

File No. 35354.

RESTATED DECLARATION OF RESTRICTIONSVIRGINIA CITY HIGHLANDSUNIT 1

THIS DECLARATION, made this 24th day of July, 1972, by LAKE TAHOE RECREATIONAL LAND COMPANY, INC., a Nevada Corporation, herein referred to as "Declarant", shall supercede that certain Declaration of Restrictions of Virginia City Highlands Unit 1 dated April 30, 1972, recorded at Book Z of Miscellaneous, Page 225, Official Records of Storey County, Nevada, which superceded Declaration of Restrictions shall be of no further force and effect.

WITNESSETH:

WHEREAS, Declarant is the owner of all the real property set forth and described on that certain map (herein referred to as "Map") entitled Virginia City Highlands Unit 1, consisting of 8 sheets, which Map was recorded in the Office of the County Recorder of Storey County, Nevada, as Document No. 35070, on April 13, 1972, in Map Book , Pages ; and

WHEREAS, all of the real property described in the Map comprises in the aggregate a single subdivision unit (herein referred to as "Unit") which is one of several units contemplated in the Virginia City Highlands general development (herein referred to as "Development"), which other units shall be developed from adjoining lands owned by Declarant and annexed to the Development as herein provided; and

WHEREAS, there are 1169 subdivided lots, the number of which lots and the legal descriptions of which are set forth on said Map; and

WHEREAS, it is the desire and intention of Declarant to sell and convey said lots and before doing so to subject them to and impose upon them mutual and beneficial restrictions, covenants, conditions and charges, hereinafter collectively referred to as "Restrictions", under a general plan or scheme of improvement for the benefit of all of the lots in the Unit and Development, and the future owners of said lots;

NOW THEREFORE, Declarant hereby declares that all of said lots are held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used,

occupied and improved subject to the following Restrictions, all of which are declared and agreed to be in furtherance of a plan for the subdivision, improvement, and sale of said lots and are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of the property described in the Map and of the Development as a whole, and all of them shall run with the land and shall be binding on all parties having or acquiring any right, title or interest in the real property or any part thereof subject to such Restrictions.

1. Applicability and Term

These Restrictions shall apply to all of the subdivided lots described in said Map. These Restrictions shall effect and run with the land and shall exist and be binding upon all parties and all persons claiming under them until December 31, 1996, after which time the same shall be extended for successive periods of ten (10) years each, unless an instrument signed by a majority of the then owners of the lots subject thereto has been recorded, agreeing to change these Restrictions in whole or in part.

2. Mutuality of Benefit and Obligation

The Restrictions and agreements set forth herein are made for the mutual and reciprocal benefit of each and every lot in the Unit and Development, and are intended to create reciprocal rights between the respective owners of all of said lots, to create a privity of contract and estate between the grantors of said lots, their heirs, successors and assigns, and shall, as to the owner of each such lot, his heirs, successors and assigns, operate as covenants running with the land for the benefit of each and all other lots in the Unit and Development and their respective owners. Restrictions substantially the same as those contained herein shall be recorded on all future units of the Development in conformity with the general scheme of improvement of all lands to be included therein.

3. Architectural Control and Planning Committee

All plans and specifications for any building or swimming pool, or

for any improvements, storage shed, fence, wall or other structure whatsoever to be erected on or moved upon or to any lot, and the proposed location thereof on any lot or lots, the roofs thereof, any later changes or additions thereto after initial approval thereof, and any remodeling, reconstruction, alterations, or additions to any building or other structure on any lot shall be subject to and shall require the approval in writing, before any such work is commenced, of the Architectural Control and Planning Committee (herein called "Committee"), as the same is from time to time composed.

The Committee is composed initially of three (3) members to be appointed by the Board of Directors of Virginia City Highlands Property Owners Association (herein referred to as "Association"). Any vacancy, whether arising from resignation, removal or death of a member, shall be filled by the Board of Directors of the Association. The Committee may appoint advisory committees from time to time to advise it on matters pertaining to the Development. There shall be submitted to the Committee two (2) complete sets of plans of any and all improvements, the erection or alteration of which is desired, and no structures or improvements of any kind shall be erected, altered, placed or maintained upon any lot unless and until the final plans, elevations and specifications therefor have received such written approval as herein provided. Such plans shall include plot plans showing the location on the lot of the building, wall, fence or other structure proposed to be constructed, altered, placed or maintained.

The Committee shall approve or disapprove plans within Thirty (30) days from the receipt thereof. One (1) set of said plans with the approval or disapproval endorsed thereon, shall be returned to the person submitting them and the other copy thereof shall be retained by the Committee.

The Committee shall have the right to disapprove any plans submitted to it as aforesaid in the event such plans are not in accordance with all of the provisions of these Restrictions, if the design or color scheme of the proposed improvement or other structure is not in harmony with the general surroundings of such lot or with the adjacent


County Recorder

buildings or structures, if the plans submitted are incomplete, or in the event the Committee deems the plans or any part thereof to be contrary to the interests, welfare or rights of all or any part of the real property subject hereto, or the owners thereof, all in the sole discretion of the Committee. The decisions of the Committee shall be final.

Neither the Committee nor any architect or agent thereof or of Declarant shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the foregoing, nor for any structural or other defects in any work done according to such plans and specifications.

Notwithstanding any thing to the contrary contained in this Declaration, the Committee shall not have the right to approve or disapprove any improvements other than single family residential improvements, and non-single family residential improvements shall not be bound by the Restrictions imposed by this Declaration.

4. Size and Placement of Structural Improvements

Every residence, dwelling and/or summer cabin constructed on the lot shall be constructed so that at least fifty percent of the exterior finish is unpainted natural wood and shall contain a minimum of 1,000 square feet of full enclosed floor area devoted to living purposes (exclusive of roofed or unroofed porches, terraces, garages, carports, and other outbuildings).

No one shall be permitted to construct a building for human habitation until such person has provided a source of water fit for human consumption, either by drilling a well on the property or by water piped in through a public or private utility, and no such construction will be permitted until such person has first installed a suitable sewage disposal system meeting all applicable government standards as stated in Ordinance No. 44 passed by the Storie County Commissioners on the 5th day of May, 1971.

Each lot shall have the following setbacks which limit the extent of the portion of such lot upon which any improvement can be constructed without the express approval of the Committee. The following dimensions shall govern for front, side, and rear setbacks on all lots:

- (a) Thirty (30) feet from the front line of each lot fronting on a publicly dedicated road, or thirty (30) feet from the easement line for lots fronting on private roads on which street easements are imposed;
- (b) Fifteen (15) feet from each lot side line;
- (c) Forty (40) feet from the rear line of each lot.

5. General Restrictions and Requirements

The following general restrictions and requirements shall prevail as to the construction or activities conducted on any lot in the Unit or Development:

- (a) All plumbing fixtures, dishwashers, toilets or sewage disposal systems shall be connected to a septic tank or other sewage system approved by the Storey County Health Department.
- (b) No stripped down, partially wrecked, or junk motor vehicle, or sizeable part thereof, shall be permitted to be parked on any street in the Unit or Development, or on any lot in such manner as to be visible to the occupants of other lots within the Unit or Development or to the users of any street therein.
- (c) Every tank for the storage of fuel installed outside any building in the Unit or Development shall be either buried below the surface of the ground or screened to the satisfaction of the Committee by fencing or shrubbery. Every outdoor receptacle for ashes, trash, rubbish or garbage shall be installed underground, screened

or so placed and kept as not to be visible from any street within the Unit or Development at any time except during refuse collections.

(d) No owner of any lot shall build or permit the building thereon of any dwelling house that is to be used as a model house or exhibit unless prior written permission to do so shall have been obtained from the Committee.

(e) All lots, whether occupied or unoccupied, and any improvements placed thereon, shall at all times be maintained in such a manner as to prevent their becoming unsightly by reason of unattractive growth on such lot or the accumulation of rubbish or debris thereon. In the event any such lot or improvement in the Unit should not be maintained as required herein, the Association may perform the necessary work, the cost of which shall be added to and become a part of the annual charge to which said lot is subject.

(f) No noxious or offensive activities shall be carried on on any lot nor shall anything be done on any lot that shall be or become an unreasonable annoyance or nuisance to the neighborhood.

(g) No tree in excess of four (4) inches in diameter shall be removed from any lot without first obtaining the written consent of the Committee.

(h) No residence shall be occupied until the same has been substantially completed in accordance with its plans and specifications.

(i) All structures constructed or placed on any lot shall be constructed with a substantial quantity of new material and no used structures shall be relocated or placed on any such lot.

(j) Signs of customary and reasonable dimensions approved by the Committee shall be permitted to be displayed on any lot advertising the same for sale. All other signs, billboards, or advertising structures of any kind are prohibited except upon application to, and written permission from, the Committee.

(k) No trash, ashes, garbage or other refuse shall be dumped or stored on any lot, street, or other area in the Unit or Development except in areas specifically

designated (if any) on the Map as "Dump and County Maintenance Yard".

(l) No improvement which has been partially or wholly destroyed by fire, earthquake or otherwise, shall be allowed to remain in such state for more than six (6) months from the time of such destruction.

(m) Every building, dwelling, or other improvement, the construction or placement of which is begun on any lot, shall be completed within six (6) months after the beginning of such construction or placement.

6. Variances

The Committee may allow reasonable variances and adjustments of these conditions and restrictions in order to overcome practical difficulties and prevent unnecessary hardships in the application of the regulations contained herein; provided, however, that such is done in conformity to the intent and purposes hereof and provided also that in every instance such variance or adjustment will not be materially detrimental or injurious to other property or improvements in the neighborhood. Variances and adjustments of size and setback requirements may be granted hereunder, if in conformance with all applicable regulatory agency requirements.

7. Virginia City Highlands Property Owners Association

Every person, including Declarant, who acquires title, legal or equitable, to any lot in the Development shall become a member of the Virginia City Highlands Property Owners Association, herein referred to as "Association"; provided, however, that such membership is not intended to apply to those persons who hold an interest in any such lot merely as security for the performance of any obligation to pay money, e.g. mortgages, deeds of trust, or seller's interest under any real estate contract purchases.

Each member shall be entitled to one vote for each lot owned by said member. Each member shall be entitled to cast his votes in person or by proxy. The general purpose of the Association is to further and promote the community welfare of property owners in the Development.

Subject to the authority, rights and duties of any community service, assessment or maintenance district, and the County of Storey, the Association shall be responsible for the maintenance, repair and upkeep of the private streets and parks within the Development, if any, and the appurtenant drainage and slope easements (if any) reserved by Declarant. The Association shall also be the means for promulgation and enforcement of all regulations necessary to the governing of the use and enjoyment of such streets and parks and such other properties within the Development as it may from time to time own.

The Association shall have all the powers that are set forth in its Articles of Incorporation and By-Laws or that belong to it by operation of law, including the power to levy against every lot in the Development uniform annual charges as set forth in its By-Laws of not less than \$10.00 or more than \$50.00 per year; provided, however, that no such charge is or shall be levied against or payable by the Association itself, or any corporation that may be created to acquire title to and operate any utilities servicing the Unit or Development.

Every such charge shall be paid by the member to the Association on or before the date established by its Board of Directors pursuant to the resolution adopted by such Board fixing the amount of the annual charge. Written notice of any changes in the charge so fixed or the date of payment shall be sent to each member. No notice need be sent in the absence of a change from the prior year. Said charges shall remain a lien upon the property of the respective member until paid.

In the event any member fails to pay any such charge when due and the same has been delinquent for thirty (30) days, the Association shall forthwith cause a notice thereof and of the lien created thereby to be signed and acknowledged by it and recorded in the office of the County Recorder of Storey County, Nevada.

Such recorded notice shall embody said resolution and state the rate of the charge, the time payable, and when it becomes a lien. When paid, the Association shall from time to time execute, acknowledge and record in the office of the County Recorder

of Storey County, Nevada, a release or releases of lien with respect to the property for which payment has been made. Full receipts shall be issued to lot owners upon payment.

Each owner of a lot or lots in the Development shall, by acceptance of a deed thereto or the signing of a contract or agreement to purchase the same, whether from Declarant or a subsequent owner of such lot, bind himself, his heirs, personal representatives and assigns to pay all charges determined and levied upon such lot, including interest thereon and collection costs thereof, if any, including attorney's fees; and the obligation to pay such charges, interest and costs thereby constitutes an obligation running with the land. Sale or transfer of any lot shall not affect any lien for charges provided for herein.

All liens herein provided for shall be enforceable by foreclosure proceedings in the manner provided by law for the foreclosure of mortgages and/or trust deeds; provided, however, that no proceeding for foreclosure shall be commenced except upon the expiration of four (4) months from and after the date the charge giving rise to such lien becomes due and payable.

Any lien created or granted under the provisions of this Declaration is expressly made subject and subordinate to the rights of the beneficiary of any first deed of trust upon any lot in the Development, made in good faith and for value, and no such lien shall in any way defeat, invalidate or impair the obligation or the priority of such trust deed unless the beneficiary thereof shall expressly subordinate his interest, in writing, to such lien.

The funds arising from such charges, so far as may be sufficient, shall be applied toward the payment of expenses incurred by the Association in the maintenance of its properties and in furthering and promoting the community welfare of property owners in the Development, as set forth and provided in its Articles of Incorporation and its By-Laws.

8. Ownership of Streets

Each of the streets in the Unit designated on the Map, except as otherwise specified on Sheet 1, will be a private street. Declarant hereby states, for itself, its successors and assigns, that it has conveyed or will convey its ownership of the streets and roadway easements and of those areas designated as park easements (if any) on the Map of the Unit to the Virginia City Highlands Property Owners Association.

The Association may dedicate any private street and/or appurtenant easements, if any, to any appropriate governmental subdivision, and upon acceptance by such governmental subdivision, the Association shall no longer have any ownership or control of the property so dedicated; provided, however, that any such dedication must be approved by the vote or written consent of two-thirds (2/3) of its members entitled to vote.

9. Easements

Declarant has dedicated to Storey County, rights of way and easement areas for the installation and maintenance of public utilities within the private and public road rights of way as contained in the offer of dedication set forth on Sheet 1 of the Map and as shown in the subsequent Sheets.

On each lot, the right of way and easement areas reserved by Declarant or dedicated to public utilities purposes, or dedicated for governmental purposes to the County of Storey, and including all natural drainage courses whether within easement areas or in other areas of the lots, shall be maintained continuously by the lot owner, but no structures, plantings or other material shall be placed or permitted to remain or other activities undertaken which may damage or interfere with the installation or maintenance of utilities, which may change the direction of flow of drainage channels, which may obstruct or retard the flow of water through drainage channels, or which damage or interfere with established slope ratios or create erosion or sliding problems. Improvements within such areas shall also be maintained by the respective lot owner except for those for which a public authority or utility company is responsible.

10. Grantee's Title

Declarant shall convey fee title to lots within the Development by grant deed subject to:

- (a) These Restrictions;
- (b) Easements and rights of way of record; and
- (c) The reservation to Declarant of all oil, gas, gasoline and other hydro-carbon substances and all other minerals underlying and within the boundaries of such lot below a depth of 100 feet, without right of surface entry.

11. Remedies

The Association or any party to whose benefit these Restrictions inure may proceed at law or in equity to prevent the occurrence, continuation or violation of any of the Restrictions and the Court in any such action may award the successful party reasonable expenses in prosecuting such action, including attorney's fees.

The remedies hereby specified are cumulative, and this specification of them shall not be taken to preclude an aggrieved party's resort to any other remedy at law, in equity, or under any statute. No delay or failure on the part of an aggrieved party to invoke an available remedy in respect to a violation of any of these Restrictions shall be held to be a waiver by the party of, or an estoppel of that party to assert,

any right available to him upon the recurrence or continuance of said violation or the occurrence of a different violation.

12. Rights of Lien Holders

A breach of any of the provisions, conditions, restrictions, covenants, easements or reservations herein contained shall not affect or impair the lien or charge of any bona fide mortgage or deed of trust made in good faith and for value on any of said lots or improvements thereon, provided, however, that any subsequent owner of said property shall be bound by the said provisions, conditions, restrictions, covenants, easements, and reservations whether such owner's title was acquired by foreclosure or at a trustee's sale or otherwise.

13. Grantee's Acceptance

The grantee of any lot subject to the coverage of this Declaration, 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 lot, shall accept such deed or contract upon and subject to each and all of these Restrictions and the agreements herein contained, and also the jurisdiction, rights and powers of Declarant, and by such acceptance shall for himself, his heirs, personal representatives, successors and assigns, covenant consent and agree to and with Declarant, and to and with the grantees and subsequent owners of each of the lots within the Development, to keep, observe and comply with and perform said Restrictions and agreements. Each such grantee also agrees, by such acceptance, to assume, as against Declarant, its successors or assigns, all the risks and hazards of ownership or occupancy attendant to such lot, including but not limited to events or conditions occurring on adjacent or nearby lots or lands; provided, however, that the foregoing shall not be construed to mean that such grantee would be liable for the conduct of others on adjacent or nearby lots or lands.

14. Partial Invalidity

In the event that any one or more of the Restrictions herein set forth shall be held by any Court of competent jurisdiction to be null and void, all remaining Restrictions shall continue unimpaired and in full force and effect.

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RESTATED DECLARATION OF RESTRICTIONS.
VIRGINIA CITY HIGHLANDS - UNIT 1.

LAKE TAHOE RECREATIONAL LAND COMPANY, INC.

15. Captions

The captions of the various paragraphs of this Declaration are for convenience only and are not a part of this Declaration and do not in any way limit or amplify the terms or provisions thereof.

IN WITNESS WHEREOF, the Declarant has executed this Declaration on the day and year first above set forth.

LAKE TAHOE RECREATIONAL LAND COMPANY, INC.



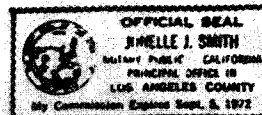
By Paul Rogers, President
By Dwight C. Shanks, Secretary

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(Continued)

STATE OF CALIFORNIA
COUNTY OF Los Angeles } ss.

I, Paul Rogers, do hereby certify that the undersigned, a Notary Public in and for said State, personally appeared Paul Rogers, President, and Dwight C. Shanks, Secretary of the Lake Tahoe Recreational Land Company, Inc., a corporation organized under the laws of the State of Nevada, 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.
Notary Public
Shirley J. Smith



Name (Typed or Printed)

(This area for official notary seal)

Lake Tahoe Recreational Land Company, Inc.
July 25, 1972 20
10:00 A.M.
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Page 1 Records of
File No. 35354
Fees 15.00 paid
Dwight C. Shanks

Dwight C. Shanks
County Recorder