

AMENDED AND RESTATED
DECLARATION OF TIME SHARE COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
THE RIDGE TAHOE

This declaration, made this 15 day of September, 1982, by HARICH TAHOE DEVELOPMENTS, a general partnership comprised of HARLESK NEVADA, INC., a Nevada corporation and LAKEWOOD DEVELOPMENT, INC., a Nevada corporation, (hereinafter referred to as "Declarant"), is made with reference to the following Recitals and is as follows:

RECITALS

A. Declarant is the owner of certain real property (the "Property") located in the County of Douglas, State of Nevada, more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference, which is the subject of a final condominium map for lot 31 and lot 32 as part of TAHOE VILLAGE Unit Number 3, Fifth Amended Map, recorded On October 29, 1981 as Document No. 61612, as corrected by Certificate of Amendment recorded November 23, 1981 as Document No. 62661, all of the Official Records, Douglas County Recorders Office, Minden, Nevada, which defines units 81 to 120 inclusive. Additional units on other lots will be defined on condominium plans to be recorded at later dates.

B. The Property is currently the subject of certain covenants, conditions, and restrictions of TAHOE VILLAGE UNIT NUMBERS 1, 2 and 3, as the same are filed in the Office of the Douglas County Recorder, as Document No. 63681, recorded January 11, 1973, Document No. 69063, Recorded September 28, 1973, Document No. 1472, recorded July 2, 1976.

C. The Declarant has imposed the herein described Covenants, Conditions and Restrictions on Phase One of this project which is described as lots 29, 32, 39, 40 and 41 and Units 101 to 120, inclusive, as shown and defined on that referenced TAHOE VILLAGE Unit Number 3 Fifth Amended Map as corrected by Certificate of Amendment, together with any and all buildings and improvements constructed thereon or to be constructed on said lots, which are incorporated herein by this reference, to the provisions and requirements of NRS Chapter 117, as amended, so as to create a dedication of condominiums for time share and condominium ownership; and

D. The Declarant, proposes to convey by grant, bargain, and sale deed undivided interests in the Property in Phase One and future annexations providing in each deed that the grantee(s) (as hereinafter defined) named therein shall have certain defined rights to occupy a Time Share Unit within the Property and to use the Common Areas during certain specified time periods and reserving to Declarant and its respective successors and assigns certain easements and the exclusive right to occupy the Property and to use the Common Areas during all other periods of time, subject to the declarations, limitations, covenants, conditions, and restrictions set forth in this Declaration. In addition, Declarant may convey interests in condominiums in Exhibit A property which may in future be annexed to the Phase One property,

which interests are not time share interests. Such conveyances shall be made subject to the covenants, conditions and restrictions of this Declaration.

E. By this amended and restated Declaration, Declarant intends to supercede all the previous Declarations, to amend them to comply with the requirements of the California Department of Real Estate so as to permit the sale of interests in the Project in that state, and to restate the common plan for the use, enjoyment, maintenance, repair, restoration and improvement of the Project (as hereinafter defined) and the interests therein conveyed or reserved, and for the payment of any and all expenses pertaining thereto.

NOW, THEREFORE, in furtherance of such intent, Declarant hereby declares that the Project is and shall be held, conveyed, hypothecated, mortgaged, encumbered, leased, rented, used, occupied and improved subject to the declarations, limitations, covenants, conditions and restrictions set forth in this Declaration, as this Declaration may from time to time be amended, and in such other rules and regulations as are instituted pursuant to the provisions of this Declaration and all of which declarations, limitations, covenants, conditions and restrictions are declared to be in furtherance of a plan established for the purpose of enhancing and perfecting the value, desirability and enjoyment of the Project and the interest or interests therein to be conveyed or reserved. All such declarations, limitations, covenants, conditions and restrictions shall constitute covenants running with the land, and equitable servitudes and liens, and shall be binding upon and for the benefit of Declarant and each such interest conveyed, as that term is herein defined and upon and for the benefit of all parties having or acquiring any right, title, interest or estate in the Property, including without limitation the heirs, executors, administrators, successors and assigns of any such parties and all subsequent owners and lessees of all or any part of the Property.

ARTICLE I

DEFINITIONS

In addition to other definitions provided for herein, as used herein the following terms shall have the following meanings:

1.1 "Annexable Property" means lots 26, 27, 28, 30, 31, 33, 34, 35, 36, 37 and 38, all as shown and defined on that referenced TAHOE VILLAGE Unit Number 3 Fifth Amended Map as corrected by Certificate of Amendment, together any and all buildings or other improvements constructed or to be constructed thereon, any or all of which lots may be made subject to this Declaration according to the annexation provisions in Article VIII hereof.

1.2 "Association" means the Ridge Tahoe Property Owners Association, a Nevada nonstock, nonprofit cooperative corporation.

1.3 "Check-In Time" and "Check-Out Time" means the times designated as such in the then current Rules and Regulations.

1.4 "Common Areas" means both of the following areas of the Project:

"Association Common Areas" - Those lots which are owned by the Association for the benefit of the Owners, together with any and all buildings or other improvements constructed or to be constructed thereon;

"Resident Common Areas" - Those portions of lots (which lots are not owned by the Association) which are not within the Unit Boundaries of any Time Share Unit or Condominium Unit.

1.5 "Common Furnishings" means all furniture, furnishings, appliances, fixtures and equipment and all other personal property from time to time owned, leased or held for use by the Association and which are located in or upon the Time Share Project.

1.6 "Condominium Owner" means any Owner of a Condominium Unit. Condominium Owners shall have the right to use any and all facilities in or on the Association Common Area, subject to the other provisions of this Declarations and the Rules and Regulations.

1.7 "Condominium Unit" means any unit in the Project which is conveyed in its entirety and is not time shared. Condominium Units shall not be conveyed in lots in which Time Shares have been conveyed, nor shall Time Shares be conveyed in lots in which Condominium Units have been conveyed. No Condominium Unit shall be conveyed in any lot in the Project until a declaration has been recorded which subjects that lot to covenants, conditions and restrictions governing the use of that lot by Condominium Owners. Said declaration (the "Condominium Declaration") shall make specific provision for: the creation of a Condominium Owners Association which shall be responsible for the maintenance and repair of subject lots; use restrictions concerning the Condominium Units and the subject lot; levying and collection of maintenance and other assessments by the Condominium Owners Association; repair or restoration of the Condominium Units and related Common Areas in the event of major damage or destruction; termination of the condominium regime on the subject lot; continuation of the condominium regime on the subject lot in the event this Declaration is terminated; any and all other matters necessary and appropriate for the governing of Condominium Units and related Common Areas within the Project, to the extent such matters are not specifically addressed in this Declaration.

1.8 "Declaration" means this instrument, as this instrument may be amended from time to time, in the manner herein provided.

1.9 "Deed" means each initial grant, bargain, and sale deed recorded after the date hereof by which Declarant conveys Interest.

1.10 "Exchange Program" means a service provided by an organization such as Resort Condominiums International whereby Time Share Owners and owners of time periods in other timesharing and similar programs may exchange Use Periods in the Time Share Project for time periods in projects in other locations.

1.11 "Exchange User" means an owner of a time period in another timesharing program or an individual using an Owner's unit who occupies a Time Share Unit and uses the Common Areas pursuant to an Exchange Program.

1.12 "Interest" means an Owner's ownership interest in a Time Share or a Condominium Unit.

1.13 "Manager" or "Managing Agent" means the agent engaged by the Board of Directors of the Association pursuant to and in the manner provided in Paragraph 4.3 hereof.

1.14 "Mortgagee" means the (a) beneficiary of a recorded deed of trust or the holder of a recorded mortgage encumbering any Unit or (b) the successor(s) to each person named in clause (a). "Mortgage" means a mortgage, deed of trust, or other security instrument.

1.15 "Owner" means any person who has signed a Purchase Agreement for or who has accepted a Deed of a Time Share or Condominium Unit in the Project, or any successor to any such person.

1.16 "'Owner's Season" means the season designated in the Purchase Agreement naming such Time Share Owner, or his predecessor-in-interest, as the named Buyer (Purchaser) and/or grantee.

1.17 "'Owner's Time Share Unit" means the Unit designated in the Purchase Agreement naming such Time Share Owner, or his predecessor-in-interest, as the named Buyer (Purchaser) and/or grantee.

1.18 "Permitted User" means any agent, guest tenant or other occupant of an Owner's unit occupying such unit pursuant to a reservation made by an Owner other than an Exchange User.

1.19 "Project" means that part of the property described in Exhibit "A" which is made subject to the terms and conditions of this Declaration. The Project shall initially include lots 29, 32, 39, 40 and 41 as shown on said TAHOE VILLAGE Unit Number 3 Fifth Amended Map as corrected by Certificate of Amendment, which lots shall be collectively referred to as "Phase One".

1.20 "Purchase Agreement" means a contract of sale between Declarant, and other person(s) or entity(ies) named therein as "Buyer" (Purchaser) for the purchase and sale of an Interest which culminates in the conveyance of such Interest by Deed.

1.21 "Rules and Regulations" means the rules and regulations adopted and promulgated from time to time pursuant to Subparagraph 4.2(d) of this Declaration relating to the possession, use and enjoyment of the Time Share Project.

1.22 "Season" means any one of the three seasons designated in this Declaration, being "Summer," "Swing," and "Winter," and which terms shall have the following meanings:

(a) "Summer" means the 18 week period commencing on Check-In Time on the 21st Friday or Saturday of each Use Year and ending on Check-Out Time on the 38th Friday or Saturday of each Use Year.

(c) "Swing" means the 11 week period commencing on Check-In Time on the 39th Friday or Saturday of each Use Year and ending on Check-Out Time on the 49th Friday or Saturday of each Use Year and the 4 week period commencing on Check-In-Time on the 17th Friday or Saturday of each Use Year and ending on CCheck-Out-Time on the 20th Friday or Saturday of each Use Year.

(c) "Winter" means (i) the 19 week period commencing on Check-In Time on the 50th Friday or Saturday of each Use Year and ending on Check-Out Time on the 16th Friday or Saturday of each Use Year.

1.23 "Starting Date" means the date on which the first Purchase Agreement is accepted by Declarant.

1.24 "Time Share" means an undivided interest in a Unit and in the Residential Common Area of the lot in which the Unit is located, together with the right to make use of any and all easements appurtenant thereto, the non-exclusive right to use the Residential Common Area in which the Time Share Owner has an undivided interest, and the exclusive right to use and occupy any Time Share Unit, and the Common Furnishings therein, for a Use Week in a Season for which such rights to use have been properly reserved, subject to the provisions of this Declaration and the Rules and Regulations.

1.25 "Time Share Owner" means and includes as to each Time Share (a) the grantee collectively named in the Deed; or (b) the Buyer (Purchaser) collectively named in the Purchase Agreement; or (c) the successor(s) to each person described in clauses (a) or (b) hereof.

1.26 "Time Share Project" means all of the Association Common Areas, all of the Residential Lots in which Time Shares are conveyed, all of the buildings and other improvements constructed or to be constructed thereon, and all of the Common Furnishings.

1.27 "Time Share Unit" means each Unit in which a Time Share is conveyed to an Owner by Purchase Agreement and Deed.

1.28 "Unit Boundaries" means the boundaries of the unit granted, which 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. The following are not part of the unit: bearing walls, columns, floors, roofs, foundations, elevator equipment and shafts, central heating, central refrigeration and central air conditioning equipment, reservoirs, tanks, pumps and other central services, pipes, ducts, flues, chutes, conduits, wires and other utility installations, wherever located, except the outlets thereof when located within the unit. In interpreting deeds and plans the existing physical boundaries of the unit or of a unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in the deed or plan, regardless of settling or lateral movement of the building and regardless of minor variances between boundaries shown on the plan or in the deed and those of the building.

1.29 "Use Period" means the time period or periods during which a Time Share Owner has reserved the use of a Time Share Unit in accordance with the reservation procedures set forth in this Declaration and the Rules and Regulations.

1.30 "Use Year" means each one year period commencing on Check-In Time on the first Saturday of January of each calendar year.

ARTICLE II

RESERVATION RIGHTS, USE RIGHTS AND USE RESTRICTIONS

2.1 Reservation and Use Rights of Time Share Owners. Subject to all of the terms and conditions contained elsewhere in this Declaration, in his Purchase Agreement and in the Rules and Regulations, a Time Share Owner shall have the right, for each Time Share owned, during each Use Year to use and occupy a Time Share Unit for seven nights within the Owner's Season; provided that such Time Share Owner shall have reserved such use and occupancy in accordance with the procedures for the making of reservations set forth in the then current Rules and Regulations.

The Rules and Regulations shall describe procedures for reserving Use Periods which procedures shall include at least the following provisions:

(a) Requests for reservations within a given Season shall be grouped according to the following priorities:

- (1) Consecutive Week Requests
- (2) Single Week Requests
- (3) Split Week Requests

(b) All requests shall be made by mail and shall state three choices for reservations, in order of preference.

(c) No requests shall be mailed before the beginning of the established reservation period for each request type (i.e., Consecutive Week, Single Week, Split Week) in a given Season. The commencement and duration of the reservation periods shall be established in the Rules and Regulations.

(d) Requests for reservations by Declarant shall be submitted no sooner than thirty (30) days prior to the start of the Season in which reservations are being sought.

(e) The Association shall respond to each reservation request within thirty (30) days after receipt thereof.

2.2 Use and Occupancy. Each Time Share Owner shall have the right to occupy and use a Time Share Unit and the Common Furnishings contained within such Time Share Unit and the non-exclusive right to use and enjoy the Common Areas during such Use Period or Use Periods as shall have been properly reserved by him pursuant to the foregoing provisions of this Article II. IT IS SPECIFICALLY ACKNOWLEDGED THAT A TIME SHARE OWNER MAY NOT, IF EVER, ACTUALLY OCCUPY, DURING HIS USE PERIOD, THE SPECIFIC CONDOMINIUM UNIT OR

BUILDING REPRESENTING THE TIME SHARE OWNER'S UNDIVIDED FEE INTEREST. No Time Share Owner shall occupy a Time Share Unit or exercise any other rights of ownership with respect to a Time Share Unit other than the rights provided to him in this Article II during any period other than his Use Period(s) unless expressly authorized by the Time Share Owner entitled to occupy the Time Share Unit during such time. Each Time Share Owner shall keep the Time Share Unit occupied by him and Common Furnishings therein in good condition and repair during his Use Period(s); vacate the Time Share Unit at the expiration of his Use Period(s); remove all persons and such Time Share Owner's personal property therefrom, leave the Time Share Unit and the Common Furnishings therein in good and sanitary condition and repair and otherwise comply with such reasonable check-out and other procedures and regulations as may from time to time be contained in the Rules and Regulations. Subject to the Rules and Regulations, any Time Share Owner may permit a Time Share Unit reserved by him to be occupied by other persons (Permitted User) for the purposes permitted by this Declaration during his Use Period, but such Time Share Owner shall be responsible for any loss, damage, destruction or violation of this Declaration which occurs during such occupancy by a Permitted User as if such Time Share Owner were actually occupying the Time Share Unit.

If, as a result of an error in the administration of the reservation system by the Association or the Managing Agent, an Owner can reserve no Use Period during his Owner's Season, such Owner shall be entitled to compensation from the Association or the Managing Agent in an amount equal to the cost of the rental of comparable accommodations in the vicinity of the Time Share Project during the Season in question.

2.3 Failure to Vacate. If any Time Share Owner, or any Exchange User or Permitted User fails to vacate a Time Share Unit at the end of his Use Period, or otherwise uses or occupies a Time Share Unit during a period other than his Use Period, or prevents another Time Share Owner, Exchange User or Permitted User (the "Detained Owner" or "Detained User") from using or occupying a Time Share Unit during such Detained Owner's Use Period, such Time Share Owner, Exchange User or Permitted User (the "Detaining Owner") shall be subject to any or all of the following remedies at the sole discretion of the Association: (a) the Association may terminate utility services to the Time Share Unit; (b) be subject to immediate removal, eviction or ejection from the Time Share Unit wrongfully occupied; (c) be deemed to have waived any notice required by law with respect to any legal proceedings regarding removal, eviction or ejection (to the extent that such notices may be waived under Nevada law); (d) reimburse the Association and the Detained Owner for all costs and expenses incurred as a result of such conduct, including but not limited to costs of alternate accommodations, travel costs, court costs and reasonable attorney's fees incurred in connection with removing, evicting or ejecting the Detaining Owner from such Time Share Unit, and costs (including reasonable attorneys' fees) incurred in collecting such reimbursement(s), all of which costs may be assessed against the Detaining Owner as a "Personal Charge" (as hereinafter defined in Paragraph 5.8 below); and (e) pay to the Detained Owner entitled to use the Time Share Unit during such wrongful occupancy, as liquidated damages (in addition to the costs and expenses set forth in subparagraph 2.3(d), above), a sum equal to 200% of the fair market value per day of the Time Share Unit for each day or portion thereof, including the day of surrender, during which the Detaining Owner prevents

occupancy of the Time Share Unit; (f) prohibit the Detaining Owner from subsequent use until all damages incurred are paid in full. The Association shall be responsible for determining the "fair rental value" of the Time Share Unit. "Fair rental value" for the Time Share Unit shall be based upon the costs of renting comparable accommodations located within the vicinity of the Property. By accepting any conveyance of a Time Share; each Time Share Owner agrees that, in the event of a failure to vacate by him or his Permitted User, damages would be impracticable or extremely difficult to ascertain and that the measure of liquidated damages provided for herein constitutes fair compensation to those who are deprived of occupancy. The Association shall use reasonable efforts to attempt to remove such Detaining Owner from the Time Share Unit, and/or to assist the Detained Owner in finding alternate accommodations during such holdover period; to secure, at the expense of the Association, alternate accommodations for any Detained Owner. The Association may, in its sole discretion, deem it necessary to contract for a period greater than the actual period for which the use is prevented in order to secure alternate accommodations as set forth above. If a Time Share Owner or his Permitted User, by intentional or negligent act, renders a Time Share Unit uninhabitable for the successive Use Period(s); such Time Share Owner or Permitted User shall be deemed a Detaining Owner, the foregoing provisions of this Paragraph 2.3 shall apply and such Time Share Owner and/or Permitted User(s) of successive Use Period(s) just as if such Time Share Owner or Permitted User had refused to vacate the Time Share Unit at the end of his Use Period. For the purposes of this Paragraph 2.3, the act or negligence of a Permitted User shall be deemed to be the act of the Time Share Owner; provided, however, that such Time Share Owner shall be responsible for the payment of amounts on account of such acts by a Permitted User only to the extent the same are not reimbursed by insurance. The Association may enforce any sums due under this Paragraph 2.3 pursuant to the lien and assessment procedures under Article 5 and 6 hereof.

2.4 Use Restrictions. A Time Share Unit shall not be occupied by more than six (6) persons. No Time Share Owner shall make or authorize any alterations, additions or improvements to a Time Share Unit or Common Furnishings; paint, repaint, tile, paper or otherwise refinish or redecorate the inner surfaces of the walls, ceilings, floors, windows or doors bounding any Time Share Unit which such Time Share Owner may from time to time occupy; or remove, alter or replace any portion of the Common Furnishings. The right to perform all of the foregoing acts has been delegated to the Association by this Declaration. The foregoing prohibitions, however, shall not modify or affect the obligation of each Time Share Owner for the prudent care and ordinary maintenance and upkeep of all property subject to his use. No animals or household pets of any kind shall be allowed or kept in or upon the Property.

No Condominium Unit Owner or Time Share Owner, specifically excluding Declarant, shall further divide, subdivide or time-share the ownership interest conveyed to him which is the subject of this Declaration.

2.5 Rental of Condominium Units by Declarant. Declarant shall have the exclusive right to occupy the Condominium Units which it owns and which are not Time Share Units, and to rent such Units to the general public. Any rentals received by Declarant shall inure to the benefit of Declarant.

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2.6 Rental of Time Share Units by Declarant. Declarant hereby reserves the exclusive right to occupy and to rent to the general public each Time Share Unit during all times not included in any Use Period. Any rentals received by Declarant shall inure to its benefit, if, and for so long as Declarant, or an entity owned or controlled by Declarant, or under common management and control with Declarant, is the managing agent for the Time Share Units. The cost of repair or replacement incurred by reason of damage or destruction to a Time Share Unit and/or the Common Furnishings therein, which damage or destruction occurs during the rental of such Time Share Unit pursuant to this Paragraph 2.6 shall be the responsibility of Declarant. Notwithstanding the foregoing provisions of this Paragraph 2.6, in the event Declarant (a) becomes in excess of 60 days delinquent with respect to any Assessment or subsidy agreement payment owed by it under the provisions of this Declaration and (b) thereafter fails to pay any such delinquent Assessment or subsidy agreement payment within ten (10) business days following receipt from the Association of written notice to pay, the Association shall thereafter, and until all delinquent Assessments owed by Declarant are paid in full, have the right during all times not included in any Use period, to rent Time Share Units to the general public. No rental (whether by Declarant or the Association) shall interfere with or diminish the rights of Owners to use and occupy Time Share Units in accordance with this Declaration and the Rules and Regulations. In no event shall any rental be made by Declarant or the Association for the account of any individual Owner. Declarant shall submit to the Association not less than 30 days before the scheduled mailing of the annual report called for by subparagraph 4.2(h)(iii), a report for the preceding Fiscal Year setting forth the amount of revenues derived by Declarant from the rental to the general public of unreserved occupancy periods in Time Share Units and the amount of money paid by Declarant for expenses incurred by or allocated to the Time Share Project in connection with the occupancy of Time Share Units by the general public.

At the earlier of (i) the annual meeting of the Association following the date on which there have been sold Time Shares representing at least sixty-six and two thirds percent (66-2/3%) of the total number of Time Shares authorized for sale in the Project or (ii) the annual meeting of the Association immediately preceding the expiration date of the Management Agreement provided for by Paragraph 4.3, an annual special vote of Owners other than Declarant shall be held on the question of whether to permit Declarant to continue the rental of Time Share Units to members of the general public. The vote on this question shall be conducted annually for so long as Declarant is conducting its program of rental of Time Share Units to the general public as herein provided. The rental program provided for in this Paragraph 2.6 shall be terminated if a bare majority of the Owners (other than Declarant) voting on such question vote to terminate the rental program provided for in this Paragraph 2.6. Except for the rights and easements reserved to Declarant as provided in this Paragraph 2.6, no third party, including, but not limited to the Association, the Managing Agent, and anyone acting on their behalf shall have any right to rent any Time Share Unit or the occupancy thereof to members of the general public; provided, however, that the foregoing shall not be construed as preventing an Owner from renting such Owner's Use Period, or portion thereof, to a member of the general public for such Owner's own account.

In addition to the foregoing, the right of Declarant to rent Time Share Units to the general public shall be exercised subject to the following limitations:

(i) Declarant shall make no request for reservation of a Time Share Unit during a Season more than thirty (30) days prior to the beginning of that Season.

(ii) An Owner's untimely request for a reservation during his Owner's Season shall be honored unless every Time Share Unit in the Time Share Project has been reserved by another Owner, or has been rented to a member of the public, for the requested Use Period prior to receipt of that Owner's untimely request.

2.7 Use Easements. In order to permit the use and occupancy of all Time Share Units (including those which may be annexed under the applicable provisions of this Declaration) in accordance with the provisions of this Declaration, each deed of a Time Share shall, by incorporation of this Declaration, include a reservation and a grant of an easement for the benefit of each Time Share owner for the use and occupancy of all of the Time Share Units, subject to all the other provisions of this Declaration.

2.8 Easement for Construction, Sales, Resales, Customer Service and Related Purposes. Declarant, on behalf of itself, its agents, employees, contractors, subcontractors, invitees, successors, assigns and other authorized personnel reserves unto itself, for a period beginning with the acceptance by an Owner of the first Deed in the Project and continuing for five (5) years from the issuance of the most recent California Department of Real Estate subdivision sales permit for the Project, an exclusive easement in, over and through the Units, recreational facilities, and the Common Areas, for the purposes of: (1) completing the development of the Property; (2) marketing and selling the Time Shares; (3) maintaining customer relations and providing post-sale service to Time Share Owners; (4) displaying signs and erecting, maintaining and operating, for leasing, sales, construction and administrative purposes, model Units and a customer relations, customer service and sales office complex in the property; (5) showing the Units and Common Area and arranging for the use of any recreational facilities within the Common Areas by prospective purchasers, and (6) conducting the rental operations described in paragraphs 2.5 and 2.6 above.

2.9 Transfer of Interest. No person owning an interest in a Time Share shall sell, convey, hypothecate or encumber less than all of his interest in such Time Share. Any sale, conveyance, hypothecation or encumbrance by any such person of less than all of his interest in any singular Time Share shall be null, void and of no effect.

2.10 Separate Mortgages. Upon receipt of a Deed, each Time Share Owner shall have the right to mortgage or otherwise encumber all, but not less than all, of his Time Share. Any mortgage shall be subordinate to all of the provisions of this Declaration, and in the event of foreclosure, the provisions of this Declaration shall be binding upon any Time Share Owner whose title is derived through foreclosure, assignment in lieu of foreclosure or otherwise. Notwithstanding any other provision of this Declaration, no

breach of the provisions herein contained, nor the enforcement of any lien created pursuant to the provisions hereof shall defeat or render invalid the lien of any mortgage of any Time Share Owner's Time Share if such mortgage is recorded in the Office of the County Recorder of Douglas County, Nevada, and is bona fide, given in good faith and for value.

2.11 Partition and Subordination of Tenancy-in-Common Attributes.

(a) It is intended that this Declaration alone shall govern all rights with respect to the use, possession, enjoyment, management and disposition of the Time Share originally conveyed by deed and the property. Accordingly, all rights with respect to the use, possession, enjoyment, management or disposition of a Time Share originally conveyed by deed or the property which a Time Share Owner might otherwise have as a tenant-in-common (including but not limited to any common law or statutory right jointly to use, possess or manage commonly owned property), are hereby unconditionally and irrevocably subordinated to this Declaration for so long as this Declaration shall remain in effect; provided, however, that, in the event that an election to terminate this Declaration is made pursuant to Paragraph 9.2, a Time Share Owner shall have the rights specified in Paragraph 9.2.

(b) Except as provided in subparagraph 2.11(a) above and Paragraph 9.2 below, no Time Share Owner or other person or entity acquiring any right, lien or interest in any of the property shall seek or obtain, through any legal procedures, judicial partition of the property. If, however, any Time Share is owned by two or more persons as tenants-in-common or as joint tenants or as community property, nothing herein contained shall prohibit a judicial sale of the Time Share in lieu of partition as between such co-tenants or joint tenants.

2.12 Protection of Interest. Except as provided in Paragraph 2.10, no Time Share Owner shall permit his Time Share to be subject to any lien, claim or charge, the enforcement of which may result in a sale or threatened sale of the Time Share of any other Time Share Owner or any part thereof, or should the use and enjoyment of any portion thereof by any Time Share Owner be threatened by reason of any lien, claim or charge against the Time Share of any other Time Share Owner, or should proceedings be instituted to effect any such sale or interference, any Time Share Owner acting on his own behalf or through the Association or the Association acting on behalf of any one or more Time Share Owners (unless promptly indemnified to his or its satisfaction) may, but shall not be required to, pay or compromise the lien, claim or charge without inquiry into the proper amount or validity thereof and, in such event, the Time Share Owner whose interest was subject to such lien, claim or charge shall forthwith pay the amount so paid or expended to the Time Share Owner or the Association, whomsoever shall have paid or compromised the lien, claim or charge, together with such reasonable attorneys' fees and related costs as he or it may have incurred.

ARTICLE III

THE ASSOCIATION

3.1 Association. The Ridge Tahoe Property Owners Association, a Nevada non-stock, non-profit cooperative corporation, shall be the Association.

3.2 Membership in Association. Each owner of an interest in a Time Share Unit or a Condominium Unit (including Declarant as to all Interests not the subject of a Purchase Agreement or conveyed by a Deed) shall be a member of the Association (the "Member") and shall remain a Member thereof until he ceases to own an interest in an Interest.

3.3 Transfer of Membership. The membership of each Owner in the Association is appurtenant to and inseparable from his ownership of a Time Share or Condominium Unit and shall be automatically transferred upon any authorized transfer or conveyance of the ownership of his Interest to any transferee or grantee and except as provided herein, said membership shall be non-transferable whether by gift, bequest, assignment or otherwise.

3.4 Voting.

(a) Types of Membership. In accordance with the provisions of the Bylaws, the Association shall have but one class of voting membership which shall be all owners of Time Shares or Condominium Units, including Declarant and shall be entitled to one vote for each Time Share owned or to fifty-one (51) votes for each Condominium Unit owned. All such persons and entities shall be members and the vote for such Time Share or Condominium Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Time Share, nor shall more than fifty-one (51) votes be cast for any Condominium Unit.

3.5 Majority Requirements. In order to approve any Association action for which a vote of the membership is required by this Declaration, the vote or written assent of the prescribed majority of the total voting power of the Association and the vote or written assent of the prescribed majority of the voting power of Members other than the Declarant shall be required.

3.6 Master Association Voting. As to any matter requiring a vote of the membership of the Tahoe Village Homeowners Association ("Master Association"), the Association shall cast the vote(s) of Members, in the following manner:

(i) As far in advance of the date scheduled for the Master Association vote as shall be reasonably possible, the Association shall mail or otherwise deliver written ballots to the Members which shall set forth the issues or candidates which are the subject of the election and shall clearly indicate the date by which such ballots must be returned in order to be counted.

(ii) As to each Time Share Unit and Condominium Unit in the Project, the Association shall examine the returned ballot(s) and shall, upon the basis of the majority of vote(s) cast by the owner(s) of each Unit, cast the vote for such Unit in the Master Association.

(iii) Should less than a majority of the Condominium Owners or Time Share Owners of or in any Unit vote, no vote shall be cast for such Unit.

3.7 Board of Directors. The initial Board of Directors (the "Board") of the Association shall be the persons named in and executing the Articles of Incorporation of the Association or such other persons as shall be appointed

by Declarant. At the time of the first annual meeting of the Members, the Members (including Declarant) shall elect, in accordance with the Bylaws, a new Board replacing the Board defined in the preceding sentence. From and after the first election of the Board by the Members and for so long as a majority of the voting power of the Association resides in Declarant, not less than 20% of the Directors shall be elected solely by the votes of members other than Declarant, pursuant to the special election procedures set forth in the Bylaws.

3.8 Inspection and Copying of The Association's Books and Records.

(a) The membership register including mailing addresses and telephone numbers, books of account, minutes of members' and Board meetings and all other records of the Time Share Project maintained by the Association or the Managing Agent shall be made available for inspection and copying by any member - or by his duly appointed representative - at any reasonable time for a purpose reasonably related to membership in the Association.

(b) The records shall be made available for inspection at the office where the records are maintained. Upon receipt of an authenticated written request from a member along with the fee prescribed by the Board to defray the costs of reproduction, the Managing Agent or other custodian of records of the Association shall prepare and transmit to the member a copy of any and all records requested.

(c) The Association may, as a condition to permitting a member to inspect the membership register or to its furnishing information from the register, require that the member agree in writing not to use, or allow the use, of information from the membership register for commercial or other purposes not reasonably related to the regular business of the Association and the member's interest in the Association.

(d) The Board shall establish reasonable rules with respect to:

(1) Notice to be given to the Managing Agent or other custodian of the records by the member desiring to make the inspection or to obtain copies.

(2) Hours and days of the week when a personal inspection of the records may be made.

(3) Payment of the cost of reproducing copies of records requested by a member.

(e) Every Board member shall have the absolute right at any time to inspect all books, records and documents of the Association and all real and personal properties owned or controlled by the Association. This right of inspection shall include the right to make extracts and copies of records subject only to the provisions of subdivision (c) hereof.

ARTICLE IV

MANAGEMENT

4.1 Powers and Duties Generally. Administration of the Time Share program, operation, maintenance, repair and restoration of the Project, and the Common Furnishings, and any alterations and additions thereto, shall be the responsibility of the Association. The Association, acting alone (through its Board, its officers, or other duly authorized representatives) may, subject to the provisions of the Association's Articles of Incorporation, the Bylaws and this Declaration, exercise any and all rights and power hereinafter enumerated and, except as specifically limited herein, all the rights and powers of a non-stock, non-profit cooperative corporation under the laws of the State of Nevada.

4.2 Specific Powers and Duties of the Association. The management, and repair of the Time Share Project, the acquisition (by purchase or lease), maintenance, repair and replacement of the Common Furnishings and the administration of the affairs of Time Share Owners, the use and occupancy of the Time Share Units and payment, as agent, of expenses and costs enumerated in this Declaration shall be under the direction and control of the Association. The Association shall have the duty to maintain and repair the Time Share Project, to acquire (by lease or purchase), maintain, repair and replace Common Furnishings as needed, to administer the Time Share operation provided herein and to levy, collect and enforce the assessments enumerated in this Declaration. The Association shall have the exclusive possession of each Time Share Unit during the period designated by the Association (herein sometimes referred to as the "service period(s)") for the performance of maintenance and repairs on such Time Share Unit. The Association shall annually compile a roster of the names and addresses of each of the Owners (the "Roster"). Upon the written request of an Owner, the Association shall furnish such Owner with a copy of the Roster and may charge such Owner a reasonable fee therefor. Each Owner who requests and receives a copy of the Roster hereby agrees that he will not make any commercial use of the same and will not distribute a copy of the Roster to any third party. The Association shall have the power to do all things that are required to be done by it pursuant to this Declaration. Without limitation of the foregoing powers and duties, the Association is expressly authorized in its discretion and on behalf of the Owners to do any or all of the following:

(a) Repair and Maintenance. To repair, maintain, repaint, furnish or refurbish the Time Share Project or any part thereof, to establish reserves for anticipated costs, including the costs of acquisition and replacement of Common Furnishings; to acquire and pay for materials, supplies, furniture, furnishings, labor services which the Association deems necessary or proper for the maintenance and operation of such portions of the property and the common furnishings.

(b) Taxes and Assessments. To pay all taxes and assessments, and other costs affecting or relating to the Time Share Project or Common Furnishings; and similarly to discharge, contest or protest liens or charges affecting the Time Share Project.

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(c) Utilities. To obtain and pay the costs of electrical, telephone, gas and other utility services for the Time Share Project.

(d) Rules and Regulations. To adopt, amend, publish and enforce, from time to time, Rules and Regulations relating to the possession, use and enjoyment of the property which rules and regulations shall be consistent with the provisions of this Declaration.

(e) Legal and Accounting. To obtain and pay the cost of legal and accounting services necessary or proper in the maintenance and operation of the Time Share Project and the enforcement of this declaration, the Bylaws and the Rules and Regulations.

(f) Insurance. To obtain, pay the cost of, and at all times maintain in effect:

(i) insurance covering the Time Share Project and the Common Furnishings therein against loss or damage by fire and other hazards customarily covered by fire insurance policies written with extended coverage, the amount of such insurance to be not less than eighty percent (80%) of the aggregate replacement value and which insurance policy shall name the Association as a co-insured, for itself and as agent for each Owner;

(ii) general comprehensive public liability insurance against claims for personal or bodily injury, death or property damage arising from the use and maintenance of the Property with limits of not less than (A) Five Hundred Thousand Dollars (\$500,000) per person and One Million Dollars (\$1,000,000) per occurrence with respect to injury or death and (B) One Hundred Thousand Dollars (\$100,000) per occurrence with respect to property damage. Such liability insurance shall name all Owners, as a class, as additional insureds and contain appropriate waivers of subrogation against any Owner or member of such Owner's household, and a provision that no act or omission by Owner, unless acting within the scope of his authority on behalf of the Association, will void the policy or operate as a condition to recovery by any other person under such policy; and,

(iii) any other insurance, including, but not limited to, Workers' Compensation Insurance, deemed necessary or desirable by the Association.

The policies of insurance shall name Declarant and the Association as insureds, as their respective interests appear, cover such risks, be written by such insurers, and, subject to the limits set forth in clauses (i) and (ii) above, be in such amounts as the Association shall deem proper under the circumstances.

Additionally, the Association shall cause the Managing Agent and any employee of either the Managing Agent or the Association who has charge of Owners' funds to be bonded in an amount equal to the amount of funds to be handled.

(g) Levy and Collection of Assessments. To levy, collect and enforce Assessments against the Owners in the manner provided in Articles V

and VI hereof in order to pay the expenses of the Time Share operation and the fee of the Manager; and to do all things necessary to enforce each Owner's obligations hereunder.

(h) Financial Statements and Other Information. The following shall be regularly prepared and distributed to all Owners and Declarant:

(i) A pro forma operating statement (the "Budget") of "Maintenance Expenses" (as that term is defined in Subparagraph 5.3, below) for the Time Share Project for each fiscal year which operating statement shall be distributed to Owners and Declarant not less than sixty (60) days before the beginning of each calendar year.

(ii) An annual report shall be distributed, within one hundred twenty (120) days after the end of each calendar year, consisting of the following: (a) a balance sheet as of the last day of each calendar year; (b) an operating statement for such calendar year; (c) a statement of changes in financial position for the calendar year; (d) any information pertaining to the Association which a California corporation would be required to report under the terms of Section 8322 of the California Corporations Code; and (e) a list of the names, mailing addresses and telephone numbers of the current members of the Board of Directors. The annual report shall be prepared by an independent accountant for any calendar year in which the gross income to the Association exceeds \$25,000.00. If the annual report is not prepared by an independent accountant, it shall be accompanied by the certificate of authorized officer of the Association that the statements were prepared without audit from books and records of the Association.

(iii) Minutes of a Board meeting shall be distributed within sixty (60) days after the meeting.

(iv) A list of the orders of business to be considered at each annual meeting of Members shall be distributed not less than thirty (30) days prior to the meeting date. The list shall include the name, address and a brief biographical sketch, if available, of each person who has announced his or her intention to stand for election to the Board.

(i) Bank Accounts. To deposit all funds collected from Owners and Declarant pursuant to Article V hereof and all other amounts collected by the Association in connection with its duties provided herein as follows:

(i) All funds shall be deposited in a separate bank account or accounts (the "General Account") with a bank or banks located in the States of Nevada or California. Funds deposited in the General Account(s) may be used by the Association for the general purposes for which such funds have been collected.

(ii) Funds which the Association shall collect for "Reserve Expenses" [as defined in subparagraph 5.3(ii)] pursuant to the provisions of subparagraph 5.3(ii) shall, within ten (10) days after deposit in the General Account, be deposited in an interest bearing account(s) with a bank or savings and loan association selected by the Association or invested in Treasury Bills or Certificates of Deposit (said interest bearing bank or savings and loan

account(s) or Treasury Bills or Certificates of Deposit are all herein collectively referred to as the "Reserve Account(s)", and the Association shall keep accurate books and records reflecting the amount in the Reserve Accounts. Funds deposited in the Reserve Accounts shall be held in trust and may be used by the Association as the Association deems in the best interests of the Association.

(j) Statements of Status. Upon the request of any Owner, Mortgagee, prospective mortgagee, purchaser or other prospective transferee of a Time Share or Condominium Unit, to issue a written statement setting forth the amount in the General Account, and the Reserve Account, any amounts unpaid with respect to such Time Share or Condominium Unit, the use entitlement for the remainder of the Use Year and the reservation status respecting such Time Share or Condominium Unit. Such statement, for which a reasonable fee may be charged, shall be binding upon the Association in favor of any person who may rely thereon in good faith.

(k) Cleaning and Maid Service. To provide for cleaning and maid service, and for maintenance and repairs upon the check-out of each Time Share Owner or other occupant of a Time Share Unit and during service periods so that the Time Share Units are maintained in good order and repair. In addition to cleaning and maid service that is normally provided to each Time Share Unit, the Manager may, at the Time Share Owners', Exchange or Permitted User's costs, provide such cleaning and maid services as shall reasonably be requested by a Time Share Owner or other occupant. The Association shall charge for such special cleaning and maid service and such charges shall be a Personal Charge, payable by the Time Share Owner or Exchange or Permitted User when he checks out of the Time Share Unit. This extra cleaning and maid service shall be subject to the Association's or Manager's availability of staff.

(l) Right of Entry. During service periods and at any other reasonable time, upon giving reasonable notice if such Time Share Unit is occupied, to enter the Time Share Unit for the purpose of cleaning, maid service, and if unoccupied for the purpose of painting, maintenance, and repair, and to enter upon and within any Time Share Unit, at any reasonable time, whether or not during a service period and whether or not in the presence of a Time Share Owner, for the purpose of (i) making emergency repairs therein, (ii) abating any nuisance or any dangerous, unauthorized, prohibited or unlawful activity being conducted or maintained in such Time Share Unit, (iii) protecting property rights and the welfare of the other Time Share Owners, or (iv) for any other purpose reasonably related to the performance by the Association of its responsibilities under the terms of this Declaration. Such right of entry shall be exercised in such a manner as to avoid any unreasonable or unnecessary interference with the possession, use and/or enjoyment by the occupant of such Time Share Unit and shall be preceded by reasonable notice to the Time Share Owner or occupant thereof whenever the circumstances permit.

(m) Other Necessary Acts. To do all other things or acts deemed by the association to be necessary, desirable or appropriate for the operation and maintenance of the Time Share operation.

(n) Delegation. To delegate the authority and responsibility of the Association hereunder to one or more agents, including, without limitation, the Manager provided for in Paragraph 4.3, below.

(o) Execution of Leases. To enter into leases of portions of the Association Common Areas, for the purpose of introducing lessees into those areas who will provide commercial bar and restaurant facilities, gift shop facilities and recreational facilities for the convenience of the Owners. These leases shall in no event result in any profit to the Association, and shall in all cases require that the lessee defray its proportionate share of the Association Common Area maintenance costs.

4.3 Authority and Duty to Engage Manager or Managing Agent. The Association shall have the authority to engage and the obligation to use its best efforts to engage and maintain a Manager for the Time Share Project and the Time Share operation contemplated hereby pursuant to a written agreement (the "Management Agreement") meeting the requirements of this paragraph 4.3. Each Management Agreement shall:

(a) Authorize and obligate the Manager to perform all the duties and obligations of the Association specified in paragraph 4.2, above, provided, however, that the Manager may with Board of Director approval delegate its authority and responsibilities to one or more sub-agents for such periods and upon such terms as the Manager deems proper, subject to the limitations set forth in paragraph 4.4, below.

(b) Provide for a term of not more than three years, except that the Management Agreement may provide that the term will be automatically renewed for successive one-year (1) terms unless notice of non-renewal is given no later than ninety (90) days prior to the end of any three-year (3) term or one-year (1) term by either party/ provided, however, that the Association may not give notice of non-renewal unless authorized by a vote of a majority of Owners other than the Declarant.

(c) Provide for a termination for cause by the Board at any time, and provide further that should the Manager dispute such termination for cause, the dispute shall be submitted to arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

(d) Provide that the Manager may resign only upon compliance with the following conditions:

(i) The Manager shall have given at least ninety (90) days prior written notice to the Association.

(ii) Prior to or at the expiration of the period of such a notice (not less than 90 days) but not beyond 180 days after such notice is given, the Association shall have entered into a Management Agreement with another management firm meeting the requirements of this Paragraph 4.3 or shall have made a determination to discharge the duties delegated to the Manager with its own personnel. If at the end of the period specified in such notice the association, despite reasonable efforts to do so, has not entered into such a Management Agreement or determined to discharge the duties

previously delegated to the Manager with its own personnel, the resignation of the Manager shall not be effective until such a new Management Agreement is entered into between the Association and a new management firm or 180 days or the Association makes the determination called for in the preceding sentence.

(iii) On or before the effective date of the Manager's resignation, the Manager shall turn over all books and records relating to the management and operation of the Project and the Time Share operation to the Association.

(e) Provide for compensation to be paid to the Manager not to exceed ten percent (10%) of "Maintenance Expenses" (as hereinafter defined), exclusive of the fee herein paid to the Manager. Such compensation may be increased if authorized by a majority of Owners other than the Declarant or, if, despite the failure to obtain a majority of Owners after requesting the same, the Association is unable to procure a Manager without increasing such compensation.

(f) Enumerate the powers and duties of the Managing Agent in the operation and maintenance of the Time Share Project.

(g) Specify the records to be maintained by the Managing Agent.

(h) Specify the periodic reports and other information to be provided to the Association and Owners by the Managing Agent.

(i) Require fidelity bonding of the Managing Agent, and errors and omissions insurance for the Managing Agent, if available.

(j) Delegate to the Managing Agent the authority to exercise the Association's right to enter Time Share Units, as described in subparagraph 4.2(1), above.

(k) Delineate the authority of the Managing Agent to administer the participation of the Time Share Project in any Exchange Program.

The first Manager shall be appointed by Declarant and may be Declarant or an affiliate of Declarant.

4.4 Limitation on Powers of the Association and the Manager. Notwithstanding the powers of the Association as set forth in Paragraphs 4.1 and 4.2, neither the Association (nor the Manager as the delegate of the Association's powers and duties) shall enter into a contract with a third person or entity whereby such person or entity will furnish goods or services for the Time Share operation for a term longer than one (1) year unless authorized by Time Share Owners constituting a majority of Owners, except for:

(a) The Management Agreement.

(b) A contract with a public utility company if the rates charged for the materials or services are regulated by Public Service Commission, State of Nevada; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate.

(c) Prepaid casualty and/or liability insurance policies not to exceed three year duration provided that the policy permits short-rate cancellation by the insured.

(d) Leases of Common Furnishings to the Association.

(e) Leases for the purposes set forth in subparagraph 4.2(o), above.

4.5 Limitation on Use and Disposition of Managers' Living Quarters. In the event the Declarant conveys to the Association Units within the Project or other residences outside of the Project for use by the Association as living quarters for members of the Association's managerial staff, said Units or residences shall be used only for that purpose and shall in no way be used to raise revenue for the Association or its members and shall in no event be sold by the Association, except upon termination of this Declaration as provided in Paragraph 9.1 hereof.

4.6 Limited Liability. Neither the Association nor the Manager shall be responsible for the acts, omissions or conduct of any of the Owners or for the breach of any of the obligations of any of the Owners.

ARTICLE V

ASSESSMENTS

5.1 Creation of Personal Obligations for Assessments.

(a) Each Time Share Owner holds one fractional undivided interest in a Time Share Unit for each Time Share owned by each Time Share Owner and the Declarant shall be deemed to be the holder of all fractional interests in Time Share Units other than those held by Time Share Owners. Declarant, for each fractional interest held by it, hereby covenants and each Time Share Owner by entering into a Purchase Agreement or accepting the conveyance of a Time Share, whether or not it shall be so expressed in the Purchase Agreement or Deed, shall be deemed to have covenanted and agreed, for each fractional interest held, to pay to the Association the maintenance assessment, all special assessments and personal charges, as hereinafter described in Paragraphs 5.5, 5.7 and 5.8, respectively (all of which are sometimes herein individually and collectively referred to as "Assessment(s)", which shall be established, made and collected as hereinafter provided.

(b) Declarant, for each Condominium Unit owned by it, hereby covenants and each Condominium Unit Owner, by entering into a Purchase Agreement or accepting a Deed therefore (whether or not it shall be so expressed in said Purchase Agreement or Deed) shall be deemed to have covenanted and agreed to pay to the Association that portion of the above-described Assessments as shall be allocated, established, made and collected as hereinafter provided.

(c) The Assessments, together with interest, costs and reasonable attorneys' fees shall be the personal obligation of each Owner at the time the assessment becomes due and payable and shall be a lien and charge upon the

Interest against which the assessment is made. No Owner may waive or otherwise avoid liability for the assessments by non-use of his Interest or any part thereof or any abandonment thereof.

5.2 Purpose of Assessments. Assessments shall be used exclusively to promote the recreation, health, safety and welfare of the Owners, the improvement, operation and maintenance of the Time Share Project, to pay for the administration of the Time Share operation and reimbursement of expenses incurred by the Association and other expenditures incurred in the performance of the duties of the Association as set forth in this Declaration.

5.3 Maintenance Expenses. As used herein, "Maintenance Expenses" means the aggregate amount of expenses, as set forth in the Budget, incurred by the Association during the applicable fiscal year (i) to operate, manage, maintain and repair the Time Share Project, and the Common Furnishings and to administer the Time Share operation; (ii) to provide for reserves to ensure payment when due of the cost of capital expenditures relating to the repair of the property and the repair and replacement of Common Furnishings and capital equipment, and for such other purposes as are required by good business practice (the "Reserve Expenses"); (iii) to provide for the possibility that some assessments may not be paid on a current basis; and (iv) to provide for payment of the fee of the Manager. Without limiting the generality of the foregoing, Maintenance Expenses shall include all charges, costs, and expenses whatsoever incurred by the Association for or in connection with the administration and operation of the Time Share Units; real property taxes and other taxes assessed against the Time Share Project or the Common Furnishings or any other interests of the Time Share Owners (except as and to the extent that such taxes are separately assessed to the individual Time Share Owners); assessments and other similar governmental charges levied on or attributable to the Time Share Project; insurance, including fire and other casualty and liability insurance obtained pursuant to this Declaration; any liability whatsoever for loss or damage arising out of or in connection with the Time Share Project or any fire, accident, or nuisance therein; cost of repair, reinstatement, rebuilding and replacement of the Time Share Project or the Common Furnishings therein, the cost of all basic utility services, including water, electricity, refuse removal, telephone and any other similar service attributable to the Property; the unpaid share of any assessment levied during the previous calendar year against any Owner who has defaulted in payment thereof to the extent that the same becomes uncollectable; wages, accounting and legal fees, management fees, maid service, and cleaning fees, and other necessary expenses of upkeep, maintenance, management and operation actually incurred with respect to the property. Maintenance expenses for any applicable calendar year shall not exceed the actual cost of such increase or to a maximum one hundred twenty percent (120%) of maintenance expenses for the preceding calendar year without regard to any increase in Maintenance Expenses attributable to an increase in real property taxes based upon a change in the method of assessment by the county assessor, unless a majority of Owners shall consent thereto by vote or written assent. The Reserve Expenses portion of the Budget may consist of specific items and amounts for which such Reserve Expenses are being collected.

5.4 Budget Surplus. At the end of any fiscal year, any sums held by the Association which were paid to it as Maintenance assessments which were not expended by the Association shall be applied to reduce the following year's Maintenance Assessment.

5.5 Maintenance Assessment. On a fiscal year basis, an assessment for each Time Share and each Condominium Unit shall be determined as follows:

(a) For each Time share, by dividing the total budgeted amount of Maintenance Expenses allocable to Time Shares (that is, the total budgeted amount of Maintenance Expenses minus that portion of the Maintenance Expenses allocable to the Condominium Units according to the Allocation Schedule identified as Exhibit "B" which is attached hereto and is incorporated herein by reference) by the total number of Time shares;

(b) For each Condominium Unit, by dividing that portion of the Maintenance Expenses allocable to Condominium Units according to Exhibit "B", by the total number of Condominium Units.

The initial Maintenance Assessment for each Time Share and Condominium Unit, other than those owned by Declarant, shall be prorated as of the date of the close of escrow pursuant to the Purchase Agreement by which the Time Share or Condominium Unit is purchased.

5.6 Payment of Maintenance Assessment. The Maintenance Assessment shall be paid as follows:

(i) For any fiscal year in which an Owner purchases an Interest, as provided in that Owner's Purchase Agreement.

(ii) For any other fiscal year, the Maintenance Assessment shall be payable with respect to Interests other than those owned by Declarant in one lump sum due on or before a date set by the Association or, if the Association shall elect, in equal monthly installments.

(iii) For any fiscal year in which there is a subsidy agreement between the Association and Declarant, Declarant's Maintenance Assessment obligation shall be deemed discharged if the terms of such agreement are fulfilled.

(iv) For any fiscal year in which there is no subsidy agreement between Declarant and the Association, Declarant's Maintenance Assessment shall be paid in equal monthly installments, commencing on the first day of the first month of the fiscal year and continuing on the first day of each month thereafter until paid; provided, however, that Declarant's Maintenance Assessment obligation attributable to a Time Share shall cease as to such Time Share upon its conveyance to a Time Share Owner.

(v) Maintenance Assessments shall commence for all Time Shares in Phase One on January 1, 1983.

(vi) Maintenance Assessments shall commence for Time Shares in any future phase which may be annexed to the Project on the date of the commencement of Time Share Owners' occupancy rights in that phase, or on a date which is six months after the closing of escrow of the first sale of a Time Share in such phase, whichever is earlier in time.

(vii) Maintenance Assessments shall commence for Condominium Units in any future phase comprised of such Units which may be annexed to the Project on the first day of the month following the close of escrow of the first sale of a Condominium Unit in such phase.

5.7 Special Assessments. If the Maintenance Assessments are, or will become, inadequate to meet all expenses incurred by the Association hereunder for any reason, including nonpayment by any Owner of Assessments on a current basis, the Association shall immediately determine the approximate amount of such inadequacy, prepare and distribute a supplemental budget and levy against each Owner and Declarant, as to Interests deemed owned by it, a special assessment (the "Special Assessment") in an amount sufficient to provide for such inadequacy, provided, however, that without the vote or written assent of a majority of Owners, Special Assessments shall not, in the aggregate, exceed five percent (5%) of budgeted gross Maintenance Expenses for the applicable fiscal year. Any Special Assessment shall be payable in on lump sum or periodically, as determined by the Association, and shall be payable within fifteen (15) days after receipt of a statement therefor.

5.8 Personal Charges. The term "Personal Charge(s)" means any expense resulting from the act or omission of any Time Share Owner or Exchange User or Permitted User occupying a Time Share Unit during the Use Period of a Time Share Owner, including, without limitation, the cost of long distance telephone charges or telephone message unit charges, food, beverages, sports supplies, optional maid service and other special services or supplies attributable to the occupancy of a Time Share Unit during such Time Share Owner's Use Period. Personal charges also mean the cost (to the extent not reimbursed by insurance proceeds) to repair any damage to the Time Share Unit, the Common Areas or to repair or replace any common furnishings located therein on account of loss or damage occurring during such Time Share Owner's Use Period and the cost to satisfy any expense to any of the other Time Share Owners or their Permitted Users or to the Association due to any intentional or negligent act or omission of such Time Share Owner or Permitted User or resulting from the breach by such Time Share Owner or Permitted User of any provisions of this Declaration, the Bylaws or the Rules and Regulations. Such Personal Charges shall be payable by the Time Share Owner as follows:

(a) By submitting a credit card or other appropriate payment at the time of Check-Out for total Personal Charges incurred by the Time Share Owner. If the Association is able to determine the amount of Personal Charges at Check-Out Time, such Personal Charges shall be payable at Check-Out Time.

(b) Personal Charges which are not ascertainable as provided in Subparagraph 5.8(a), above, shall be payable upon receipt of a statement therefor.

ARTICLE VI

ENFORCEMENT OF RESTRICTIONS

6.1 In General. In the event that any Owner or Permitted User(s) or Exchange User should fail to comply with any of the provisions of this

Declaration, the Bylaws and the Rules and Regulations, the Association or any other Owner(s) shall have full power and authority to enforce compliance with this Declaration, the Bylaws and the Rules and Regulations of any manner provided for herein by law or in equity, including, without limitation, bringing (a) an action for damages, (b) an action to enjoin any violation or specifically enforce the provisions of this Declaration, the Bylaws and the Rules and Regulations, and (c) an action to enforce the liens provided for herein and any statutory lien provided by law, including the foreclosure of any such lien and the appointment of a receiver for an Owner and the right to take possession of the Time Share or Condominium Unit of any Owner. In the event the Association or any Owner(s) shall employ an attorney to enforce any provisions(s) of this Declaration, the Bylaws or the Rules and Regulations against any Owner, the party engaging the attorney shall be entitled to recover from the Time Share Owner violating any such provision(s) reasonable attorneys' fees and costs in addition to any other amounts as provided for herein. All sums payable hereunder by an Owner shall bear interest at eighteen percent (18%) per annum from the date due, or if advanced or incurred by the Association, or any other Owner pursuant to authorization contained in this Declaration, commencing ten (10) days after repayment is requested. All enforcement powers of the Association shall be cumulative. Each Owner by entering into a Purchase Agreement or accepting a Deed shall be deemed to have covenanted and agreed that the Association shall have all of the rights, powers and remedies set forth in this Article VI and elsewhere in this Declaration.

6.2 Certain Specific Enforcement Powers. In amplification of, and not in limitation of, the general powers specified in Paragraph 6.1, above, the Association shall have the following rights and powers:

(a) Suspension of Privileges. If any Time Share Owner or his Permitted User shall be in breach of this Declaration, the Bylaws or the Rules and Regulations, or the Purchase Agreement, including, but not limited to, the failure of such Time Share Owner to pay any Assessment on or before the due date thereof, subject to the limitations hereinafter in this Subparagraph 6.2(a) set forth, the Association may suspend the right of such Time Share Owner and his Permitted User(s) to reserve and/or occupy any Time Share Unit and the right of such Time Share Owner to participate in any vote or other determination provided for herein. If such suspension of privileges is based on the failure of a Time Share Owner to pay Assessments or any other amount(s) due hereunder when due, the suspended privileges of such Time Share Owner shall be reinstated automatically at such time as the Time Share Owner shall have paid to the Association, in cash or by cashier's or certified check, all amounts past-due as of the date of such reinstatement. If such suspension of privileges is based on any act or omission other than the failure of a Time Share Owner to pay assessments or any other amount(s) due hereunder when due, no suspension shall be made except after a meeting of the Board at which a quorum of the Board is present, duly called and held for such purpose in the same manner as provided in the Bylaws for the noticing, calling and holding of a special meeting of the Board. Written notice of such meeting and the purpose thereof, including the reasons for the suspension sought, shall be given to the Time Share Owner whose privileges are being sought to be suspended at least fifteen (15) days prior to the holding of such meeting. Such notice shall be given as provided at Paragraph 9.3, below. Such Time

Share Owner shall be entitled to appear at such meeting and present his case as to why his privileges should not be suspended. The decision as to whether such privileges should be suspended shall be made by a majority of the members of the Board present at such meeting. Written notice of suspension and the reasons therefor shall be given to the suspended Time Share Owner and the suspension shall become effective on the date such notice is given but not earlier than the fifth day following the date of such decision.

(b) Enforcement by Lien. The Association shall have a secured lien, in the nature of a Mortgage or Deed of Trust with power of sale, on each Time Share and Condominium Unit as security for the prompt and faithful performance of each Owner's obligations under this Declaration, the Bylaws and the Rules and Regulations, together with the payment of interest, costs of enforcement, including reasonable attorneys' fees, in connection therewith. Provided, however, that as against any transferee, Mortgagee or beneficiary of an Owner's interest acquiring all or any interest in such Owner's interest by deed, deed of trust or Mortgage given by such Owner for valuable consideration and accepted by the transferee, Mortgagee, or beneficiary without notice of default in the payment or performance secured, no such lien shall be effective to secure past-due payment or performance in default at the time of recording such deed of trust or Mortgage, except to the extent that notice of default in the payment or performance of such deed of trust or Mortgage, has been given at the time of recording such deed or mortgage by the prior recording of a notice of lien recorded within the immediately preceding twenty-four (24) calendar months in the Office of the County Recorder of Douglas County, Nevada, which notice of lien describes the Time Share or Condominium Unit affected, sets forth the name of the record Owner thereof and recites that the particular payment or performance is or may be in default and otherwise complies with the then existing provisions of Nevada Revised Statutes 278A.150, 117.070 and 117.075. Such lien may be enforced by sale by the Association, its agent or attorney after failure of the Owner to make the secured payment or performance provided such sale is conducted in accordance with the provisions of Covenants Nos. 6, 7 and 8 of Nevada Revised Statutes 107.030 and Nevada Revised Statutes 107.090 insofar as they are consistent with the provisions of Nevada Revised Statutes 278A.160 and 117.075. The purchase at any foreclosure sale shall obtain title subject to the provisions of this Declaration. The Association may bid at the foreclosure sale and may hold, lease, mortgage or convey any Time Share acquired at such state.

6.3 Subordination to Certain Mortgages. The lien provided for herein shall be prior to all encumbrances made by an Owner or imposed by legal process upon any Time Share Owner except taxes, bonds, assessments and other levies, which by law, are prior thereto, whether the notice of lien is recorded prior or subsequent to any such encumbrances, except that the lien provided for herein shall be subordinate to the lien of any first mortgage or other first encumbrance made in good faith and for value and recorded in the Office of the County Recorder of Douglas County, Nevada, prior to the recordation of a notice of lien hereunder (the "Prior Mortgage"). The Sale or transfer of any Time Share or Condominium Unit shall not defeat or affect the lien provided for herein; provided, however, that the sale or transfer of any Time Share or Condominium Unit subject to a Prior Mortgage pursuant to a foreclosure or exercise of a power of sale, under such Prior Mortgage shall extinguish the lien provided for herein as to payments for which became due prior to such sale or transfer. No such sale or transfer shall relieve such

purchaser thereof from liability for any payment or performance thereafter becoming due or from the lien thereof.

ARTICLE VII

DAMAGE, DESTRUCTION, CONDEMNATION

7.1 In General. In the event of any damage or destruction, whether resulting from an insured casualty, uninsured casualty or a partial taking in eminent domain proceedings of the Time Share Project or the Common Furnishings other than by ordinary wear and tear, the Association shall, subject to the provisions of Paragraph 7.2, forthwith cause such damage or destruction to be repaired and shall use any available insurance or condemnation proceeds for such purpose. If the damage is not covered by condemnation proceeds or by insurance proceeds, or if the available insurance or condemnation proceeds are insufficient, the association shall, subject to the provisions of Paragraph 7.2 and the next succeeding sentence, levy a Special Assessment against the Time Share Owners and Condominium Unit Owners and against Declarant for the amount required to meet the cost of such repair or restoration.

Such special Assessments shall be levied against Condominium Owners and Declarant's Condominium Units only for the purpose of meeting the cost of repair or restoration of facilities or improvements located on Association Common Areas.

In the event the damage or destruction was caused by the intentional or negligent act or omission of an Owner or Permitted User the cost of such repair or the amount of such deficiency shall be a Personal Charge and payable by such Owner as provided in Paragraph 5.8 above.

7.2 Extensive Damage or Destruction. In the event the amount of the Special Assessment which is required to be levied pursuant to Paragraph 7.1 above, shall exceed \$200.00 per Time Share, such Special Assessment shall not be levied unless both a majority of voting Owners and a majority of voting Owners other than Declarant shall approve such Special Assessment. If such Special Assessment is not so approved within 180 days following the date of such damage or destruction, this Declaration shall be terminated effective upon the recordation of a Certificate of Termination executed by the President or a Vice President and the Secretary or Treasurer of the Association stating that the Declaration has been terminated in accordance with the provisions of Paragraph 8.2 of Declaration and any Time Share Owner shall thereafter have the right to maintain an action for sale in lieu of partition as to the entire property and any proceeds or condemnation proceeds received as a result of such damage or destruction, shall be distributed according to the priorities set forth in Paragraph 8.3 below.

7.3 Excess Insurance Proceeds. Any excess insurance or condemnation proceeds over the cost of repair or restoration or any insurance or condemnation proceeds available in the event the Time Share Project and Common Furnishings are not rebuilt, restored, repaired or replaced pursuant to the provisions of this Declaration, shall be distributed in accordance with the distribution formula set forth in Paragraph 8.3.

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7.4 Condominium Lots. In the event of damage or destruction or partial taking in eminent domain proceedings of a residential lot(s) in the Project which lot is subject to a separate declaration permitting the sale of Condominium Units, that declaration shall govern concerning the procedures for the repair or restoration of said lot(s) and Units.

ARTICLE VIII

ANNEXATION

8.1 Annexation by Association. Upon approval in writing of the Association, pursuant to the affirmative vote or written consent of at least fifty percent (50%) of the voting power of the Members which shall include 50% of the voting power of Members other than Declarant, the owner of any property who desires to add it to the plan of this Declaration and to subject it to the jurisdiction of the Association, may cause the same to be done as hereafter provided in this Article VIII, or in any other manner permitted by laws.

8.2 Annexation by Declarant. Lots 26, 27, 28, 30, 31 and 33 to 38, inclusive, of TAHOE VILLAGE Unit Number 3, fifth amended final map, Document #61612, Official Records of Douglas County, Nevada, or any part thereof, and additionally up to 132 additional Condominium Units or 6,732 Time Share Units on lots or property to be acquired by Declarant may be annexed by Declarant, its successors and assigns, without the consent of the Association or Members within five (5) years after the date of issuance by the California Department of Real Estate of the most recent subdivision sales permit for the Project.

8.3 Procedure. Any annexation authorized hereunder shall be made by the owner of the property to be annexed by recording a Declaration of Annexation with respect to the property to be annexed, which shall extend the plan of this Declaration to the property to be annexed. Such Declaration of Annexation may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the development of the annexed property and as are not inconsistent with the plan of this Declaration and approved by the Board of Directors. In no event, however, shall any such supplementary Declaration revoke, modify or add to the covenants, conditions and restrictions established by this Declaration for the Property. Any such Declaration of Annexation may be amended by Declarant without consent of the Members of the Association so long as Declarant owns more than fifty percent (50%) of the Time Shares or Condominiums subject to said Declaration of Annexation.

ARTICLE IX

MISCELLANEOUS PROVISIONS

9.1 Amendment.

(a) Amendment by the Members. This Declaration may be amended by the vote or written assent of both a majority of the total voting power of the Association and a majority of the Members other than the Declarant. Any such

amendment shall be binding upon every Owner and his interest whether the burden thereon or the benefit thereto is increased or decreased. No provision of this Declaration shall be amended without the vote or written assent of a majority of the membership's voting power at least equal to that majority required for action under that provision.

(b) Any amendment to this Declaration shall become effective when it has received the required approvals and the Board has executed, acknowledged and recorded in the Office of the County Recorder of Douglas County an instrument expressing the amendment and certifying that the required approvals were received.

9.2 Termination. Subject to the provisions of the next following sentence and Paragraph 7.4, this Declaration shall remain in effect for a period of 50 years from the date of recordation hereof and thereafter shall remain in effect for successive periods of 10 years each unless, after the expiration of the original term, an election to terminate is made by the vote or written assent of both a majority of the Owners other than Declarant and Declarant. Following such election, the Association shall cause the Time Share Project to be sold and each Time Share Owner, Condominium Owner and Declarant hereby grants to the Association a special power of attorney coupled with an interest to execute, delivery and complete all documents, papers and instruments made in connection with or necessary for the consummation of such sale. The Association shall distribute the proceeds from such sale as follows:

(i) Subject to the rights of the holder(s) of any existing encumbrances relating to any of the Time Share Units or Condominium Units.

(ii) Proceeds of the sale of Time Share Residential Lots and Common Furnishings located thereon shall be distributed to both the Time Share Owners (and Declarant as to any Time Shares owned by it) according to the relative fair market values of their Time Shares.

(iii) Proceeds of the sale of Association Common Area Lots, and Common Furnishings located thereon, shall be distributed among all the Owners (including Declarant as to any Interests owned by it) according to the relative fair market values of the Interests owned.

(iv) The Board shall select qualified independent appraisers who shall determine the relative fair market values of Interests in the Project as of a date immediately prior to the occurrence of the destruction, condemnation or election which necessitated the sale described above.

9.3 Notices. Notices provided for in this Declaration shall be in writing and shall be deemed sufficiently given when delivered personally at the appropriate address set forth below (in which event, such notice shall be deemed effective only upon such delivery) or seven (7) days after deposit of same in any United States post office in the state to which the notice is addressed, ten (10) days after deposit of same in any such post office box or other than in the state to which the notice is addressed, postage prepaid, addressed as set forth below. Notice shall not be deemed given unless and until, under the preceding sentence, notice shall be deemed given to all addressees to whom notice must be sent. Any notice to a Time Share Owner

required under this Declaration shall be addressed to the Time Share Owner at the last known address for such Time Share Owner appearing in the records of the Association or, if there be none, at the address of the Property. Notices to the Association shall be addressed to the address designated by the Association by written notice to all Time Share Owners. Notices to the Managing Agent shall be addressed to the address designated by the Managing Agent by written notice to all Time Share Owners. Notices to Declarant shall be addressed to Harich Tahoe Development, P.O. Box 5790, Stateline, Nevada 89449. The addresses and addressees for purposes of this Paragraph 9.3 may be changed by giving written notice of such change in the manner herein provided for giving notice. Unless and until such written notice is received, the last address and addressee as stated by written notice or as provided herein, if no written notice of change has been sent or received, shall be deemed to continue in effect for all purposes hereunder.

9.4 Notification of Sale of Time Share. No later than fifteen (15) days before the voluntary or involuntary sale or transfer of any Time Share (except by Declarant) under circumstances whereby the transferee becomes the Time Share Owner thereof, the transferor shall provide notification to the Association and to the Beneficiary under the purchase deed of trust, if any, in writing and in whatever form, if any, required by the Association, of such proposed sale or transfer and evidence of notice to Beneficiary under the purchase deed of trust. Such notice shall set forth: (a) the name and address of the transferee and transferor; and (b) the date of proposed sale or transfer and proof by Seller of the fact that all documents relating to the time share regimen have been provided to purchaser. In the absence of such notice, the Association shall not be required to recognize the transferee for any purpose, and any action taken, prior to the giving of such notice, by the transferor as a Time Share Owner may be recognized by the Association. Prior to receipt of any such notification by the Association or the Managing Agent, any and all communications required or permitted to be given by the Association shall be deemed duly given and made to the transferee if duly and timely made and given to such transferee's transferor.

9.5 Severability. If any provision of this Declaration, or any section, sentence, clause, phrase or word or the application thereof in any circumstances, shall be held invalid, the validity of the remainder of this Declaration and of the application of the provision, sentence, clause, phrase or word under any other circumstances shall not be affected thereby.

9.6 Successors. The provisions of this Declaration shall be binding upon all parties having or acquiring any Time Share or any right, title or interest therein and shall be for the benefit of each Time Share Owner and Declarant and their respective heirs, successors and assigns. Each Time Share Owner and Declarant shall be fully discharged and relieved of liability on the covenants herein insofar as such covenants relate to each Time Share upon ceasing to own such Time Share and paying all sums and performing all obligations hereunder insofar as the same relate to each Time Share up to the time his ownership interest terminated.

9.7 Violation or Nuisance. Every act or omission whereby any provision of this Declaration, the Bylaws or the Rules and Regulations is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or

abated whether or not the relief sought is for negative or affirmative action, by Declarant, the Association or any Owner.

9.8 Interpretation. The captions of the Articles, Paragraphs and Subparagraphs hereof are for convenience only and shall not be considered to expand, modify or aid in the interpretation, construction or meaning of this Declaration. As used herein the singular shall include the plural and the masculine shall include the feminine and neuter.

9.9 No Waiver. The failure to enforce any provision of this Declaration shall not constitute a waiver thereof or of the right to enforce such provision thereafter.

9.10 Action to Demand Enforcement of Completion Bonds. In the event that the Nevada Real Estate Division, Department of Commerce, or the County of Douglas is the obligee of any bond guarantying completion of any work of improvement in or on the Project, it shall be the duty of the Board to demand that the State of Nevada or County of Douglas enforce the obligation under such bond if a notice of completion has not been filed for such work of improvement within sixty (60) days after the completion date for same set forth in the completion schedule appended to the bond, or within thirty (30) days after any extension thereof. Should the Board fail to make such demand, it shall call a special meeting upon receipt of a petition for such meeting signed by five percent (5%) or more of the total voting power of the Association, said meeting to be held within not less than thirty-five (35) nor more than forty-five (45) days after such receipt. If a majority of the voting power in the Association residing in Members other than the Declarant votes to demand enforcement of the bonded obligation, the Board shall be required to demand enforcement from the State or County in the name of the Association and its Members.

ARTICLE X

RECISSION OF PRIOR DECLARATION

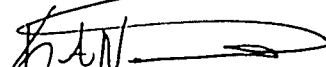
This third Amended and Restated Declaration supercedes, rescinds and extinguishes the Declaration originally made on October 27, 1981 and recorded as Document No. 61618 in the Official Records of Douglas County, Nevada, and rerecorded November 4, 1981, and Document No. 61830 of said Official Records, and the Amended and Restated Declaration made on November 20, 1981 and recorded as Document No. 62775 of said Official Records, and the Second Amended and Restated Declaration made on December 29, 1981, and recorded as Document No. 63825 of said Official Records, and this Third Amended and Restated Declaration shall govern.

IN WITNESS WHEREOF, the Declarant has hereunto caused these presents to be executed this 15th day of September, 1982.


"DECLARANT":

HARICH TAHOE DEVELOPMENTS,
a general partnership

HARLESK NEVADA, INC., a
Nevada corporation, general partner

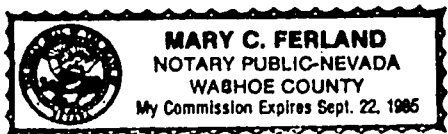
By 
its KIRK A. NAIANE
Vice President

LAKWOOD DEVELOPMENT, INC., a
Nevada corporation, general partner

By 
its HARTLEY T. RICHARDSON
Vice President

STATE OF Nevada)
 :
 COUNTY OF Douglas) ss.

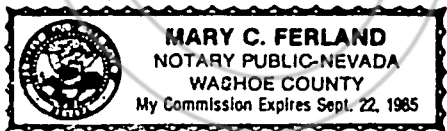
On this 15 day of September, 1982, personally appeared before me, a Notary Public, KIRK NAIRNE, who acknowledged to me that he is a Vice President of HARLESK NEVADA, INC., a Nevada corporation and general partner of HARICH TAHOE DEVELOPMENTS, a Nevada general partnership, and who acknowledged to me that he executed the foregoing Amended and Restated Declaration of Time Share Covenants, Conditions, and Restrictions for The Ridge Tahoe on behalf of said partnerships.



Mary C. Ferland
NOTARY PUBLIC

STATE OF NEVADA)
 :
 COUNTY OF Douglas) ss.

On this 15TH day of September, 1982, personally appeared before me, a Notary Public, HARTLEY RICHARDSON, who acknowledged to me that he is a Vice President of LAKEWOOD DEVELOPMENT, INC., a Nevada corporation, and a partner of HARICH TAHOE DEVELOPMENTS, a Nevada general partnership, and who acknowledged to me that he executed the foregoing Amended and Restated Declaration of Time Share Covenants, Conditions, and Restrictions for The Ridge Tahoe on behalf of said partnership.



Mary C. Ferland
NOTARY PUBLIC

EXHIBIT A

All that certain real property located and situated in the County of Douglas, State of Nevada, described as follows:

Lots 26 through 41, inclusive, of TAHOE VILLAGE UNIT NUMBER 3, Fifth Amended Map, recorded as Document No. 61612 as corrected by a Certificate of Amendment recorded as Document 62661, all of the Official Records, Douglas County Recorder's Office, Minden, Nevada.

COPY

EXHIBIT B

Assessment Allocation

- I. For the purpose of determining the relative annual maintenance assessments, and any special assessments, to be levied against Time Shares and Condominium Units, expenses in the categories listed below shall be divided into shares by the total number of Units in the Project, with each Condominium Unit being assessed a share, and each Time Share being assessed one fifty-first (1/51) of a share.
1. Salaries for General Manager, Assistant Manager, Manager's secretary, Maintenance Manager, Maintenance Mechanics, Laborers, Groundskeepers, Association Common Area Building Maintenance Staff, Pool and Spa Crew, Recreation Center Hostess, Activity Coordinator, Recreation Center Custodian, and Security Guard Personnel.
 2. Any Bonuses, Vacation Pay, Payroll Taxes, Health Insurance, and Workmen's Compensation Insurance costs associated with the salaries listed above.
 3. The following general expenses:
Dues and Subscriptions, Insurance, Snow Removal, Spa Supplies, Management Fee, Property Taxes on Association Common Areas, Sewer Use Fee on Recreation Center, Tahoe Village Association Dues and Contingency Charge.
 4. Operating Expenses and Reserves Contributions for the Association Common Areas.
 5. Any other costs or expenses or portions of same which arise from the operation, maintenance and repair of the Association Common Areas.
- II. Expenses included in the remaining categories in the budget shall be allocated to the Time Shares only, by dividing the total amount of such expenses by the total number of Time Shares and levying the amount determined thereby against each Time Share.

REQUESTED BY
Steve Hartman
IN OFFICIAL RECORDS OF
DOUGLAS CO. NEVADA
37.00 pd.
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SUZANNE BEAUDREAU
RECORDER

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