

Section 5. Priority of Easements. Wherever easements granted to the County are, in whole or in part, coterminous with any other easements, the easements of the County shall have and are hereby granted priority over said other easements in all respects.

ARTICLE VIII Insurance

Section 1. Liability Insurance. To the extent such insurance is reasonably obtainable, the Association shall obtain and maintain comprehensive public liability insurance insuring the association, any manager and the Owners and occupants of Condominiums, and their respective family members, guests, invitees, and the agents and employees of each, against any liability incident to the ownership or use of the Common Area and including, if obtainable, a cross-liability or severability of interest endorsement insuring each insured against liability to each other insured. The limits of such insurance shall not be less than ONE MILLION DOLLARS (\$1,000,000.00) covering all claims for death, personal injury and property damage arising out of a single occurrence. Such insurance shall include coverage against water damage liability, liability for nonowned and hired automobiles, liability for property of others and any other liability or risk customarily covered with respect to projects similar in construction, location, and use.

Section 2. Fire and Extended Coverage Insurance. The Association also shall obtain and maintain a master or blanket policy of fire insurance for the full insurable value of all of the improvements within the Properties. The form content and term of the policy and its endorsements and the issuing company must be satisfactory to all institutional mortgagees. If more than one institutional mortgagee has a loan of record against the Properties, or any part thereof, the policy and endorsements shall meet the standards of the various institutional mortgagees represented in the Properties. The policy shall contain an agree amount endorsement or its equivalent, an increased cost of construction endorsement or a contingent liability from operation of building laws endorsements, or their equivalent, an extended coverage endorsement, vandalism, malicious mischief coverage, a special form endorsement and a determinable cash adjustment clause or a similar clause to permit cash settlements covering the full insurable value of the improvements in case of partial destruction and a decision not to rebuild. The policy shall be in the amount as shall be determined by the Board. The policy shall name as insured the Association, the Owners and all institutional mortgagees as their respective interests may appear, and may contain a loss payable endorsement in favor of the trustee described in Section 5 below.

Section 3. Copies of Policies. Copies of all insurance policies (or certificates thereof showing the premiums thereon to have been paid) shall be retained by the Association and shall be available for inspection by Owners at any reasonable time.

Section 4. Individual Fire Insurance Limited. Except as provided in this Section, no Owner can separately insure the Owner's Unit or any part of it against loss by fire or other casualty covered by an

insurance carried under Section 1 of this Article VIII. If any Owner violates this provision, any diminution in insurance proceeds otherwise payable pursuant to the provisions of Section 4 that results from the existence of such other insurance will be chargeable to the Owner who acquired other insurance and the Owner will be liable to the Association to the extent of any such diminution. An Owner can insure the Owner's personal property against loss. In addition, any improvements made by an Owner within the Owner's Unit may be separately insured by the Owner, but the insurance is to be limited to the type and nature of coverage commonly known as "tenant's improvements." All such insurance that is individually carried must contain a waiver of subrogation rights by the carrier as to other Owners, the Association and institutional first mortgagees of such Condominium.

Section 5. Trustee. All insurance proceeds payable under Section 1 and 2 of this Article VIII may, in the discretion of the Board of Directors, be paid to a trustee, to be held and expended for the benefit of the Owners, mortgagees and others, as their respective interests shall appear. Said trustee shall be a commercial bank in Douglas County that agrees in writing to accept such trust. If repair or reconstruction is authorized, the Board shall have the duty to contract for such work as provided in this Declaration.

Section 6. Other Insurance. The Board may and, if required by any mortgagee, shall purchase and maintain demolition insurance in adequate amounts to cover demolition in case of total or partial destruction and a decision not be rebuild, and a blanket policy of flood insurance. The Board also shall purchase and maintain worker's compensation insurance, to the extent that it is required by law, for all employees or uninsured contractors of the Association. The Board also shall purchase and maintain fidelity bonds or insurance (which shall be in an amount not less than Fifty percent (50%) of each year's estimated annual operating expenses and shall contain an endorsement of coverage of any person who may serve without compensation) sufficient to meet the requirements of any mortgagee. The Board shall also purchase and maintain such insurance on utility line easements crossing public land as may be required by any public agency granting such easement. The Board shall purchase and maintain such insurance on personal property owned by the Association, and any other insurance, including directors and officers liability insurance, and bonds that it deem necessary or required by any mortgagee.

Section 7. Owner's Insurance. An Owner may carry whatever personal liability and property damage liability insurance with respect to the Owner's Unit that the Owner desires. However, any such policy shall include a waiver of subrogation clause acceptable to the Board and to any first mortgagee.

Section 8. Adjustment of Losses. The Board is appointed attorney-in-fact by each owner to negotiate and agree on the value and extent of any loss under any policy carried pursuant to Section 1, 2 and 6 of this Article VIII. The Board is granted full right and authority to compromise and settle any claims or enforce any claim by legal action or otherwise and to execute releases in favor of any insurer.

ARTICLE IX
Damage or Destruction

Section 1. Destruction; Proceeds Exceed Eighty-Five Percent (85%) of Reconstruction Costs. If there is a total or partial destruction of the improvements within the properties, and if the available proceeds of the insurance carried pursuant to Article VIII are sufficient to cover not less than eighty-five percent (85%) of the costs of repair and reconstruction, the improvements shall be promptly rebuilt unless, within 90 days from the date of destruction, Members then holding at least seventy-five percent (75%) of the total voting power present and entitled to vote, in person or by proxy, at a duly constituted meeting or by written ballot, determine that such repair and reconstruction shall not take place. If repair and reconstruction is to take place, the Board shall be required to execute, acknowledge and record in the office of the Douglas County Recorder, not later than 120 days from the date of such destruction, a certificate declaring the intention of the Members to rebuild.

Section 2. Destruction; Proceeds Less than Eighty-Five Percent (85%) of Reconstruction Costs. If the proceeds of insurance are less than eighty-five percent (85%) of the cost of repair and reconstruction, repair and reconstruction may nevertheless take place if, within 90 days from the date of destruction, Members then holding at least fifty-one percent (51%) of the total voting, present and entitled to vote, in person or by proxy, at a duly constituted meeting or by written ballot, determine that such repair and reconstruction shall take place, the Board shall be required to execute, acknowledge and record in the office of the Douglas County Recorder, not later than 120 days from the date of such destruction, a certificate declaring the intention of the Members to rebuild.

Section 3. Rebuilding Procedures. If the Members determine to rebuild pursuant to Sections 1 or 2, all of the Owners shall be obligated to contribute their proportionate share of the cost of reconstruction or restoration of the Common Area and any structural Common Area housing any portion of the Units, over and above the available insurance proceeds. The proportionate share of each Owner with respect to such reconstruction or restoration shall be based upon the ratio of the square footage of the floor area of each Owner's unit to the total square footage of the floor area of all Units. If any Owner fails or refuses to pay that Owner's proportionate share, the Board may levy a Special Individual Assessment against the Condominium of such Owner which may be enforced under the lien provisions contained in Article IV or in any other manner provided in this Declaration.

If any Owner disputes the amount of that Owner's proportionate liability under this Section 3, such Owner may contest the amount by submitting to the Board within 10 days after notice to the Owner of the Owner's share of the liability, written objections supported by cost estimates or other information that the Owner deems to be material and a request for hearing before the Board at which the Owner may be represented by counsel. Following such hearing, the Board shall give written notice of its decision to all Owners, including any recommendation that adjustments be made with respect to the liability of

any Owners. If such adjustments are recommended, the notice shall schedule a special meeting of Members for the purpose of acting on the Board's recommendation, including making further adjustments, if deemed by the Members to be necessary or appropriate. All adjustments shall be affirmed or modified by fifty-one percent (51%) of the total voting power of the Members, present and entitled to vote, in person or by proxy, at a duly constituted meeting or by written ballot. If no adjustments are recommended by the Board, the decision of the Board shall be final and binding on all Owners, including any Owners filing objections.

Section 4. Rebuilding Contract. If the Members determine to rebuild, the Board shall reconstruct the Properties substantially in accordance with the original plan. The Board or its authorized representative shall obtain bids from at least two reputable contractors and shall award the repair and reconstruction work to the lowest qualified bidder. The Board shall have the authority to enter into a written contract with the contractor for such repair and reconstruction, and the insurance proceeds held by the trustee shall be disbursed to the contractor according to the terms and conditions of the agreement. It shall be the obligation of the Board to take all steps necessary to assure the commencement and completion of authorized repair and reconstruction at the earliest possible date.

Section 5. Rebuilding Not Authorized. If the Members determine not to rebuild, then any insurance proceeds then available for such rebuilding shall be distributed to the Owner of each Condominium in proportion to the respective fair market values of the Units at the time of destruction as determined by an independent appraisal conducted in accordance with the provisions of Article X, Section 4 hereof. The Board shall have the duty, within 120 days from the date of such destruction, to execute, acknowledge and record in the office of the County Recorder of Douglas County, a certificate declaring the intention of the Members not to rebuild.

Section 6. Minor Repair and Reconstruction. In any case, the Board shall have the duty to repair and reconstruct improvements, without the consent of Members and irrespective of the amount of available insurance proceeds, in all cases of partial destruction when the estimated cost of repair and reconstruction does not exceed 5 percent of the budgeted gross expenses of the Association for the fiscal year when aggregated with any other Special Assessments for the same fiscal year. Any amounts paid by the Board hereunder shall be assessed to the Units upon the basis of the ratio of square footage of the floor area of the Unit to the total square footage of the floor area of all Units.

Section 7. Revival of Right to Partition. On recordation of a certificate described in Section 5(c), the right of any Owner to partition through legal action as described in Article XI hereof shall revive immediately.

Section 8. Appraiser. Wherever in this Article IX or in Article X reference is made to a determination of the value or fair market value of one or more Condominiums by an appraiser, this shall mean an

appraisal by an independent appraiser selected by the Board, who shall be a member of the Society of Real Estate Appraisers (SREA) or other nationally recognized appraiser organization and who shall apply its or such other organization's standards in determining the value or fair market value of each Condominium. The costs of such appraisals shall be paid from the sale or insurance proceeds, as the case may be.

ARTICLE X Condemnation

Section 1. Sale by Unanimous Consent. If an action for condemnation of all or a portion of the Properties is proposed or threatened by any governmental agency having the right of eminent domain, then, on unanimous written consent of all of the owners and after written notice to all mortgagees, the Properties, or a portion of it, may be sold by the Board acting as irrevocable attorney-in-fact of all of the Owners for a price deemed fair and equitable by the Board but in no event less than the aggregate unpaid balance of all mortgages encumbering Condominiums on the Properties.

Section 2. Distribution of Proceeds of Sale. On a sale occurring under Section 1, if the agreement of sale does not by its terms apportion the sale proceeds among the Owners and their respective mortgagees, the Board shall select an independent SREA appraiser who shall determine the relative fair market values of the Condominiums affected by the sale, in accordance with SREA standards. The sale proceeds shall then be apportioned among the Owners and their respective mortgagees, according to such relative values.

Section 3. Distribution of Condemnation Award. If the Properties, or a portion of it, are not sold but are instead taken, the judgment of condemnation shall by its terms apportion the award among the Owners and their respective mortgagees.

Section 4. Appraisal if Condemnation Award Not Apportioned. If the judgment of condemnation does not by its terms apportion the award among the Owners and their respective mortgagees, the Board shall select an independent SREA appraiser who shall determine the relative fair market values of the Condominiums affected by the condemnation, in accordance with SREA standards. The award shall then be apportioned among the Owners and their respective mortgagees, according to such relative values.

Section 5. Revival of Right to Partition. On sale or on taking that renders more than fifty percent (50%) of the Units in the Properties uninhabitable, the right of any Owner to partition through legal action shall revive immediately.

ARTICLE XI
Partition

Section 1. Suspension. The right of partition is suspended pursuant to Nevada Statutes as to the Properties. Partition of the Properties can be had on a showing that the conditions for the partition as stated in Article IX, Section 7 have been met. Nothing in this Declaration shall prevent partition or division of interest between joint or common owners of one Condominium.

Section 2. Distribution of Proceeds. Proceeds or property resulting from a partition shall be distributed to and among the respective Owners and their mortgagees as their interests appear as follows: The Board shall select an independent SREA appraiser who shall determine the relative fair market values of the Condominiums in accordance with SREA standards. The proceeds or property shall then be apportioned among the Owners and their respective mortgagees, according to such relative values. Such relative values shall be determined as of a date immediately prior to any sale, taking or destruction of the Properties.

Section 3. Power of Attorney. Pursuant to Nevada Statutes, each Owner grants the Association an irrevocable power of attorney to sell the Properties for the benefit of the Owners when partition can be had. Exercise of the power is subject to the approval of 51% of the voting power of the Members and their first mortgagees.

ARTICLE XII

Non-Severability of
Component Interests in a Condominium

Section 1. Prohibition Against Severance. An Owner shall not be entitled to sever the Owner's Unit or Condominium interest from the Owner's Membership in the Association, and shall not be entitled to sever the Owner's Unit and Membership from the Owner's undivided interest in the Common Area for any purpose. None of the component interests in a Condominium can be severally sold, conveyed, encumbered, hypothecated, or otherwise dealt with, and any violation or attempted violation of this provision shall be void. Similarly, no Owner can sever any exclusive easement appurtenant to the Owner's Unit over the Common Area from the Owner's Condominium, and any attempt to do so shall be void. The suspension of this right of severability will not extend beyond the period set forth in Article XI respecting the suspension of partition. It is intended hereby to restrict severability pursuant to Nevada Statutes.

ARTICLE XIII
Breach or Default

Section 1. Remedy at Law Inadequate. Except for the nonpayment of any Assessment, it is hereby expressly declared and agreed that the remedy at law to recover damages for the breach, default or violation of

any of the covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges or equitable servitudes contained in this Declaration are inadequate and that the failure of any Owner, tenant, occupant or user of any Condominium or any portion of the Common Area or Common Facilities, to comply with any provision of this Declaration or any rule, regulation, decision or resolution of the Board of Directors, Bylaws, or Articles of the Association, all as may be amended from time to time, may be enjoined by appropriate legal proceedings instituted by any Owner, the Association, its officers or Board of Directors, or by their respective successors in interest.

Section 2. Costs and Attorneys' Fees. In any action initiated on account of any alleged breach or default of any Owner or other party hereto under this Declaration, the Court may award to any party to such action such attorneys' fees and other costs as it may deem just and reasonable.

Section 3. Cumulative Remedies. The respective rights and remedies provided by this Declaration or by law shall be cumulative, and the exercise of any one or more of such rights or remedies shall not preclude or affect the exercise, at the same or at different times, of any other such rights or remedies for the same or any different default or breach or for the same or any different failure of any Owner or others to perform or observe any provision of this Declaration.

Section 4. Failure Not a Waiver. The failure of any Owner or of the Association or its Board of Directors, officers or agents to enforce any of the covenants, conditions, restrictions, limitations, reservations, grants of easements, rights-of-way, liens, charges or equitable servitudes contained in this Declaration shall not constitute a waiver of the right to enforce the same thereafter, nor shall such failure result in or impose any liability upon the Association or the Board, or any of its officers or agents.

Section 5. Enforcement Rights and Remedies of the Association; Limitations Thereon

(a) Rights Generally. In the event of a breach or violation of any Association Rule or of any of the restrictions contained in any Charter Document by an Owner, the Owner's family, guests, employees, invitees, licensees or tenants, the Board, for and on behalf of all other Owners to obey such Rules or restrictions through the use of such remedies as are deemed appropriate by the Board and available in law or in equity, including but not limited to appropriate hiring of legal counsel, the imposition of fines and monetary penalties in accordance with subparagraph (c)(ii) below, the pursuit of legal action, the suspension of the Owner's right to use recreation Common Facilities or the suspension of the Owner's voting rights as a Member of the Association. The Board may also implement schedules of reasonable fines and penalties for particular common and recurring offenses that merit uniform treatment (such as parking violations, late payment of assessments and the like). Once imposed, a fine or penalty may be

collected as a Special Individual Assessment. Notwithstanding the foregoing, enforcement of the Orion Condominium Association Declaration shall be governed by Article VII of said Declaration.

(b) Definition of "Violation". A violation of the Charter Documents shall be defined as a single act or omission occurring on a single day. If the detrimental effect of a violation continues for additional days, discipline imposed by the Board may include one component for the violation and, according to the Board's discretion, a per diem component for so long as the detrimental effect continues. Similar violations on different days shall justify cumulative imposition of discipline. The Association shall take reasonable and prompt action to repair or avoid the continuing damaging effects of a violation or nuisance occurring within the Common Area at the cost of the responsible Owner; provided, however, that no discipline may be founded upon continuance of a violation beyond a date when the Association had knowledge that the violation existed and should reasonably have commenced action to end it.

(c) Limitations on Disciplinary Rights.

(i) Loss of Rights, Forfeitures. The Association shall have no power to cause a forfeiture or abridgment of an Owner's right to the full use and enjoyment of the Owner's Condominium on account of a failure by the Owner (or the Owner's family members, tenants or invitees) to comply with any provision of the Charter Document or of any duly-enacted Association Rule except (A) where the loss or forfeiture is the result of the judgment of a court of competent jurisdiction as a decision arising out of arbitration or on account of a foreclosure or sale under a power of sale for failure of the Owner to pay assessments levied by the Association, or (B) where the loss or forfeiture is limited to a temporary suspension of an Owner's rights as a Member of the Association (including, without limitation, the imposition or monetary penalties) for failure to comply with any Charter Document so long as the Association's actions satisfy the due process requirements of subparagraph (iii) below.

(ii) Monetary Penalties. A monetary penalty imposed by the Association as a disciplinary measure for failure of a member to comply with the Charter Documents or as a means of reimbursing the Association for costs incurred by the Association in the repair of damage to Common Area or Common Facilities for which the member was alleged to be responsible or in bringing the member and the member's Condominium into compliance with the Charter Documents may not be characterized or treated as an Assessment which may become a lien against the member's Unit enforceable by a sale of the Unit in non-judicial foreclosure; provided, however, that this limitation on the Association's lien rights shall not apply to charges imposed against an Owner consisting of reasonable late payment penalties to reimburse the Association for the loss of interest and for costs reasonably incurred (including attorneys' fees) in the Association's efforts to collect delinquent Assessments.

(iii) Hearings and Appeals. No penalty or temporary suspension of rights shall be imposed pursuant to this Article XIII unless the Owner in violation is given at least 15 days' prior notice of the proposed penalty or temporary suspension and an opportunity to be heard before the Board or an authorized committee thereof with respect to the alleged violation(s) at a hearing conducted at least 5 days before the effective date of the proposed disciplinary action. Notwithstanding the foregoing, under circumstances involving conduct that constitutes (A) an immediate and unreasonable infringement of, or threat to, the safety or quiet enjoyment of neighboring Owners, (B) a traffic or fire hazard, (C) a threat of material damage to, or destruction of, the Common Area or Common Facilities, or (D) a violation of the Charter Documents that is of such nature that there is no material question regarding the identity of the violator or whether a violation has occurred (such as late payment of assessments or parking violations), the Board of Directors or its duly-authorized agents may undertake immediate corrective or disciplinary action and, upon request of the offending Owner, conduct a noticed hearing as soon thereafter as reasonably possible but in no event more than 15 days after the disciplinary action is imposed. Under such circumstances, any fine imposed pursuant to an established fine schedule shall be due and payable only upon expiration of the 15-day notice period.

In order to provide a procedure for an appeal and review of any decision that a Charter Document violation has occurred or of the penalty imposed, the Board shall establish a committee consisting of not less than three nor more than five members to serve as the principal hearing body. An Owner whom the committee determines to be in violation of any Charter Document may appeal that determination by delivering a written request for appeal to the Secretary of the Association within 15 days following receipt of the committee's decision. Upon receipt of said request the Board of Directors shall schedule a hearing on the appeal as soon as reasonably possible, but not less than 5 nor more than 30 days following receipt of the Owner's request. The Board shall render its decision in writing and said decision shall be conclusive and binding on all parties, as shall the committee's decision. Upon receipt of said request the Board of Directors shall schedule a hearing on the appeal as soon as reasonably possible, but not less than 5 nor more than 30 days following receipt of the Owner's request. The Board shall render its decision in writing and said decision shall be conclusive and binding on all parties, as shall the committee's decision if no appeal is filed in a timely fashion.

Any decision of the committee or Board shall be in writing and shall set forth a brief description of their findings and of the discipline imposed or other recommended action. The Board may promulgate Association Rules to elaborate further on the procedures and forms to be utilized in the disciplinary hearing process.

ARTICLE XIV
Protection of Mortgages

Section 1. Mortgages Permitted. Any Owner may encumber his Condominium with mortgages.

Section 2. Priority of Mortgage. Notwithstanding any other provision of this Declaration, it is hereby provided that a breach of any of the conditions contained in the project documents by any Owner or of any re-entry by reason of such breach, shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value as to said Condominium or any part thereof. Any lien which the Association may have on any Condominium in the project for the payment of common expense assessments attributable to such Condominium will be subordinate to the lien or equivalent security interest of any first mortgage on the Condominium recorded prior to the date any such common expense assessments became due.

Section 3. Payment of Taxes or Premiums by Mortgagees. Mortgages may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area, unless such taxes or charges are separately assessed against the Owners, in which case the rights of Mortgagees shall be governed by the provisions of their Mortgages. Mortgagees may, jointly or single, also pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for the Common Area and Mortgagees making such payments shall be owed immediate reimbursement therefore from the Association. Entitlement to such reimbursement shall be reflected in an agreement in favor of any Mortgagee which requests the same to be executed by the Association.

Section 4. Effect of Breach. No breach of any provision of this Declaration shall invalidate the lien of any Mortgage made in good faith and for value, but all of the covenants, conditions and restrictions shall be binding on any Owner whose title is derived through foreclosure sale, trustee's sale, or otherwise.

Section 5. Mortgagee's Rights. A First Mortgagee's rights shall include, but not be limited to, the following:

(a) Attend Meetings. Any First Mortgagee, upon written request, shall receive written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

(b) Furnish Information. Any Mortgagee may furnish information to the Board concerning the status of any Mortgage.

(c) Inspect Books and Records. The Association shall make available to Owners, prospective purchasers and First Mortgagees current copies of the Project Documents and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours.

In addition, if the project were annexed to another association with an aggregate total of 50 or more units, the Association must

provide an audited financial statements for the immediately preceding fiscal year if the First Mortgagee submits a written request for it. Said financial statement shall be furnished by the Association within a reasonable time following such request. If the project contains fewer than 50 units and there is no audited financial statement available, any First Mortgagee should be allowed to have an audited financial statement prepared at its own expense.

Section 6. No Restrictions on Owner's Right to Ingress and Egress. There shall be no restriction upon any Owner's right of ingress and egress to his Condominium which right shall be perpetual and appurtenant to his Condominium ownership.

Section 7. Notices to Mortgagees. Upon written request to the Association, any First Mortgagee shall be entitled to timely written notice of the following:

(a) Any proposed amendment to the Project Documents effecting a change in:

(i) The boundaries of any Condominium or the exclusive use rights appurtenant thereto, if any;

(ii) The interests in the general or Restricted Common Areas, if any, appurtenant to any Condominium or the liability for common expenses appurtenant thereto;

(iii) The number of votes in the Association appurtenant to any Condominium; or

(iv) The purposes to which any Condominium or the Common Area are restricted.

(b) Any proposed termination of the legal status of the Project as a planned development.

(c) Any condemnation or casualty loss which affects either a material portion of the Project or any Condominium on which there is a First Mortgage held, insured or guaranteed by such requesting party.

(d) Any 60-day delinquency in the payment of assessments or individual charges owed by an Owner subject to a First Mortgage held, insured or guaranteed by such requesting party.

(e) Any default in the performance by the affected Owner of any obligation under the Project Documents which is not cured within 60 days.

(f) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

ARTICLE XV
Notices

Section 1. Mailing Addresses. Any communication or notice of any kind permitted or required herein shall be in writing and may be served, as an alternative to personal service, by mailing the same as follows:

If to the Declarant:

James A. Yarrow
P.O. Box 6090
Stateline, Nevada 89449
(or to such other address as Declarant may from time to time designate in writing to the Association)

If to any Owner:

To the street address of his or her Condominium or to such other address as the Owner may from time to time designate in writing to the Association.

If to the Association:

Orion Condominium Association at the residential address of the Secretary of the Association as the Association may from time to time designate in writing to the Owner.

Section 2. Personal Service Upon Co-Owners and Others. Personal service of a notice or demand to one of the co-owners of any Condominium, to any general partner of a partnership which is the Owner of Record of any Condominium, or to any officer or agent for service of process of a corporation which is the owner of Record of any Condominium, shall be deemed delivered to all such co-owners, to such partnership, or to such corporation, as the case may be.

Section 3. Deposit in U.S. Mails. All notices and demands served by mail shall be by registered or certified mail, with postage prepaid, and shall be deemed delivered 72 hours after deposit in the United States mail in Douglas County, Nevada.

ARTICLE XVI
No Public Rights in the Properties

Section 1. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any portion of the Properties to the general public or for any public use or purpose whatsoever.

ARTICLE XVII
Amendment of Declaration

Section 1. Amendment.

(a) Amendment After Close of First Sale. After the close of the first sale of a Condominium in the Properties to a purchaser, this Declaration may be amended or revoked in an respect by the vote or assent by written ballot of the holders of not less than fifty one percent (51%) of the voting rights of each class of Members. Notwithstanding the foregoing, the percentage of the voting power necessary to amend a specific clause or provision of this Declaration shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause.

(b) Effective Date of Amendment. The amendment shall be effective upon the recordation in the Office of the Recorder of Douglas County of an instrument setting forth the terms thereof duly certified and executed by the President and Secretary of the Association. Notwithstanding anything to the contrary herein contained, no such amendment shall affect the rights of the holder of any first deed of trust or Mortgage recorded prior to the recordation, or other person, firm, agency or entity is required under this Declaration with respect to any amendment or the revocation of any provision of this Declaration, no such amendment or revocation shall become effective unless such consent or approval is obtained.

(c) Business and Professions Code. All amendments or revocations of this Declaration shall comply with the provisions of the Nevada Business and Professions Code to the extent said Section is applicable.

(d) Reliance on Amendments. Any amendments made in accordance with the terms of this Declaration shall be presumed valid by anyone relying on them in good faith.

(e) Amendments to Conform with Mortgagee Requirements. It is the intent of Declarant that this Declaration, and the Articles and Bylaws of the Association and the Properties in general, shall now and in the future meet all requirements of any institutional Mortgagee intending to secure its Mortgage by a Condominium or necessary to purchase, guarantee, insure or subsidize any Mortgage of a Condominium by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or the Veterans' Administration.

ARTICLE XVIII
General Provisions

Section 1. Term. The covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges and equitable servitudes contained in this Declaration shall run with, and shall benefit and burden the Condominiums and the Common Area as herein provided, and shall inure to the benefit of and be binding upon the Owners, the Association, its Board of Directors, officers and agents, and their respective successors in interest, for

the term of 60 years from the date of recordation of this Declaration, after which time the same shall be automatically extended for successive periods of 10 years each unless, within six months prior to the expiration of the initial 50-year term or any such 10-year extension period, a written instrument, approved by Owners entitled to vote and holding at least a majority of the voting power of the Association, terminating the effectiveness of this Declaration shall be recorded in the Office of the County Recorder of Douglas County, Nevada.

Section 2. Construction. The provisions of this Declaration shall be literally construed to effectuate its purpose of creating a uniform plan for the development, use, operation and maintenance of the Properties. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce that provision or any other provision hereof. In the event any term, covenant, or other provision contained in this Declaration shall for any reason be held invalid or unenforceable in any respect, such invalidity or unenforceability shall not affect, alter, modify or impair any other term, covenant or provision hereof. Whenever the context so requires, the singular number includes the plural, the plural includes the singular, the masculine gender includes the feminine and/or neuter and the neuter gender includes the masculine and/or feminine. The headings of the several articles, sections and paragraphs of this Declaration are inserted solely for convenience of reference and are not a part of, and are not intended to govern, limit or aid in the construction or, any term or provision of this Declaration.

DATED: 1-21-91, ~~1990~~.

Gary Leroy Towle
GARY LEROY TOWLE

Mary J. Towle
MARY J. TOWLE

SAYED A. HUSSAIN

TALAT A. HUSSAIN

JAMES A. YARROW
a Professional corporation
PENSION AND PROFIT SHARING, TRUST

JAMES W. MAHAFFEY

STATE OF CALIFORNIA
COUNTY OF Placer ss.

On January 21, 1991 before me, the undersigned, a Notary Public in and for said State, personally appeared Gary Leroy Towle
and Mary J. Towle

personally known to me or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same.

WITNESS my hand and official seal.

01 (6/82) (Individual)

Mary Ann Leon



(This area for official notarial seal)
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