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OF

DECLARATION OF

COVENANTS, CONDITIONS AND RESTRICTIONS

OF

TAHOE CHAPARRAL

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DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
TAHOE CHAPARRAL

Recitals

LAKE TAHOE RESORT VILLAS, a Nevada limited partnership with its principal place of business at Incline Village, Washoe County, Nevada (hereinafter referred to as "Declarant"), is owner of that certain real property situate, lying and being in Washoe County, Nevada, as is more particularly described as Phase 1 on Exhibit 1 attached hereto and made a part hereof as though fully set forth herein (hereinafter referred to as the "property").

Declarant intends to sell and convey the property together with the buildings and improvements built thereon as interests in condominiums, wherein the grantee shall have an ownership interest in fee simple to the unit, and the non-exclusive right to use and enjoy as a tenant-in-common with all other owners the common areas, easements, and common elements specified herein for the interval period purchased. Before doing so, Declarant desires to impose upon said condominiums mutual and beneficial covenants, conditions, restrictions, reservations, liens and charges under a general plan or scheme of development for the benefit of all the owners of the property.

Tahoe Chaparral Phase 1 is the first phase of development of Ski Lane Bitterbrush Unit No. 2, a condominium. Declarant has the option to purchase the balance of the subdivision in phases. This condominium is a part of a multi-phase condominium project, subject to Declarant exercising its options to purchase the additional portions of the subdivision.

NOW THEREFORE, by this Declaration, Declarant does subject said property to the covenants, conditions, restrictions, reservations, liens and charges set forth in this Declaration and to Chapter 117 of the Nevada Revised Statutes. Said property shall be held, sold and conveyed subject to the following covenants, conditions and restrictions, which are all for the purpose of enhancing and protecting the value, desirability and attractiveness of the property and in furtherance of a plan for development and improvement of the property. The provisions of this

Declaration are intended to create mutual equitable servitudes upon each of the interval units in favor of each and all other interval units; to create reciprocal rights between the respective owners of all units and interval units; to create a privity of contract and estate between the grantees of such interval units, their heirs, successors and assigns; and shall, as to the owner of each interval unit, his heirs, successors or assigns operate as covenants running with the land for the benefit of each and all other interval units in the development as hereinafter defined and their respective owners, present and future. The Association, as defined herein, shall be bound with the same force and same effect as any owner.

I. Property Description.

The property subject to this Declaration hereinbefore and hereinafter referred to as the "property" is situated in the County of Washoe, State of Nevada, and is particularly described as Tahoe Chaparral Phase 1, as set forth in the attached Exhibit 1.

II. Definitions.

As used in this Declaration of Covenants, Conditions and Restrictions and the By-Laws of the Association and the exhibits attached hereto, and all amendments thereof, unless the context otherwise requires, the following definitions shall prevail:

A. "Association" means Tahoe Chaparral Resort Owners Association, Inc., a Nevada nonprofit corporation, its successors and assigns, acting on behalf of the owners in accordance with the condominium documents for the purpose of administering the development known as Tahoe Chaparral.

B. "Board of Directors" means the representative body responsible for the administration of the Association as defined and described in the By-Laws of the Association.

C. "By-Laws" means the By-Laws of the Association as they may from time to time be amended.

D. The "Common Area" is the property, and all property hereinafter made subject to this Declaration, including improvements constructed thereon, excepting all units, and including without limitation, the following portions of the residence buildings: bearing walls, columns, 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.

E. "Common Elements" means all personal property located in all units and includes, without limitation, all furniture and furnishings, all appliances and television sets, and all utensils, plates, glasses and linen.

F. "Condominium Documents" means this Declaration, the Articles of Incorporation of the Association, the By-Laws of the Association, and all exhibits attached hereto, as the same may be amended from time to time.

G. "Declarant" means Lake Tahoe Resort Villas, a Nevada limited partnership, its successors and assigns.

H. "Declaration" means this instrument as it may from time to time be amended.

I. "Development" means and includes the real property as defined above, all improvements thereof, all easements and rights appurtenant thereto and all property and improvements made subject to this Declaration in the future.

J. "Interval" means a period of ownership of one week in a unit committed to interval ownership.

K. "Interval Unit" is an estate in fee simple consisting of one week in a unit, together with an undivided interest in the common areas and common elements and a membership in the Association.

L. "Management Agreement" means and refers to any agreement which may be entered into by the Association which provides for management of the condominium property.

M. "Owner" or "Interval Unit Owner" means the record owner or owners of a an interval unit.

N. "Residence Building" is a building within the property which contains one or more units.

O. "Transfer" means a transfer of any and every kind or nature whatsoever of any right, title or interest in the property or in an interval unit, or any part, portion or interval thereof, or interest therein, or improvement thereon, including a transfer by Deed of Trust or Mortgage, and also including but not limited to a sale, assignment, gift, lease or sublease, and including the transfer of membership in the Association appurtenant to the ownership of the interval unit or units.

P. A "Unit" is a living facility for a single family built on the development, and includes (without limitation), the interior surfaces of the perimeter walls, floors,

ceilings, windows, doors, interior surfaces of the windows and window frames, all airspace so encompassed, and any heating and hot water heaters located within the airspace so encompassed.

Q. "Utility" means electricity, gas, water, telephone, cable television service, trash pick-up and similar services, whether or not provided or supplied by a public utility company.

III. Incorporation of Existing Restrictions

To the extent that all, or any portion, of the subject property shall heretofore have been made subject to any conditions or restrictions of use by a recorded instrument or instruments, the Association, and each Association member, shall abide by any such conditions and restrictions. Nothing herein contained is intended to abrogate any existing valid restrictions or covenants concerning the subject property.

IV. Units and Intervals.

A. UNITS

The property consists essentially of Units 27 through 35 inclusive, and such additional units of Ski Lane Bitterbrush Unit No. 2, a condominium, as may from time to time be annexed in accordance with the provisions of this Declaration. All units shall bear an identifying number which corresponds with the recorded lot number as shown on the condominium map.

B. INTERVALS

1. Interval

Intervals (weeks) shall be identified by the numbers 1 through 52, with Interval 1 commencing on the first Saturday after the first of January of each year. Each interval shall extend from one o'clock p.m. on Saturday to one o'clock p.m. the following Saturday.

2. Maintenance Week

One interval for each unit, the identifying number of which may vary from unit to unit, shall be retained by the Association as a maintenance week for the purpose of performing general maintenance and routine repairs to such unit. A maintenance week shall not be subject to assessment, shall have no voting rights associated with it, shall be disregarded in computing the insurance benefits and obligations under Article IX, and shall not entitle the Association to any ownership interest in the common areas or common elements.

3. The 53rd Week

It is recognized that in some years there will be a 53rd week. When such 53rd week occurs, the same shall belong to Declarant. Declarant reserves the right to occupy, rent out or use units during said 53rd week in any manner whatsoever, provided that such use does not violate any of the provisions of this Declaration. Declarant's sole obligation in connection therewith will be to pay the direct costs of occupancy for those units utilized by Declarant in accordance with this provision. Declarant will have no obligation for the common expenses of the condominium in connection with the 53rd week, and shall have free use and access of all recreation facilities, subject only to specific charges regularly imposed on interval unit owners for the use of specific facilities.

V. Ownership of Common areas and Common Elements.

A. IN GENERAL

Ownership of the common areas and common elements shall be by the interval unit owners as tenants-in-common. The interest of each owner in the common areas and elements is appurtenant to the interval unit owned by him and may not be separated from said interval unit. The percentages of undivided interest of each interval unit owner in the common areas and common elements at any particular time shall be set forth in Exhibit 2 and by reference made a part hereof. Declarant's percentage of undivided interest in the common areas at any particular time shall be the percentage derived by subtracting from 100% the total of the percentages of all other interval unit owners. The Association shall have the power to regulate the use of the common areas by the owners.

B. ALTERING PERCENTAGES OF UNDIVIDED OWNERSHIP

The percentages of undivided interest in the common areas of the interval unit owners as defined in this Declaration may be altered only by an affirmative vote of a majority of the members of the Association voting at a regular or special meeting of the members adopting an amendment to this Declaration pursuant to Article XIII below. Notwithstanding the preceding sentence, each interval unit owner, by acceptance of a deed for an interval unit or units, consents and agrees to the alteration of such percentages necessary as a result of modifications by Declarant in the existing approved subdivision map which changes the number of units to be ultimately constructed on the property or in Ski Lane Bitterbrush Unit No. 2.

C. CONSENT TO PERCENTAGE CHANGES

In the event of a modification, as herein provided, each interval unit owner irrevocably appoints the Declarant as his attorney-in-fact for the purpose of consenting to percentage changes.

D. TRANSFER

Each owner's membership in the Association and his undivided interest in the common areas and common elements shall pass with each transfer of the interval unit whether or not expressly mentioned or described in the instrument transferring the interval unit.

VI. The Association

A. IN GENERAL

Tahoe Chaparral Resort Owners Association, Inc., a nonprofit corporation organized under the laws of the State of Nevada, shall have the rights and powers as set forth in its Articles of Incorporation and By-Laws, together with its general powers as a nonprofit corporation, and it shall perform each and every duty required of it by the condominium documents.

B. MEMBERSHIP

Each interval unit owner shall by reason of ownership of an interval unit become a member of the Association.

C. MEMBERS BOUND

Every member shall be bound by the By-Laws and Articles of Incorporation of the Association, this Declaration, the management agreement and all rules and regulations promulgated by the Association and/or the management firm.

D. VOTING MEMBERS

Each unit shall have a total of 51 votes, with each interval unit owner thereof entitled to one vote per interval unit owned. Declarant and its successors and assigns are entitled to one vote for each interval unit they own. Voting rights shall be exercised as provided in the By-Laws of the Association. Voting rights shall attach to the owner of each interval unit when the phase of the development of which his unit is a part becomes subject to the provisions of this Declaration.

E. CONTROL OF ASSOCIATION BY DECLARANT

For three and one-half (3 1/2) years from recordation of this Declaration, Declarant shall have sole management of the

Association. Declarant shall have the right during that period to select the Board of Directors of the Association. Declarant shall have the right to vote all memberships on all matters which may properly be voted on by members. No meeting of members need be held during the Declarant's period of management. Such right herein set forth shall constitute, without further documentation, an irrevocable proxy coupled with an interest in favor of Declarant for the period of control herein set forth. From and after said initial period, all owners of interval units within the development shall exercise full membership rights with respect to said Association. Declarant shall not during said initial period, (a) cause any of the Association's property to be dedicated for public use nor (b) cause the Association to be dissolved, nor (c) pledge, encumber or hypothecate any of the Association's property nor cause the Association to borrow funds, except to purchase personal property, in which case a purchase money security interest in such personal property may be given to the seller or a financial institution.

F. CONTRACTS WITH ADJOINING ASSOCIATIONS OR LAND OWNERS

The Association shall have the authority and power to enter into contracts with owners of lands adjoining or near the development and with Associations having powers with reference to said land similar to the powers held by the Association. The Association shall further have the authority to acquire, hold, operate and maintain real property. Any contracts so entered into may provide, among other things, for a joint installation, maintenance and repair of facilities benefiting the development and other lands, and for the joint retainer of and use of maintenance, professional and management services for the joint discharge of any of the duties of each party to such contract to the extent that the duties so defined shall not be inconsistent with the duties, powers and rights of the Association as defined in the condominium documents. The right conferred upon the Association to contract with land owners of adjacent land or associations having powers with reference to such adjacent lands shall include the right to merge with and into such management bodies or associations.

G. IMPROVEMENTS

The Association shall have the authority and power to construct, improve, repair, maintain, and reconstruct any and all improvements on the common area for the use and benefit of the members of the Association. The Association shall also have the authority to purchase, maintain, replace and acquire personal property for the use and benefit of the members of the Association. The Association may charge members for the use of improvements on the common area and for their use of its personal property.

H. RULES, REGULATIONS AND PENALTIES

1. Rules

The Board of Directors shall have the power to adopt reasonable rules for the regulation of the occupancy and use of the development. Written copies of such rules and any schedule of fines and penalties adopted pursuant to subparagraph 2 below shall be available to owners.

2. Penalties

The Board of Directors shall have the power to adopt a schedule of reasonable fines and penalties, including the suspension of the privileges of membership, for violation of the terms of this Declaration and for violation of any Rules adopted pursuant to subparagraph 1 above. Said fines may be collected through individual assessments described in Paragraph VIII(c) below.

3. Suspension of Rights of Members

The Board of Directors may, as an additional penalty, suspend all voting rights and all other rights of membership of any member during the period of any continuing violation of the terms of the Declaration by such member or for any continuing violation of the Rules adopted pursuant to subparagraph 1 above. Any member designated by a partnership, corporation or other entity, or any member who owns an interest in an interval unit with others, may have his voting membership suspended for the conduct of other such designees or owners.

4. Notice and Hearing

No fine may be imposed nor shall membership privileges be suspended for violation of Rules and Regulations of the Association unless all of the following criteria shall have been observed by the Board:

(a) The member shall be notified by an officer of the Association in writing of the alleged violation, sent to the member's address as may appear on the membership books of the Association;

(b) A hearing shall have been conducted by the Board at which the member accused of the violation is given an opportunity to be present;

(c) At least five (5) days written notice of the hearing is given to the member accused of the violation; and

(d) A finding by a majority of the Board, present and voting, that a violation occurred.

Hearings shall be conducted by the Board on an informal basis which shall not be bound by formal rules of evidence. The Board may adopt such reasonable rules as it deems advisable covering the conduct of such hearing.

5. Suspension of Recreation Facility Privileges

Notwithstanding any other provision of this Declaration, an agent or employee of the Association may immediately suspend a member's privilege of using a recreational facility, if said member violates the rules and regulations applicable to such recreational facility. Said member may request a hearing before the Board of Directors to appeal said suspension.

VII. Maintenance and Use of Common Areas

A. MAINTENANCE OF UNITS

The Association shall have the sole responsibility and duty for maintenance of all units and common elements. Maintenance, as used in this paragraph, shall include repair of units for ordinary wear and tear, repair and replacement of the common elements, payment of all operating expenses of the unit, including but not limited to insurance, real estate and personal property taxes, and utilities.

The expenses contemplated in this paragraph are those incurred by reason of ordinary use of and wear and tear on the unit and common elements. Expenses of repair or replacements to the unit occasioned by the specific use or abuse of the unit by a member or any tenant or guest of an owner, shall be borne in their entirety by the interval unit owner. The determination of the necessity for such repair shall be made by the Association prior to the beginning of the occupancy of the following interval.

B. ALTERATION OF UNITS

No interval unit owner or any other person shall make any alteration whatsoever to any portion of his unit, the common elements or common area.

C. USE OF UNITS

1. Single Family

Each unit shall be used as a residence for a single family and for no other purpose. A single family referred to herein shall or may include the casual guests of such family and the domestic employees or servants of such family.

2. Signs

No sign of any kind shall be displayed to the public view on or from any residence unit or the common area, without written consent of the Association.

3. Pets

No dogs, cats, or other household pets may be kept within the development.

4. Nuisance

The unit owner shall not permit or suffer anything to be done or kept in his unit which will increase the rate of insurance in the condominium property, or which will obstruct or interfere with the rights of other unit owners, or annoy them by unreasonable noises, or otherwise, nor shall the unit owners commit or permit any nuisance, immoral or illegal activity in or about the condominium property.

5. Use of Unit by Others

An interval unit owner may make his unit available to other persons, during his interval, either gratuitously or by rental. In such event, owner shall be deemed responsible for any violation of the terms of this Declaration or any rules adopted by the Association, by such other occupants..

6. Television Antennas

Individual exterior television antennas are prohibited.

7. Commercial Facilities

No commercial enterprises shall be conducted in any unit within the development, except as provided in Paragraph 8 below.

8. Declarant's Sales Activities

Declarant shall have the right to use units and/or portions of the common area for its activities related to the promotion and sales of units and interval units.

9. Buildings

Nothing shall be done in any unit or in, on or to the common area which will impair the structural integrity of residence buildings or which would alter or add to residence buildings, except as otherwise provided herein.

D. MAINTENANCE OF COMMON AREAS

The Association shall have the sole responsibility and duty for maintenance of the common area, including any sewer system, landscaping and snow plowing and removal. The expense of any maintenance or repair of the common area caused by the intentional or negligent acts of an owner, his family, his agents, tenants or other intended occupant shall be paid by said owner and such owner may be assessed for the cost thereof. Said owner may request a hearing before the Board of Directors to appeal said assessment.

E. REGULATION AND USE OF COMMON AREAS

1. In General

The Association, and only the Association, shall have the power to promulgate rules and regulations regulating the use of common areas by members, their lessees and guests and by the general public.

2. Parking

The Association shall assign each interval unit owner a minimum of one (1) covered parking place within or attached to the residence building in which his unit is located. Such parking place is to be specifically designated by unit number. Parking facilities in open spaces, detached from any structure, shall be available for use by interval unit owners, guests, and tenants, and personnel of the Declarant or the Association. Parking facilities contained within or adjacent to the recreation facilities shall be exclusively reserved for the use of personnel, guests and invitees of the Declarant or the Association.

VIII. Assessments.

A. ANNUAL ASSESSMENTS

The Association through its Board of Directors shall annually fix and determine the sums necessary to provide for the expenses of the maintenance for the units, the common areas, the common elements and Association property, as well as all personal property, real estate and other taxes and improvement district assessments and taxes, all utility charges, and insurance expenses. All these expenses shall be prorated among all interval unit owners, including Declarant, on the following basis:

(1) Fixed expenses as determined by the Association shall be prorated equally among all interval unit owners, including Declarant, based on the number of interval units owned.

(2) Variable expenses as determined by the Association shall be prorated among the interval unit owners, excluding Declarant, except that Declarant shall be assessed the pro-rata share of the expenses for those intervals which are leased or rented by Declarant or used for sales or promotional purposes.

B. SPECIAL ASSESSMENTS

If an annual assessment is inadequate or anticipated to be inadequate, or if the Board of Directors determines that a special assessment is necessary for the acquisition of personal

property or for improvements to the common area or units or to compensate for damages not fully covered by insurance, the Board of Directors may levy special assessments. The special assessments shall be prorated among the interval unit owners, excluding Declarant in such proportions as shall be determined by the Board of Directors.

C. INDIVIDUAL ASSESSMENTS

The expense of any maintenance, repair or replacement to the units, common areas, common elements or Association property caused by the intentional or negligent acts of an owner, his family, his tenants, or guests shall be paid by said owner. Said owner may be assessed for the cost thereof in an individual assessment, either added to the annual assessment of said owner or assessed through a special assessment. Individual assessments may also be employed to charge hold-over owners, pursuant to Article XI, with all costs incurred by the Association, other interval unit owners, their guests, tenants or other intended occupants due to an interval unit owner failing to vacate a unit by check-out time. An owner may request a hearing before the Board of Directors to appeal any individual assessment assessed to pay the expense of any maintenance, repair or replacement caused by intentional or negligent acts. Any fine imposed on a member pursuant to Paragraph VI may be collected through an individual assessment.

D. COLLECTION

The Association shall inform each owner in writing of all assessments against him. The annual assessment may be paid in installments or in a lump sum as the Board of Directors may provide. Any lump sum payment or installment shall be due within thirty (30) days following the date of the assessment. Said unpaid payment or installment shall bear interest at a rate to be determined by the Board of Directors.

E. SURPLUS

Any payments or receipts to the Association from assessments or any other service paid during the year in excess of operating expenses of the Association shall be retained by the Association and applied against Association expenses for the following year.

F. ASSESSMENT LIENS

1. General

The amount of any assessment, plus interest, shall be a lien upon the interval unit assessed when the Association causes to be recorded with the County Recorder of Washoe County, Nevada, a notice of assessment, which shall state the amount of such assessment and such other charges as may be authorized by

this Declaration, a description of the interval unit against which the same have been assessed, and the name of the record owner thereof. Such notice shall be signed by an authorized representative of the Association. Upon payment of said assessment and charges in connection with which such notice, or upon other satisfaction thereof, the Association shall cause to be recorded a further notice stating the satisfaction and release of the lien.

2. Priority

Such lien shall be prior to all other liens recorded subsequent to the recordation of said notice of assessment. Unless sooner satisfied and released or the enforcement thereof initiated as hereafter provided, said lien shall expire and be of no further force and effect two (2) years from the date of recordation of said notice of assessment; provided however, that said two-year period may be extended by the Association for not to exceed two (2) additional years by recording a written extension thereof.

3. Enforcement

Such lien may be enforced by sale by the Association, its attorney or other person authorized to make the sale, after failure of the owner to pay such an assessment in accordance with its terms, such sale to be conducted in accordance with the provisions of Covenants Nos. 6, 7(10%) and 8 of N.R.S. 107.030 and N.R.S. 107.090 insofar as they are consistent with N.R.S. 117.075, or in any other manner permitted by law. The Association shall have the power to bid on the interval unit at the foreclosure sale and to hold, lease, mortgage and convey the same.

4. Extent of Lien

The lien provided for herein shall apply to all interval units owned by the particular interval unit owner or owners in default and shall not encumber interval units owned by other owners.

5. Suspension

The Association shall not be required to transfer memberships on its books or to allow the exercise of any rights or privileges of membership, including voting rights, on account of a transfer of an interval unit to any owner or to any person claiming them unless or until all assessments and charges to which the units or interval units are subject have been brought current.

G. PERSONAL ACTION

The Association shall also have the right to collect past due assessment payments or installments by maintaining a

personal action against the owner or owners assessed. The prevailing party shall have the right to reasonable attorney's fees.

IX. Insurance.

A. GENERAL

The Association shall have the duty to purchase, carry and at all times to maintain in force, insurance covering the entire development, including the common area, common elements and all units, for the interest of the Association and of all owners, and their mortgagees, as their interests may appear, in such amounts and with such endorsements and coverage as shall be considered good sound insurance coverage for properties similar in construction, location and use to subject property. Such insurance shall include, but need not be limited to:

(a) Insurance against loss or damage by fire and hazards covered by a standard extended coverage endorsement in an amount which shall be equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the insurance carrier and the Association.

(b) Public liability and property damage insurance on a broad form basis, including insurance against vandalism and malicious mischief.

(c) A fidelity bond or bonds for all officers and employees of the association having control over the receipt or disbursement of funds in such penal sums as shall be determined by the Association in accordance with its By-Laws.

(d) Workmen's Compensation insurance to the extent necessary to comply with any applicable laws.

B. APPLICATION OF PROCEEDS

The payment and the application of the insurance proceeds, if any, from any policy obtained by the Association pursuant to Section 1 hereof, or from any loss payable endorsement, shall be as follows:

(a) For damage to or destruction affecting one or more units and/or the common area, all insurance proceeds shall be paid to a bank or trust company (hereinafter referred to as the "Insurance Trustee") designated by the Association to be held in trust for the benefit of the owners, their mortgagees or the Association, as their interests may appear; provided however, that proceeds of \$10,000.00 or less shall be paid to the Association, to be used by it for repair or reconstruction of the damage or destruction to which such proceeds relate. The Associ-

ation is authorized on behalf of the owners to enter into such agreement with the Insurance Trustee relating to the powers and duties of said Trustee as the Association may approve. Said Trustee must apply any proceeds to the repair and reconstruction of the damage or destruction to which the proceeds relate.

(b) In any case in which proceeds of insurance exceed the cost or repair or reconstruction on account of damage or destruction to which such proceeds relate, the excess shall be turned over to or be retained by the Association and shall be used by the Association to operate and maintain the project in accordance with its duties.

X. Repair And Restoration

A. COMMON AREAS

The Association shall repair and restore any portion of the common area damaged by casualty, unless the Development is terminated pursuant to Paragraph (B)(2) below.

B. UNITS

1. Lesser Damage

If the Board of Directors determines less than Fifty percent (50%) of the units are untenable, all of the damaged units shall be restored or repaired.

2. Major Damage

If Fifty percent (50%) or more of the units are untenable, the damaged portions shall not be restored or repaired but the Association shall call a special meeting of the members. If more than Fifty percent (50%) of all the members are opposed to repair and restoration of the development, either in writing or by their votes at the special meeting, the Association and this Declaration shall be terminated, effective pursuant to the procedure described in Paragraph XII(c) below. All interval unit owners may vote at said special meeting, on said questions, notwithstanding any suspension of their right to vote as a penalty for any reason.

C. PLANS AND SPECIFICATIONS

Any repair or restoration of the units or common areas must be substantially in accordance with plans and specifications for the original buildings or as approved by the Board of Directors.

D. INSUFFICIENT PROCEEDS

If insurance proceeds are insufficient to defray the cost of the repair and restoration of any unit or common areas, the Board of Directors may levy special assessments pursuant to Paragraph VIII(B).

E. ACCESS TO UNITS

The Association and its agents shall have access at reasonable times and for reasonable periods to any unit for the purpose of maintenance, inspection, repair or replacement of the units and the common elements, or to determine in case of emergency, circumstances threatening the units, common elements, or to determine compliance with the provisions of this Declaration and By-Laws and the rules and regulations of the Association.

XI. Hold-Over Owners

A. CHECK-IN AND CHECK-OUT

Each interval unit owner, or his tenant or guest shall not occupy or attempt to occupy his interval unit prior to the check-in time on the date of the commencement of such interval and shall vacate the same on or before the check-out time on the date upon which such interval ends. Such check-in and check-out time shall be determined by the Association and defined in the Rules and Regulations.

B. REMOVAL OF HOLD-OVER OWNER

In the event any interval unit owner or occupant fails to vacate such unit at the expiration of the interval, he shall be deemed a Hold-Over Owner. The Association shall take such steps as may be necessary to remove such Hold-Over Owner from the unit, including commencing eviction proceedings.

C. ALTERNATIVE ACCOMMODATIONS

The Association shall secure, at its expense, alternate accommodations for any interval unit owner, tenant, guest or other intended occupant who is unable to occupy his unit due to the failure of any Hold-Over Owner to vacate. Such accommodations shall be as near in value as possible to the actual interval unit such successive owner or authorized user was unable to occupy. During such period of holding over, the Hold-Over Owner, his family, guests and his authorized users shall be denied the use of the recreation facilities.

D. COSTS ASSESSED TO HOLD-OVER OWNER

The Hold-Over Owner shall be charged by individual assessment for the cost of such alternate accommodations and all

other costs incurred by the Association or the intended occupant due to his failure to vacate, including costs of eviction proceedings and attorney's fees. An administrative fee of Fifty Dollars (\$50.00) per day shall be charged by the Association to such Hold-Over Owner during the period of holding over. In the event that it is necessary that the Association contract for a period greater than the actual period of holding over in order to secure alternate accommodations as set forth above, the entire period shall be charged to the Hold-Over Owner.

XII. Termination

A. AUTOMATIC TERMINATION

The Association and this Declaration shall terminate on January 1, 2030, unless a special meeting of all members is held at which twenty-five percent (25%) or more of the members in attendance, in person or by proxy, vote to continue the Association and the Declaration. Said special meeting shall be held not less than sixty (60) nor more than ninety (90) days before January 1, 2030. The Board of Directors shall give notice to all members as provided in the By-Laws for any special meeting of the members of the Association. A quorum shall be fifty percent (50%) of all the members. The extension, if approved, shall be for a period of ten (10) years unless otherwise provided by an affirmative vote of fifty percent (50%) or more of the members in attendance. Additional extensions of ten (10) years each may be approved in the same fashion.

B. OPTIONAL TERMINATION

The Association and this Declaration may terminate at any time when Seventy-five percent (75%) of all the interval unit owners, at a special meeting of the members, vote to terminate the Association and this Declaration, or when Seventy-five percent (75%) of all owners execute an instrument or instruments evidencing their desire to terminate.

C. PROCEDURE

The termination of the Association and this Declaration under Paragraph XII(B) or Paragraph X(B)(2) above shall become effective by recording (a) an instrument so terminating the Association and this Declaration, executed by the requisite number of members required to effect such termination or (b) a certificate by the Secretary of the Association attesting to the action of the requisite number of members approving such action. Upon recordation of either of the above-described documents, all interval unit owners shall become tenants-in-common, each with the same percentage interest in all the units and all the common areas and common elements of the development as they held in the common areas immediately before such recordation.

XIII. Amendment

This Declaration may be amended by the recordation of an amendment to this Declaration, duly executed by (a) the requisite number of such two-thirds of all members or (b) by the Association, in which case such amendment shall have attached to it a copy of the resolution of the Board attesting to the affirmative vote of two-thirds of the members in attendance, in person or by proxy, at a special meeting of the members approving such amendment, certified by the Secretary of the Association.

XIV. Annexation

A. ANNEXATION

Declarant may from time to time at its sole discretion annex to the development and subject to the provisions of this Declaration any adjacent real property acquired by Declarant together with all improvements then constructed or to be constructed thereon. Declarant may also change the number of units to be built upon the property described as Ski Lane Bitterbrush Unit No. 2.

B. MANNER OF ANNEXATION

The Declarant shall effect such annexation by recording a plat of the real property to be annexed and by recording a Supplemental Declaration which shall:

(a) Describe the real property being annexed and designate the permissible uses thereof;

(b) Set forth any new or modified restrictions or covenants which may be applicable to such annexed property, including limited or restrictive uses of common areas; and

(c) Declare that such annexed property is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to the provisions of this Declaration. Upon the recording of such plat and Supplemental Declaration, the annexed area shall become a part of the development, as fully as if such area were part of the development on the date of recording of this Declaration.

XV. Grantee's Acceptance

Each grantee or purchaser of any interval unit shall, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from Declarant or a subsequent owner of such interval unit, accept such deed or contract upon and subject to each and all of the provisions of this Declaration and to the jurisdiction, rights,

powers, privileges and immunities of Declarant and of the Association. By such acceptance, such grantee or purchaser shall for himself, his heirs, devisees, personal representatives, grantees, successors and assigns, lessees and/or lessors, covenant, consent and agree to and with Declarant and the grantee or purchaser of each other interval unit to keep, observe, comply with and perform the covenants, conditions and restrictions contained in this Declaration.

XVI. Encroachment

The owners agree that if any portion of a unit or common element encroaches upon another, a valid easement for the encroachment and maintenance of same, so long as it stands, shall and does exist. In the event a residence building or unit are partially or totally destroyed and then rebuilt, the owners of the condominium parcels agree that encroachments on parts of the common area or units, due to construction, shall be permitted, and that a valid easement for said encroachment and the maintenance thereof shall exist.

XVII. Rights and Easements

A. DECLARANT'S EASEMENTS

Declarant hereby retains a perpetual non-exclusive easement in and to the entire road system of the development for ingress and egress to any area of the development, to those units or areas used or retained for sales or promotional purposes, and for the purpose of constructing improvements on the development. Declarant also hereby retains such easements as may be necessary to provide utility services for the development and may grant such easements to such beneficiaries as it deems necessary.

B. OWNERS' EASEMENTS

The owners, their tenants and guests have perpetual non-exclusive easements to the entire road system and other common areas for vehicular and pedestrian ingress and egress to the units, recreational facilities and other improvements located on the development. The owners shall also have a perpetual non-exclusive easement to such portions of the development as may be necessary to provide utility services to their respective units.

C. DECLARANT'S RIGHT TO USE RECREATION FACILITIES

Declarant, its guests and tenants shall have the right to use the recreation facilities of the development during the period Declarant controls the Association. After that time, Declarant, its employees and guests may use the

recreational facilities of the development (separate from its right to use those facilities as an interval unit owner), but only when said persons are accompanied by a general partner of Declarant.

XVIII. Severability

Every provision of this Declaration shall be independent of and severable from every other provision hereof. If any provision hereof shall be held by a Court of competent jurisdiction to be invalid, or unenforceable, all remaining provisions shall continue unimpaired and in full force and effect.

XIX. Non-Use or Abandonment

No member may exempt himself from liability for his contribution toward the common expenses by a waiver of the use and enjoyment of any of the common areas or common elements, recreational facilities or privileges, or by the abandonment of his interval unit or units.

XX. Partition

There shall be no judicial partition of the development, the common areas, the common elements or any part thereof, nor shall Declarant or any person acquiring any interest in the development or any part thereof seek any such judicial partition or subdivision, until an election is made not to restore the project pursuant to Paragraph X(B)(2) or the project is terminated pursuant to Article XII. Any attempt to sever any owner's undivided interest in the common areas or common elements from the interval unit to which it is appurtenant shall be null and void. If any interval unit shall be owned by two or more co-tenants as tenants-in-common or as joint tenants, nothing herein contained shall be deemed to prevent a judicial partition as between such co-tenants so long as such judicial partition does not result in any physical partition.

XXI. Miscellaneous

A. GENDER

Whenever the context so requires, the use of any gender shall be deemed to include all genders, and the use of the singular shall include plural, and plural shall include the singular.

B. CAPTIONS

The captions used in this Declaration and exhibits annexed hereto are inserted solely as a matter of convenience and shall not be relied upon and/or used in construing the effect or meaning of any of the text of this Declaration or exhibits hereto annexed.

C. LIMITATION OF LIABILITY

Notwithstanding the duty of the Association to maintain and repair the common areas, common elements and the units, the Association shall not be liable for injury or damage caused by a latent condition in the common areas, common elements and the units, nor for injury or damage caused by other owners or persons.

D. DECLARATION PARAMOUNT

The provisions of this Declaration shall be deemed paramount to any provision of the Nevada Revised Statutes where permissive variances to the N.R.S. are permitted.

IN WITNESS WHEREOF, the undersigned has caused this Declaration to be executed this 10th day of April, 1979.

LAKE TAHOE RESORT VILLAS
Declarant

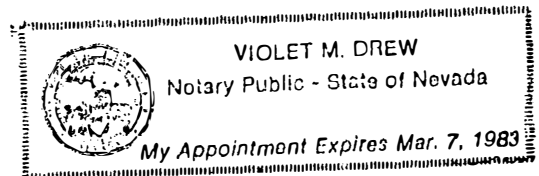
BY

Robert J. Walters
General Partner

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

On this 10th day of April, 1979, personally appeared before me, a Notary Public, Robert J. Walters, General Partner of LAKE TAHOE RESORT VILLAS, Declarant above-named, who acknowledged that he executed the above instrument.

Violet M. Drew
NOTARY PUBLIC



TAHOE CHAPARRAL

EXHIBIT 1

Phase 1:

Units 27 thru 35 inclusive of Ski Lane Bitterbrush Unit No. 2, a condominium, according to the maps thereof, filed in the Office of the County Recorder of Washoe County, State of Nevada, on January 19, 1972, under Filing No. 232188, official records.

Together with an undivided 9/224 interest in and to the Common Area.

Phase II:

Units 36 thru 47 inclusive of Ski Lane Bitterbrush Unit No. 2, a condominium, according to the maps thereof, filed in the Office of the County Recorder of Washoe County, State of Nevada, on January 19, 1972, under Filing No. 232188, official records.

Together with an undivided 12/224 interest in and to the Common Area.

Additional Phases:

All or any portion in any combination of Units 48 thru 250 inclusive of Ski Lane Bitterbrush Unit No. 2, a condominium, according to the maps thereof, filed in the Office of the County Recorder of Washoe County, State of Nevada, on January 19, 1972, under Filing No. 232188, official records.

Together with an undivided 1/224 interest in and to the Common Area for each unit conveyed in each additional phase.

TAHOE CHAPARRAL

EXHIBIT 2

The following represents the percentage and fractional ownership of the total common area and common elements of Ski Lane Bitterbrush Unit No. 2 as phases of said subdivision become a part of Tahoe Chaparral and are subject to this Declaration:

	Number of Units		Number of <u>Intervals*</u>		Total Interval Units	Fractional Interest	Percentage Interest
Phase I	9	X	51	=	459	459/11424	.4.018%
Phase II	12	X	51	=	612	612/11424	5.357%
Additional phases	<u>203</u>	X	<u>51</u>	=	<u>10353</u>	<u>10353/11424</u>	90.625%
Totals	<u>224</u>	X	<u>51</u>	=	<u>11424</u>	<u>11424/11424</u>	100.000%

* excludes maintenance weeks

For each unit and interval unit comprising a portion of any phase, the percentage and fractional ownership of the total common area and common elements is as follows:

	<u>Fractional Interest</u>	<u>Percentage Interest</u>
Per unit	51/11424	.446%
Per interval unit	1/11424	.0087%

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Varga Barlett & Quinn
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