

HOMEOWNERS ASSOCIATION RULES AND REGULATIONS GOVERNING USE OF LAKE COUNTRY ESTATES PROPERTY

CONTACT INFORMATION:

MANAGER:

C/O Incline Property Management
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BOARD OF DIRECTORS:

C/O Incline Property Management
876 Tanager Street
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WASHOE COUNTY SHERIFF, SUBSTATION WASHOE COUNTY ANIMAL CONTROL

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1-775-832-4110

EMERGENCY: 911

INTRODUCTION

These Condominium Rules and Regulations are adopted for the benefit of the Owners of property in Lake Country Estates. They are intended to contribute to the preservation of the clean, attractive, natural Lake Tahoe environment and to enhance the value of the property in Lake Country Estates. These Rules are not designed to unduly interfere, restrict, or burden the use of said property. All Owners, Tenants and Guests of Lake Country Estates are required to abide by each of these Rules and Regulations, which are additional governing documents of the Association just as are the Association's Declaration (CC&R'S) and Bylaws, for example.

The terms Declaration, CC&R's, Bylaws, Board, Common Expense, Common Area, Unit, Management, Association, Rules and Regulations, and Owner used in these Rules shall have the same meaning as set forth in the Declaration of Lake Country Estates, as recorded in the Office of the Recorder of Washoe County, State of Nevada.

1. **TENANTS AND GUESTS:** Owners are responsible for providing a complete set of Rules and Regulations to their tenants and guests and are responsible and liable for all actions of their tenants and guests. Any expenses incurred by the Association as a result of any action in violation of these Rules and Regulations or any of the governing documents of the Association by an Owner, tenant or guest will be levied directly against the Owner as the responsible party.
2. **RESIDENTIAL USE:** Lake Country Estates property shall be used for residential purposes only, as required by the governing documents of the Association and subject to the following:
 - a. An Owner may rent or lease his/her Unit for no less than a one-year, 12 consecutive month period, as long as the rental or lease thereof is in compliance with all Washoe County Health, Building and Life Safety Codes.

- c. No Owner shall rent/lease his/her Unit for transient or hotel/motel type housing purposes.
- d. No Unit shall be divided into two or more separate Units or subdivided in its living quarters in any manner.
- e. No Owner shall lease/rent less than their entire Unit at any time; no subleases are allowable.

3. **PETS:**

- a. Owners, guests and tenants may have no more than two dogs and two cats on the premises at any time.
- b. Dogs must be on a leash at all times. Pets not on a leash will subject the Owner to a fine and will be picked up by animal control.
- c. Barking dogs that disturb the peace and quiet of other Owners and tenants will result in a fine to the Unit's Owner.
- d. Owners, their tenants and guests who have dogs on the property, are responsible for cleaning up dog droppings.
- e. The Board may deny the privilege of keeping a pet to any Owner who violates the above rules more than twice in any consecutive 12 month period .
- f. Owners will be responsible for any damages to common and limited common areas caused by their pets.
- g. Owners who have or keep pets upon the premises shall hold the Association harmless for the actions of their pets.
- h. No animals shall be raised or kept upon the Common Areas or any part thereof; domestic dogs, cats and caged pet birds in reasonable numbers may be kept within a Unit as pets.

4. **QUIET ENJOYMENT:**

All Owners, guests, and tenants have a right to quiet enjoyment of the property. Activity creating noise that disturbs the quiet enjoyment of the premises for the Owners, tenants or their guests shall not be permitted. Owners, tenants and guests shall maintain minimal noise levels before 8:00 a.m. and after 10:00 p.m. Citizen complaints may be signed by the complaining party with the Sheriff's Department regarding any noise violations and reported to Management. Repeated complaints regarding noise may also result in sanctions by the Association, including warning and fine.

5. **VEHICLES AND PARKING REGULATIONS:** Owners and tenants must park their vehicles in their garages nightly. All vehicles upon the premises must fit within the closed garage space of individual Units. Guests may park vehicles in driveways for overnight stays or in garages where possible. No parking outside of garages may extend for a period beyond 24 consecutive hours. No vehicles are permitted to park on the streets or in the circles, excepting emergency or temporary service vehicles such as maintenance or delivery. These vehicles may park for a period not greater than 10 consecutive hours.

- a. During periods of snow removal, from November 1 through May 1 of each year, no vehicle shall be left in any driveway for more than 12 consecutive hours.
- b. Owners, guests or tenants cannot use driveways or garages owned by other Units without the express, written consent of the affected Owner.
- c. No campers, camper shells, house trailers, boats, boat trailers, snow

temporarily parked for trip preparation, packing and unpacking upon return.

- d. The following vehicles are not permitted on the premises: campers or live-in recreational vehicles, all inoperable or derelict vehicles, including those with expired and/or no license plates and/or without current registration.
- e. All automobiles that leak fluids must be repaired immediately. The Owner of the Unit to which the offending vehicle belongs shall be responsible for the costs of all cleanup and asphalt repairs made necessary by the leakage.
- f. No vehicle shall be parked in such a manner as to impede or prevent ready access to any other parking area, entrance, garage or walkway.
- g. No vehicle repairs may be performed upon the common area.
- h. The speed limit for all vehicles within Lake Country Estates is a maximum of fifteen (15) miles per hour.

Parking Violation Procedures:

- First offense: Warning notice posted on the vehicle or other written notice of violation.
- Second offense: Written warning to Unit Owner by certified mail.
- Third offense: Automatic assessment of a Twenty Five (\$25.00) per day fine for the continuing violation until the vehicle is removed from Lake Country Estates.

6. **GARAGES, TRASH REMOVAL AND STORAGE:** Owners shall be responsible for keeping their garages and garage areas clean and free of unsightly objects. Garage doors should be kept closed when not in use. All vehicles must be kept in garages and garages must not be utilized for storage or other activities which prevent them from being used for the parking of vehicles inside. Sporting goods such as bicycles, skis, mobile basketball hoops and the like must be kept in the Unit or in the garage when not in active use and in compliance with the aforesaid.

All garbage must be removed from the Unit in a timely manner so as to keep the premises clean and free of odor. Garbage/trash/debris must be left outside of a Unit on pick-up day only in plastic trash bags or containers and should not be placed outside before 6:00 a.m. the morning of pick up. Garbage left outside for collection must be secured to avoid attracting unwanted animals. Collection containers should be removed from the common areas before 7:00 p.m. on the day of pick-up. Absentee Owners with garbage who will be unavailable on pick-up days will be required to take garbage to the sanitation dump for disposal.

7. **COMMON AREAS:** Improvements, maintenance, repair and landscaping of the common area shall be done only under the direction of the Board and shall be treated as a common expense. No use of the common area shall be conducted so as to damage or increase the maintenance of any part of the development or so as to disturb other people. Any damage to the common areas or equipment caused by unreasonable or unauthorized use of the common area shall be repaired at the expense of the Unit Owner responsible for said damage.

No bicycles, tricycles, skateboards, roller skates, roller blades, or other similar recreational and or unregistered vehicles may be used on common areas with the exception of the roadways. No personal property of any kind shall be left in view on the property or Common Areas.

8. **LIMITED COMMON AREA IMPROVEMENTS:** Any construction, property

submitted to the building department for final approval. Each Owner must obtain a certificate of workers compensation and general liability insurance as proof of in-force insurance prior to allowing any workman perform any services within the property. The Association does not carry workman's compensation insurance or general liability insurance; therefore the Owner, not the Association, will be liable for workmen on the property. All construction debris must be cleaned up daily and not deposited in the Association's dumpster. Material storage on common area requires Association approval. Projects must obtain final Association approval upon completion.

9. **LIMITED COMMON AREAS / DECKS AND EXTERIORS:** Decks and the land immediately surrounding each Unit are limited common areas reserved for the exclusive use of the Owners, guests and tenants of the Unit to which they are attached and must be maintained by them. See attached exhibit for limited common area designation. Nothing shall be hung from the doors, windows, decks, or placed upon the window sills of the buildings. Changes affecting the appearance of the exterior of any Unit in any manner shall be made only with the prior written consent of the Board. Homeowners must submit written requests seeking Board approval. The Board of Directors will make a decision within thirty (30) days of receipt of such a request by the Board. Failure by the Board of Directors to approve or disapprove a Homeowner's request within thirty (30) days will constitute denial of the Homeowner's request to alter the appearance of the Unit. No clothes, linens, signs, refuse, air conditioning equipment and no notices, advertisements, or illumination shall be inscribed or exposed on or at any window or other part of the building.

All decks and other exterior areas shall be kept in a clean and orderly fashion. No coverings such as plastic, wood or other materials may be placed on exterior windows. Laundry may not be hung outside at any time. Outdoor clotheslines or other outdoor clothes drying or airing on the decks or railings are not permitted. No clothes, rugs, or other matter may be hung on or draped from the deck or railing, or otherwise left or placed in such a way as to be exposed to the view of other Owners, without prior written consent from the Board. No clothes, linens, signs, refuse, air conditioning equipment and no notices, advertisements, or illumination shall be inscribed or exposed on or at any window or other part of the building. All barbeques grills are a potential safety hazard on wood decks. Do not leave grills unattended and barbeques must be used and placed away from the roofline or overhanging trees. Firewood is permitted only if stacked neatly in small quantities, not above the deck railing. Heavy loads of firewood may cause damage to the structures. Firewood not kept on the deck or within the Unit, must be piled and stored neatly along the side of the Unit or at the rear.

Outdoor patio furniture only is permitted. No indoor furniture or storage of any other kind may be placed on the decks. Owners and/or tenants are responsible for snow removal from the decks if accumulation exceeds 24 inches. Satellite dishes are permitted with some restrictions/guidelines and installation requires prior, written Board approval. Owners or tenants must submit such requests in writing to the Board of Directors via the Management Company.

10. **EXTERIOR UNIT MAINTENANCE AND IMPROVEMENTS:** Changes affecting the appearance of the exterior of any Unit in any manner shall be made only with the prior written consent of the Board. Homeowners must submit written requests seeking Board approval. The Board of Directors will make a decision within thirty (30) days of receipt of such a request by the Board. Failure by the Board of Directors to approve or disapprove a Homeowner's request within thirty (30) days will constitute denial of the Homeowner's request to alter the appearance of the Unit. All exterior painting and staining must conform to the original color scheme of the Unit. Each Unit must be painted/stained every four years

weeds. Each Owner shall maintain all trees on his Unit or Limited Common Area at his own expense. No Owner shall remove, alter, or injure any tree or shrub placed in any area of the Project by the Association or any tree in excess of six inches in diameter without prior written approval of the Board. No Owner shall allow or permit upon his Unit or Limited Common Area, and the Association shall not allow or permit in the remainder of the Common Elements, any thing or condition to exist that shall induce, breed, or harbor infectious plant or tree diseases or noxious insects. Seasonal pest spraying for trees shall be an Association expense each year. Spring start up/repair and fall shut down of irrigation systems shall be ordered by the Association and the costs incurred for each Unit shall be charged back to Unit Owners.

12. **EMERGENCY ENTRY:** Agents of management, and any contractor or workman authorized by management, may enter upon any unit, deck, or garage at any reasonable hour of the day or night in emergencies for any repairs or other purposes permitted under the terms of the law, the CC&R'S, Bylaws, or the Management Agreement. Where possible, every effort will be made to make prior arrangements or provide notice to the Owner, tenant or guest. To facilitate access by the Fire Department or in an emergency in case of emergency, each Owner shall deliver to the Manager a duplicate key to the front door of the Unit. No Owner may cause the key to the front door of the Unit to be changed without notifying the Manager and immediately delivering a duplicate key to the Manager.

13. **HEATING:** From November 1 to May 1, the heating thermostat must be set at 55 to 60 degrees when the unit is vacant, to prevent pipes from freezing. Insurance may not cover damages caused by broken pipes in a unit when the heat is not adequate to prevent pipes from freezing.

14. **INSURANCE:** All Unit Owners must obtain comprehensive homeowners insurance to cover the Unit and its Limited Common Area.

15. **BUSINESS OPERATION IN LAKE COUNTRY ESTATES:** No Commercial business activity will be allowed upon Lake Country Estates property. A home occupation business may be allowed to operate in any Unit, provided the business does not bring additional vehicles to park on the common grounds or increase the normal amount of traffic. The home occupation business must be in compliance with all governmental laws and the governing documents of Lake Country Estates.

16. **REAL ESTATE SIGNAGE:** No "for sale" or "for rent" or other signs including real estate related signs shall be permitted. Signs announcing "open houses" may be utilized for a period not to exceed 48 hours, upon prior approval of the Board.

17. **FIRE HAZARDS:** No Owner shall use or permit to be used or brought into the development any flammable oils or fluids such as gasoline, kerosene, naphtha, benzene, lacquer or explosive or highly flammable article or substance in any quantity greater than a gallon without, prior to so doing, obtaining written approval of the Board

18. **CONSENT OR PERMISSION:** Any consent or approval of the Board given under these rules and regulations may be revocable at any time upon notice provided.

19. **COMPLAINTS:** Alleged violations of these rules and regulations should be made to

to the complaint. A complaint about the Board or its activities shall be presented to the Board in the first instance, who shall acknowledge the complaint and place the subject of the complaint on the agenda for the next regularly scheduled meeting.

20. **REVISIONS TO RULES AND REGULATIONS:** These rules and regulations may be revised at any time by the Board, provided a written communication is sent to each Owner advising them of the changes 30 days in advance of their effective date.

21. **DELEGATION:** The Board may delegate its powers and duties with respect to the granting or denial of approvals or permissions recited herein under these rules and regulations to the manager at any time. The Board may also appoint committees to undertake the business at hand, under the direction of the Board. As much community input as possible is requested and all homeowners are encouraged to join or participate in a committee.

22. **DUES:** All Association dues, including any assessments, must be paid in advance and are due on the first (1st) day of the month, unless otherwise specified by the Board.

23. **SANCTIONS, LATE FEES AND FINE SCHEDULE :**

- a. A thirty-dollar (\$30.00) late charge will be added for late dues, those postmarked fifteen days (15) after the first (1st) day of the month.
- b. Homeowners delinquent on their monthly dues or a special assessment after the fifteenth (15th) of the month will receive a mail notice of each fine due and unpaid.
- c. Fines will be added to the dues for payment in full by the fifteenth (15th) of the following month. Units 90 days or more in arrears of any obligation will immediately have a lien placed upon the Unit.
- d. Foreclosure proceedings on liens shall be instigated on all Units 120 days in arrears on any financial obligation to the Association, at the Owner's expense. An exception to this requirement is a fine or penalty for violation of the Association governing documents, which may not be the subject of foreclosure unless the violation threatens the health, safety or welfare of the residents of the development or the penalty is imposed for failure to adhere to a design or construction schedule.
- e. Owners will be notified by mail in the event they may be subject to a fine and shall have the opportunity for a hearing. Owners will be fined not less than fifty dollars (\$50.00) nor more than one hundred dollars (\$100.00) for each violation. If not resolved at the hearing, the violator has 14 days to cure the violation; if not cured within that period of time, a fine may be imposed each seven (7) days the violation remains uncured. Any additional fine may be imposed without notice or opportunity to be heard.
- f. Past due fines bear interest at the rate of 1.5 % per annum, not to exceed the legal rate, and may include costs incurred in efforts to collect the past due fines in amounts not to exceed those allowed by statute.

24. **PROCEDURES:** These duly adopted Rules and Regulations are one of the governing documents of the Association. Violation of any provision of any governing document may subject a Unit Owner to sanctions only if the Association complies with the provisions of NRS 116.31031. Potential sanctions include an Owner being prohibited from voting on Association business for a reasonable period of time. an Owner being prohibited from using the Common Area for other than

the violation, the person against whom the fine is to be imposed had been provided with written notice of the applicable provisions of the governing documents that form the basis of the violation and (2) within a reasonable time after the discovery of the violation, the person against whom the fine is proposed has been provided with written notice specifying the details of the violation, amount of the fine, the date, time and location of a hearing and a reasonable opportunity to prepare for, appear at and contest the violation at said hearing.

Upon each violation, a Notice of Violation shall be provided to the Unit Owner believed responsible for the violation, either by personal delivery or by mail, within 5 days of the violation being detected, observed or complained of. Fines may be assessed for any violation of the Rules and Regulations, in amounts determined appropriate by the Board. Each fine imposed may not exceed \$100.00 per violation, up to a total amount of \$500.00. Violations not cured within 14 days (or any longer period of time allowed by the Board) of the notice thereof being provided to an Owner are subject to being declared an ongoing violation and the Owner may be fined additionally for every 7 day period or portion thereof during which the violation continues, without the provision of any additional notice and not limited to a maximum of \$500.00. Note that past due fines bear interest at a rate of 1.5 % per month, not to exceed the legal rate, and may include collection costs.

The Board must hold a hearing before a fine may be imposed, unless the person against whom the fine is to be imposed either pays the fine, signs a written waiver of the hearing requirement or fails to attend the duly scheduled hearing after receipt of proper notice. If the governing documents so allow, the Board may appoint a committee or panel of not less than 3 members to review the circumstances and explanation for the violation, if any is presented, and to impose fines. The committee or panel acts for the Board and is entitled to all privileges and immunities and are subject to all duties and requirements of the Board and its members. Any such hearing may be conducted in Executive Session unless the Owner requests in writing that the hearing be held in open session. In any event, deliberation and decision may be held in Executive Session after the full facts and circumstances of the alleged violation have been disclosed.

These are the minimum procedural requirements that the Board or panel must follow in order to assess a fine. If a fine is assessed by the Board or appointed panel, they shall also require the payment of the costs of the proceedings, in a reasonable amount given the time the matter has taken, by the Owner so fined. The costs become an assessment upon the Unit and Owner and may be enforced through any lawful means, including lien sale and foreclosure.

25. ADDITIONAL ENFORCEMENT RIGHTS: Notwithstanding any other provisions to the contrary, the Association may elect to enforce any provisions of the Declaration, Bylaws, or any Rule or Regulation by self-help (specifically including, without limitation, the towing of any vehicles that are in violation of parking regulations), by appropriate administrative proceeding or by suit to enjoin any violation or to recover monetary damages or both, without the necessity of compliance with the procedure set forth above.

These Rules and Regulations are adopted by Lake Country Estates Owners Association's Board of Directors on April 5, 2004 and are effective thirty (30) days after the mailing date to Owners.

LAKE COUNTRY ESTATES OWNERS ASSOCIATION
A Nevada Non-Profit Corporation

BY: 

BY: Deena M. Behrke
ITS: SECRETARY

This instrument was acknowledged before
me on this the 27 day of APRIL, 2004.

Sharon R. Rains
Notary Public



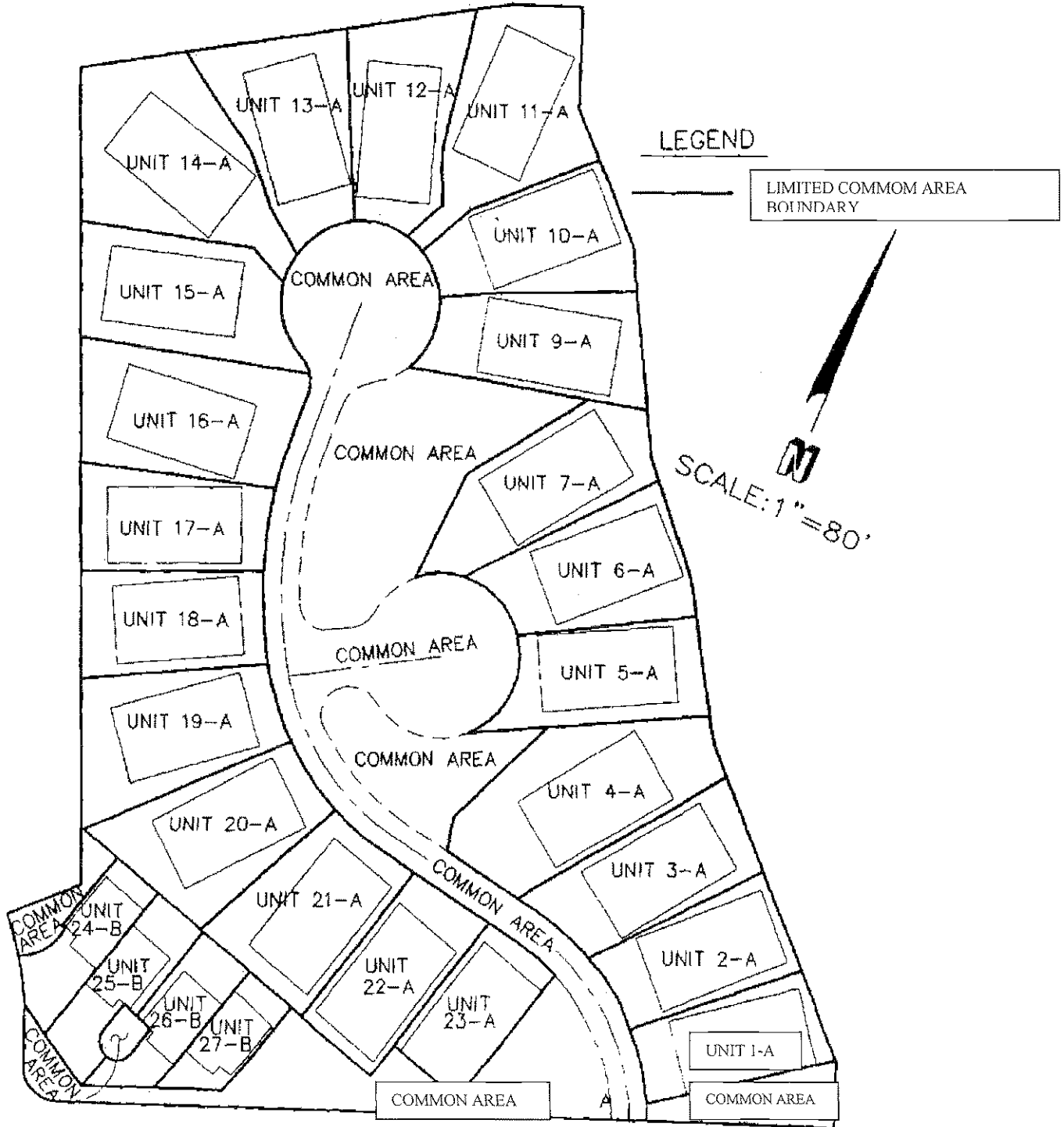
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Sharon R. Rains
Notary Public



EXHIBIT

LIMITED COMMON AREA LAKE COUNTRY ESTATES



VILLAGE BLVD.