

CONDOMINIUM DECLARATION

594643

OF

NEIL MANOR

A Condominium Project

594643

THIS CONDOMINIUM DECLARATION is made this 1st day of March, 1979, by NEIL MANOR APARTMENTS, INC., a Nevada Corporation, (herein "Developer"), for the purpose of submitting certain property to condominium use and ownership in accordance with the provisions of Chapter 117, Nevada Revised Statutes.

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WHEREAS, Developer is constructing a condominium project known as "NEIL MANOR" condominiums, and whereas Developer intend to sell and convey condominiums in such project subject to certain mutually beneficial restrictions, covenants, conditions, equitable servitudes and charges which it desires to impose thereon under a general plan of improvements of said project for the benefit of all of said condominiums and the owners thereof;

NOW, THEREFORE, Developer declares that all of the premises described in Exhibits "A" and "B" hereto including all of the condominiums and other improvements located and to be located thereon are held and shall be held, conveyed, encumbered, leased, rented, used, occupied, and improved subject to the following declarations, all of which are declared and agreed to be in furtherance of a general plan for the development, improvement, and sale of the condominiums in the project; and are intended to enhance and protect the value, desirability, and attractiveness of the project as a whole and to mutually benefit each of the condominiums located and to be located therein, and to create mutual equitable servitudes upon each of said condominiums in favor of each and all other condominiums therein, to create reciprocal rights and privity of contract and estate between all persons acquiring or owning an interest in and to said condominiums, including Developer, and their grantees, heirs, devisees, successors, and assigns, and shall be deemed to run with the land or any portion thereof or interest therein, and to a burden and benefit to all such persons, including Developer, their grantees, heirs, devisees, successors, and assigns.

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1. DEFINITIONS. Certain of the terms as used in this Condominium Declaration and in the Articles of Incorporation for the condominium association are defined and shall have meaning as follows, unless the context clearly indicates a different meaning.

- a. "Condominium Declaration" or "Declaration" means this instrument.
- b. "Developer" means NEIL MANOR APARTMENTS, a Nevada Corporation, who has made and executed this Declaration.

Restrictions indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin are hereby deleted to the extent such restrictions violate 42 USC 3604(c).

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c. "Act" means Chapter 117 of Nevada Revised Statutes.

d. "Project" means the premises described in Exhibit "A" hereto including land, all buildings, and other improvements and structures now or hereafter thereon, all easements, rights and appurtenances belonging thereto, and all personal property now owned by Owners now or hereafter used in connection therewith, subject, however, to the provisions of Paragraph 5 set forth hereinbelow.

e. "Unit" means a part of the Project intended for independent fee ownership, with the boundaries of the unit being the interior surfaces of the perimeter walls, floors, ceilings, windows, and doors thereof, and the Unit includes both the portions of the buildings so described and the airspace so encompassed, shown as a "Unit" on the subdivision map of NEIL Manor, a condominium, recorded on September 29, 1978, in the office of the County Recorder of Washoe County, Nevada, as File No. or any amendments thereto.

f. "Common Area" means the entire Project except Units above described.

g. "Limited Common Area" means that portion of the Common Area which is designated as reserved for the use of the Owner or Owners of a certain Unit or Units to the exclusion of the Owners of other Units, as described in Paragraph 2(c) herein.

h. "Condominium" means a Unit together with an undivided interest in the Common Area, including Limited Common Area, and all easements, rights, and appurtenances belonging thereto, as further set forth in Paragraph 5 hereinbelow.

i. "Association" means the Meadowood Manor Condominium Homeowners Association, a non-profit corporation.

j. "Articles" means the Articles of Meadowood Manor Condominium Homeowners Association.

k. "Owner" means any person or persons or other entity owning a Condominium in fee.

l. "Board" or "Board of Directors" means the Board of Directors of Meadowood Manor Condominium Homeowners Association as designated in the Articles of Incorporation of such Association.

m. "Manager" means the person or other entity designated by the Board to manage the affairs of the Project and to perform various other duties assigned by the Board and by the provisions of the Condominium Declaration.

n. "Condominium Rules" means such rules and regulations as the Board from time to time may adopt relative to the use of the Project or of any part thereof.

o. "Common Expenses" means all sums lawfully assessed against the Owners by the Association, including both regular periodic assessments and special assessments, as provided for in the Condominium Declaration.

p. "Association Property" means any property owned by the Association.

2. DESCRIPTIONS.

a. The boundaries of each Unit are the interior surfaces of the perimeter walls, floors, ceilings, windows, and doors thereof, and the Unit includes both the portions of the buildings so described and the airspace so encompassed.

b. The Common Area includes, but not by way of limitation, the land on which the Units are located, the roads, any perimeter fence or wall, lawn areas, trees, shrubbery and other plantings, parking areas and other land the improvements located in the Project, including recreation buildings, the tennis courts, the swimming pools, storage areas, perimeter walls of the Unit, floors, roofs, foundations, pipes, ducts, sewer lines, flues, chutes, conduits, wires, and other utility installations, services, and equipment, wherever located, except the outlets thereof when located within the unit, and all other parts of the Project, including personal property owned by the Association, necessary or convenient to its existence, maintenance and safety, or normally in common use, excepting from the Common Area the Individual Units defined in Paragraph 2(a). In interpreting deeds and plans the existing physical boundaries of the Unit or of a Unit reconstructed in substantial accordance with 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. In the event any portion of the common elements encroaches upon any Unit or any Unit encroaches upon the common elements, as a result of the construction, reconstruction, repair, shifting, settlement, or movement of any portion of the Project, a valid easement for the encroachment and for the maintenance of the same exists so long as the encroachment exists.

c. There are or may be adjacent and appurtenant to Units, balconies and patio areas, immediately adjacent to the Units which are enclosed by fences or walls, and parking spaces which are outside the perimeter walls of the Units but which are designed for the use of said Units, all of which shall be denominated Limited Common Areas. All such Limited Common Areas are limited to the exclusive use of the Owner of the Unit to which they are appurtenant.

d. Subject to the provisions of this Condominium Declarations, each Owner shall be entitled to the exclusive use of the Limited Common Area appurtenant to his Unit. The Board shall designate two parking spaces as a portion of the Limited Common Area for each Unit which shall be appurtenant to that Unit. Once designated, such space will be assigned to each Unit by inclusion in the Unit Deed. The Board shall keep accurate records of Unit Deeds reflecting all assignments of parking spaces, and such records shall be available at reasonable times to all institutional mortgagees or beneficiaries of a deed of trust holding an interest in any Condominium.

e. A non-exclusive easement for ingress and egress through the common areas is granted to each Unit Owner, which easement shall be appurtenant to each Unit, and the common area is subject to such easements.

3. STATEMENT OF PURPOSES OF CONDOMINIUM USE. The Project is intended for residential use and each Unit shall be occupied and used only for private residential purposes by the Owner and his family, or by lessees or guests of the Owner except as hereinbelow provided. No Unit shall be divided into two or more separate apartments or living units or subdivided in any manner. This restriction shall not be construed to prohibit Owners, including Developer, from leasing their Condominiums so long as the lessees thereof occupy and use the leased premises in accordance with the provisions hereof; and lessees shall have the same privileges of use as Owners, but the Owner shall at all times be responsible for any and all activities of his lessees in the use of the premises. With the exception of a lender in possession of a Unit following a default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no Unit Owner shall be permitted

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to lease his Unit for transient or hotel purposes. No Unit Owner may lease less than the entire Unit. Any lease agreement shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and the ByLaws and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing. The following provisions, together with the provisions of the Condominium Rules, are in furtherance of these purposes:

a. No use shall be made of any part of the Project which will constitute a fire hazard or which will result in the cancellation of insurance on any part of the Project or which is in violation of any law, ordinance, or governmental regulation applicable thereto. No use shall be made of any part of the Project which will increase the rate of insurance on the Common Area or Limited Common Area, without prior written consent of the Board, which consent may be withdrawn whenever in the discretion of the Board it deems such withdrawal to be in the best interest of the Project.

b. Developer shall be deemed to be the Owner of any unsold Units and may make such use of the Project as may facilitate the completion of construction and such sale including, without limiting the generality of the foregoing, the right to enter all Units, Common Area, and Limited Common Area for construction purposes, the right to store materials, the maintenance of sales office or offices, the use of Units as models the showing of property, and the displaying of signs.

c. The Board is empowered to adopt and amend, from time to time, Condominium Rules concerning use of the Project and various parts thereof, which Rules shall be furnished in writing to all Owners and which Rules shall not be violated. The Board may suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against his Unit remains unpaid and may suspend for a period not to exceed sixty (60) days these same rights of an Owner for any infraction of the Association's rules and regulations.

d. None of the rights and obligations of the Owners created herein, or in any deed conveying a Condominium from Developer to a purchaser thereof, shall be altered in any way by encroachments as a result of construction of any structures or due to settling or shifting of structures. There shall be valid easements for the maintenance of such encroachments so long as they shall exist; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful conduct of said Owner or Owners, or his contractors, agents, or lessees.

e. There shall be no judicial partition of the Project, or of any part thereof, nor shall Developer or any Owner acquiring any interest in the Project, or any part thereof, seek any such judicial partition until the happening of the conditions set forth in Paragraph 4(c) (ii) hereof in the event of non-reconstruction, provided, however, that if any Condominium shall be owned by two or more tenants in common, joint tenants, or as community property, nothing herein contained shall be deemed to prevent a judicial partition as between co-owners. No Unit in the Project may be partitioned or subdivided without the prior written approval of the holder of any first mortgage or deed of trust lien on such Unit in the event subdivision of a Unit is ever allowed by amendment.

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2. In the event of the liquidation of the Project, each Owner shall be deemed to own the respective undivided interests in the Project as set forth in Paragraph 4(c) (ii) herein.

4. INSURANCE AND VOTING IN THE EVENT OF DAMAGE OR DESTRUCTION.

a. Insurance to be Obtained. From the date of recordation of this Declaration until the election of the first Board of Directors as provided in the Bylaws of the Association, Developer shall be responsible for obtaining and maintaining, to the extent obtainable, insurance coverage as set forth in this Paragraph 4. The Board shall thereafter maintain such insurance and obtain such additional coverage as may be necessary for recently completed Units. The developer or Board, as the case may be, shall pay for such insurance as provided herein from the Common Expense assessed to the Owners. The insurance to be obtained shall be as follows:

i. A blanket policy of fire insurance with extended coverage, vandalism and malicious mischief endorsements insuring property owned by the Association, the Units, Common Area, and Limited Common Area (including without limitation all buildings and other structures, and any improvements thereto) on behalf of the Owners and their mortgages, as their respective interests may appear, and payable to the Condominium Board as trustee for the Owners, in an amount equal to the full insurable 100% replacement value of said Association Property, Units, Common Area, and Limited Common Area. Each Owner shall be assessed individually for a pro rata portion of insurance premium for Common Area and that portion of insurance premium applicable to Owner's Unit based on its value and Limited Common Area.

ii. Public liability insurance in such amounts as the Board may from time to time determine, but in no event shall the limits of liability be less than \$500,000 for injury to a person, \$1,000,000 per occurrence, and \$50,000 property damage insuring the Association, each member of the Board and the Owners, and with cross liability coverage with respect to liability claims of any one insured thereunder against any other insured thereunder. This insurance may but need not insure against the individual liability of an Owner for negligence occurring within his own Unit or within the Limited Common Area of which he has exclusive use.

iii. Workmen's Compensation insurance as required by law.

iv. Such other insurance as the Board may determine.

b. General Insurance Provisions.

i. The Board shall deal with the insurer or insurance agent in connection with the adjusting of all claims covered by insurance policies provided for under Paragraph 4(a) above and shall review with the insurer or insurance agent, at least annually, the coverage under said policies, said review to include an appraisal of improvements within the Project and shall make any necessary changes in the policy provided for under Paragraph 4 (a) (i) above (prior to the expiration date set forth in any agreed amount endorsement contained in said policy) in order to meet the coverage requirements of such Paragraph.

ii. The Board shall be required to make every effort to see that all policies of physical damage insurance provided for under Paragraph 4(a) above: (1) shall contain waivers of subrogation by the insurer as to claims against the Association, its employees, members of the Board, Owners, and members of the family of any Owner

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who reside with said Owner, except in cases of arson and fraud; (2) shall contain an agreed amount endorsement supplanting co-insurance provisions and shall contain a waiver of defence of invalidity on account of the conduct of any of the Owners over which the Association has "no control"; (3) shall provide that such policies may not be cancelled or substantially modified without at least thirty (30) days written notice to all of the insureds thereunder and all mortgagees of Condominiums in the Project; (4) shall provide that in no event shall the insurance under said policies be brought into contribution with insurance purchased individually by Owners or their mortgagees; and (5) shall exclude policies obtained by individual Owners from consideration under any "no other insurance" clause.

iii. Each Owner may obtain additional insurance policies for his own benefit and at his own expense. No such policy shall be written so as to decrease the coverage under any of the policies obtained by the Board pursuant to Paragraph 4 (a) above, and each Owner hereby assigns to the Board the proceeds of any such policy to the extent that any such policy does in fact result in a decrease in such coverage, said proceeds to be applied pursuant to the terms hereof as if produced by such coverage. Copies of all such policies (except policies covering only personal property owned or supplied by individual Owners) shall be filed with the Association.

iv. In the event of remodeling or changing the interior of the Unit, each Owner, within twenty (20) days after the commencement of construction of such improvements, shall notify the Board of all improvements to his Unit (except personal property other than fixtures) which exceed a total value of ONE THOUSAND DOLLARS (\$1,000.00) and upon receipt of such notice, the Condominium Board shall notify the insurer, under any policy obtained pursuant to Paragraph 4(a)(i) hereof, of any such improvements. Owner shall be responsible for any increase in premium due to such change or improvement by Owner.

c. Procedure in the Event of Damage or Destruction.  
In the event of damage to or destruction of any Unit, Area, or Limited Common Area, as a result of fire or other casualty:

i. The Board shall arrange for the prompt repair and restoration of the damaged or destroyed property (Association Property, Unit, Common Area, and Limited Common Area), other than the personal property of the Owners, and the Board shall disburse any insurance proceeds to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the said insurance proceeds shall constitute a common expense, and the Board may with the affirmative power assess the Owners for such excess in accordance with their interest in the Common Area. If the cost of such repair and restoration is less than the amount of said insurance proceeds, then the excess of said insurance proceeds over said cost shall be distributed by the Board to the Owners and their mortgagees, as their interests may appear in accordance with their interests in the Common Area. (In the event that the Project is damaged or destroyed to the extent of less than 75% of its value, unless the Owners by a vote of 75% of their total voting power determine otherwise in accordance with Paragraph 4(c)(iii) hereof, the mere arrangement by the Board for the repair and restoration of the damaged or destroyed said property shall be deemed a determination by the Association to repair, reconstruct and rebuild.)

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ii. If the Project is destroyed to the extent of 75% or more of its value, the Board shall call for a vote of the Owners of the Project before effecting any repairs. (The determination of the extent of such destruction when made in good faith by the Board shall be conclusive.) If a majority of the Owners vote in favor of such repairs, the Board shall proceed in accordance with Paragraph 4(c)(1). In the absence of such a majority vote, the Board shall record at the Washoe County Recorder's Office a notice of termination, and upon the filing of said notice the said property shall be deemed to be owned in common by the individual Owners. In such event, each Owner of a Unit shall be deemed to own an undivided .65444 per cent interest in the Project, and any liens on any Condominium being deemed to be transferred to the undivided interest of the Owner of said encumbered Condominium in accordance with the then existing priorities; and upon the recording of said notice, the said property shall be subject to a petition by any Owner to the Board for its sale and for partition of the net proceeds of such sale. In the event of such a petition, the said property shall be sold, as a whole or in part and at one or more sales, upon such terms and conditions as the Board in its sole discretion deems in the best interest of the Owners; and the net proceeds of such sale or sales, together with the net proceeds of insurance on said property, if any, shall be considered as one fund and shall be divided by the Condominium Board among all the Owners in proportion to their respective undivided interests in said property as set forth in this paragraph, after first paying out of the share of each Owner, to the extent sufficient for that purpose, the amount of any unpaid liens on his undivided interest in the order of the priority of such liens. All memberships in the Association formerly appurtenant to the Condominiums shall be null and void.

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iii. Notwithstanding the provisions of subparagraphs (i) and (ii) hereinabove, the Owners by a majority vote may elect to sell said property, in which event the said property shall be sold and the net proceeds thereof, together with the net proceeds of insurance on said property, if any, shall be divided in accordance with the provisions of said subparagraph (ii). In the event of any sale or sales, either under said subparagraph (ii) or this subparagraph, the members of the Board are hereby authorized to execute and deliver, on behalf of the Association and all of the Owners, any instruments necessary or required to effect such sale or sales and each Owner shall be obligated to execute and deliver such instruments and to perform such acts as may be necessary or required to effect such sale or sales.

iv. In the event of substantial damage to or destruction of any Unit or any part of the common elements, the institutional holder of any first mortgage or first deed of trust on a Unit will be entitled to timely written notice of any such damage or destruction.

5. EXTENT OF OWNERSHIP AND POSSESSION BY OWNER. Subject to the provisions of this Condominium Declaration, each Owner is entitled to exclusive ownership and possession of his Unit. Except as herein provided, each Owner shall own an undivided 1/144th interest in the Common Area, including Limited Common Area. No undivided interest described herein shall be separated from the Unit to which it appertains, it being deemed to be conveyed or encumbered with the Unit even though it is not expressly mentioned or described in the instrument of conveyance or encumbrance. Subject to the provisions of this Condominium Declaration, each Owner may use the Common Area, excepting Limited Common Area, in accordance with the purposes for which it is intended, so long as he does not hinder or

encroach upon the lawful rights of the other Owners.

6. OWNER'S OBLIGATION TO REPAIR. Each Owner shall at his own expense keep his Unit and its equipment and appurtenances in good order, condition, and repair and in a clean and sanitary condition; and shall make, at his own expense, all repairs to appliances and plumbing facilities within his Unit, all fixtures therein, all water, electric, gas, and sewer lines, and heating facilities lying within the perimeter of the Unit walls and to any air conditioner which may be located in the perimeter wall of the Unit. Owner shall do all painting, maintenance, and repair which may at any time be necessary to maintain the good appearance and condition of the interior surfaces of his Unit and the interior surfaces of the Limited Common Area of which he has exclusive use, excepting the painting, maintenance, and repair described in Paragraph 12(a)(xi) (exterior surfaces) which shall be performed by the Association as therein described. Owner shall not perform any of such exterior surface painting, maintenance, or repair, or repair or maintenance of the structural portions of the parking areas, balconies, or patios. Each Owner shall immediately notify the Manager or a member of the Board of any damage to or malfunction of any pipe, wire, or other utility installation which is in the Common Area or within his Unit. Each Owner shall also, at his own expense, keep the Limited Common Area appurtenant to his Unit in a clean, attractive, neat, and sanitary condition. All such maintenance of Owner described in this paragraph is to be at the sole cost and expense of the particular Owner.

7. PETS, PARKING, T. V. AERIALS, AND NUISANCES. No animals, except customary household pets, shall be kept by any Owner in and about the Project, nor shall any Owner ride or permit to be ridden any horse or other animal within the Project. All motor vehicles, including, but not limited to, automobiles, trucks, motorcycles, snowmobiles, and campers, and all boats and trailers shall be parked only in the areas designated by the Board. No Owner shall park any disabled or inoperable motor vehicle within the project unless such Owner is diligently proceeding to repair the vehicle, and such repair will not continue over an extended period of time as determined by the Board in its sole discretion. In the event of such diligent repair to a motor vehicle, Owner shall keep the immediate area together with the motor vehicle in a clean and neat manner at all times. No Owner shall erect or install or cause to be erected or installed any television aerial, radio aerial, or other aerial on the exterior of his Unit without first having obtained the express written permission of the Board. No Owner shall maintain, cause to be maintained, or permit to be maintained any nuisance in and about the Project. The Board shall, in its sole discretion, determine what shall constitute a nuisance. No Owner shall store articles outside of his Unit including on the patio or in the designated parking spaces unless the articles are placed inside any standard storage containers, shelves, or bins provided by the Association or approved by the Board, which storage containers, shelves, or bins shall be consistent in appearance and decor with the Project.

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8. STRUCTURAL CHANGES AND EXTERIOR APPEARANCE OF UNIT.

No owner shall, without first obtaining written consent of the Board, make or permit to be made any structural alteration or structural improvement in or to his Unit or in or to any other part of the Project. No Owner shall take any action or permit any action to be taken that will impair the structural soundness or integrity or safety of any building or other structure in the Project or impair any easement or right or personal property which is a part of the Project, without written consent of all Owners. No Owner shall paint, decorate, change, or add any item to any portion of the exterior of any building or other structure in the Project or any Common Area or Limited Common Area therein without first obtaining written consent of the Board. No Owner shall keep or permit to be kept any unsightly object or objects in and about his Unit which are visible from the exterior of such Unit; such determination shall be in the sole discretion of the Board.

9. ENTRY FOR REPAIRS. The Association shall have the irrevocable right, to be reasonably exercised by the Board or its agents, to enter any Unit when necessary in connection with any repair, maintenance, or construction for which the Board is responsible or the enforcement of the Condominium Rules and shall have the irrevocable right, to be reasonably exercised by the Board or its agents, or by any two or more Owners acting as a group, to enter any Unit when the Owner thereof is absent for the purpose of making emergency repairs necessary to prevent damage to other parts of the Project or to enter any Unit to effect necessary repairs which the Unit Owner has failed to perform after written notice to him concerning such repairs. Such entry shall be made with as little inconvenience to the Owner as practicable, and any damage caused by such entry or expense in connection therewith shall be borne by the Association.

10. NOTICE OF TRANSFER. Immediately after any approved transfer of title to any Condominium, either the transferring Owner or the acquiring Owner shall give notice to the Board of such transfer, including the name and address of the acquiring Owner and the date of transfer.

11. ASSOCIATION MEMBERSHIP.

a. The Association shall, immediately following the recordation of the Declaration, cause the Articles to be filed with the Secretary of State of the State of Nevada.

b. There shall be and there is hereby issued effective upon filing the Articles one membership in the Association appurtenant to each Unit in the Project. The membership shall be in the holder of a fee simple interest in the Unit or a contract of sale buyer of such Unit (contract of sale herein is defined to be the security interest document and not the marketing document).

c. Except as herein provided, each member shall be entitled to one vote for each Unit owned by him. In the case of a Unit held by two or more persons, the voting power shall be exercised by just one Owner who shall be designated in writing by all the Owners or, in the absence of such designation by the Owners, shall be selected by the Board.

d. No membership may be severed or separated from the Unit to which it is appurtenant, and any sale, transfer, or conveyance of such Unit shall operate to sell or transfer the appurtenant membership without the requirement of express reference thereto.

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12. POWERS OF THE BOARD. The Board shall be composed of members of the Association and shall have the powers and duties specifically conferred upon it by the Act, the Condominium Declaration, and the Articles and ByLaws adopted pursuant thereto, Chapter 81 and 78 of the Nevada Revised Statutes, and all other powers and duties necessary for the administration of the affairs of the Association and the Project and the enforcement of the provisions hereof, including, without limiting the generality of the foregoing:

a. The power and duty to pay for the following items out of Common Expenses:

i. Trash collection, snow removal, water, electrical, telephone, and gas and any other necessary utility service for the Common Area, the Association property and (to the extent not separately metered or charged), for the Units.

ii. A policy or policies of fire insurance, with extended coverage endorsements, as required by this Condominium Declaration.

iii. A public liability insurance policy or policies as required by this Condominium Declaration.

iv. Vehicle liability and property damage insurance insuring any vehicles purchased by the Association for the use of employees of the Association naming such employees as insureds thereunder.

v. Such other insurance, including Workmen's Compensation Insurance, as required by law or as the Board may determine.

vi. Any legal and accounting services necessary or proper for the execution of its functions.

vii. A fidelity bond naming the Treasurer and any other representative of the Association (including members of the Board and other officers who handle or are responsible for funds of the Association), and such other persons as may be designated by the Board, as principals and the Owners as obligees, for the first year in an amount equal to cash requirement for Common Expenses for that year and for each year thereafter in an amount equal to at least fifty per cent (50%) of the total sum collected as Common Expenses during the preceding year.

viii. Such maintenance, repair, and all gardening and landscaping of the Common Area, in order to maintain such landscaping in good condition and appearance.

ix. The operation and maintenance of all recreation facilities situate on the Common Area in order to maintain such facilities in good condition and appearance.

x. The cost of repair and maintenance of all utility services, lines, and equipment, including sewer lines, located outside of the boundaries of any Unit in order to keep such utilities and services in good condition. The Board, at its sole discretion, may assess an Owner for such repairs if such repairs were necessitated by the negligence or willful conduct of that Owner.

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xi. The cost of painting, repair, and maintenance of all exterior walls, roof and other exterior surfaces and structural portions of the Unit and the Limited Common Area, including any storage containers, shelves, or bins provided by the Association, reasonably necessary to keep all such exterior surfaces and structures in good condition, attractive, and in harmony with the decor of the Project. No change in color scheme of exterior surfaces of any Unit or Limited Common Area shall be made without the consent of the Owner of the Unit and of all the members of the Board.

xii. Such furnishings, tools, equipment, appliances, and other personal property for the Common Area and for Association Property as the Board shall determine are necessary or proper, and the Board or Manager shall have the exclusive right and duty to acquire and repair and maintain the same.

xiii. Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Board is authorized to secure or pay for pursuant to the terms of the Condominium Declaration or ByLaws (including, without limitation, any emergency repairs to any Unit which in the discretion of the Board are necessary to prevent damage to other parts of the Project), or which in its opinion shall be necessary or proper for the operation of the Common Area, the Limited Common Area, the Association Property or for the enforcement of the Condominium Declaration, provided that if any such materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes, or assessments are provided for particular Units, the cost thereof shall be specifically assessed to the Owners of such Units.

xiv. Maintenance and repair of any Unit not described in subparagraphs (x) and (xi) above, if such maintenance or repair is reasonably necessary in the discretion of the Board to protect the Common Area or preserve the appearance and value of the Project, and the Owner of said Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Board to said Owner, provided that the Board shall levy a special assessment against said Owner for the cost of said maintenance or repair which shall be paid in full when billed unless the Board shall provide otherwise.

xv. The Board's power shall be limited in that it shall have no authority to acquire and pay for out of Common Expenses, capital additions and improvements or structural alterations (other than for purposes of replacing portions of the Common Area or Association Property, subject to the provisions of the Declaration) having a cost in excess of FIVE THOUSAND DOLLARS (\$5,000.00) unless such additions, improvements, or alterations have been approved by a majority of the members of the Association.

xvi. The Association shall have an express affirmative duty to perform all requirements of this paragraph.

b. The power and duty to designate a banking institution or institutions as depository for the Association's funds, and the officer or officers from time to time authorized to make withdrawals therefrom and to execute obligations on behalf of the Association.

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c. The power to borrow money, or to purchase goods on credit in behalf of the Association, for Association purposes. A resolution by the Board that the interest of the Association requires the borrowing of money or establishing credit shall be sufficient evidence for any person that the borrowing of money or establishment of credit is for a proper purpose. Any borrowing or establishing of credit in excess of \$5,000.00 shall require the affirmative vote of a majority of the Owners.

d. The power and duty to adopt and amend, from time to time, and to enforce Condominium Rules.

e. The Board shall have the exclusive right to contract for all such goods, services, and insurance referred to herein, which right may be delegated by it. No service contract shall be for a longer period than one (1) year and it may be renewable by agreement of the parties for successive one-year periods. Any management agreement for the Project shall provide that it may be terminated by the Association for good cause upon thirty (30) days' written notice. The Board shall engage the services of a professional Manager to manage the Project, as well as the services of any other personnel as the Board may determine to be necessary, whether such personnel are employed directly by the Board or are furnished by the Manager. The Board may delegate certain of its powers and duties to such professional Manager in order for such Manager to carry out its duties.

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13. COMMON EXPENSES.

a. The Association shall operate on a calendar-year basis.

b. Within thirty (30) days prior to the beginning of each calendar year, the Board shall estimate the Common Expenses to be required during the twelve (12) month period commencing with the following January 1st (including a reasonable provision as a reserve for contingencies and replacements, less any surplus in the Common Expense fund for the fiscal year just ended). The Common Expenses shall also include any amounts necessary to make up any deficit for said fiscal year just ended, any amounts required by an excess of repair and restoration costs over insurance proceeds and any other amounts required by the terms of this Condominium Declaration or the Act. Common Expenses shall be assessed equally to the Owners except as hereinbelow provided and except as provided in Paragraphs 4(a)(i) and 4(b)(iv) relating to insurance. If said estimate sum proves inadequate for any reason, including nonpayment of any Owner's assessment, the Board may at any time levy a further assessment. Each Owner shall be obligated to pay to the Board of Directors the assessments made against him, and such payments shall be due in equal monthly installments on or before the first day of each month during the twelve (12) month period commencing with said January 1st, or in such other reasonable manner as the Board shall designate. Upon an Owner's failure to pay any amount of such assessment when due, then the Board may accelerate the balance of such yearly assessment, that is, declare the entire amount of such assessment immediately due and payable although the time for payment of such sum as provided herein shall not have arrived. In the event a Condominium is rendered uninhabitable by fire or other casualty, the Board, in its discretion, may abate all or a portion of the Common Expenses assessed against the Owner of said Condominium while it remains uninhabitable.

c. The failure of the Board to fix the assessments for such a twelve (12) month period prior to the commencement of such a period shall not be deemed a waiver or modification in any respect

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of the provisions hereof, or a release of the Owners from the obligation to pay the assessments, or any installment thereof for such period, but the assessment fixed for the preceding twelve (12) month period shall continue until a new assessment is fixed. No Owner may exempt himself from liability for his assessment for the Common Expenses by waiver of the use or enjoyment of any of the Common Area or by abandonment of his Unit.

d. All funds collected hereunder shall be expended for the purpose designated herein.

e. The Board's powers in regard to increasing the yearly assessment as set forth above shall be limited in that the Board shall have no authority to increase the maximum yearly assessment more than twenty per cent (20%) over the previous year without a majority vote of the membership of the Association.

14. ASSESSMENTS.

a. Each Owner shall pay all Common Expenses assessed against him and all other assessments made against him by the Board in accordance with the terms of the Condominium Declaration. Each assessment shall be separate, distinct, and a personal debt and obligation of the Owner against whom the same is assessed. The assessment provided for herein shall commence as to all Units on the day of the conveyance of the first Unit to an Owner who is not the Developer.

b. A reasonable assessment upon any parcel made in accordance with these restrictions shall be a debt of the Member at the time the assessment is made. The amount of any such assessment, plus any other charges such as interest, costs (including attorney's fees), and penalties, as such may be provided for in these Bylaws, shall be and become a lien upon the parcel assessed when the management body causes to be recorded a notice with the County Recorder of Washoe County, which shall state:

- (i) The amount of such assessment and such other charges thereon as may be authorized by these Bylaws.
- (ii) A description of the parcel against which the same has been assessed; and
- (iii) The names and addresses of the record owners thereof.

Such notice shall be signed by an authorized representative of the management body, or as otherwise provided in these Bylaws. Upon payment of the assessment and charges in connection with which such notice has been so recorded, or other satisfaction thereof, the management body shall cause to be recorded a further notice stating the satisfaction and release of the lien thereof.

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c. Such lien shall be prior to all other liens recorded subsequent to the recordation of the notice of assessment, except that these Bylaws may provide for the subordination thereof to any other liens and encumbrances. Unless sooner satisfied and released or the enforcement thereof initiated as provided in paragraph (j) hereinbelow, such lien shall expire and be of no further force or effect one (1) year from the date of recordation of the notice of assessment, but the one-year-period may be extended by the management body for not to exceed one additional year by recording a written extension thereof.

d. Such lien may be enforced by sale by the management body, its agent or attorney, after failure of the Member to pay such an assessment in accordance with the terms, such sale to be conducted in accordance with the provisions of Covenants Numbers 6, 7 and 8 of NRS 107.030, and NRS 107.080 and 107.000, applicable to the exercise of powers of sale in Deeds of Trust, or in any other manner permitted by law. Unless otherwise provided in these Bylaws, the management body shall have power to bid in the parcel at foreclosure sale and to hold, lease, mortgage and convey the same.

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15. MORTGAGEE PROTECTION. Notwithstanding all other provisions hereof:

a. The liens created hereunder upon any Condominium shall be subject and subordinate to, and shall not affect the rights of the holder of the indebtedness secured by any recorded first mortgage (meaning a mortgage or deed of trust with first priority over other mortgages) upon such interest made in good faith and for value and such liens created hereunder are extinguished on any foreclosure sale of such first mortgages, provided that after the foreclosure of any such mortgage there may be a lien created pursuant to Paragraph 14 hereof on the interest of the purchaser at such foreclosure sale to secure all assessments, whether regular or special, assessed hereunder to such purchaser as an Owner after the date of such foreclosure sale, which said lien, if any claimed, shall have the same effect and be enforced in the same manner as provided herein.

b. By subordination agreement executed by a majority of the Board, the benefits of (a) and (c) of this paragraph may be extended to mortgages not otherwise entitled thereto.

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c. Any institutional holder of a first mortgage or first deed of trust on a Unit in the Project will, upon request, be entitled to: (i) inspect the books and records of the Project during normal business hours; (ii) receive an annual audited financial statement of the Project within 90 days following the end of any fiscal year of the Project; and (iii) written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

d. There shall be no abandonment or termination of the Project, except for abandonment or termination provided by Paragraph 4(c)(ii) relating to destruction and Paragraph 17 relating to condemnation without the prior written consent of each institutional holder of a first deed of trust or mortgage on Units in the Project.

e. No amendment to this paragraph shall affect the rights of the holder of any such mortgage recorded prior to recordation of such amendment who does not join in the execution hereof.

16. CONDEMNATION. In the event of a taking in condemnation or by eminent domain of part or all of the Common Area, the award made for such taking shall be payable to the Board. The Association shall take a vote of the Owners of the affected Common Area within sixty (60) days of such taking and if a majority of the voting power approve the repair and restoration of such Common Area, the Board shall arrange for the repair and restoration of such Common Area. The Board shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that the Owners do not so approve the repair and restoration of such Common Area, the Board shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Paragraph 4(c)(ii) hereof. Any institutional holder of any first mortgage or deed of trust on a Unit will be entitled to timely written notice of any such proceeding or proposed acquisition.

17. WAIVER. The failure of the Board or Manager to insist, in any instance, upon the strict performance of any of the terms, covenants, conditions, or restrictions of this Condominium Declaration or of the ByLaws, or to exercise any right herein or therein contained, or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment for the future, of such term, covenant, condition, restriction, or right, but such term, covenant, condition, restriction, or right shall remain in full force and effect. The receipt by the Board or Manager of any assessment from an Owner with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver by the Board or Manager of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board or Manager.

18. LIABILITY OF THE BOARD. The members of the Board shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith and except as provided hereinbelow. The Unit Owners shall indemnify and hold harmless each of the members of the Board against all contractual liability to others arising out of contracts made by the Board on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Condominium Declaration, the Articles, or ByLaws. The liability

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of any Owner arising out of any contract made by the Board or out of the aforesaid indemnity in favor of the members of the Board shall be limited to such proportion of the total liability thereunder as his interest in the Common Area bears to the interests of all the Owners in the Common Area. The provisions of this Paragraph 19 do not apply to and shall not preclude claims for property damage and bodily injury by Owners against the Board or any other insured under the liability insurance required by Paragraph 4(a)(ii).

19. ENFORCEMENT. Each Owner shall comply strictly with the provisions of this Condominium Declaration and the Condominium Rules as the same may be lawfully amended from time to time and with decisions adopted pursuant to said Condominium Declaration and Condominium Rules, and failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief, or both, maintainable by the Board or Manager on behalf of the Owners, or in a proper case, by an aggrieved Owner, in addition to the remedies provided by Paragraph 3(c) herein.

20. NOTICES. All notices hereunder to the Association, the Board, and the Manager shall be sent by registered or certified mail to the Board or Manager at the Project, or to such other address as the Board may designate from time to time by notice in writing to all Owners. All notices to any Owner shall be sent by registered or certified mail to his Unit or to such other address as may be designated by him from time to time, in writing, to the Board. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received, and except as otherwise provided herein.

21. RESERVATION OF UTILITY EASEMENTS. Developer reserves the right to establish and convey subsequent utility easements provided that if any damage is caused to landscaping or other improvements on the above-described property as a result of construction incidental to said easements, Developer, or their successors or assigns, shall have such damage repaired promptly.

22. AIRPORT NOISE. The Owners take their interest in their Condominium subject to the fact that the Project is situated in the vicinity of the Reno International Airport and at various times there may be considerable noise from airplanes.

23. INVALIDITY. The invalidity of any part of this Condominium Declaration shall not impair or affect in any manner the validity, enforceability or effect of the balance of the Condominium Declaration.

24. INTERPRETATION. The provisions of this Condominium Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a condominium project.

25. AMENDMENT. Except as otherwise provided herein and in the Act, as amended from time to time, the provisions of this Condominium Declaration may be amended by Owners holding seventy-five per cent (75%) of the total voting power hereunder, which amendment shall be effective upon recordation in the official records of Washoe County, Nevada, provided that the prior written approval of each institutional holder of a first deed of trust or mortgage lien on any Unit in the Project is obtained as to any of the following amendments: (a) an amendment which would change the percentage interests of the Unit Owners in the Project, (b) an amendment terminating the requirement of professional management and establishment of self-management of the Project by the Association, and (c) an

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(EXHIBIT "A")

DESCRIPTION

Situate in the City of Reno, County of Washoe, State of Nevada, as follows:

PARCEL 1

Units 1 thru 144 of NEIL MANOR, a Condominium Subdivision, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on September 29, 1978, under Filing No. 561082.

PARCEL 2

An undivided 144/144 interest in the Common Area as said common area is shown on the map of said condominium project.

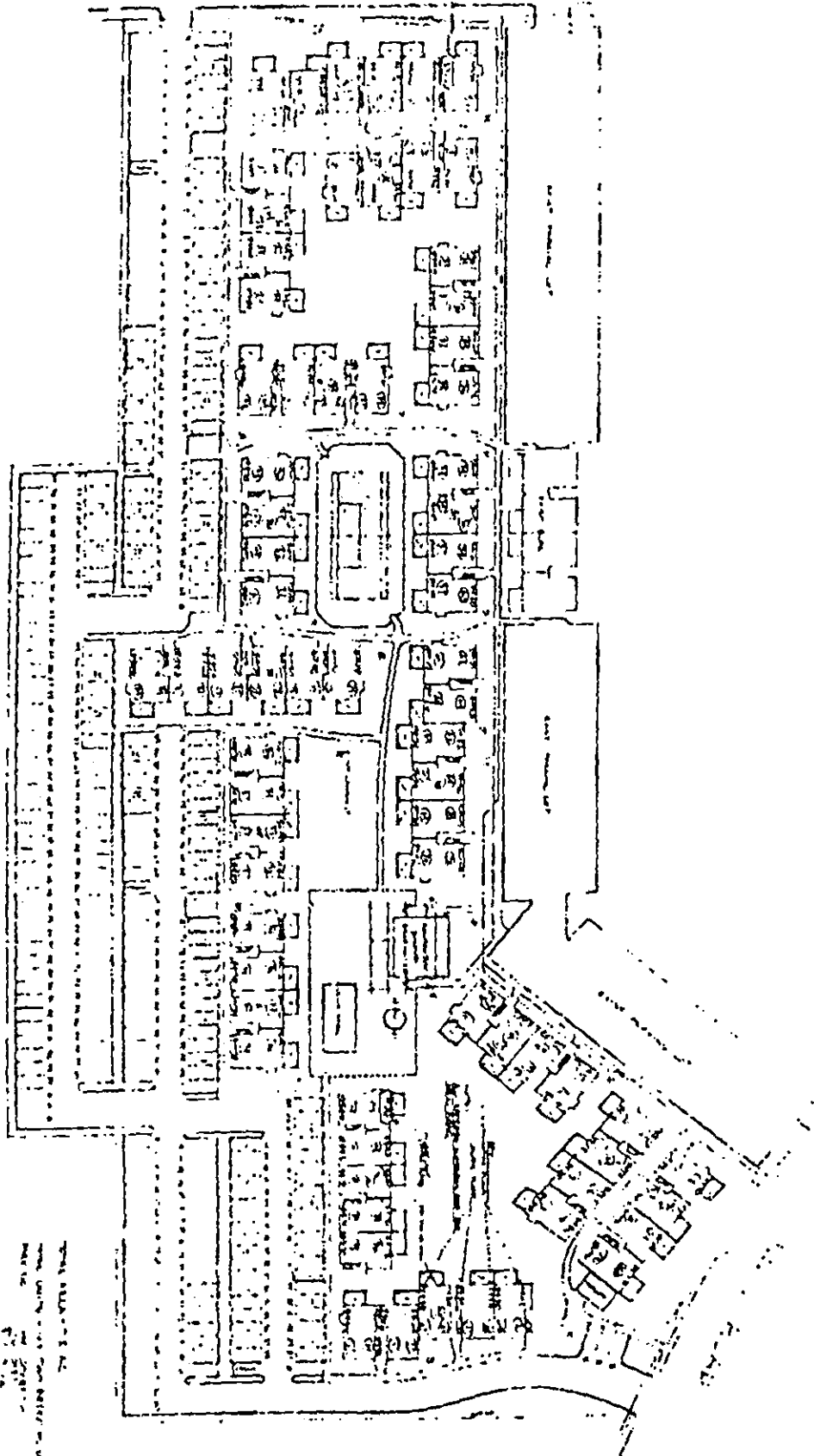
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594643

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NOTE: ALL NUMBERED UNITS ALWAYS ON GROUND FLOOR.  
EVEN NUMBERED UNITS ALWAYS ON UPPER FLOOR.



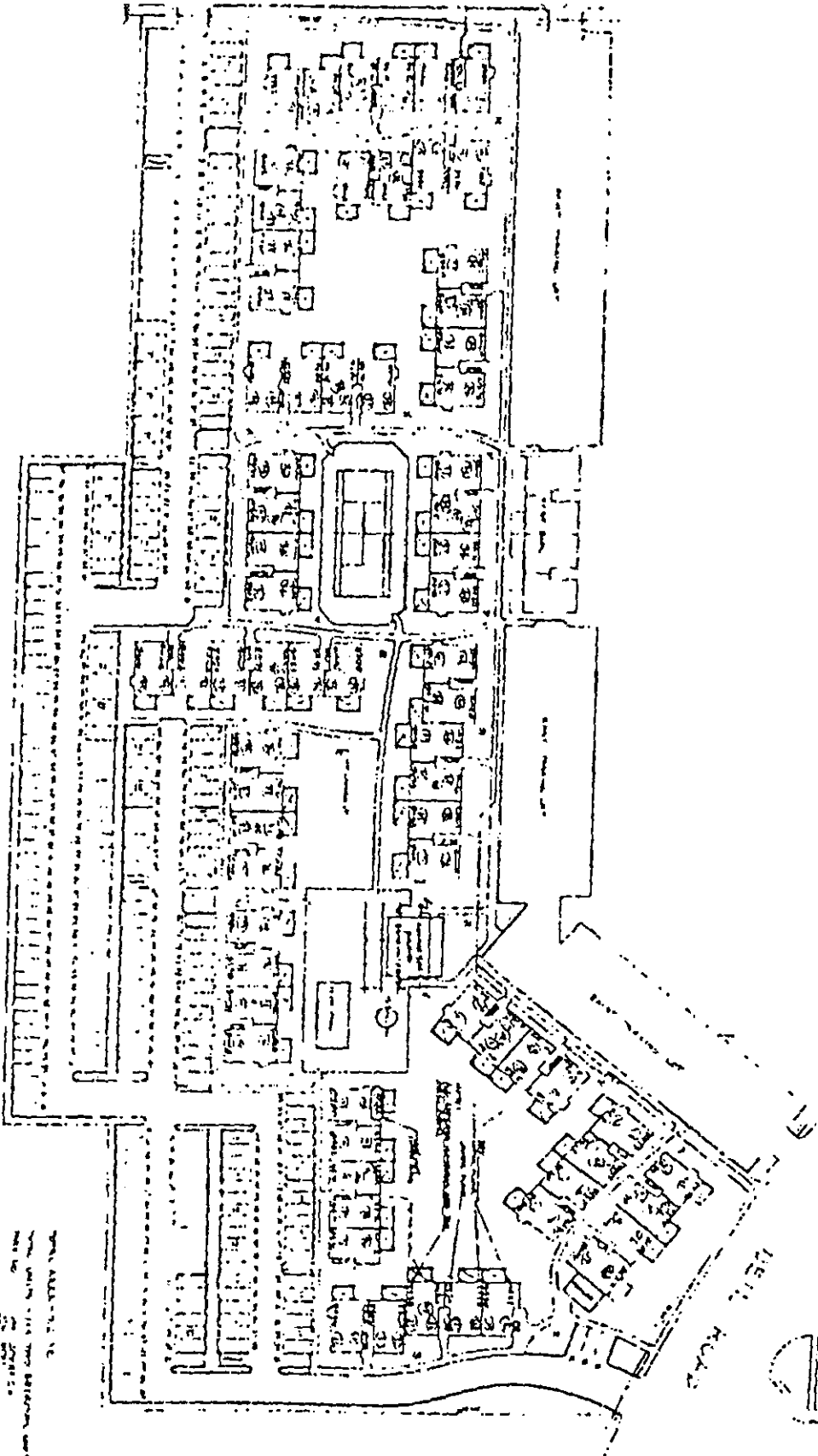
Planning & Design 222 West 1st Salt Lake City, UT 84101 Phone: (801) 525-1111	STE PLAIN - AREA 7 1000 WEST CENTER - 1000 WEST CENTER 1000 WEST CENTER - 1000 WEST CENTER	1000 WEST CENTER - 1000 WEST CENTER 1000 WEST CENTER - 1000 WEST CENTER 1000 WEST CENTER - 1000 WEST CENTER	1000 WEST CENTER - 1000 WEST CENTER 1000 WEST CENTER - 1000 WEST CENTER 1000 WEST CENTER - 1000 WEST CENTER
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TOTAL AREA: 1,200,000 SQ. FT.  
 TOTAL UNITS: 1,200  
 TOTAL COST: \$12,000,000

591643

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NOTE: ODD NUMBERED UNITS ALWAYS ON GROUND FLD. EVEN NUMBERED UNITS ALWAYS ON UPPER FLOOR.



RECEIVED MAR 20 1979 COUNTY REC'D	CITY CLERK - MARK REGISTERED MAR 20 1979	1369 PAGE 545 A
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PLAN AREA 11,111 SQ. FT.  
TOTAL AREA 11,111 SQ. FT.  
TOTAL UNITS 111  
TOTAL BATHS 111  
TOTAL STAIRS 111  
TOTAL ELEVATORS 111

594643

OFFICIAL RECORDS  
WASHIE COUNTY, I.E.V.  
RECORD REQUESTED BY  
Title Ins. & Trust Co.

MAR 20 1979. 847  
COUNTY REC'D  
FEE 2.00  
D.P. 9.00