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P.O. Box 646
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89702

FIRST AMENDED RESTATED
DECLARATION OF TIME SHARE COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
RIDGEVIEW

This Declaration, made this 8TH day of MARCH,
1985, by SAIDA OF NEVADA, 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 incorpor-
ated herein by this reference, which is the subject of a Seventh
Amended condominium map for Lot 50 as part of LAKE TAHOE VILLAGE
Number 1, recorded on April 14, 1982, as Document No. 66828 as
modified by that Record of Survey recorded on March 4, 1985 as
Document No. 114254 in the Official Records, Douglas County
Recorders Office, Minden, Nevada, which defines Units 1 to 24, in-
clusive.

B. The Property is currently the subject of certain Cov-
enants, Conditions, and Restrictions of TAHOE VILLAGE UNIT Number 1,
as the same is filed in the Office of the Douglas County Recorder,
as Document No. 63681, recorded January 11, 1973 as amended July 2,
1976 in Document No. 01472.

C. The Declarant recorded a Declaration of Time Share
Covenants and Conditions and Restrictions for Ridgeview on December

21, 1984 in Book 1284 at Page 1993 as Document No. 11558 of Official Records Douglas County, Nevada, prior to the modification of said LAKE TAHOE VILLAGE Number 1 map.

D. The Declarant has imposed the herein described First Amended and Restated Covenants, Conditions and Restrictions of Ridgeview, on Lot 50, Units 1 to 24 inclusive, as shown and defined on the referenced LAKE TAHOE VILLAGE Number 1 map, as modified, 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 reserved condominium ownership.

E. The Declarant, proposes to convey by grant, bargain, and sale deed undivided interests in the Property 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.

F. By this First Amended and Restated Declaration of Conditions, Covenants and Restrictions of Ridgeview, Declarant intends to supercede all the previous Declarations, to amend them, to make certain corrections in them and to apply First Amended and Restated Declaration of Conditions, Covenants and Restrictions of

Ridgeview, to the modified map of LAKE TAHOE VILLAGE Number 1, and to restate the common plan for the use, enjoyment, maintenance, repair, restoration and improvement of the Property and the interests therein conveyed or reserved, and for the payment of any and all expense pertaining thereto.

NOW, THEREFORE, in furtherance of such intent, Declarant hereby declares that the Property 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 Property 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 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.

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ARTICLE I
DEFINITIONS

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

1.1 "Association" means The Ridgeview Property Owners Association, a Nevada non-stock, non-profit cooperative corporation.

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

1.3 "Common Area" means that portion of Lot 50 which is not within the Unit Boundaries of any Time Share Unit.

1.4 "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.

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

1.6 "Declarant" means Saida of Nevada, Inc. and any successors in title (whether by voluntary, transfer, foreclosure or otherwise) to all of the Time Share Interest then owned by Saida of Nevada, Inc., or any successor which is then a Declarant, provided however, that if at the time of the transfer in question Declarant owns only one (1) Time Share Interest the transferee if such Time Share Interest shall not be deemed a Declarant.

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

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

1.9 "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.

1.10 "Fiscal Year" means that period beginning with the first day of December of each year and ending with the last day of November of the following year.

1.11 "Interest" means an Owner's ownership interest in a Time Share Unit.

1.12 "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.

1.13 "Member" means any person who is an owner and has the right to vote in the Association or any group of persons who are owners and may cast a vote collectively as provided in this declaration.

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.

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

1.16 "Owner's Season" means the season designated in Time Share Owner's Agreement and/or deed.

1.17 "Owner's Time Share Unit" means the Unit designated in each Time Share Owner's Agreement and/or Deed.

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.

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 "Ridgeview 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 known as Ridgeview.

1.22 "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.

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

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

(b) "Swing" means the 11 week period commencing on Check-In Time on the 39th Friday or Saturday of each Calendar Year and ending on Check-Out-Time on the 49th Friday or Saturday of each Calendar Year (fall segment) and the 4 week period commencing on Check-In Time on the 17th Friday or Saturday of each Calendar Year and ending on Check-Out Time on the 20th Friday or Saturday of each Calendar Year (spring segment).

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

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

1.25 "Time Share" means an undivided interest in a Unit and in the Common Area, together with the right to make use of any and all easements appurtenant thereto, the non-exclusive right to use the Common Area in which the Time Share Owner has an undivided interest, and the exclusive right to use and occupy any Time Share Unit within this project, and the Common Furnishings therein, for a Use Period 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. Time Share includes a right to use of

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any and all easements appurtenant to the project and to any property to which the Project is annexed, and a non-exclusive right to use the Common Area in this project and in any project to which this project is annexed. Time Share does not include the right to use or occupancy of any Time Share Unit in any other project to which this project is annexed, except under a valid exchange program.

1.26 "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.

1.27 "Time Share Project" means all of the Common Areas and all units on Lot 50 in which the Time Shares are conveyed, all of the buildings and other improvements constructed or to be constructed thereon, and all of the Common Furnishings.

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

1.29 "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.

1.30 "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.

1.31 "Use Year" means each one year period beginning on the first day of the first week of each Winter Season and ending on the last day of the last week of the Swing Season's fall segment.

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 the 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 in this project 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

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ACKNOWLEDGED THAT A TIME SHARE OWNER MAY NOT ACTUALLY OCCUPY, DURING HIS USE PERIOD, THE SPECIFIC CONDOMINIUM UNIT 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 person (Permitted Users) 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 was 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 Detaining Owner 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 hold-over 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 accommo-

dations 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 V and VI hereof.

2.4 Use Restrictions. A Time Share Unit shall not be occupied by more than four (4) 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

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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 Time Share Owner specifically excluding Declarant, shall further divide, subdivide or timeshare the ownership interest conveyed to him which is the subject of this Declaration.

2.5 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 User Period. Any rentals received by Declarant shall inure to its benefit. 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

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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 ninety percent (90%) of the total number of Time Shares authorized for sale in the Project, or (ii) the annual meeting of the Association ten (10) years after 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 majority of the Owners (other than Declarant) voting on such question vote to terminate the rental

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program provided for in this Paragraph 2.6. Except for the rights and easements reserved to Declarant and the Association 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.

2.6 Use Easements. In order to permit the use and occupancy of all Time Share Units 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.

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2.7 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 Nevada Department of Real Estate subdivision sales permit for the Project, an exclusive easement in, over and through the Units, recreation 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.

2.8 Transfer of Interest. No person other than the Declarant 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 no effect.

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2.9 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.

2.10 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 Shares originally conveyed by deed and the property. Accordingly, all rights with respect to the use, possession, enjoyment, management or disposition of a Time Share or the Project 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.

2.11 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 subjected 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 Ridgeview 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 (including Declarant as to all Interests not the subject of a Purchase Agreement or conveyed by deed) shall be a member of the association (the "Member") and shall remain a Member thereof until he ceases to own an interest in a Time Share.

3.3 Transfer of Membership. The membership of each Time Share Owner in the association is appurtenant to and inseparable from his ownership of a Time Share and shall be automatically transferred upon any authorized transfer or conveyance of the ownership of his Time Share 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. In accordance with the provisions of the By-laws, the Association shall have but one class of voting membership which shall be all owners of Time Shares, including Declarant and shall be entitled to one vote for each Time Share

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owned. All such persons and entities shall be Members and the vote for such Time Share 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.

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 including 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 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 (based upon their respective fractional undivided ownership interest in such Unit), cast the vote for such Unit in the Master Association.

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(iii) Should less than a majority of the Time Share Owners of 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. At the time of the first annual meeting of the Members, the Members (including Declarant) shall elect, in accordance with the By-laws, a new Board replacing the Board defined in the preceding sentence.

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 the 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 contracts 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

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other duly authorized representatives) may, subject to the provisions of the Association's Articles of Incorporation, the By-laws and this Declaration, exercise any and all rights and powers 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 Power 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, 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 Time Share Owners (the "Roster"). Upon the written request of a Time Share Owner, the association shall furnish such Time Share Owner with a copy of the Roster and may charge such Time Share Owner a reasonable fee therefor. Each Time Share Owner who requests and receives a copy of the

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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. The repair, maintain, repaint, furnish or refurnish the Time Share Project or any part hereof, 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 and services which the Association deems necessary or proper for the maintenance and operation of the Time Share Project 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 of Common Furnishings; and similarly to discharge, contest or protest liens or charges affecting the Time Share Project.

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

(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.

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(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 By-laws and the Rules and Regulations.

(f) Insurance. To obtain and pay the cost of, and at all time 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 one hundred percent (100%) 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 an 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,

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(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, at its cost, the Managing Agent and any employee of either the Managing Agent or the Association who has charge of the Owners' funds to be bonded in an amount equal to the amount of funds handled.

(g) Levy and Collection of Assessments. To levy, collect and enforce Assessments against the Time Share 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 60 days before the beginning of each calendar year.

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(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; and (d) 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:

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(i) All funds shall be deposited in a separate bank account or accounts (the "General Account") with a bank or banks located in the State of Nevada. 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 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, 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, the use entitlement for the remainder of the Use Year and the reservation status respecting such Time Share. 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.

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(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

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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 Common Areas. These leases shall in all cases require that the lessee defray its proportionate share of the Common Areas maintenance costs.

4.3 Authority and Duty to Engage Manager or Managing Agent. The Association has engaged RESORTS DEVELOPMENTS INTERNATIONAL to initially manage the project, as to any subsequent manager, 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:

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(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 five (5) 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 five-year (5) 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 majority of Owners other than the Declarant.

(c) Provide for a termination for cause by the Board at any time, and provide further than 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 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 Man-

agement 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 property and the Time Share operation to the Association.

(e) Provide for compensation to be paid to the Manager not to exceed 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.

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(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 the manager existing at the time this Declaration is filed and the project is annexed to the Ridge Tahoe.

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 delegee 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.

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(c) Prepaid casualty and/or liability insurance policies not to exceed three years 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 Limited Liability. Neither the Association nor the Manager shall be responsible for the acts, omissions or conduct or any of the Members or for the breach of any of the obligations of any of the Members.

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 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, 5.6, 5.8 and 5.9, respectively (all of which are sometimes herein individually and collectively referred to

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as "Assessment(s)"), which shall be established, made and collected as hereinafter provided.

(b) 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 waiver 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 Members, the improvement, operation and maintenance of the Time Share Project and all property to which it is annexed, 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 and any other declaration of a project to which this project is annexed.

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 Property and all projects to which the property is annexed(not including the interiors of the exclusive easement areas), and the common furnishings and to administer the Time Share operation on the property and all projects to which the property is annexed; (ii) to provide for

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reserves to ensure payment when due of the cost of capital expenditures relating to the repair of the Project and all projects to which the property is annexed 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") for the property and all projects to which the property is annexed; (iii) to provide for the possibility that some assessments to it may not be paid on a current basis; and (iv) to provide for the 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 in this project and any other project to which this project is annexed; real property taxes and other taxes assessed against the Property and any other project to which this project is annexed 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) in this project or any other project to which this project is annexed; assessments and other similar governmental charges levied on or attributable to the Property or any other project to which this project is annexed; 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 Property or any fire, accident, or nuisance therein or on any project to which this project is annexed; cost of repair, re-

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instatement, rebuilding and replacement of the Property 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 Project or any project to which is this project is annexed; 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 (not including the interiors of the exclusive easement areas) and to any project to which this project is annexed. Maintenance expenses for any applicable Fiscal year shall not exceed the actual cost of such increase or to a maximum 120% of maintenance expenses for the preceding Fiscal year without regard to any reduction pursuant to Paragraph 5.5 or 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 majority of Members 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 are paid to it as Maintenance Assessments which were not expended by the Association shall be applied to reduce the following Year's Maintenance Assessment.

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5.5 Maintenance Assessment. On a Fiscal year basis, the Association shall make an assessment equal to the maintenance expenses defined in Article 5.3 above (or alternatively 5.5 above as applicable) divided by the total number of timeshares in the Ridgeview project (1224) which are projected on a budgeted basis for the next succeeding fiscal year.

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.

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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 of 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 Member 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 Members, Special Assessments shall not, in the aggregate, exceed five (5)% of budgeted gross Maintenance Expenses for the applicable fiscal year. Any Special Assessment shall be payable in one lump sum or periodically, as determined by the Association, and shall be payable within 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 means 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

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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 By-laws or the Rules and Regulations. Such Personal Charges shall be payable by the Time Share Owner as follows:

(a) 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.

Personal Charges shall also include the cost of repairs to the Common Areas and the cost of repair or replacement of the Common Furnishings occasioned by the intentional or negligent acts or omissions of any Condominium Owner, to the extent such costs are not reimbursed by insurance proceeds.

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 By-laws and the Rules and Regulations, the Association or any other Owner(s) shall have full

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power and authority to enforce compliance with this Declaration, the By-laws and the Rules and Regulations in 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 By-laws 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 a Owner and the right to take possession of the Time Share of any Owner. In the event the Association or any Owner(s) shall employ an attorney to enforce any provision(s) of this Declaration, the By-laws or or the Rules and Regulations against any Owner, the party engaging the attorney shall be entitled to recover from the 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 a Owner shall bear interest at 18% per annum from the due date, or if advanced or incurred by the Association, or any other Owner pursuant to authorization contained in this Declaration, commencing 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 the 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.

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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 By-laws 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 such 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 By-Laws for the noticing, calling and holding of

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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 as security for the prompt and faithful performance of each Owner's obligations under this Declaration, the By-laws 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 a 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

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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 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 foreclosures 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 sale.

6.3 Subordination to Certain Mortgages. The lien provided for herein shall be prior to all encumbrances made by a Owner or imposed by legal process upon any Owner except taxes, bonds, assessments and other levies, which by law, are prior thereto, whether

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the notice of lien is recorded prior or subsequent to any such encumbrances. However, the 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 Unit shall not defeat or affect the lien provided for herein; provided, however, that the sale or transfer of any Time Share subject to 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 which became due prior to such sale or transfer. No such sale or transfer shall relieve such Time Share or the 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

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proceeds are insufficient, the Association shall, subject to the provisions of Paragraph 7.2 and the next succeeding sentence, levy a Special Assessment against all Time Share Owners and against Declarant for the amount required to meet the cost of such repair or restoration.

In the event the damage or destruction was caused by the intentional or negligent act or omission of a 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 5.10 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 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 the Declaration and any Owner shall thereafter have the right to maintain an action for sale in lieu of partition as to the Project 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 8.2 below.

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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 8.2.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

8.1 Amendment.

(a) Amendment by the Members. Except as to Articles 1.6, 2.1, 2.4, 2.5, 2.7, 2.10, 5.1, 5.5 and 5.6, this Declaration may be amended by the vote or written assent of a majority of the total voting power of the Association. 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, including the above-referenced Articles, shall be amended without the vote or written assent of the Declarant and 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.

8.2 Termination. Subject to the provisions of the next following sentence and Paragraph 7.2, 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 a majority of the owners. Following such election, the Association shall cause the Time Share Project to be sold and each Time Share Owner and Declarant hereby grants to the Association a special power of attorney coupled with an interest to execute, deliver 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.

(ii) Proceeds of the sale of Time Share Units 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 Common Areas 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 oc-

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currence of the destruction, condemnation or election which necessitated the sale described above.

8.3 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 addresses to whom notice must be sent. Any notice to an Owner required under this Declaration shall be addressed to the Owner at the last known address for such Owner appearing in the records of the Association or, if there be none, at the address of the Project. Notices to the Association shall be addressed to the address designated by the Association by written notice to all Owners. Notices to Declarant shall be addressed to Saida of Nevada, 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.

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8.4 Notification of Sale of Time Share. No later than fifteen (15) days before the voluntary or involuntary sale or transfer of any Interest (except by Declarant or by deed of trust or mortgage foreclosure) under circumstances whereby the the transferee becomes the 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 an 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.

8.5 Severability. If any provision of this Declaration, or any section, sentence, clause, phrase or word of 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 effected thereby.

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

8.7 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.

8.8 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.

8.9 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.

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8.10 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 Property, 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 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.

IN WITNESS WHEREOF, the Declarant has hereunto caused these presents to be executed this 8TH day of MARCH, 1985.

"DECLARANT":

SAIDA OF NEVADA, INC.
A Nevada corporation

By: Philip B. Schwab

PHILIP B. SCHWAB

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STATE OF FLORIDA)
COUNTY OF PALM BEACH) : ss.

On the 8 day of MARCH, 1985, before me, the undersigned, a Notary Public in and for said State, personally appeared PHILIP B SCHWAB, known to me to be the PRESIDENT of SAIDA OF NEVADA, INC., and acknowledged to me that such corporation executed the within instrument pursuant to its By-Laws or a resolution of its board of directors.

WITNESS my hand and official seal.

[Signature]
Notary Public

Notary Public, State of Florida
My Commission Expires Jan. 26, 1987
Bonded Thru Troy Fair - Inc.

SEAL

EXHIBIT A

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

"Lot 50, Lake Tahoe Village #1, Units 1-24 as shown on that Seventh Amended Condominium map recorded in April 14, 1982, as Document No. 66828 in the Official Records, Douglas County Recorder's Office, Minden, Nevada as modified by the Record of Survey recorded on March 4, 1985 as Document No. 114254 Official Records, Douglas County Recorder's Office, Minden, Nevada;

TOGETHER WITH all Common Areas as set forth on said Seventh Amended condominium map recorded April 14, 1982, as Document No. 66828, Official Records, Douglas County Recorder's Office, Minden, Nevada" as modified by the Record of Survey recorded on March 4, 1985 as Document No. 114254 Official Records, Douglas County Recorder's Office, Minden, Nevada.

REQUESTED BY

Adrian C. C. C.
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

'85 MAR 13 P3:51

SUZANNE BEAUDREAU
RECORDER

\$10.00 PAID *Sp* DEPUTY

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