



Amended and Restated
Declaration Of Covenants, Conditions And Restrictions For
INCLINE CREST ASSOCIATION III "B"

WHEREAS, Incline Crest Association III "B", pursuant to the provisions contained in this Declaration of Covenants, Conditions and Restrictions and pursuant to the provisions of Chapters 116 and 117 of the Nevada Revised Statutes, does hereby amend and restate in its entirety the Declaration of Covenants, Conditions and Restrictions of Incline Crest Association III "B", formerly known as Incline Crest Subdivision No. 3, Unit B filed in the offices of the County Recorder of Washoe County, Nevada on June 20, 1972 as Document No. 271375 in Book 699, Page 211; and

WHEREAS, Incline Crest Association III "B", also known as Incline Crest, is the predecessor in interest to the original Declarant, Tahoe Incline Homes, Inc. and having executed Declarations of Covenants, Conditions and Restrictions as Incline Crest Subdivision No. 3, Unit B, recorded as referenced above is the owner of all that certain real property within Washoe County, Nevada, defined herein as the "Subject Property", except as to those areas on the final subdivision map designated as "residential sites", which residential sites have previously been conveyed to "Unit Owners", as defined herein; and

WHEREAS, the Declarant has reserved no developmental rights in or to the Subject Property, as defined by NRS 116.11034, except as may be provided in any subsequent amendment of this Declaration or as otherwise permitted by law; and

WHEREAS, it is the desire and intention of the Declarant to impose on said real property mutually beneficial restrictions under a general plan or scheme of improvement for the benefit of all said parcels, the structures thereon and the future owners thereof;

NOW, THEREFORE, the Declarant hereby declares that all residential portions and ancillary uses of the real property described above are 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 development, improvement and sale of said real property and are established and agreed upon for the purposes of enhancing and 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.

ARTICLE I
DEFINITIONS

Unless the context otherwise specifies or requires, the following words and phrases when used in this Declaration shall have the meaning set forth in this Section:

1.1 Arbitration means the requirement to submit voting deadlocks and similar disputes to arbitration under NRS Chapter 38, including claims regarding the Declaration and the Association, which must be submitted to Arbitration or mediation pursuant to this provision.

1.2 Articles of Incorporation and By-Laws means the Articles of Incorporation or By-Laws, or both, of Incline Crest Association III "B", as the same may be amended from time to time upon vote of a majority of the membership of the Association.

1.3 Association means Incline Crest Association III "B", a Nevada Non-Profit Corporation, the members of which shall be the Unit Owners as hereinafter described, organized pursuant to the provisions of NRS 117.060.

1.4 Common Elements, including Common Areas means all portions of the Common Elements, excepting Units, including easements in favor of units or common elements over other units within the Project.

1.5 Common Expenses means expenditures made by, or financial liabilities of the Association, together with any allocations to reserves.

1.6 Declaration means and refers to this enabling instrument, the Declaration of Covenants, Conditions and Restrictions.

1.7 Eligible Insurer or Guarantor means and refers to an insurer or governmental guarantor who has requested notice from the Association of those matters which such insurer or guarantor is entitled to notice of by reason of this Declaration or the By-Laws of the Association.

1.8 Eligible Security Interest means and refers to a holder of a first security interest



on a dwelling unit who has requested notice from the Association of those matters which such holder is entitled to notice or by reason of this Declaration or the By-Laws of the Association.

1.9 Manager means any person or entity designated by the Board to manage the affairs of the Project and to perform various other duties assigned to it by the Board by the provisions of this Declaration and By-Laws.

1.10 Member of Association means and refers to an Owner or Unit Owner as defined in Section 1.11 of this Article.

1.11 Owner, sometimes Unit Owner, means and refers to the record owner, whether one (1) or more persons or entities, of fee simple title to any dwelling unit which is part of the Project.

1.12 Project means the entire real property above described, including all structures and improvements erected or to be erected thereon, and such additions as may hereafter be brought within the jurisdiction of the Association.

1.13 Private Unit Boundaries means those portions of the Project designated as Living Units.

(a) The boundaries of the unit granted are the interior surfaces of the perimeter walls, ceilings, floors, windows and doors thereof, and the unit includes both the portions of the buildings so described and the airspace so encompassed. In interpreting deeds and plans the existing physical boundaries of the unit or of a unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in the deed or plan, regardless of settling or lateral movement of the building and regardless of minor variances between boundaries shown on the plan or in the deed and those of the building.

1.14 Subject Property means that certain real property located within Washoe County, Nevada more particularly described as:

ALL OF INCLINE CREST NO. 3, UNIT B, ACCORDING TO THE MAP THEREOF FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF WASHOE COUNTY, STATE OF NEVADA, ON JUNE 20, 1972.

1.15 Unit or Living Unit(s) means the elements of a condominium which are not owned in common with the owners of other condominiums in the project but are designated for separate ownership or occupancy.



ARTICLE II
INCORPORATION OF EXISTING RESTRICTIONS

2.1 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 any recorded instrument, the Association and each of its members shall abide by any such conditions or restrictions and nothing contained herein is intended to abrogate any existing valid restrictions or covenants concerning the subject property.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

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

3.2 The Association shall have one class of voting memberships. Owners shall be entitled to one (1) vote for each Unit Owned. When more than one (1) person holds an interest in any Unit, all such persons shall be members. The Vote for each Unit shall be exercised as the Owners agree or determine, but in no event shall more than one (1) vote be cast with respect to any Unit. A simple majority vote shall decide any issue before the Association Board.

3.3 A meeting of the Association Unit owners must be held at least once Annually, on the anniversary of the last meeting date. Special or emergency meetings may be called by the President or Chairman of the Association, a majority of the executive board or by Unit owners having ten percent (10%) of the votes in the Association. Notices of the meetings and agendas are to be provided as required by NRS 116.3108. A meeting of the executive board of an association must be held quarterly and the notice and agenda requirements of NRS 116.31083 apply to said meetings.

The executive board of an Association may meet in closed door executive session to consult with its attorney on matters relating to proposed or pending litigation, personnel



matters or to discuss a violation of the governing documents allegedly violated by a Unit owner, including failure to pay an assessment. A Unit owner charged with such a violation may request in writing that any hearing on said violation be an open meeting.

In most circumstances, a Unit owner may attend any open meeting of the Association members or the executive board and may speak at such meetings, subject to reasonable limitations on the length of time allotted to speak. A Unit Owner is also entitled to receive from the Board once a year a copy of the Association's operating budget as well as an indication of potential assessments for the upcoming year with background and justification(s) for said assessments.

Absent a contrary provision in the by-laws, a quorum is present for any Association meeting if persons entitled to cast twenty per cent (20%) of the votes that may be cast for election of the executive board are present, either in person or by proxy at the start of the meeting. A quorum for a meeting of the executive board shall exist if persons entitled to cast fifty per cent (50%) of the votes on that board are present at the start of the meeting. Upon due and proper notice, motion and vote, the executive board may act in all instances for the Association.

Voting may occur by valid proxy. A proxy is void and not entitled to vote if it (a) is not dated or purports to be revocable without notice, (b) does not designate the votes that must be cast on behalf of the Unit owner who executed the proxy, or (c) the proxy holder does not disclose at the beginning of the meeting the number of proxy votes he will cast and any instructions received for each proxy.

The Association executive board shall, at least once every 5 years, cause to be conducted a study of the reserves required to repair, replace and restore the major components of the common elements, to annually review the results of said study to determine the sufficiency of said reserves and to make any adjustments deemed necessary to maintain the required reserves.

ARTICLE IV

OCCUPANCY AND USE OF RESIDENTIAL UNITS AND COMMON ELEMENTS

4.1 The Subject Property is hereby restricted to residential dwellings, condominiums for residential use. All buildings or structures erected upon said premises shall be of permanent type construction and no buildings or structures of a temporary nature, trailer,



basement, shack, barn, or other out-building shall be used on any lot at any time as a residence, either temporarily or permanently.

4.2 No animals, livestock or poultry of any kind shall be raised, bred or kept on or in any Unit except that household pets may be kept, provided they are not kept, bred or raised for any commercial purposes and their presence complies with all Association Rules and Regulations, as adopted and amended by the Board of Directors from time to time.

4.3 No guest house, shed, barn, trailer or temporary structure of any kind shall be erected, constructed, permitted or maintained on any portion of said property. Tents may be erected on a temporary basis for no more than 48 hours with prior notice to the property management or the Board of Directors.

4.4 No building or structure shall be constructed of any building material that will cause any light or sunlight to be reflected nor shall any building or any structure be painted with any paint or other material that will cause any light to be reflected. Any repair, decoration or improvement which is determined to be in violation of this paragraph by the Board shall be removed by the Unit owner upon notice of such a violation.

4.5 No dwelling units shall be occupied for residence purposes until the same shall be connected to a satisfactory sanitary sewer disposal system. No cesspool or outside toilet shall be permitted at any time.

4.6 Single family residential zoning, as defined by Washoe County ordinance applies to Incline Crest Association III "B". No Unit or residence that is zoned as a single family residence Unit shall be converted to any multi-family use.

4.7 Units may be rented out by owners thereof in any time increments. Unit Owners choosing to rent or lease their Units are subject to all of the requirements set forth in the Association's Rules and regulations regarding the conduct of their Tenants on the premises at all times. Unit Owners are subject to all fines, loss of privileges including voting and use of the common area amenities, liens against a Unit and other sanctions imposed by the Board for any violation of any governing document of the Association, including the Rules and Regulations, as though they were the actual offender.

4.8 Any property or Unit converted in violation of the zoning ordinances or state laws will be subject to fines, litigation and other legal means of enforcing the zoning ordinances and violations thereof.



4.9 No advertising signs, except as may be allowed by rules or regulations adopted by the Board of Directors, billboards, unsightly objects, or items constituting a nuisance shall be erected, placed or permitted to remain on any parcel within Incline Crest Association III "B", nor shall said premises be used in any way or for any purpose which may endanger the health or unreasonably disturb the holder of any Unit within the project. In each such instance, the Board may bring to bear the full panoply of available remedies to cure said nuisance situation, including towing, removal and storage of the offending items at the expense of the Unit owner upon notice of the violation. No business activity of any kind whatsoever shall be conducted in any building or in any portion of the premises.

4.10 No garbage, refuse or obnoxious or offensive material shall be permitted to accumulate on any Unit and the owner thereof shall cause all garbage and other like material to be disposed of by and in accordance with accepted sanitary practices. All garbage or trash containers, oil tanks, gas tanks and similar facilities must be underground or placed in walled or screened areas so that they are not visible from the street, sidewalks or pedestrian areas or walkways.

4.11 No building fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two and six feet above the roadways shall be placed or permitted to remain on any corner parcel within the triangular area formed by the street property lines and a line connecting them at points twenty feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. The same sightline limitation shall apply on any parcel within ten feet from the intersection of a street property line with the edge of a driveway or alley pavement. No trees shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

4.12 No fences, hedges or walls, exterior clotheslines or unenclosed garbage receptacles shall be erected or maintained upon said premises, except such as are installed in accordance with the initial construction located thereon or as approved by the Board in the manner set forth herein.

4.13 No trees or native materials of any kind shall be removed, cut, painted or disturbed without written approval of the Board.

4.14 The rights and duties of the owners of parcels within this subdivision



with respect to sanitary sewer and water, electricity, gas and telephone shall be governed by the following:

(a) Whenever joint sanitary sewer connections and/or joint water connections or electricity, gas or telephone lines are installed within the subdivision, which connections, or any part thereof, lie in or upon parcels owned by others than the owner of a parcel served by said connection, the owners of any parcel served by said connection shall have the right, and are hereby granted easements to the full extent necessary therefor, to enter upon parcels or to have the utility companies enter upon parcels within the subdivision in or upon which said connection, or any part thereof, lies to repair, replace or generally maintain said connection as and when the same may be necessary as set forth below.

(b) Whenever joint sanitary sewer connections and/or joint water connections or electricity, gas or telephone lines are installed within the project, which connections serve more than one parcel, the owners of each parcel served by said connection shall be entitled to the full use and enjoyment of said portions of said connection as serves his parcel.

4.15 In the event any portion of said connection or line is damaged or destroyed through the act of an owner or a parcel being served by said connection, or any of his agents or guests or family members, whether or not such act is through negligence or is otherwise culpable, so as to deprive the other owners being served by said connection of the full use and enjoyment of said connection, then the first of such owners shall forthwith proceed to replace or repair the same to as good condition as formerly without costs to the other owners served by said connection.

4.16 In the event any portion of said connection or line is damaged or destroyed by some cause other than the act of any adjoining owner, his agents, guests, family members and including ordinary wear and tear and deterioration from lapse of time, then in such event if said damage or destruction shall prevent the full use and enjoyment of said connection by the owner of a parcel served by said connection all such owners who are thereby deprived of said use and enjoyment shall proceed forthwith to replace or repair said connection to as good condition as formerly at their joint and equal expense.



4.17 In the event of a dispute between owners with respect to the repair or rebuilding of said connection or with respect to the sharing of the costs thereof, then upon written request of one of such owners addressed to the Board, the matter shall be submitted to arbitration. If no arbitration rules have yet been adopted, then the matter shall be submitted in accordance with the Rules of the American Arbitration Association and judgment upon the award may be entered in any court of competent jurisdiction. The cost of any arbitration caused by dispute between owners shall be borne equally by the parties.

ARTICLE V
ASSOCIATION

The powers, rights and duties of the Association shall be as set forth in the Nevada Revised Statutes, as provided in this Article, and as may be adopted in the Articles of Incorporation and By-Laws of said Association that are not inconsistent therewith.

5.1 Membership in the Association shall be limited to Unit Owners or those holding ownership interests. In the event any parcel is owned by two or more persons, whether by joint tenancy, tenancy in common or otherwise, the unit ownership shall be joint and a single membership for such unit shall be issued in the names of all and they shall designate to the Association in writing at the time of issuance, one of their number who shall hold the membership and have the power to vote said membership, and in the absence of such designation and until such designation is made, the Board of Directors of the Association shall make such designation.

5.2 The Association shall hold fee title to the area described on the official plat as the common elements or area. The Association may hold title in fee or by easement to such other areas as may be acquired by the Association in furtherance of its powers and purposes.

5.3 The Association shall maintain and otherwise manage and administer the landscaping, sprinkler system, parking areas, fencing, open space and recreational facilities located upon the common elements and upon any other properties which may be acquired by the Association, and shall pay all real estate taxes or other charges which may be assessed against or levied upon said lands, whether the Association has title in fee or a permanent easement for parking, and shall maintain and otherwise manage and administrate the landscaping and rubbish removal of all other areas in the development and the Association, for itself, its agents and assigns and is hereby granted the right and easement to enter in and upon



all common elements, limited common elements, lawn and walkway areas within the development at reasonable intervals as may be established from time to time by the Association to remove garbage or rubbish from any residential unit. The Association may regulate the use, maintenance, repair, replacement and modification of the common elements and limited common elements of the herein described subject property and may cause additional improvements to be made as a part of the common elements. The Association may contract for services to be rendered by the Association for the benefit of the common elements and limited common elements. The association shall maintain any roadways as described on the official plat of Incline Crest Association III "B", including the removal of snow therefrom, until such time as said roadways are accepted for maintenance by Washoe County or other appropriate governmental agency.

5.4 Each Unit owner, by the acceptance of a conveyance of a lot or parcel within said development, covenants for himself, his heirs, successors or assigns, that the owner or owners of record of each parcel in said development shall be entitled to one membership in the Association, which membership shall be subject to all of the provisions of the Articles of Incorporation and the By-Laws of said Association, including such assessments as shall be determined and levied by the Association, and of these covenants, conditions and restrictions as the same are now in effect or may hereafter be duly adopted and as the same may hereafter be amended and that each such parcel or lot within said development shall be subject to assessments in the amounts to be determined by the Association in the following manner:

- (a) Such parcel's pro-rata share of the actual cost to the Association of all repair and maintenance of areas owned by the Association including the maintenance of all roadways within said development and the removal of snow therefrom and the payment of taxes and other charges imposed;
- (b) Such parcel's pro-rata share of the actual cost to the Association of such recreational facilities as may from time to time be provided by the Association;
- (c) Such parcel's pro-rata share of such sum as the Board of Directors of the Association shall determine to be fair and prudent for the establishment and maintenance of a reserve for repairs, maintenance, common element and



limited common element expenses, insurance, taxes, and other expenses of the Association, and other charges as specified herein, including a liability insurance premium for a liability insurance policy in face amount of not less than \$1,000,000.00 for any occurrence and \$500,000.00 to any one person, and including a premium on an insurance policy or policies affording protection for the assets and property of the Association against damage by fire, vandalism, malicious mischief and such other hazards as the Board of Directors shall determine. The disposition of insurance proceeds shall be made upon majority vote of the Board of Directors but in all events shall be used to further the purposes of the Association;

- (d) Such parcel's pro-rata share of such additional sum as the Board of Directors of the Association shall determine to be necessary to carry on the purposes of the Association, except that a majority of the voting members of the Association shall be required to approve any single capital improvement in excess of \$10,000.00. The Association shall provide written notice to each Unit owner of a meeting at which an assessment for any capital improvement is to be considered at least 21 days before any such meeting;
- (e) Said pro rata share shall be determined by dividing the number of parcels upon which dwelling units have been constructed and conveyed to Unit owner by the developer or its assigns into the total amount determined under subparagraphs a, b, c and d, above. The full share day period shall begin on the first of the month immediately following the notice of completion filed.
- (f) The owner of any Unit used for multi-family purposes in violation of this Declaration will be fined an amount equal to an additional monthly homeowner fee to a maximum of \$50.00 for each such infraction, to be paid from the date of discovery or the date of inception of the violation, as determined by the Board. Collection of such fines may be enforced as provided in this Article. The Association may exercise any or all of the rights and remedies available to it under this Declaration. The imposition of any fines described herein shall not limit the Association's right to pursue other lawful



remedies as the Association may determine appropriate.

5.5 Invoices for such assessments as are levied pursuant to this subparagraph hereof shall be submitted to each owner monthly or at such other regular intervals as may be fixed by the Association and may be included with other trust funds or impounded collected by the holder of any Deed of Trust encumbering any property within said development.

In the event a Unit's owner, tenant or guest of an owner does not comply with any provision of the governing documents or rules of the Association, the Board of Directors may prohibit, for a reasonable time, the Unit's owner, tenant or guest from voting on matters related to the Association or from using the common elements or limited common elements of the Association other than vehicular or pedestrian ingress, egress or parking areas and may require the owner, tenant or guest to pay a fine of up to \$100.00 for each failure to comply, to a maximum of \$500.00, unless the violation is of a type that threatens the health and welfare of the common interest community. A fine may be imposed only after the person alleged to have violated the rule has received notice of the alleged violation and the rule and has been given the opportunity to request a hearing on said alleged violation and/or cure said violation.

Each Unit shall be subject to a lien to secure all fines levied as provided in this paragraph, and by acceptance of a conveyance to him of a parcel within said development, each owner covenants for himself, his heirs, successors, and assigns, to pay each fine levied by the Association of the parcel described in such conveyance to him within ten (10) days after receipt of an invoice for the same and further covenants that if said charge shall not be paid within sixty (60) days from the date that said invoice is deposited, postage prepaid, in the United States Post Office, in an envelope addressed to such owner at the address of the parcel and to such other address as said owner shall have designated, *it shall* become a lien upon said owner's parcel and shall continue to be such lien until fully paid. Liens shall not be filed until owners shall have been given registered notice and sixty (60) days to cure default in payment.

Each such owner grants to the Association the right and power to bring civil actions against such owner for the collection of such charge and to record a notice of claim of lien in the office of the County Recorder of Washoe County, Nevada, which notice of claim shall state therein, the amount of such claim, a description of the parcel against which the same has been assessed, and the name of the record or reputed record owner thereof, and be signed by an



officer of the Association. Upon the payment or other satisfaction of such fine or lien, and costs in connection with which notice has been recorded, the Association shall record further notice stating the satisfaction and release of the lien thereof. Each lien established pursuant to the provisions of this Declaration by the recording of a notice of a claim of lien may be enforced by sale by the Association, its attorney or other officer authorized to make the sale, after failure of the owner to pay such a fine or lien in accordance with its terms, upon recording of a notice of default and election to sell. Such sale to be conducted in accordance with the provisions of NRS 116.3116 - 116.31168, inclusive, and Covenants Numbers: 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 sales in Deeds of Trust or in any other manner permitted by law. In any such action, the Association shall be entitled to costs, including reasonable attorney's fees.

5.6 The Association is responsible for the maintenance, repair and replacement of the common elements and each Unit owner is responsible for the maintenance, repair and replacement of his Unit and any limited common elements allocated to his Unit. The Association maintains insurance upon each unit, excluding the contents thereof, in satisfaction of its obligation herein. As a result, each unit owner is responsible for the maintenance and repair of his unit in excess of those amounts paid by or reimbursed on any insurance claim. Each Unit owner shall afford to the Association, its designees, agents and assigns, access through his Unit as is reasonably necessary for those purposes.

5.7 By accepting a conveyance to him of a parcel within said development, each owner, for himself, his heirs, successors and assigns, covenants that in the event that there shall be a failure to maintain the said parcel and the improvements situated thereon in a manner consistent with the appearance and maintenance of the other improvements within the development as determined by the Board of Directors of the Association or, if such owner shall alter or re-decorate the exterior of said premises before the submission of plans therefore to the Board of Directors, the Board of Directors shall give the owner registered notice and 15 days to proceed with his own repair, re-decoration, maintenance, rehabilitation and/or restoration, and upon the owner's failure to comply with said notice, the Board of Directors shall have the right, through the agents and employees of the Association, to enter upon such parcel and to repair, redecorate, maintain, rehabilitate, and restore the premises and the exterior of any



improvement thereon, and that the costs thereof shall be assessed to and become a lien upon the premises so redecorated, repaired, maintained, rehabilitated and/or restored and that he will pay, to the Association, the amount of said charge in the time and manner set forth previously herein; or if such owner shall fail to pay the charge impose for any sewer service or other service supplied to such parcel or if such owner shall fail to pay the charge for service by any utility or other corporation or person for any type of service and such failure shall result in another owner in said subdivision being deprived of such service, the Association may pay such charge or charges and the amount so paid shall be assessed and become a lien upon the premises to which such service was supplied and such owner shall pay the same to the Association in the time and manner set forth previously herein.

5.8 The membership of the Association held by any owner of a Unit in said development shall not be transferred, pledged or alienated in any way, except upon the sale of such Unit and then only to the purchaser(s) thereof. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association. In the event the owner of any Unit should fail or refuse to transfer the membership registered in his name to the purchaser of such parcel, the Association shall have the right to record the transfer upon the books of the Association and issue a new certificate to the purchaser and thereupon the old certificate outstanding in the name of the seller shall be null and void as though the same had been surrendered.

5.9 No exterior additions or alterations to any building nor changes in fences, hedges, walls and other structures shall be commenced, erected or maintained until the plans and specification showing the nature, kind, shape, height, materials, location and approximate cost of same shall have been submitted to and approved in writing as to conformity and harmony of external design and location with existing structures in the development by an Architectural Committee as defined herein in the event said committee, or its designated representative, fails to approve or disapprove such design and location within sixty (60) days after said plans and specifications have been submitted to it, and if no suit to enjoin the making of such alterations or charges has been commenced prior to the completion thereof, such approval will not be required and this paragraph will be deemed to have been fully complied with. In addition, any exterior construction or modifications must comply with current building codes and be properly and fully permitted by the applicable government agencies or



departments.

5.10 The Association shall maintain Property Insurance insuring against, at minimum, Fire and Extended Coverage perils, covering all Units and common area structures within the project and will pay the premium therefor as an Association or common expense. Unit Owners should be aware that no coverage for personal property and contents of Unit Owners are insured by the Association's insurance policy. In the event Unit Owners desire insurance coverage on their personal property and contents, each Unit Owner must obtain such coverage individually and the premium for such coverage must be paid individually by the Unit Owner. There shall be attached to the Association policy of insurance, a mortgagee or lender's loss payable clause; provided, however, that such amounts payable under such clause to the mortgagee or lender shall be paid to the Unit Owner, to all beneficiaries of deeds of trust of record and to the Association, jointly. The Association's policy shall also contain a minimum thirty (30) days notice of cancellation, except ten (10) days for non payment of premium, and be written on a "replacement cost" basis, including demolition costs and any increased cost of construction due to Building Code changes.

5.11 Should the unit or other improvements be damaged or destroyed by fire or other casualty, the owner or owners thereof shall cause the same to be repaired and restored substantially in accordance with current building codes requirements and to the greatest extent possible, the original plans and specifications therefor, or as approved by the Association. The repairs and restoration work shall be commenced within 120 days after the happening of the destruction or damage and once commenced, shall be pursued diligently to completeness and should the same not be timely commenced or carried toward completion with diligence the Association may elect to repair or restore the same, or to complete work of repair and restoration on behalf of and at the costs of such owner or owners, and in such event, all insurance proceeds shall be paid to the Association and any additional amount of cost and expenses, in excess of such insurance proceeds shall be forthwith paid over to the Association to be used to pay, or to reimburse it, for the expense of such repair or restoration, and, if not so paid, shall be assessed against said Unit or Units proportionately based upon the nature and extent of the same as it affects the Unit of each owner and such assessment shall constitute a lien on the Unit or Units affected, and the amount shall be paid as provided herein.

5.12 Subject to the provisions of the By-Laws, each member shall be entitled to



one (1) vote for each Unit of which he is shown by an instrument recorded in the Office of the County Recorder of Washoe County, Nevada, to be the owner.

ARTICLE VI.

ARCHITECTURAL COMMITTEE

6.1 There is hereby created an Architectural and General Planning Committee consisting of three (3) members, any two (2) of which can approve plans and appoint a new member, when necessary. At least one member of this committee shall be from the general membership and not currently serving on the Board of Directors. In case of death, resignation, incapacity or failure of any member or members of the Architectural and General Planning Committee to act, the remaining member or members of the said committee shall fill any vacancy or vacancies of said committee. Any member of the Architectural and General Planning Committee may be removed for any cause upon the vote of two (2) members thereof or upon a vote of a majority of the Board of Directors.

6.2 The Architectural and General Planning Committee shall have the power to establish and amend its own rules and regulations with regard to meetings, quorums and other procedural matters. The Architectural and General Planning Committee hereby created is hereinafter referred to as "The Committee".

6.3 No Unit, fence, or other structure of any kind shall be erected, constructed, placed and moved on, maintained on said real property, or any parcel or portion thereof, or shall any alteration, change or repair be made to the exterior thereof, unless prior to the commencement of such activity, two complete sets of plans and specification thereof, including front, side and rear elevations, and floor plan for each floor and basement, color scheme and texture thereof, and detailed plot plan, indicating and fixing the exact location of such structure or such alteration thereof, shall have first been submitted to the "Committee" in writing for approval and such approval obtained in writing from the "Committee". The Committee may charge a reasonable fee for checking the plans and may establish and amend from time to time a schedule of fees for that purpose. Any plans submitted for approval must be accompanied by those fees. With respect to requests for exterior modifications to Units, the Committee will submit those requests to all surrounding or adjacent property owners within the vicinity of the proposed Unit to be modified for comments and review, which such comments and review may form the basis for Committee approval or denial.



6.4 Approval of submitted plans, specification and appearance of buildings by “The Committee” shall be endorsed on both sets of plans and specifications and one set returned to the person submitting the same and the other retained by the Committee as a permanent file.

6.5 Committee approval may be withheld (a) because of the noncompliance with any of the specific conditions and restrictions contained in this Declaration of Restrictions, or (b) because of the reasonable dissatisfaction of the Committee with the location of the structure on the building site, or with the appearance of the proposed structure or with the lot grading plan, considering the character of the area in which it is proposed to be erected, the materials of which it is to be built, the harmony thereof with the surroundings, and the effect of buildings or other structures as planned on the outlook from the adjacent or neighboring property or properties. However, the Committee shall act with all due promptness and in the event the Committee shall fail to approve or disapprove any matter submitted hereunder within thirty (30) days from submission, then the submission shall be deemed to be approved and this section of the protective covenants shall have been fully met.

6.6 Approval by the Architectural Committee of any plan or specification shall not prevent the Association from withholding its approval of an identical plan or specification, or part thereof, when subsequently or additionally submitted for approval by the same or any other owner.

6.7 Approval by the Architectural Committee of any plan or specification submitted to it for approval shall not cause the Association, or its members, to be liable in any way to any person.

6.8 The Committee may establish and amend from time to time policies and guidelines for the construction of improvements which shall have the same force and effect as if stated in this declaration.

6.9 The Board of Directors may establish and amend from time to time policies and guidelines for the construction of improvements which shall be adhered to by the Committee.

6.10 If any Unit owner is dissatisfied with a decision of the Committee, that owner shall have the right to appeal that decision to the Board of Directors. The dissatisfied owner shall give to the Board a notice in writing stating the decision appealed from and the reasons for overturning that decision. Within ten (10) days of receiving that notice, the Board shall notice a special meeting to be held within thirty (30) days for the purpose of hearing any



evidence or arguments given by the owner to support the reasons given in the notice of appeal for overturning the decision of the Committee. Within ten (10) days of the hearing, the Board shall render its decision regarding the appeal which decision shall be final and not subject to further review.

ARTICLE VII.

PRESERVATION OF THE CHARACTER OF THE PROJECT

7.1 There shall be no judicial partition and or physical subdivision by deed or otherwise of the common elements, limited common elements and/or any one or more *Units*, nor shall declarant or any person acquiring any interest in the project or any part thereof seek any such judicial partition and/or subdivision thereof, provided, however, that if any unit ownership may be owned by two or more co-tenants as long as such judicial partition does not result in any physical partition. No owner shall in any way sever his Unit from its interest in the Association. The common elements shall be preserved as open space and used for recreational purposes and other purposes incidental and ancillary to such use of the Units, and the common elements shall be continuously maintained pursuant to the terms of this Declaration for the exclusive use and benefit of the Units and the occupants thereof.

ARTICLE VIII.

REPAIR & RESTORATION

8.1 Notwithstanding any policy of insurance, the Association and the Unit owners are under the obligation of maintenance, repair and restoration of the Units and common areas, provided that all expenses to the extent covered by insurance shall be paid from such insurance proceeds as provided by NRS 116.31133.

8.2 The owner of each Unit shall at his sole expense maintain, and in the case of damage or destruction shall repair or restore his Unit and limited common elements allocated to the Unit within a period of six (6) months. All such repair or restoration shall be done substantially in accordance with all current building code requirements and, to the greatest extent possible, the original plans and specifications, or in accordance with any modification thereof as approved by the Association.

8.3 The Association shall have the obligation to maintain at its expense, and in case of damage or destruction shall repair or restore at its expense, the common elements and all



improvements thereon. The expense of any extraordinary maintenance or any repair or restoration caused by the intentional or negligent acts of a Unit owner or a member of his family or a person occupying his Unit shall be all paid by such owner.

8.4 If two or more owners cannot agree on the apportionment of such expenses, they shall be conclusively apportioned by the Association. If the Association is involved in a dispute over the apportionment of such expenses, then the dispute shall be settled by arbitration as provided.

8.5 If the Association undertakes any work which is the responsibility of an owner to undertake, or any work which the Association undertakes at the expense of the owner, the Association shall assess the Unit 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 as a result of damage to or destruction of the residence lot involved. Such Assessment shall be a lien upon the Unit ownership of the owner and may be foreclosed as set forth herein.

8.6 No work provided for in this article or elsewhere in this Declaration shall be commenced and no structure shall be painted or repainted on the exterior thereof or constructed, altered or repaired until complete plans and specifications for the work, including color schemes, shall have been approved by the Architectural Committee of the Association. Exterior color of finish changes of Units must be approved by a majority of the Association's general membership.

8.7 If the common elements are substantially or totally destroyed, the Association shall obtain bids from three contractors to restore the common elements as nearly as possible to their condition immediately prior to their destruction, excluding improvements added by individual owners. As soon as possible thereafter, the Association shall hold a special meeting to consider the bids. Unless eighty percent (80%) of the Unit owners vote in opposition to repair or restoration of the common elements, the project shall be restored according to the provisions of this Article and NRS 116.31135.

ARTICLE IX. EASEMENTS

9.1 There is reserved for the benefit of each Unit owner an easement of maintenance and use to which the entire project shall be subject for any and all encroachments



resulting from roof overhang and any other causes attributable to the design and construction of improvements on each Unit and any and all encroachments resulting from construction errors, lateral shifting or settlement or any other cause and any and all encroachments resulting from construction of sewer, water and electrical lines and other utilities. Projecting private decks, patios, terraces or balconies attached to a Unit may occupy a permanent easement over the common elements, but the owner of the Unit assumes the sole responsibility and liability for maintenance, insurance coverage and use, saving the Association harmless from any and all activities or suits resulting from such use and occupancy.

9.2 An easement for ingress, egress and support through the common elements is appurtenant to each Unit and all the common elements are subject to such easements.

9.3 There is reserved to the Association an easement to which the entire common elements shall be subject, of entry and of access for the performance generally of its rights and duties as provided in this Declaration. Entry into the Unit of any owner pursuant to this easement shall be restricted to reasonable times and must be preceded by seven (7) days notice to the occupant, unless entry is required by an emergency. For cause, any Unit may be subject, upon 72 hours notice, to inspection of its interior spaces by one or more members of the Board of Directors, or their designated agent.

9.4 There is reserved an easement over, under and through each Unit and the common elements 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 this project and for each additional project referred to in that certain Declaration of Reciprocal Covenants of Incline Crest Association III "B", recorded in the Office of the Recorder of the County of Washoe.

9.5 In the event there shall be located within any Unit, pipes, vents, outlets, wires or other structures serving more than one Unit, the owner of each such Unit so served shall have and enjoy a perpetual easement to the maintenance and use of such pipe, vent or structure.

ARTICLE X.

PARKING SPACES.

10.1 Provisions for parking spaces shall be addressed in the Association Rules and Regulations and may be changed from time to time



ARTICLE XI.

MISCELLANEOUS.

11.1 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, accepts the same, subject to all of the restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights, and powers of the Association and Declarant provided in this Declaration.

11.2 A certificate of the Secretary of the Association, or in his absence, of any two members 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 thereon. For the same purposes a certificate of any officer of Declarant shall be conclusive proof of its contents.

11.3 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 and general welfare of the owners and occupants of the subject property and Units affected by this Declaration. It is not the intent of this Declaration to interfere with any provisions of any 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 structure, 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.

11.4 All of said restrictions, conditions, covenants, 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, and/or any part thereof, is invalid or for any reason becomes unenforceable, no other



restriction, conditions, covenant, reservation lien or charge, or any part thereof, shall be thereby affected or impaired.

11.5 The failure of the Association or of any Unit owner, 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 a waiver of the right to do so thereafter or to enforce any other restriction, condition, covenant, reservation lien or charge.

11.6 All titles used in this Declaration, including those of articles, sections and subsections, 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 article, section or subsection nor any of the terms or provisions of this Declaration nor the meaning thereof.

11.7 If the Association and one or more owners are unable to agree on the meaning or effect of any part of this Declaration, the dispute shall be conclusively settled by informal arbitration in the following manner. The Association shall name one arbitrator; the owner or owners shall name one arbitrator. The two arbitrators so named shall name a third, and these three shall hear and shall resolve the dispute.

11.8 This Declaration may be amended by resolution of the Board of Directors and the vote or written assent of the members provided that no fewer than a majority of the voting power of the Association votes, and of that majority not fewer than seventy-five percent (75%) vote in the affirmative.

11.9 The covenants, restrictions, reservations and conditions contained herein shall run with the land and shall be binding upon all persons purchasing, leasing, subleasing, or occupying any Units in said subdivision, their heirs, executors, administrators, successors and assigns. After the date on which this instrument has been recorded, these covenants, restrictions, reservations and conditions may be enforced by the Association which shall have the right and duty to enforce same and expend Association monies in pursuance thereof and also may be enforced by the Unit owner or any one or more of said parties; provided, however, each and every assessment and lien, together with any costs, penalties or interest, reserved under this Declaration shall be subordinate to any valid bona fide mortgage or trust deed (and the lien and/or title thereof) which has been or may hereafter be given in good faith and for value on any interest of any owner covered by this Declaration. Any subsequent owner of any



Unit purchased at foreclosure shall be bound by the restrictions, conditions, covenants, reservations, assessments and liens set out in this Declaration, not including, however, any assessment or lien arising prior to the foreclosure sale, and provided also that the breach of any said covenants, restrictions, reservations and conditions may be enjoined, abated, or revised by appropriate proceedings, notwithstanding the lien or existence of any such mortgage.

All instruments of conveyance of any interest of all or any parts of said subdivision shall contain reference to this instrument and shall be subject to the covenants, restrictions, reservations and conditions herein as fully as though the terms and conditions of this instrument were therein set forth in full as recorded on June 20, 1972, in Washoe County, provided that the terms and conditions of this instrument shall be binding upon all persons affected by its terms, whether express reference is made to this instrument or not. Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant either of restraining violation or to recover damage.

11.10 Invalidation of any one of these covenants, restrictions, exceptions or reservations or conditions or portions thereof by judgment or court order shall in no way affect the validity of any of the other provisions or portions thereof and the same shall remain in full force and effect. Any amendment shall be binding upon every *Unit* owner whether the burdens thereon are increased or decreased thereby, and whether the *Unit* owner consents thereto or not.

11.11 These covenants, restrictions, reservations and conditions shall remain in full force and effect for a period of fifty (50) years from the date hereof. Thereafter, they shall be deemed to have been renewed for successive terms of ten years, unless revoked or amended by an instrument in writing, executed and acknowledged by the owners as required in paragraph 11.8, which said instrument shall be recorded in the Office of the County Recorder, Washoe County, Nevada, within the ninety days prior to the expiration of the initial effective period hereof or any ten year extension.



WASHOE COUNTY RECORDER

OFFICE OF THE RECORDER
KATHRYN L. BURKE, RECORDER

1001 E. NINTH STREET
POST OFFICE BOX 11130
RENO, NEVADA 89520-0027
PHONE (775) 328-3661
FAX (775) 325-8010

LEGIBILITY NOTICE

The Washoe County Recorder's Office has determined that the attached document may not be suitable for recording by the method used by the Recorder to preserve the Recorder's records. The customer was advised that copies reproduced from the recorded document would not be legible. However, the customer demanded that the document be recorded without delay as the parties rights may be adversely affected because of a delay in recording. Therefore, pursuant to NRS 247.120 (3), the County Recorder accepted the document conditionally, based on the undersigned's representation (1) that a suitable copy will be submitted at a later date (2) it is impossible or impracticable to submit a more suitable copy.

By my signing below, I acknowledge that I have been advised that once the document has been microfilmed it may not reproduce a legible copy.

Patricia A. Driscoll
Signature

4-29-04
Date

Patricia A Driscoll
Printed Name



APN # _____

Recording Requested by:

Name Incline Property Management

Address 876 Sunagar

City/State/Zip Incline Vll NV
89450

(for Recorder's use only)

Amended CC + R Incline Crest III
(Title of Document)

This page added to provide additional information required by NRS 111.312 Sections 1-2.
(Additional recording fee applies)

This cover page must be typed or printed.