rules and regulations are as set forth in its Articles and By-Laws. In the event a corporation, partnership or association shall own any lot, such corporation, partnership or association shall designate, by corporate resolution certified by the Secretary or by written consent of all partners or members delivered in each case to the Association, the name of the person who, together with his

family, shall have the right to utilize the facilities of the Association.

E. Duties of the Association. The Association shall have the duty of enforcing the provisions of this Declaration including the duty to commence and maintain an action to enjoin any breach or threatened breach of the provisions hereof. In addition to such enforcement remedies as may be contained in the Articles and By-Laws of the Association, failure of any member to comply with rules and Regulations of the Association shall be deemed to be a violation of this Declaration and enforceable by the Association as other violations of this Declaration. The Association shall be expressly required to maintain and repair and otherwise to manage, to high standards, all common areas owned by the Association, all entrance gate facilities or landscape easements owned or controlled by the Association, if any, all roads owned or controlled by the Association and all improvements located on any of the foregoing.

The Association shall be charged with the express duty to provide for removal of ice and snow from roads and parking areas controlled by the Association at any time when such a condition may restrain access within the Development or present a hazard. The Association shall either contract for snow and ice removal or acquire equipment and hire personnel to effect the provisions of this paragraph. In the event that snow removal operations require exporting of snow or ice from roads or parking areas, said material will be exported outside the perimeter of the Development to a suitable location. If a suitable location is not available, then material will be deposited within the perimeter of the Development on an open green area in such a manner as to not unreasonably restrict access or create a hazard to any road, parking area or common walkway.

The Association shall purchase any and all equipment, materials and supplies necessary to undertake its duties imposed by this Declaration of Protective Covenants or its Articles and By-laws.

VI. ASSESSMENTS

A. General. Pursuant to the powers granted to it in its Articles and By-Laws, the Association is hereby expressly authorized and empowered to levy annual and special assessments against all lots in the Development including those of Declarant.

B. Annual Assessments. Within thirty (30) days prior to the commencement of each calendar year, the Board shall consider the current and future needs of the Association

(excluding expenditures for which special Assessments may be levied) and, in light of those needs, shall fix by resolution the amount of improvements or acquisitions, to be levied against each lot in the Development, which amount shall be a debt of the owner thereof at the time such charge is made.

C. Special Assessments. Special assessments may be made by the Board upon an affirmative vote of a majority of the membership representing lots so assessed, upon a determination by the Board that such assessment is necessary for capital improvements of Association property or for purposes related to the health, safety and welfare of such lot owners. No such special assessment shall be levied without benefit of a hearing for which at least twenty (20) days' written notice shall be given to all affected lot owners. Special assessments may be made by the Board against any lot to secure the liability of the owner thereof to the Association arising out of any breach of the provisions of this Declaration by such owner, which breach shall require the Association to expend funds by virtue thereof. Any member failing to vote in person or by proxy shall be voted by the Board.

D. Notice. The Secretary shall mail to each owner whose lot is assessed, at such owner's address within the Development, written notice of each special assessment and the time and manner for payment thereof at least two (2) weeks prior to the time such assessment is due and payable to the Association.

E. Collection and Lien. Annual assessments shall be paid either quarterly in January, April, July and October on the first day of each said months or monthly on the first day of each month as determined by the Board. If any assessment payment is not paid on the date required, with ten (10) days grace, the entire amount of such assessment, including any deferred portion of an annual assessment, plus any other charges thereon, including interest at ten percent (10%) per annum from date of delinquency and cost of collection, including attorney's fees, if any, shall constitute and become a lien on the lot so assessed when the Board causes to be recorded in the Office of the County Recorder of Washoe County, Nevada, a notice of delinquent assessment which shall state the amount of such assessment and such other charges and a description of the lot which has been assessed. Such notice shall be signed by the President or Secretary of the Association on behalf of the Association, upon payment of said assessment and charges, or to the satisfaction thereof, the Board shall, within a reasonable time, cause to be recorded a further notice

stating the satisfaction and the release of said lien. In addition a late fee of \$50.00 shall be due after the grace period.

F. Priority of Lien. Conveyance of any lot shall not affect any lien for assessments provided herein. Such lien shall be prior to all other liens recorded subsequent to said notice of assessment.

G. Enforcement. The lien provided for herein may be enforced by sale of the property which is subject to a notice of delinquent assessment, such sale to be made by the Association or any of its authorized officers or attorneys in accordance with the provisions of Covenants numbered 6, 7, and 8 of NRS 107.030 and in accordance with the provisions of NRS 107.080 and 107.090 applicable to the exercise of powers of sale in deeds of trust, or in any other manner provided by law. In exercising the power of sale herein contained, the Association shall be deemed to occupy the position of Trustee and Beneficiary and the delinquent lot owner the position of defaulting Trustor. In addition to the above enumerated items constituting the lien, the Association may also realize from the sale the costs of such sale together with a reasonable attorney's fee. The Association may be a bidder at the sale.

H. Proof of Payment. Upon request, the Association shall furnish a statement certifying that all assessments then due have been paid or indicating the amount then due.

I. Suspension. The Association shall not be required to transfer memberships on its books or to allow the exercise of any rights or privileges of membership, including voting rights, on account thereof to any owner or to any person claiming under them unless or until all assessments and charges to which they are subject have been brought current.

J. Fiscal Year. The Board may adopt a fiscal year other than the calendar year.

VII. EASEMENTS

A. Reservations. The following easements also constituting irrevocable licenses over each lot the common areas and the right of ingress and egress to the extent reasonably necessary to exercise such easements and irrevocable licenses are reserved to Declarant and its licensees and where applicable for the benefit of the Association.

1. Utilities. Such utility easements as are shown on the map of CCE for the installation, maintenance and operation of all utilities, including street lights and the accessory right to locate or to cut, trim or remove trees and plantings wherever necessary in connection with such installation, maintenance and operation.

2. Slope and Drainage. An easement as needed across any lot or lot line for the purpose of cutting, filling, drainage and maintenance of slopes and drainage courses.

3. Private Streets. An easement on, over and under all streets in the Development for the purpose of installing, maintaining and operating utilities thereon or thereunder to all portions of CCE for purposes of drainage control; for access to any lot within the Development; and for the purposes of maintenance of such streets for any and all purposes at any and all times, including, but not by way of limitation, the right to use said streets during construction or improvements.

4. Other Easements. Any other easements shown on the recorder map of the Development, with the Washoe County Recorder.

5. Transfer of Easements. A conveyance of easements of the Association shall transfer to such Association all easements herein reserved to Declarant which are necessary or convenient to the obligation of the Association to carry out its duties prescribed herein and in its Articles and By-Laws, which transfer shall not diminish the rights in and to said easements herein reserved. Nothing set forth herein shall be construed to impose on Declarant any duty or obligation of maintenance of roads, utility lines, common areas on which such may be located to the Association.

B. Use or Maintenance by Owners. The areas of any lot affected by the easements reserved herein shall be landscaped and maintained continuously by the owner of such lot, but not structures shall be placed or permitted to remain or other activities undertaken thereon which may damage or interfere with the use of said easements for the purposes herein set forth.

C. Liability for Use of Easement. No owner shall have any claim or cause of action against Declarant, or the Association.

D. Modification. None of the easements and rights granted under this Section VII may be modified, terminated or abridged without the written consent of the persons in whose favor such easements run.

VIII. REMEDIES

A. Enforcement. Declarant and each person to whose benefit this Declaration inures, including the Association, may proceed at law or in equity to prevent the occurrence, continuation or violation of any provision of this Declaration, and the Court in such action may award the successful party reasonable expenses in prosecuting such action, including attorney's fees.

B. Suspension of Privileges. The Board may, anything herein to the contrary notwithstanding, suspend all voting rights and all rights to use the Association's common areas of any owner for any period during which any Association assessment against such owner's property remains unpaid, or during the period of any continuing violation of the provisions of the Declaration by such owner after the existence thereof has been declared by the Board, including a violation by virtue of the failure of a member to comply with the Rules and Regulations of the Association.

C. Cumulative Rights. Remedies specified herein are cumulative and any specifications of them shall not be taken to preclude an aggrieved party's resort to any other remedy at law or in equity. No delay or failure on the part of an aggrieved party to invoke an available remedy in respect of a violation of any provision of this Declaration shall be held to be a waiver by that party of any right available to him upon the recurrence or continuance of said violation or the occurrence of a different violation.

IX. GRANTEE'S ACCEPTANCE. Each grantee or purchaser of any lot shall, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from Declarant or subsequent owner of such lot, accept such deed or contract upon and subject to each and all of the provisions of this Declaration and to the jurisdiction, rights, powers, privileges, and immunities of Declarant and of the Association. By such acceptance such grantee or purchaser shall for himself, his heirs, personal representatives, successors and assigns, covenant, consent and agree to and with Declarant, and to and with the grantees and subsequent owners of each of the other lots in the Development, to keep, observe, comply with and perform all of the provisions of this Declaration.

X. SEVERABILITY. Every provision of this Declaration is hereby declared to be independent of and severable from every other provision hereof. If any provision hereof shall be held by a court of competent jurisdiction to be invalid, or unenforceable, all remaining provisions shall continue unimpaired and in full force and effect.

EXHIBIT "A"

PARCEL 1:

Parcels 1 thru 4, inclusive, of Parcel Map No. 1163, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on September 26, 1980, as File No. 696575.

PARCEL 2:

Parcels 1 thru 4, inclusive, of Parcel Map No. 1164, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on September 26, 1980, as File No. 696582.

XI. CAPTIONS. All Paragraph captions of this Declaration area are for convenience only and do not in any way limit or amplify the terms or provisions hereof.

XII. TERM AND AMENDMENT. The provisions of this Declaration shall affect and run with the land and shall exist and be binding upon all parties claiming an interest in the Development until January 1, 2020, after which time the same shall be extended for successive periods of ten (10) years each. Prior to January 1, 2020, this Declaration is amended by the affirmative vote of six (6) of the then owners of lots in the Development by recording an amendment of this Declaration duly executed by (a) the requisite number of such owners required to effect such amendments, or (b) by the Association, in which later case such amendment shall have attached to it a copy of the resolution of the Board attesting to the affirmative action of the requisite number of such owners to effect such amendment, certified by the Secretary of the Association.

XIII. INTERPRETATION. The Association shall have sole right and authority to interpret any of the provisions of this Declaration of Protective Covenants, which interpretation shall, so long as the same is reasonable, be conclusive.

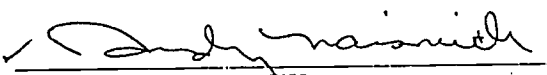

XIV. DISCLAIMER OF LIABILITY. Declarant disclaims any liability for repairs or maintenance of roads, or other improvements, including utility lines located within the common areas of the Development from and after the date of conveyance of such common areas to the Association.

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

SUMMIT PROJECT DEVELOPMENT, INC.

BY:  JAY NAISMITH, PRESIDENT  J. MANSEL OCHELTREE, Trustee

 JAY NAISMITH  PATRICIA RAE OCHELTREE, Trustee

 AUDREY NAISMITH  DAVID STEINBERG

STATE OF NEVADA,

WASHOE

ss.

On January 8, 1992

DATE

personally appeared before me,

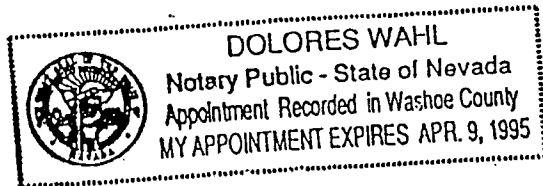
a Notary Public (or judge or other officer, as the case may be),

JAY NAISMITH AND AUDREY NAISMITH

who acknowledged that they executed the above instrument.

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

Dolores Wahl Signature of Notary



CARLISLE'S FORM NO. 36 N (ACKNOWLEDGMENT GENERAL)—A-63187

STATE OF ~~NEVADA~~ California

ss.

County of Santa Clara

On January 13, 1992

DATE

personally appeared before me,

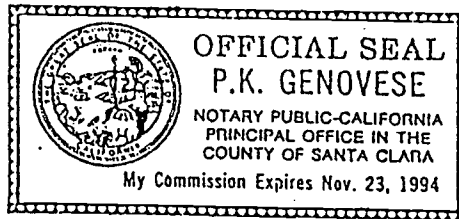
a Notary Public (or judge or other officer, as the case may be),

David Steinberg

who acknowledged that he executed the above instrument.

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

Signature of Notary



CARLISLE'S FORM NO. 36 N (ACKNOWLEDGMENT GENERAL)—A-63187

STATE OF ~~NEVADA~~ Nevada

ss.

County of Washoe

On July 7, 1992

DATE

personally appeared before me,

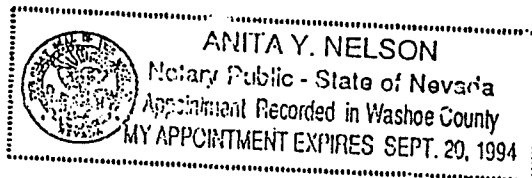
a Notary Public (or judge or other officer, as the case may be), J. Mansel

Ocheltree and Patricia Rae Ocheltree

who acknowledged that he executed the above instrument.

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

Anita Y. Nelson Signature of Notary



(Corporation)

STATE OF NEVADA

COUNTY OF WASHOE

SS.

On January 8, 1992 before me, the undersigned, a Notary Public in and for said State, personally appeared JAY NAISMITH

known to me to be the _____ President, and _____

known to me to be _____ Secretary of the corporation that executed the within Instrument, known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

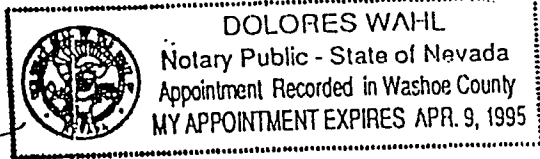
WITNESS my hand, and official seal.

Signature

Dolores Wahl

DOLORES WAHL

Name (Typed or Printed)



STAPLE HERE

OFC - 2036W

OFFICIAL RECORDS
WASHOE CO., NEVADA
RECORD REQUESTED BY

'92 JUL 16 P4:13

JOE MELCHER
COUNTY RECORDER

FEE _____ DEP _____