

DOC # 714624
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OFFICIAL RECORD
Requested By:
STEWART TITLE - DOUGLAS
Douglas County - NV
werner Christen - Recorder
Page: 1 of 4 Fee: 17.00
BK-1207 PG-2139 RPTT: 0.00



Recording requested by
And when recorded mail to:

Z Servicing, Inc.
P.O. Box 11832
Zephyr Cove, NV 89448

DECLARATION OF RESTRICTIONS

THIS DECLARATION OF RESTRICTIONS ("Declaration") dated as of December 10, 2007 is made by GORDON R. LANE AND CAROL L. LANE, TRUSTEES OF THE LANE FAMILY TRUST, ("Owner") in favor of CAROL S. AUSLEN, TRUSTEE OF THE RICHARD & CAROL AUSLEN FAMILY TRUST DATED 9/23/91 - CAROL AUSLEN SHARE as to an undivided 5.85% interest, BACKSTAGE EQUIPMENT, INC. DEFINED BENEFIT PLAN as to an undivided 10.00% interest, STANLEY J. LEIKEN, M.D. INC. DEFINED PENSION PLAN as to an undivided 10.00% interest, NOBLE, DAVID SCOTT AND JENNIFER MARIE VALLIERE NOBLE as to an undivided 10.00% interest, PENSICO TRUST COMPANY, INC., CUSTODIAN: FBO MARY C. MILLER IRA #MI1EA as to an undivided 9.75% interest, PENSICO TRUST COMPANY, INC., CUSTODIAN: FBO WAYNE SNYDER IRA # SN033 as to an undivided 9.75% interest, BRUCE E. SARKIN, TRUSTEE OF THE BRUCE E. SARKIN TRUST OF 1997 as to an undivided 5.80% interest, SWOPE MEDICAL GROUP, INC. PROFIT SHARING 401k Plan FBO: BRUCE E. SARKIN as to an undivided 4.85% interest, and Z LOAN & INVESTMENT, LLC, ITS SUCCESSORS AND/OR ASSIGNS as to an undivided 34.00% interest, C/O Z SERVICING, INC. ("Lender").

Recitals

- A. Owner is the owner of that certain real property located in the County of Douglas, State of Nevada, commonly known as 602 LAKE SHORE BOULEVARD, ZEPHYR COVE, NEVADA, APN 1318-09-810-109 and more particularly described in Exhibit "A" attached hereto (the "Property").
- B. Appurtenant to the Property are various rights and entitlements, including all land coverage recognized by the Tahoe Regional Planning Agency ("TRPA") and defined in the TRPA Code of Ordinances (the "Coverage").
- C. Appurtenant to or associated with the Property are plans and specifications, development rights and entitlements, whether now owned or hereafter acquired, whether now existing or hereafter arising (the "Development Plans and Entitlements").
- D. Owner has entered into a Pledge and Security Agreement in favor of Lender dated December 10, 2007, (the "Security Agreement"), whereby Owner has pledged the Coverage and Development Plans and Entitlements as security for (a) a \$515,000.00 loan from Lender to LANE FAMILY TRUST ("Borrower"), as evidenced by that certain Promissory Note dated December 10, 2007 (the "Note"); (b) future advances by Lender to Borrower, to be evidenced by similar notes; (c) all expenditures by Lender for taxes, insurance and maintenance of the Collateral insured by Lender in the collection and enforcement of the Note and other indebtedness of Borrower; and (d) all liabilities of Borrower to Lender now existing or incurred in the future matured or unmatured, direct or contingent, and any renewals, extensions and substitutions of those liabilities.
- E. Pursuant to the Security Agreement, it is the desire and intention of Owner to restrict the Property so that Owner may not, without the prior written consent of Lender, sell, contract to sell,

lease, encumber, transfer, convert to a different form of development entitlement, or otherwise dispose of the Collateral or any interest therein until the Security Agreement and all debts secured by it have been fully satisfied.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Owner agrees as follows:

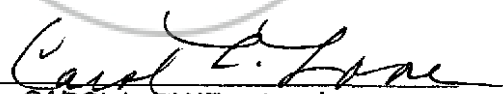
1. **Restriction on Use of Coverage.** Owner may not, without the prior written consent of Lender, sell, contract to sell, lease, encumber, transfer, convert to a different form of development entitlement, or otherwise dispose of the Coverage or Collateral or any interest therein until the Security Agreement and all debts secured by it have been fully satisfied.
2. **Restriction on Use of Development Plans and Entitlements.** Owner may not, without the prior written consent of Lender, sell, contract to sell, lease, encumber, transfer, convert to a different form of development entitlement, or otherwise dispose of the Development Plans and Entitlements or Collateral or any interest therein until the Security Agreement and all debts secured by it have been fully satisfied.
3. **Real Covenants; Equitable Servitudes.** The rights and restrictions set forth herein shall be deemed covenants running with the land or equitable servitudes, as the case may be, shall constitute benefits to and burdens upon the Property, and shall be binding on Owner, Owner's assignees, and all persons acquiring or owning any interest in the Property.
4. **Time.** Time is of the essence of this Declaration.
5. **Miscellaneous Provisions.**
 - A. This Declaration shall be construed under and in accordance with the laws of the State of Nevada.
 - B. This Declaration shall be binding upon and inure to the benefit of the parties and their respective heirs, executives, administrators, legal representatives, successors and assigns.
 - C. Should any legal action be commenced between the parties to this Declaration concerning the Declaration or the rights and duties of either party in relation thereto, the prevailing party shall be entitled to a reasonable sum as reimbursement for attorney's fees and legal expenses.

IN WITNESS WHEREOF, this Declaration is executed as of the day and year first above written.

Owner:

LANE FAMILY TRUST

 HEE
By: GORDON R. LANE, Trustee

 HEE
By: CAROL L. LANE, Trustee



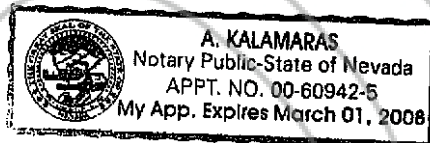
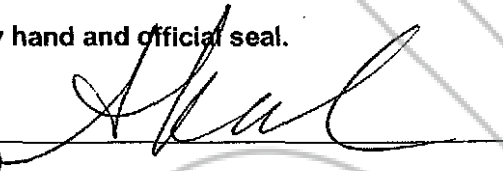
CERTIFICATE OF ACKNOWLEDGMENT

STATE OF Nevada)
COUNTY OF Douglas) ss

On 12/11/07, before me, A. Kalamaras,
personally appeared GORDON R. LANE AND CAROL L. LANE personally known to me (or proved to me
on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon
behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature
(seal)



“Exhibit A”

LEGAL DESCRIPTION

The land referred to herein is situated in the State of Nevada, County of DOUGLAS, described as follows:

Lot 3, Block as shown on the Amended Map of Subdivision No. 2, Zephyr Cove Properties, Inc., in Sections 9 and 10, Township 13 North, Range 18 East, M..D.B.&M., filed in the office of the County Recorder of Douglas County, Nevada on August 5, 1929, as Document No. 267.

Assessors Parcel. No. 1318-09-810-109

Except Therefrom: any portion of the above described property lying within the bed of Lake Tahoe below the line of natural ordinary high water and also excepting any artificial accretions to the land waterward of the line of natural ordinary high water or, if lake level ha been artificially lowered, excepting any portion lying below an elevation of 6,223.00 feet, Lake Tahoe Datum established by NRS 321.595.



BK-1207
PG-2142