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**DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS**

FOR

VICTORIAN SQUARE

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**DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS**

FOR

VICTORIAN SQUARE

THIS DECLARATION is made as of the 13th day of January, 1996⁷, by the CITY OF SPARKS, a municipal corporation of the State of Nevada (the "City").

RECITALS

A. The City is the owner of that certain real property located in the County of Washoe, State of Nevada, more particularly described on EXHIBIT A attached to and by this reference made a part of this Declaration (the "Property").

B. The Property is located within "Victorian Square," a master planned entertainment retail center designed according to a "Victorian" theme and located on six square blocks in the City. Victorian Square was approved pursuant to the Sparks Town Center Phase III Amended Redevelopment Plan adopted June 14, 1993 (the "Redevelopment Plan"), a special use permit approved March 18, 1996 under case number SP960006 (the "Special Use Permit") and a rezone approved March 18, 1996 under case number Z-1-96B (the "Rezone"). The property lying within the boundaries of Victorian Square is described on EXHIBIT B attached to and by this reference made a part of this Declaration.

C. The Redevelopment Plan has been jointly developed by the City and the Sparks Redevelopment Agency (the "Agency"), a local redevelopment agency created and acting under the authority of the Community Redevelopment Law, NRS 279.382 et seq.

D. Sections 1-4 of the Redevelopment Plan state that its purpose is to revitalize the City's downtown core by (among other things) (i) providing a tourist and visitor oriented service and retail area, (ii) improving vehicular circulation, (iii) adding convenient parking facilities, and (iv) upgrading and unifying the physical appearance of downtown buildings and infrastructure.

E. Section 10 of the Redevelopment Plan sets forth actions that the City must take, in cooperation with the Agency, to implement the Redevelopment Plan.

Those actions include imposition of controls on parcels within Victorian Square to insure their proper development and use.

F. Condition No. 2 of the Special Use Permit establishes measures to implement the Redevelopment Plan, including the creation of covenants, conditions and restrictions between the property owners, business owners and users applicable to all development uses, maintenance and operations within Victorian Square.

G. The City contemplates the sale or conveyance of all or a portion of the Property and desires, pursuant to requirements of the Redevelopment Plan and the Special Use Permit, to subject the Property to certain covenants, conditions and restrictions for the protection and benefit of the City, the Agency and future owners and users of the Property.

H. As an additional means of implementing the goals of the Redevelopment Plan, the City has developed an agreement ("Consent and Assumption Agreement") by which owners of other properties lying within Victorian Square, or within the adjacent area bounded by "D" Street, Rock Boulevard, Nugget Avenue and Pyramid Way in Sparks, Nevada ("Adjacent Property"), may consent to the imposition on their properties of the covenants, conditions and restrictions set forth in this Declaration.

NOW, THEREFORE, the City declares that (a) the Property, at and from the time that it is conveyed by the City to any other person or entity, and (b) other properties lying within Victorian Square or the Adjacent Property for which a Consent and Assumption Agreement is executed and Recorded ("Future Properties"), is and are held, and shall be held, conveyed, hypothecated, encumbered, leased, rented, occupied and improved, subject to the covenants, conditions and restrictions (collectively, the "Covenants") set forth in this Declaration. The Covenants are declared to be in furtherance of the Redevelopment Plan. The Covenants shall run with the Property and the Future Properties and each part of them and shall be binding on all parties having or acquiring any rights, title or interest in the Property or the Future Properties, or any part of either of them, whether such rights or interests shall arise by reason of a fee ownership, lease, possessory rights obtained upon foreclosure of a mortgage or deed of trust, or any other manner whatsoever. These Covenants shall be for the benefit of the City, the Agency and each Owner, and shall inure to the benefit of and be binding upon each successor in interest to the Owners.

The Covenants set forth in this Declaration are in addition to, and not in substitution or in lieu of, the Special Use Permit and all laws, ordinances, codes, rules, permits and regulations of the City and all other governmental entities and agencies having jurisdiction.

1. Definition of Terms

1.1 Adjacent Property shall mean all of the land lying within an area bounded by "D" Street, Rock Boulevard, Nugget Avenue and Pyramid Way in Sparks, Nevada.

1.2 Agency shall mean the Sparks Redevelopment Agency, a redevelopment agency created and acting under the authority of the Community Redevelopment law, NRS 279.382 et seq.

1.3 Articles shall mean the Articles of Incorporation of the Association, as amended from time to time.

1.4 Assessments shall mean, collectively, Regular Assessments and Special Assessments of the Association as described in Section 5.

1.5 Association shall mean and refer to Victorian Square Association, Inc., a nonprofit corporation, its successors and assigns through merger, consolidation or other reorganization.

1.6 Board shall mean the Board of Directors of the Association.

1.7 Building shall mean any structure owned by an Owner with a roof or overhead structure of any kind, whether that roof be enclosed, covered or open framework, but shall not include a parking structure.

1.8 Bylaws shall mean the Bylaws of the Association which are adopted by the Board, as those Bylaws may be amended from time to time.

1.9 City shall mean the City of Sparks, Nevada, a municipal corporation of the State of Nevada.

1.10 Common Areas shall mean, collectively, those portions of land and improvements within the boundaries of Victorian Square that are designated as "Public Common Areas" and "Private Common Areas," now existing or hereafter created. Common Areas are intended for the common use of Owners, Owners' tenants and subtenants, and their respective customers, licensees and invitees. The Public Common Areas are also intended for the use of the public.

1.11 Common Expenses shall mean those expenses described in Section 5.2.

1.12 Consent and Assumption Agreement shall mean an agreement between the City and one or more owners of properties lying within Victoria Square

or within the Adjacent Property by which those owners consent to the imposition on their property(ies) of the covenants, conditions, restrictions and easements set forth in this Declaration. The Consent and Assumption Agreement shall be in form and content approved by the City.

1.13 Declaration shall mean this instrument as it may be amended from time to time.

1.14 Design Review Committee or Committee shall mean the committee created pursuant to Section 10.2 of this Declaration.

1.15 Design Review Committee Guidelines or Guidelines shall mean rules and guidelines adopted by the Design Review Committee and approved by the Board, as those rules and guidelines may be amended from time to time with Board approval.

1.16 First Class shall mean, when used in this Declaration in connection with the maintenance, operation or condition of Buildings or Common Areas within Victorian Square, a comparative standard of excellence judged in accordance with other well-maintained retail and entertainment centers located in the Reno-Sparks, Nevada area.

1.17 Future Properties shall mean properties lying with Victorian Square or the Adjacent Property for which a Consent and Assumption Agreement is executed and Recorded.

1.18 Gross Building Area shall mean the total rentable area enclosed within the walls of a Building, including mezzanines, as defined by the Building Owners and Managers Association International, whether or not the Building is intended to be leased.

1.19 Improvements shall mean those items described in Section 3.4.

1.20 Member shall mean any Person who is a member of the Association pursuant to the provisions of Section 2.2 of this Declaration.

1.21 Mortgage shall mean any mortgage, deed of trust or other conveyance of a parcel, or any interest in a parcel, and/or in any improvements to any parcel, where the conveyance is made to secure the performance of an obligation and where the interest shall be reconveyed upon satisfaction of the obligation. "First Mortgage" shall mean a Mortgage having priority over all other Mortgages affecting the same parcel.

1.22 Mortgagee shall mean and include mortgagees of mortgages, trustees, beneficiaries and holders of deeds of trust, and the holders of any indebtedness secured by Mortgages.

1.23 Mortgagor shall mean and include mortgagors of mortgages, trustors under deeds of trust, and debtors of debts secured by Mortgages.

1.24 Owner shall mean and refer to the record owner of fee simple title to any Parcel, or of a valid ground lease from the record owner of fee title having a term in excess of sixty (60) years, whether one or more Person(s) or entity(ies), except that the term Owner shall exclude the City and shall exclude Mortgagees. If a Parcel is subject to a so-called Land Installment Sale Contract, the term Owner shall mean and refer to the contract vendee.

1.25 Parcel shall mean any portion of the Property or Future Properties owned by an Owner which at any given time is a separate legal parcel or unit created by subdivision map, parcel map, certificate of compliance or other device authorized by the Nevada Subdivision Map Act and other applicable state laws and local ordinances, including without limitation condominiums.

1.26 Permittees shall mean Owners, the City, the Agency and their respective officers, directors, employees, representatives, service persons, licensees, invitees, customers, contractors and agents.

1.27 Person shall mean an individual, or a partnership, firm, association, corporation, trust, government agency or other form of business or legal entity.

1.28 Phase I Completion shall mean when all properties described in Phase I of the Special Use Permit have been sold into private hands or have been developed by the City as public facilities.

1.29 Private Common Areas shall mean all of a Parcel other than those portions of it that are occupied by a Building except that, with respect to real property owned by the Association, the term Private Common Areas shall mean all of the Parcel.

1.30 Property shall mean the real property located in Washoe County, Nevada that is described on EXHIBIT A.

1.31 Public Common Areas shall mean all plazas and vehicular or pedestrian rights of way or alleys owned by the City, including without limitation "C" Street. Public Common Areas shall also include any parking structures owned by the

City and located within Victoria Square that the City declares in a Recorded document to be a Public Common Area within the terms of this Declaration.

1.32 Record, Recorded and Recordation shall mean, with respect to any document, the recordation of that document in the Office of the County Recorder of Washoe County, Nevada.

1.33 Redevelopment Plan shall mean the Sparks Town Center Phase III Amended Redevelopment Plan adopted June 14, 1993.

1.34 Regular Assessment shall mean assessments levied on all Owners to fund Common Expenses.

1.35 Rules shall mean the rules adopted by the Board pursuant to Section 2.9 of this Declaration, as those rules may be amended from time to time.

1.36 Special Assessment shall mean and refer to assessments levied in accordance with Section 5.5 of this Declaration.

1.37 Special Use Permit shall mean the special use permit approved March 18, 1996 under case number SP960006.

1.38 Victorian Square shall mean all that certain real property identified and described in EXHIBIT B as the same is now and as it may be developed and improved from time to time in the future.

1.39 Victorian Square Restrictions shall mean this Declaration, the Agency's Victorian Square Design Manual, the Rules and the Design Review Committee Guidelines.

1.40 Visible or Visibility shall mean the characteristic of being capable of being seen by a six foot (6') tall human being standing on the ground or at a height of thirty inches (30") from a passenger vehicle on a street or alleyway.

2. The Association

2.1 Formation

The Association is a nonprofit mutual benefit corporation formed under the laws of Nevada. The Association shall be charged with the duties and invested with the powers set forth in the Articles, the Bylaws and this Declaration.

2.2 Membership in Association

Every Owner shall be a Member. Membership shall be appurtenant to a Parcel, and may not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except upon the transfer of title to that Parcel. The voting rights of a Member shall vest as of the date when the Parcel to which membership is appurtenant becomes subject to Assessment for Regular Assessments pursuant to Section 5.11.

2.3 Voting Rights of Members

Each Member shall be entitled to one vote for each one-tenth (1/10) acre of Net Parcel Area owned by that Member. The term "Net Parcel Area" shall mean the gross area of the Parcel less those portions of the Parcel, if any, that lie within a public street right-of-way. In determining the number of votes attributable to any Parcel, the Net Parcel Area of the Parcel shall be rounded to the nearest one-tenth (1/10) acre. When more than one Person is an Owner with respect to any Parcel, all such Persons shall be Members with respect to that Parcel. The vote(s) for each Parcel shall be exercised as the Owners of that Parcel shall determine from time to time, but in no event shall more than the maximum number of votes per Parcel as determined under this subparagraph be cast with respect to any Parcel.

2.4 Board of Directors

2.4.1 Election of Directors

The Members shall elect a Board of directors (each a "Director"). The number of Directors shall be determined according to the Articles, but shall be either five, seven or nine. All Directors shall be elected by a majority of the votes of the Members. Each Director shall hold one vote on the Board and need not be an Owner. The Board shall make decisions by majority vote, except that any action to recommend that the Members vote to amend this Declaration, the Articles or the Bylaws, or to change the number of Directors or the manner in which they are elected, shall require the votes of no less than seventy-five percent (75%) of the Directors.

2.4.2 Initial Board

Notwithstanding anything to the contrary in Section 2.4.1, upon commencement of operations of the Association as provided in Section 2.5 the Board shall consist of three Directors who shall be appointed and/or elected in the following manner. One Director shall be appointed by the City from time to time; one Director shall be appointed by Syufy Enterprises, a California limited partnership ("Syufy") from time to time, and one Director shall be elected by the Members subject, however, to approval by the City. At such time as at least two-thirds of the total land

area in Victorian Square ("Initial Land Area") is made subject to this Declaration and each Parcel in the Initial Land Area is improved with one or more Buildings for which a certificate of occupancy has been issued, the provisions of Section 2.4.1 above shall take effect with respect to the number and manner of election of Directors.

2.5 Commencement of Association Duties and Powers

The Association shall commence performance of its duties and the exercise of its powers under this Declaration when and only when all properties described in Phase I of the Special Use Permit have been sold into private hands or have been developed by the City as public facilities ("Phase I Completion"). Notwithstanding anything to the contrary in this Declaration, the Association shall have no power or authority under this Declaration until Phase I Completion.

2.6 Association Action

Except as to matters requiring the approval of Members and/or the City and/or the Agency as set forth in this Declaration, the Articles or the Bylaws, the affairs of the Association shall be conducted by the Board and such officers as the Board may elect. Such election shall be in accordance with this Declaration and the Bylaws, as the same may be amended from time to time. Except where a different percentage is called for by this Declaration, the Articles or the Bylaws, all matters requiring the approval of Members shall be deemed approved if Members holding a majority of the total voting rights assent to them by written consent, or if approved by a majority vote of the Members at any regular or special meeting held in accordance with the Bylaws at which a quorum is established. A quorum shall exist if not less than forty percent (40%) of votes entitled to be cast are present at the meeting in person or by proxy; once established, a quorum shall be deemed to exist until the meeting is closed. Where a different percentage vote is expressly called for by this Declaration, the Articles or the Bylaws, the matter shall not be deemed approved by the Members unless assented to or voted for by the percentage called for.

Any action by the Members to amend this Declaration, the Articles or the Bylaws, or to change the number of Directors or the manner in which they are elected, shall require the affirmative vote of seventy-five percent (75%) of the total voting power held by Members, and then shall not be effective unless approved in writing by the City and, for so long as the Agency is in existence, the Agency.

2.7 Powers

The Association shall have all of the powers of a Nevada non-profit corporation, subject only to the limitations set forth in this Declaration, the Articles and the Bylaws, and the Victorian Square Restrictions. It shall have the power to do

any and all lawful things which may be authorized, required or permitted to be done by the Association under and by the virtue of this Declaration, the Articles and the Bylaws, and the Victorian Square Restrictions, and to do and to perform any and all acts that may be necessary or proper for or incidental to the exercise of any of the express powers of the Association. Without limiting the generality of the foregoing, the Association shall have the power and authority to do the following:

2.7.1 Assessments

The Association shall have the power and authority to levy Regular Assessments and Special Assessments against the Owners and to collect amounts so assessed, in accordance with Section 5 of this Declaration.

2.7.2 Right of Entry

The Association shall have the power and authority to enter upon any Parcel without being liable to any Owner for the purpose of enforcing by peaceful means the terms of this Declaration, the Articles and the Bylaws, the Rules and the Design Review Committee Guidelines. Except in cases of emergency, the Board shall give no less than twenty-four (24) hours' prior written notice to the Owner(s) of all Parcel(s) that are to be entered.

2.7.3 Power to Contract

The Association shall have the power and authority to enter into contracts, licenses, loan agreements and other agreements with the City, the Agency and/or other Persons in order to carry out the intent of this Declaration and the Association's duties under this Declaration, the Articles, the Bylaws, and the Victorian Square Restrictions.

2.7.4 Enforcement

(a) The Association shall have the power and authority from time to time, in its own name and on its own behalf or on behalf of any Owner who consents thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration and to enforce, by mandatory injunction or otherwise, all of the provisions of this Declaration.

(b) The Association shall be entitled to immediate reimbursement from the Owners who or which are in violation of any provisions of this Declaration, to the full extent of any costs or expenses, including, but not limited to, actual attorneys' fees, incurred by the Association in enforcing the provisions of this Declaration. The Assessment and lien procedures provided in

Sections 5 and 6 shall be available to the Association for the purpose of collecting all reimbursement amounts.

2.7.5 Legal and Accounting Services

The Association shall have the power and authority to obtain and pay for legal and accounting services necessary or proper for the enforcement of this Declaration, or for the performance of any other duties or rights of the Association.

2.7.6 Security

The Association shall have the power and authority to provide patrol and security arrangements for the Private Common Areas, as reasonably required in the Board's sole discretion.

2.7.7 Employees of Association

The Association shall have the power and authority to employ or contract with such Persons as may be necessary to carry out the duties and responsibilities of the Association.

2.7.8 Real and Personal Property

The Association shall have the power to acquire, own, hold, encumber, sell and transfer real and personal property in its own name, except that the Association shall not acquire, own or hold real property without the prior written consent of the City and (for so long as the Agency is in existence) the Agency.

2.8 Duties

The Association shall have the obligation, subject to and in accordance with this Declaration, the Articles and the Bylaws, and the Victorian Square Restrictions to perform each of the following duties:

2.8.1 Rule Making

To make, establish, promulgate, amend and repeal the Rules as provided in Section 2.9.

2.8.2 Design Review Committee

To carry out the duties, through the duly elected Board or its delegates, of the Design Review Committee.

2.8.3 Enforcement of Restrictions and Rules

To perform such other acts, whether or not expressly authorized by this Declaration, the Articles, the Bylaws, or the Victorian Square Restrictions, as may be reasonably necessary or convenient to implement and/or enforce any of the provisions of this Declaration, the Rules and/or the Design Review Committee Rules.

2.8.4 Articles and Bylaws

To carry out the duties of the Association as set forth in the Articles and the Bylaws.

2.8.5 Liability Insurance

To maintain or cause to be maintained, in full force and effect, comprehensive public liability insurance naming the Association as the insured and covering the Private Common Areas, including coverage for any occurrence resulting in damage to property or personal injury to or death of any human being and consequential damages arising therefrom, with such coverages and in such amounts as may be determined by the Board.

2.8.6 Worker's Compensation Insurance

If the Association has employees, then to carry worker's compensation insurance in such amounts and with such coverages as may be determined by the Board.

2.8.7 Duties Defined by Declaration

To carry out any other duties defined and described in this Declaration.

2.9 Rules

The Board shall adopt, amend, supplement and repeal from time to time such Rules as it deems proper for the functioning of the Board and the Association and the performance of its rights, authority and obligations under this Declaration. A copy of the Rules, as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner and may, but need not, be Recorded. Upon such mailing, delivery or Recordation, the Rules shall have the same force and effect as if they were set forth in and were part of this Declaration. In addition, as to any Owner having actual knowledge of any given Rule(s), such Rule(s) shall have the same full force and effect and may be enforced against that Owner. The Rules may not amend or alter the Victorian Square Restrictions, the Articles or the Bylaws.

2.10 No Liability of Board Members; Indemnification by Association

No Director or other agent, representative or employee of the Association shall be personally liable to any Owner or to any other party for any damage, loss or prejudice suffered or claimed on account of any act or omission of the Association, the Board or any other agent, representative or employee of the Association, or of the Design Review Committee, provided that such Director or other Person has acted in good faith, upon the basis of such information as may be possessed by him or her. The Association shall carry directors' liability insurance with such coverages and in such amounts as may be determined by the Board. The Articles shall provide that the Association shall indemnify the Directors from and against any liability for actions taken within the scope of a Director's duties (except for a Director's willful or wanton misfeasance or gross negligence) to the fullest extent permitted by applicable law.

2.11 Approval by the City and the Agency

Notwithstanding anything in this Declaration to the contrary, approval of the City and of the Agency (for so long as the Agency is in existence) shall be required for adoption, amendment, modification or revision of the Articles and/or the Bylaws of the Association, and for any amendment, modification or revision of this Declaration.

2.12 Participation by the City and the Agency

The City shall appoint from time to time a liaison to the Board and a liaison to the Design Review Committee, who shall be permitted to participate in all public and closed meetings of those bodies but who shall not have any vote and whose attendance shall not be required for the Board or Design Review Committee to take any action.

3. Common Areas

3.1 Use of Public Common Areas

City ordinances, regulations and permits shall govern the uses of all Public Common Areas.

3.2 Use of Private Common Areas

Subject to Section 3.3 below, the Private Common Areas shall be used for "Access and Parking" and for "Services and Activities" (as each term is hereinafter defined), and for no other purposes except those specifically described in this Declaration.

3.2.1 Access and Parking

The term "Access and Parking" as used in this Declaration shall mean and be deemed to include and permit the following:

- (a) Pedestrian ingress and egress of Owners and Permittees to and from the Public and Private Common Areas and the Buildings;
- (b) Ingress and egress of delivery and service trucks and vehicles to and from the Buildings for the delivery of goods, wares or merchandise and the rendition of services to Owners and Permittees, at the locations and during the time period(s) permitted by the City.
- (d) Other than in designated loading areas, the Private Common Areas shall not at any time be used for the parking of trucks, or the loading or unloading thereof, except for the temporary parking, loading or unloading of trucks during and in connection with (i) the construction or demolition of Buildings, (ii) the servicing and supplying of a Building that cannot be serviced and supplied from areas designated as loading areas, (iii) the delivery or removal of trade fixtures (including signs) and (iv) the construction, repair or maintenance of parking area and improvements and facilities herein permitted, all upon the condition, however, that any such use shall be confined to that which is reasonably necessary in connection with the matters herein specified and shall be diligently and promptly performed; and
- (e) Temporary parking or standing of trucks, tractors, trailers and other delivery vehicles used in conjunction with the exercise of any of the Services and Activities described in Section 3.2.2 below.

3.2.2 Services and Activities

The term "Services and Activities" as used in this Declaration shall mean and be deemed to include and permit the following:

- (a) Installation, maintenance, repair, replacement and operation of public utilities and sewage, storm water and drainage facilities serving Buildings and facilities located in the Public Common Areas and the Private Common Areas, together with and including vaults, manholes, meters, pipelines, valves, hydrants, sprinkler controls, conduits and related facilities, all of which shall be even with or below the surface of the ground, except hydrants, transformers, risers and other facilities which by their nature must be installed, maintained or operated above ground; provided, however, that any poles or other above-surface installations shall be located so that there shall be unimpeded access for vehicles and trucks between the public streets and the loading areas of any Building, and provided further that all

crossarms and pole racks and the like attached thereto shall be in compliance with all applicable laws;

(b) Provision of other facilities such as mailboxes, public telephones and benches for the comfort and convenience of Permittees as may be approved from time to time by the Design Review Committee;

(c) Subject to the provisions of Section 3.2.1, installation, maintenance, repair, replacement and operation of truck loading and unloading areas, including ramps, docks and similar facilities; trash, refuse and garbage container storage and recycle bin areas; and

(d) Construction, maintenance, repair, replacement and operation of landscaped areas, including without limitation plants, planting boxes, edgers, sprinklers and valves, as may be required or approved from time to time by the Design Review Committee or as may be required by any governmental authority having jurisdiction, including, without limitation, any facilities required by the City.

All the Services and Activities permitted within the Private Common Areas shall be performed with reason and judgment so as not to create a nuisance or to unreasonably interfere with the serving and supplying of the loading areas of the Buildings.

3.3 Association Private Common Areas

Private Common Areas owned in fee title by the Association ("Association Private Common Areas") may also be used for such facilities for the use of Permittees as are approved by the Board and the Design Review Committee and are consistent with the Victorian Square Restrictions. Such uses shall be subject to the following:

(a) The right of the Board to establish uniform rules pertaining to the use of the Association Private Common Area and any recreational and other facilities located thereon, including, without limitation, the right of the Board to enforce all parking restrictions within the Association Private Common Area and the right of the Board to impose reasonable fines and penalties as Special Assessments and other enforcement measures to ensure compliance with such rules;

(b) The right of the Board, to (i) convey the Association Private Common Area; (ii) subject to the Articles and Bylaws, to borrow money for the purpose of improving the Association Private Common Areas and; (iii) subject to the Articles and Bylaws, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(c) The right of the Board to transfer a fee interest, easement, license or other interest in all or any portion of the Association Private Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be consistent with this Declaration and agreed to by the Association.

(d) The right, but not the obligation, of the Association, to construct new or additional Improvements on the Association Private Common Areas at any time and from time to time for the improvement and enhancement thereof and for the benefit of the Permittees;

(e) The right of the Association to maintain, replace, redesign, refurbish, reconstruct or repair any Improvement, trees or other vegetation on Association Private Common Areas and to plant trees, shrubs, ground cover and other vegetation thereon, and the right of the Association to close or limit the use of such Association Private Common Areas, or portions thereof, while maintaining and repairing the same.

3.4 Design Review Committee Approval

The design, construction or alteration on, in or under any Private Common Area of any temporary or permanent structure, including, but not limited to, the following: (a) Buildings and Building canopies and canopy support columns; (b) flower boxes and planting containers; (c) advertising or identification signs; (d) fire hose connections and standpipes; (e) lighting, (f) subsurface Building foundations; (g) subsurface utility or storage vaults; (h) kiosks and vending carts; (i) ladders, scaffolding and storefront barricades; (j) flag poles; (k) fences or rails; (l) walkways and pedestrian plazas; (m) parking areas; and (n) screening or retaining walls (individually and collectively, "Improvements") shall be subject to the express written approval of the Design Review Committee as provided in Section 10. Design Review Committee Approval shall be obtained before any application for the Improvements is submitted to the City for permit approval(s).

3.5 No Charge for Use of Private Common Area

No charge, fee, toll, levy or expense for parking for the use of the Private Common Areas shall ever be required, assessed, made or received (unless imposed by a governmental agency having jurisdiction) from or against any business guest, invitee, licensee, visitor, customer or patron of any of mercantile, business or professional establishment occupying any Building. The cost and expense of the operation, management, maintenance, replacement and repair of the Private Common Areas shall be borne and discharged only as provided in this Declaration.

3.6 Maintenance of the Private Common Areas

The Association shall maintain or cause to be maintained the Private Common Areas in a first-class condition and repair, said maintenance to include, without limitation, the following: provision of adequate lighting, water, electricity, sweeping, snow removal, gardening and janitorial services; repairs to and replacing of asphalt paving, sidewalks and plazas so as to maintain a smooth and level surface in good condition and repair; repairs to and replacing of bumpers, striping, light bulbs, light standards and sprinkler systems and planting areas; repair and maintenance of public restrooms (if any are constructed); and any other items of repair, replacement or maintenance that may be needed from time to time to maintain the Private Common Areas to the standard required by this Declaration, including replacement necessitated by damage or destruction not the responsibility of a particular Owner, and including replacement or modifications required to comply with laws or requirements not applicable to initial construction within the Private Common Areas.

3.7 Maintenance of the Public Common Areas

The Association shall supplement normal City maintenance and repair of Public Common Areas to the extent required in order to establish and maintain a first class level of maintenance and repair of the Public Common Areas. The Association shall enter into such contracts with the City and/or third parties as may be necessary or desirable to cause such maintenance and repair to be performed.

3.8 View Impairment

Neither the City nor the Association represents or warrants that any view of, over, through or across any Public or Private Common Areas or any property within or adjacent to Victorian Square or the Adjacent Properties will be maintained or preserved. All Owners waive all rights against the City and the Association related thereto and to all express or implied easements for view, light and air.

4. Owners' Obligations

In addition to obligations listed in other Articles of this Declaration, Owners shall have the following obligations.

4.1 Insurance; Casualties

4.1.1 Insurance

Each Owner shall at all times carry, or cause to be carried, comprehensive public liability insurance against liability arising out of the ownership, use, occupancy or maintenance of its Parcel in such commercially reasonable amounts as the Board

may determine from time to time, and comprehensive all risk property insurance upon all Buildings and other Improvements located upon its Parcel in an amount not less than the full replacement cost thereof (excluding foundations or excavations) with a deductible not to exceed five percent (5%) of such amount. Within ten (10) days of request of the Association, each Owner shall deliver to the Association a certificate of insurance evidencing the insurance required under this Section.

4.1.2 Casualties; Reconstruction

In the event of any damage to or destruction of any improvements on a Parcel, the Owner of that Parcel shall, at that Owner's election and at its expense, (a) repair (or cause to be repaired) any such damage or destruction and reconstruct the improvements or (b) demolish and dispose of the damaged or destroyed improvements, clear away all rubble and debris, maintain the Parcel in a neat, clean and attractive condition, and, at the request of the Association, construct such barricades, fences, decorative barriers or other Improvements as may be necessary to render the Parcel safe, presentable and attractive. The proceeds of all insurance and/or condemnation awards associated with the damage or destruction (either and both being referred to as "Insurance Proceeds") shall be applied by the Owner to the costs of the work described in the foregoing sentence ("the Work"). The Owner of the Parcel shall commence the Work (or cause it to be commenced), in accordance with this Declaration including, without limitation, the provisions requiring approval by the Design Review Committee, as soon as is reasonably possible after the damage or destruction, and shall use all due diligence to obtain all necessary permits and complete the Work within a reasonable period of time thereafter.

4.2 Hazardous Materials

4.2.1 Definitions

For purposes of this Section 4.2.1, the following terms shall have the following meanings:

(a) Environmental Laws. All present and future statutes, ordinances, orders, rules and regulations of all federal, state and local governments and governmental agencies having jurisdiction and relating to the use, generation, manufacture, installation, release, discharge, storage or disposal of Hazardous Materials or to the protection of human health and the environment, including (but not limited to) the Federal Water Pollution Act, as amended (33 U.S.C. Section 1251 et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901 et seq.), the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Section 1801 et

seq.), The Clean Water Act (33 U.S.C. Section 1251 et seq) and laws of the State of Nevada having comparable purposes.

(b) **Hazardous Materials.** Hazardous Materials shall mean those materials, substances, gases, or vapors that are now or hereafter designated or defined as, or included in the definition of, "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous waste," "restricted hazardous waste," "toxic substances," or words of similar import, under any Environmental Laws, including, without limitation, paints, solvents, cleaners, petroleum, asbestos, polychlorinated biphenyls, radioactive materials, radon gas.

4.2.2 Regulation of Use

No Owner shall use, handle, or store, or allow the use, handling or storage of, Hazardous Materials on, about, under or in its Parcel except (a) in accordance with all applicable Environmental Laws and (b) as part of the business operation(s) conducted on the Parcel in the ordinary course, and as a part of a first-class entertainment retail center consistent with the standards of this Declaration, the Articles, the Bylaws and the Victorian Square Restrictions. In the event of a release of Hazardous Materials into, about, under, on or from Victorian Square or any portion of it, the Owner(s) of the Parcel(s) affected by the release shall immediately take such remedial actions as may be required by Environmental Laws. Each Owner responsible for the release of Hazardous Materials shall notify the other Owners of the release and of any violation of Environmental Laws of which it receives notice from any governmental agency having jurisdiction. Such notice shall be given promptly, and in no event more than ten (10) days after the Owner gains such knowledge or receives such notice.

4.2.3 Indemnity

Each Owner shall indemnify, defend, protect and hold the City, the Agency, the Association and the other Owners and their respective agents, officers and employees harmless from and against any and all claims, actions, suits, proceedings, loss, suits, liabilities, damages, deficiencies, fines, penalties, costs or expense (including sums paid in settlement of claims, reasonable attorneys' fees, consultants' fees, investigation and laboratory fees, court costs and litigation expenses), which arise out of or in connection with the indemnifying Owner's breach of the provisions of Section 4.2.2.

4.2.4 City Approval Required

Each Owner shall obtain written approval from the City before undertaking any action that might cause the discharge of a nonpoint source of pollution to waters of the state through the City sewer or storm drain systems or through the ground surface.

Examples of such actions are the use of paints, solvents and cleaners on the exterior or interior of Buildings or Private Common Areas.

4.2.5 Refuse Recycling and Handling

In addition to all state and local recycling and refuse handling laws, ordinances, and regulations and the requirements of the Special Use Permit, each Owner shall comply with the best refuse recycling and handling practices followed in a first class retail and entertainment center.

4.2.6 Grease Traps or Interceptors

Uses requiring grease traps or interceptors shall have locations approved by the City and shall be in compliance with all applicable laws and health standards prior to the issuance of building permits. The grease traps or interceptors shall at all times be maintained in good working order and condition.

4.3 Construction of Improvements and Alterations

4.3.1 Generally

All construction, alteration or repair work undertaken by an Owner with respect to Improvements on any portion of any Parcel shall be approved in writing by the Design Review Committee, shall comply with the Special Use Permit and all City ordinances and regulations (after receiving prior approval from the Design Review Committee), and shall be accomplished in an expeditious, diligent and speedy manner. The Owner undertaking such work shall: (a) pay all costs and expenses associated with the work; (b) take necessary measures to minimize disruption and inconvenience caused by the work; (c) make adequate provisions for the safety and convenience of other Owners and of Permittees; (d) control dust, noise and other effects of the work using methods customarily utilized in construction projects in a populated or developed area; (e) repair all damage caused by the work; and (f) restore all affected portions of any Parcel to a condition equal to or better than the condition existing before beginning the work.

4.3.2 Temporary Private Common Area Use

In connection with any work performed on or within a Building, incidental encroachment upon Private Common Areas may occur for the use of ladders, scaffolding, store-front barricades and similar facilities resulting in temporary obstruction of portions of Private Common Areas, if (a) the encroachment is kept within the reasonable requirements of the work, (b) the work is expeditiously pursued, and (c) the encroachment is approved in writing by the Design Review Committee. Private Common Areas may be utilized for ingress and egress of vehicles transporting

construction materials and equipment and persons employed in connection with the work, subject to applicable City regulation and to the terms of this Declaration. Each Owner performing work shall, to the extent reasonably possible, limit construction access to its own Parcel.

4.3.3 Notice to Other Owners

Except for interior remodeling, all such work shall be undertaken only after giving to the Board and to all other Owners thirty (30) days' prior written notice of the scope, nature, duration, location and extent of the work, except that no notice need be given of work the cost of which shall not exceed Ten Thousand Dollars (\$10,000) or such other amount as the Design Review Committee may determine from time to time.

4.3.4 Utility Connections

Any work performed by an Owner to connect to, repair, relocate, maintain or install any utility shall be performed so as to minimize interference with that and other utility services to all other Owners' Parcels and to Public and Private Common Areas. No Owner shall interfere with any utility service if that interference would disrupt the orderly development and operation of the business conducted by another Owner on any Parcel or with the use of Public or Private Common Areas unless, (a) the Owner provides notice to the Association and to the affected Owner(s) (with respect to a Parcel(s)) or to the City (with respect to Public Common Areas), describing the nature and duration of the interference, and (b) the noticing Owner and the affected Owner(s) (with respect to any Parcel(s)) or the City (with respect to any Public Common Areas) agree on a time during which the work shall be carried on so as to minimize or prevent any interference. Nothing in this Section shall limit or impair the ability of a public utility to perform its work at such times and in such a manner as it deems necessary or desirable.

4.3.5 Plans and Law; Construction Standards; Effect of Owner Approval

All construction, alteration or repair work that an Owner undertakes on a Parcel shall comply with the plans and specifications therefor approved by the Design Review Committee, the requirements of all applicable governmental authorities, public bodies and other entities having jurisdiction, and all applicable laws, ordinances, permits, rules and regulations. Any Improvement erected, remodeled or reconstructed and any development of, or alteration or addition to, the Private Common Areas, shall at all times be of good quality construction and first-class architectural design.

4.3.6 Emergency Work

Notwithstanding any other provision contained in this Section 4.3, if emergency conditions pose an imminent threat of harm to people or damage to property, an Owner may undertake necessary construction work to remedy the emergency condition so long as the Owner does so in good faith, complies with all applicable laws, gives notice thereof to the other Owners upon occurrence of the emergency condition (or as soon thereafter as possible), makes reasonable efforts to minimize any damage, cost or disruption attributable thereto, and otherwise complies, to the extent possible, with the applicable provisions of this Section 4.3.

4.3.7 Construction Separate Work of Improvement

For purposes of the mechanics' and materialmen's lien laws of the State of Nevada, construction undertaken by an Owner on any Parcel is a separate, distinct work of improvement, and no work done on any Parcel shall impose any obligation or any mechanics' or materialmen's lien or other construction lien on any other Parcel.

4.3.8 Construction Work Indemnity

Each Owner shall indemnify, defend, protect and hold the Association and all other Owners harmless from any and all claims, liability, loss, damage, injury, cost or expense (including actual attorneys' fees) arising by reason of, or in connection with, or that may be attributable to, any construction work performed by the indemnifying Owner on any Parcel, and any injury to or death of human beings, damage to property or claims of lien for work or labor performed and/or materials or supplies furnished, with respect to such work. An Owner may contest in good faith any lien or claim of lien asserted against that Owner or the Parcel affected by the Owner's construction work. The Owner shall pay and fully discharge any such claim of lien within five (5) days after entry of final judgment adverse to the Owner in any action to enforce or foreclose the same; the judgment shall be deemed final only when it can be enforced by execution or judicial sale; and no such judgment shall be considered final for purposes of this Section 4.3.8 during the pendency of a stay of execution in connection with an appeal. An Owner contesting a claim of lien shall, as a condition to that Owner's right to make that contest, procure and record a bond of a responsible corporate surety in such amount as may be required to protect from foreclosure, or release the lien from, all Parcels upon which the lien has been imposed.

4.4 Owner's Maintenance Obligations

Each Owner shall be responsible for maintenance and repair of its Parcel and all of the improvements on it, and shall keep, maintain, repair, manage and operate its Parcel, whether occupied or unoccupied, in good and clean order, operation, condition

and repair in conformity with first class standards, and in such a manner as to establish, maintain and present, at all times, the appearance of a clean, well-managed, and attractive operation.

Should the level of repair and maintenance of the improvements upon any Parcel, or the uniformity and maintenance of the exterior landscaping on any Parcel, fail to meet applicable standards of repair, maintenance and uniformity established by this Declaration and the Rules, the Association shall have the right, but not the obligation, after written notice to the Owner of the Parcel, to assume the maintenance and repair of the Parcel's improvements and landscaping to the following extent:

4.4.1 Landscaping

The Association may at the Board's discretion provide gardening services to maintain and replace, as necessary, all exterior landscaping upon the Parcel. The Association may also provide weed abatement services upon the Parcel.

4.4.2 Pedestrian Areas

The Association may at the Board's discretion repair and maintain all surface pedestrian areas on a Parcel.

4.4.3 Exterior Building Maintenance

The Association may at the Board's discretion repair and maintain the exterior of any Building or other Improvement upon the Parcel.

4.4.4 Cost

The cost of all repair, replacement and maintenance activities undertaken by the Association pursuant to this Section 4.4 shall be borne by the Owner of the Parcel upon which the repair, replacement and maintenance is performed, and shall be a Special Assessment levied pursuant to Section 5.5.

5. Assessments

5.1 Creation of the Lien and Personal Obligations of Assessments

Each Owner of any Parcel, by agreement to purchase or by acceptance of a deed or other conveyance therefor, whether or not so expressed in any such agreement, deed or other conveyance, is and shall be deemed to covenant and agree to pay Assessments established and levied by the Association from time to time as provided in this Section 5. The Assessments, together with interest thereon, late payment penalties and costs of enforcement and collection, as provided below in

Section 6, shall be a charge on the Parcel and shall be a continuing lien upon the Parcel against which each such Assessment is made. The lien shall become effective upon Recordation of a notice of claim of lien in accordance with Section 6. Each Assessment, together with such interest, late payment penalties and costs of enforcement and collection, shall also be the personal obligation of the Person who was the Owner of the Parcel at the time when the Assessment or any portion thereof fell due and shall bind the heirs, devisees, personal representatives, successors and assigns of that Person, except that an Assessment falling due during the period of ownership of a prior Owner shall not be the personal obligation of the successor Owner unless that successor Owner agrees to pay that Assessment.

5.2 Purpose of Assessments; Common Expenses

The Assessments levied by the Association shall be collected, accumulated and used for the purpose of providing funds to the Association reasonably necessary for the performance of the duties and obligations of the Association, which amounts shall be Common Expenses. Common Expenses shall include, but not be limited to, costs and expenses of maintenance, repair and replacement of landscaping, signage, lighting and common area improvements, and costs of street sweeping and security and all other functions and actions necessary or desirable to fulfill the Association's duties and obligations and to exercise its rights under this Declaration. Without limiting the generality of the foregoing, Common Expenses shall include the actual and estimated costs of the following:

- (a) The maintenance, management, operation, repair, construction, reconstruction and replacement of Association improvements to the Common Areas, including without limitation new Improvements and alterations or changes of existing Improvements;
- (b) the maintenance and repair of the Public Common Areas required by this Declaration to be performed by the Association;
- (c) unpaid Special Assessments, including those costs not paid by the Owner responsible for payment, together with all costs incurred in connection with enforcement hereof;
- (d) management and administration of the Association and the Design Review Committee including, but not limited to, compensation paid by the Association to managers, consultants, accountants, attorneys and other employees, provided that the compensation has been approved by the Board;
- (e) all utilities, water and sewer service, landscaping, security, trash pickup and disposal, and other services benefiting the Private Common Areas;

(f) fire, casualty and liability insurance, workers' compensation insurance, and any other insurance obtained by the Association, including fidelity bonds;

(g) bonding the members of any management body, any professional managing agent or any other Person handling the funds of the Association;

(h) taxes paid by the Association;

(i) prudent reserves;

(j) subject to applicable law and the Victorian Square Restrictions, judgments against and payable by the Association; and

(k) any other expenses or costs designated by the Association for any reason whatsoever in connection with Association improvements to the Common Areas.

5.3 Amount of Regular Assessments; Payments

The Board shall levy Regular Assessments in such amounts as may be required pursuant to Section 5.2. Regular Assessments shall be levied monthly and shall be due and payable within ten (10) days after the Board gives notice thereof or at such later date as may be stated in the Board's notice. The Board shall determine annually the actual Common Expenses for the previous year. Any Owner that has paid more than its apportioned share of Common Expenses for the previous year shall receive a credit for the excess against Assessments next falling due. Any Owner that has paid less than its apportioned share for the previous year shall pay the deficit within ten (10) days of receipt of an invoice for the deficit or within such other time period as may be agreed by the Board and the Owner.

5.4 Interest

All sums due to the Association from any Owner and not paid within ten (10) days from the date when due shall bear interest at 5% per annum in excess of the Prime Rate (the "Agreed Rate") from the date due until paid. The term "Prime Rate" shall mean the rate of interest per annum from time to time publicly announced by Bank of America Nevada or its successor, or such other bank as may hereafter be designated by the Board, as its prime or reference rate, The Agreed Rate shall change on the effective date of any change in the Prime Rate. All payments on account shall be applied first to costs of collection, then to late payment penalties, then to interest, and finally to the principal amount due.

5.5 Special Assessments

Special Assessments may be levied by the Board against a Parcel and its Owner to reimburse the Association for all costs and expenses incurred for the following: (a) to cover costs of bringing a Parcel and its Owner into compliance with, or to enforce the provisions of, this Declaration, the Rules, the Design Review Committee Guidelines, the Articles and the Bylaws; (b) to cover the costs, including overhead and administrative costs, of providing benefits, items, or services to the Parcel or occupants thereof upon request of the Owner pursuant to a menu of special services which the Board may from time to time authorize (which may include, without limitation, landscape maintenance, caretaker service, etc.), which assessments may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred by the Owner; (c) to pay or cover all costs for any maintenance, repairs or replacements (whether or not performed by the Association but for which the Association is responsible) to or within the Common Areas arising from or caused by the willful or negligent act or omission an Owner or the Owner's guests, agents, contractors, employees, licenses or invitees; (d) to pay or cover any other costs or amount that may be assessed as a Special Assessment under any other provisions of this Declaration; and (e) all costs and expenses, including attorneys' fees, incurred in connection with the foregoing, whether or not an action or proceeding to enforce this Section 5 has been commenced. Special Assessments shall be levied at such time or times as the Board determines. A special Assessment shall be paid by the Owner of the Parcel against which the Assessment is made within fifteen (15) days of the date upon which it is levied or such later date as may be specified in the Board's notice.

5.6 Certificate of Payment

Upon request, the Association shall furnish to any Owner a certificate in writing signed by an officer of the Association setting forth whether any Assessment or any portion thereof has been paid. The certificate shall be conclusive evidence of payment of any Assessment or portion thereof stated in the certificate to have been paid. A reasonable charge may be made by the Board for the issuance of any such certificate.

5.7 Nonuse and Abandonment

No Owner may waive or otherwise escape liability for any Assessment by nonuse or abandonment of its Parcel.

5.8 Apportionment of Regular Assessments

Regular Assessments shall be apportioned on the basis of the Gross Building Area on each Parcel that has been improved with one or more commercial, business or professional Buildings. For purposes of this Section 5.8, a Parcel shall be deemed to be improved with a commercial, business or professional Building when a certificate of occupancy has been issued for that Building or for some portion of it.

The apportionment for each Parcel shall be a fraction, the numerator of which is the Gross Building Area on that Parcel and the denominator of which is the total Gross Building Area on Parcels in Victorian Square.

5.9 Exempt Property

All properties owned, or dedicated to and accepted, by a local public authority shall be exempted from all Assessments, charges and liens created or imposed under this Declaration and shall not be included in the calculation of the Gross Building Area on affected Parcels for purposes of apportionment of Assessments.

5.10 Property Taxes and Assessments

Each Owner shall pay all taxes and assessments made under state or local law or ordinance and levied against that Owner's Parcel.

5.11 Commencement of Regular Assessments

An Owner shall be responsible for payment of Regular Assessments upon the issuance of a Certificate of Occupancy for any Building on that Owner's Parcel.

6. Nonpayment of Assessments

6.1 Delinquency; Remedies of Association

If any Assessment, or any portion thereof, is not paid on the date when due, then that Assessment or portion thereof shall become delinquent and shall, together with interest, late payment penalties and costs of enforcement and collection as provided below, thereupon become a continuing lien on the Parcel against which the Assessment was made. The Board may establish from time to time, in advance, a reasonable late payment penalty on installments and portions thereof not received within a specified period following their due date. The late payment penalty may include among other things, interest incurred by the Association on any loans obtained by the Association that are necessitated by the delinquency. If the Assessment or any portion thereof is not paid when due, the Association may, at its option and in addition to all other legal and equitable rights and remedies it may have, bring an

action at law against the Owner personally obligated to pay the same; or, upon compliance with the notice provisions set forth in this Section 6.1 and in Section 6.3 below, foreclose the lien against the Parcel. There shall be added to the unpaid portion of the Assessment all costs and expenses, including without limitation, actual attorneys' fees, incurred by the Association in collecting the delinquent Assessment together with interest and late payment penalties. In lieu of judicially foreclosing any lien, the Association, at its option, may foreclose the lien by proceeding under a power of sale as provided below in Section 6.3, such power of sale being hereby granted to the Association as to each and every Parcel for the purpose of collecting delinquent Assessments, interest on delinquent Assessments, late payment penalties, costs of enforcement and collection and attorneys' fees. Each Owner vests in the Association, its successors and assigns, the right and power to bring actions at law and/or lien foreclosures against such Owner and against other Owners for purposes of collecting delinquent Assessments.

6.2 Notice of Claim of Lien

No action shall be brought to foreclose the lien created by this Declaration or to proceed under the power of sale less than thirty (30) days after the date a notice of claim of lien, executed by a duly authorized representative of the Association, is Recorded with the Washoe County Recorder, said notice stating the amount claimed (which may include estimated interest to be incurred by the Association, late payment penalties, costs of collection and attorneys' fees), a good and sufficient legal description of the Parcel being assessed, the name of the Owner or reputed Owner thereof and the name and address of the Association as claimant. A copy of the notice of claim shall be deposited in the United States mail, certified or registered with postage prepaid, to the Owner of the Parcel at the address then shown on the Records of the Washoe County Tax Collector.

6.3 Foreclosure Sale

Any judicial or nonjudicial foreclosure sale provided for above shall be conducted in accordance with the laws of the State of Nevada that are applicable to the exercise of powers of sale in Mortgages, or in any other manner then permitted or provided by law. The Association, through its duly authorized agents, shall have the power to bid on the Parcel at foreclosure sale and to acquire and hold, lease, mortgage and convey the same.

6.4 Curing of Default

The officers of the Association are authorized to Record a release of a Recorded notice of claim of lien upon the curing of any default for which the notice was Recorded, and payment by the Owner(s) of the Parcel(s) described in the notice

of a reasonable fee to be determined by the Association to cover the costs of preparing and Recording the release together with payment of all interest, late payment penalties, costs of collection and attorneys' fees, as is authorized by this Declaration. The Board shall determine such fees from time to time.

6.5 Cumulative Remedies

The Assessment lien and the rights of foreclosure and sale provided in this Declaration shall be in addition to and not in substitution for all other rights and remedies at law and in equity that the Association and its assigns may have under this Declaration and under Nevada law.

7. Mortgage Protection

7.1 Priority of Mortgage Lien

No breach of the Covenants set forth in this Declaration, and no enforcement of any lien provisions pursuant to this Declaration, shall affect, impair, defeat or render invalid the lien or charge of any Mortgage made in good faith and for value encumbering any Parcel, but all of said Covenants shall be binding upon and effective against any Owner whose title is derived through foreclosure or trustee's sale, or otherwise with respect to a Parcel.

7.2 Relationship With Assessment Liens

7.2.1 Priority

The lien provided for in Section 6 entitled "Nonpayment of Assessments" shall be subordinate to the lien of any First Mortgage that was Recorded prior to the date any such Assessment becomes due.

7.2.2 Effect of Foreclosure

If any Parcel subject to a monetary lien created pursuant to this Declaration shall be subject to the lien of a Mortgage, then (i) the foreclosure of any lien created pursuant to this Declaration shall not operate to affect or impair the lien of that Mortgage; and (ii) the foreclosure of the lien of that Mortgage, the acceptance of a deed in lieu of foreclosure of the Mortgage, or sale under a power of sale included in the Mortgage (such events being referred to in this Section 7.2 as "events of foreclosure") shall not operate to affect or impair the lien created under this Declaration, except that any Persons (including any Mortgagee) that obtain an interest through any of the events of foreclosure shall take title free of the lien created under this Declaration for all charges that accrued after the date of Recording of the Mortgage foreclosed and up to the relevant event of foreclosure, but subject to the lien

under this Declaration for all of said charges that accrued prior to the date of Recording of the Mortgage foreclosed and subsequent to the relevant event of foreclosure.

7.2.3 No Release of Owner

Nothing in this Section shall be construed to release any Owner from its obligation to pay any Assessment levied pursuant to this Declaration.

7.3 Notice to First Mortgage Holders of Owner Default

Any holder of a First Mortgage shall be entitled to written notice from the Association of any default in performance of the obligations imposed by this Declaration by the Owner whose Parcel is encumbered by that Mortgage, if that default has not been cured within sixty (60) days of demand made by the Association; provided, however, the Association shall only be obligated to provide such notice to those holders of First Mortgages that have previously requested such notice in writing.

7.4 Right of First Refusal

In the event this Declaration is amended to provide for any right of first refusal in the Association, a Mortgagee who comes into possession of a Parcel pursuant to a judicial foreclosure, a deed in lieu of foreclosure or a trustee's sale shall be exempt from that right of first refusal.

7.5 Consent of Mortgagees

No amendment to this Declaration shall alter, modify, change or rescind any right, title, interest or privilege herein granted or afforded to any Mortgagee who has given notice in writing to the Association of its Mortgage unless such holder shall consent thereto in writing.

7.6 Conflicts

In the event of a conflict between any of the provisions of this Section 7 and any of the other provisions of this Declaration, the provisions of this Section 7 shall control.

8. Use Restrictions

The following restrictions shall apply to all Parcels.

8.1 Land Uses

No Parcel or portion of a Parcel shall be used except for Permitted Uses. Permitted Uses shall include any use which is permitted by the Special Use Permit, as it may be amended from time to time, at the time the use is established. Such uses include on the date of this Declaration a 14 screen movie theater, restaurants, retail stores, parking garages, parking lots, pedestrian plazas and, above the first floor, office/studio/loft space. It is intended that the Parcels in Victorian Square shall at all times be used in conformance with the Redevelopment Plan, as it may be amended from time to time.

8.2 Parking Access and Drive Locations

Written approval from the Design Review Committee shall be required for the siting on any Parcel of parking access and drive locations.

8.3 Storage, Service, Maintenance and Loading Areas

Unless approved in writing by the Design Review Committee, no materials, supplies or equipment, including trucks or other motor vehicles, shall be serviced, maintained or stored upon a Parcel except inside a closed Building or behind a visual barrier screen so as not to be visible from neighboring properties or streets. Such visual screens shall be constructed of materials and finishes approved by the Design Review Committee and shall be designed and placed to complement the Building design. Any storage areas screened by visual barriers shall be located upon the rear portions of the Parcel, unless otherwise approved in writing by the Design Review Committee.

Provisions shall be made on or adjacent to each Parcel for any necessary vehicle loading and delivery. On-street vehicle loading shall be permitted consistent with the Rules. Any loading dock areas shall be setback, recessed or screened so as not to be Visible from adjacent Parcels, neighboring properties or streets.

8.4 Refuse Collection Areas

All outdoor refuse and recycling containers on any Parcel shall be visually screened within a durable six foot (6') or higher noncombustible enclosure constructed of materials and finishes consistent with adjacent building materials and as approved by the Design Review Committee. The containers shall be designed and placed (i) so as not to be Visible from adjacent Parcels, neighboring properties and streets and (ii) in accordance with the requirements of the Design Review Committee. No refuse collection areas shall be permitted between a street and the front of the Building. Refuse collection areas shall be designed to effectively contain all refuse generated on

site and deposited therein between collections. Deposited refuse shall not be Visible from outside the refuse enclosure. Refuse areas shall be designed and located so as to be convenient for the deposit of refuse generated on site. Owners may cooperate in designing and designating joint or common refuse collection areas convenient to their Parcels.

All of the above notwithstanding, refuse containers for pedestrian use may be permitted in Private Common Areas without screening provided they are approved by the Design Review Committee.

8.5 Screening of Exterior Mechanical Equipment

Exterior components of plumbing, processing, heating, cooling and ventilating systems (including but not limited to piping, tanks, stacks, collectors, heating, cooling and ventilating equipment fans, blowers, ductwork, vents, louvers, meters, compressors, motors, incinerators, ovens) shall not be permitted to extend above the height of the parapet or roof screen. Any devices employed to screen exterior components of plumbing, processing, heating, cooling and ventilating systems from direct view shall appear as an integrated part of the architectural design, and as such, be constructed of materials and finishes consistent with those used on its associated Buildings. No exterior components of plumbing, processing, heating, cooling and ventilating systems shall be mounted on any Building wall.

8.6 Screening of Exterior Electrical Equipment and Transformers

Transformers and other electrical equipment shall be installed within Buildings or in sidewalks vaults so as not to be visible from adjacent Parcels, neighboring properties or streets.

8.7 Fences, Walls, Parking Structures

No walls, fences or privately-owned parking structures shall be constructed that will reduce the intended quality of the development or reduce the perception of the development as a unified, master-planned development. Fences and walls shall be as inconspicuous as possible or designed as an integrated and complementary architectural design element adding interest to the overall architectural design concept. No fence, wall or privately-owned parking structure shall be constructed unless approved in writing by the Design Review Committee. All fences, walls and privately-owned parking structures shall be designed as an integrated part of the overall architectural and site design. To the fullest extent practicable, fences, walls and privately-owned parking structures shall be constructed of the same materials and finishes as the adjacent Buildings.

8.8 Utilities and Communication Devices

All exterior on-site utilities including, but not limited to, drainage systems, sewers, gas lines, water lines and electrical, telephone and communication wires and equipment shall be installed and maintained underground. On-site underground utilities shall be designed and installed to minimize disruption of off-site utilities, paving and landscaping during construction and maintenance and shall be of such a design so as not to place excessive burdens on off-site utility systems during the course of use. No antenna or device for transmission or reception of any signals, including, but not limited to, telephone, television and radio shall be placed on any Parcel unless specific written approval is granted by the Design Review Committee. Temporary overhead power and telephone facilities shall be permitted during construction.

8.9 Grading

Site grading design shall complement and reinforce the architectural and landscape character of Victorian Square. No grading shall be done without the prior written approval of the Design Review Committee.

8.10 Nuisances

No portion of any Parcel or any improvement thereon shall be used in such manner as to create a nuisance to adjacent Parcels, neighboring properties or streets. No nuisance shall be permitted to exist or operate upon any Parcel so as to be offensive or detrimental to any adjacent Parcel or neighboring property or their respective occupants. For purposes of this paragraph, a nuisance shall include activities or conditions as the Board may from time to time reasonably determine.

8.11 Architectural Guidelines

All designs for improvement of any Parcel shall be an integrated part of the overall site design concept for Victorian Square as embodied in this Declaration, the Agency's Victorian Square Design Manual and the Design Review Committee Guidelines. Only Victorian commercial architecture building forms and materials shall be permitted. Finish materials that may be used on any Building shall be limited to tile (glazed and unglazed), masonry, all types of concrete (sandblast texture), metal and reflective and gray glass. Except with the approval of the Design Review Committee for retail commercial structures, no wood shall be used as finish material on any building. Pre-engineered metal Buildings shall not be permitted. Buildings shall be permitted only if designed by an architect.

8.12 Landscape Design Guidelines

As each Parcel is developed, it shall be promptly landscaped according to a landscape plan previously approved by the Design Review Committee and consistent with a master landscape plan to be established by the Design Review Committee.

8.13 Signs

Subject to the right of any governmental authority having jurisdiction, signs shall be placed upon Parcels only according to plans, specifications and visual representations previously approved by the Design Review Committee.

8.14 Lighting

Lighting shall be placed upon the Parcels only according to plans, specifications and lighting standards previously approved by the Design Review Committee.

8.15 Covenant of Maintenance and Repair

Each Owner covenants upon development of that Owner's Parcel or Parcels, to maintain in good repair and condition all structures, Buildings, signage and other Improvements located on that Parcel or Parcels, including without limitation driveways, surface parking and exterior landscaping; provided, however, that nothing in this Section 8.15 shall limit the Owner's obligations or the Association's rights pursuant to Section 4.4.

8.16 Sidewalk Sales and Outdoor Promotions

Without the written consent of the Board, no Parcel shall be used for any "sidewalk sales", sales located outside the exterior walls of any building, display of merchandise outside the exterior walls of any building or any similar use.

8.17 Unpaved Areas

Each Owner shall take all necessary and appropriate measures to prevent and control dust upon and from any unpaved, barren surfaces on its Parcel, including, without limitation, undeveloped Building areas and any unimproved portion of the Private Common Areas, which measures may include use of gravel or the sealing of the ground surface. Each Owner shall otherwise keep all such undeveloped areas of its parcel neat and clean, including, without limitation, removal of weeds and debris.

8.18 Prohibited Uses

No use shall be permitted in Victorian Square that is inconsistent with the Redevelopment Plan or with a first-class tourist and visitor-oriented service and retail area. Without limiting the generality of the foregoing, no theaters or movie-houses showing "X" rated films (or, if rating designations commonly used in the industry change, then films having a rating that designates the same characteristics as the "X" rating designates at the time of recording of this Declaration) shall be permitted in Victorian Square.

9. Grant of Easements

The following mutual, reciprocal easements are granted and/or reserved for the benefit of the City, the Agency, the Association and of all Parcels and Public and Private Common Areas within Victorian Square. The easements are perpetual, non-exclusive and appurtenant to all Parcels and Public Common Areas within Victorian Square, and shall run with the land.

9.1 Easements for Ingress and Egress

Mutual reciprocal easements for pedestrian ingress and egress within the Private Common Area pedestrian walkways, and for vehicular ingress and egress through alleyways, wherever located on the Parcels, are granted and/or reserved on, over and through each Parcel for the benefit of all other Parcels and Public and Private Common Areas in Victorian Square. Within the easements described in this Section 9.1, no Improvement, Building, planting or other material shall be placed or permitted to remain that may obstruct or interfere with the passage of pedestrian traffic through the walkways and alleyways, or the passage of vehicular traffic through the alleyways.

9.2 Public Utility Easements

Mutual reciprocal easements for public utilities are granted and/or reserved under and through that portion of each Parcel designated for Private Common Area for the benefit of all other Parcels and Public and Private Common Areas in Victorian Square, subject, however, to the provisions of this Section 9.2. Where reasonably practical, public utilities and services for the Buildings and Private Common Areas shall be located below the surface of a Parcel, and (i) public utilities and installations that are located above the surface of a Parcel shall be placed so as not to interfere with, restrict, or impede uses of Common Areas provided for in this Declaration, and (ii) no such public utilities and installations that are located above the surface of a Parcel shall be placed upon any Parcel without the prior written consent of the Owner whose Parcel is affected.

9.3 Encroachments

Mutual reciprocal easements for minor encroachments of building walls, overhangs, support columns, canopies and eaves are granted and/or reserved over, across and through each Parcel for the benefit of all other Parcels and Public and Private Common Areas within Victorian Square; provided, however, that such encroachments shall not unreasonably interfere with improvements on any adjoining Building area or Private Common Area.

9.4 Association Easements

9.4.1 Maintenance Easement

The Association shall have an easement in, over, across and through every Parcel for the limited purpose of performing its duties and obligations (and exercising its rights) under this Declaration, including without limitation performing such repair, replacement, and maintenance as is authorized to be performed by the Association pursuant to Section 4.4.

9.4.2 Comfort and Convenience

The Association shall have an easement over, across and through the Private Common Area on each Parcel to install and maintain such minor convenience facilities as the Board may from time to time deem appropriate, including, but not limited to, mailboxes, automatic teller machines, public telephones, and benches; provided, however, that no such minor convenience facilities shall materially interfere with, restrict or impede other uses of the Parcel or the Private Common Area on that Parcel.

10. Design Review

10.1 Design Review Committee

10.1.1 Approval Required

The design, construction or alteration in, on, over or under any Parcel of any Improvement shall be subject to the express written approval of the Design Review Committee as provided in this Section 10. Design Review Committee Approval shall be obtained before any application for permits for the Improvements is submitted to the City and before any work relating to the Improvements that does not require City approval is commenced.

10.1.2 Owner Submittals

Any Owner desiring to make or construct any Improvements shall submit to the Design Review Committee three complete sets of plans and specifications for accomplishing the same, together with that Owner's written request for approval and a good-faith estimate of the period of time in which the Owner intends to complete the Improvements. The plans and specifications shall be prepared by qualified persons and include such detail as the Design Review Committee Guidelines may reasonably require including, without limitation, site plans, floor plans, drainage plans, exterior elevations, materials and colors, and structural and landscape design.

10.1.3 Design Review Committee Guidelines

The Design Review Committee shall review and respond to the Owner's request pursuant to the Design Review Committee Guidelines. The Guidelines shall be consistent with the Redevelopment Plan, the Special Use Permit, the Agency's Victorian Square Design Manual and this Declaration (specifically, but not by way of limitation, with Section 8.11 of this Declaration). The Guidelines shall take into account the following, among other things: the adequacy of site dimensions; adequacy of structural design and materials; conformity and harmony of external design with neighboring structures and the Victorian Square Restrictions; the effect of location and use of improvements on neighboring property, improvements, operations and uses; relation of topography, grade and finished ground elevation of the property being improved to that of neighboring property; proper facing of main elevations with respect to nearby streets; preservation of natural view and aesthetic beauty; and conformity of the plans and specifications to the purpose and general plan and intent of this Declaration. The Design Review Committee shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any proposal, plan or design from the standpoint of structural safety or conformance with building or other codes or laws.

The Design Review Committee may from time to time amend the Guidelines, subject to the approval by the Board. Any amendments to the Guidelines shall apply to construction and modifications commenced after the date of such amendment only and shall not apply to require modifications to or removal of structures previously approved. The Guidelines may be amended to remove requirements previously imposed or otherwise to make the Guidelines less restrictive. The Committee shall at all times make the Guidelines available for inspection and copying by the City, the Agency and all Owners.

10.1.4 Approval Procedures

The Design Review Committee may condition its approval of proposals for any Improvement on such reasonable changes as may be necessary or desirable to meet the requirements of the Guidelines, the Victorian Square Restrictions and the overall intent of this Declaration. An Owner aggrieved by a decision of the Design Review Committee may request reconsideration by the Committee in accordance with procedures established by the Committee. Those procedures may include, without limitation, a requirement that the applicant modify the proposal or provide new information that would in the Committee's opinion warrant reconsideration. If the Committee fails to allow a reconsideration or if, after reconsideration, it again rules in a manner that is not acceptable to the applicant, the applicant may appeal the decision of the Design Review Committee to the Board by written notice to the Board given within thirty (30) days after the Committee's decision. The decision of the Board shall be final.

10.1.5 Meetings of the Design Review Committee

The Design Review Committee shall meet from time to time as necessary to perform its duties, and may from time to time, by resolution unanimously adopted in writing, designate a Design Review Committee representative to take any action or perform any duties for and on behalf of the Design Review Committee, except the granting of variances pursuant to Section 10.1.7. In the absence of such designation, the vote of a majority of the members of the Design Review Committee, or the written consent of a majority of the members of the Design Review Committee taken without a meeting, shall constitute an act of the Design Review Committee.

10.1.6 No Waiver of Future Approvals

Approval by the Design Review Committee of any proposals or plans and specifications or drawings for any work done or proposed or in connection with any other matter requiring the approval and consent of the Design Review Committee shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matters subsequently or additionally submitted for approval or consent.

10.1.7 Variances

When, in the opinion of the Design Review Committee, circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations or other circumstances may require, the Committee may authorize variances from compliance with any of the Guidelines. All variances shall be in keeping with the general plan for improvement and development of Victorian Square. Such variances

must be evidenced in writing and must be signed by at least a majority of the members of the Design Review Committee. If such variances are granted, no violation of the Guidelines shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of the Guidelines for any purpose except as to the particular property and particular provision of the Guidelines covered by the variance, nor shall it in any way affect the obligation of the Owner to comply with all governmental laws and regulations affecting its Parcel, including but not limited to zoning ordinances and set-back lines or requirements imposed by the City of Sparks, the County of Washoe or any municipal or other public authority. The granting of a variance shall not be deemed to be approval from the standpoint of compliance with such laws or regulations, nor from the standpoint of structural safety, and the Design Review Committee shall not be liable for any damage to an Owner as a result of its granting or denying of a variance.

10.1.8 Non-Liability for Approval of Plans

The Design Review Committee's approval of proposals or plans and specifications shall not constitute a representation, warranty or guaranty, whether express or implied, that such proposals or plans and specifications comply with good engineering design or with zoning or building ordinances, other governmental regulations or restrictions. By approving such proposals or plans and specifications neither the Design Review Committee, the members thereof, the Association, nor the Board assumes any liability or responsibility therefor, or for any defect in the structure constructed from such proposals or plans or specifications. Neither the Design Review Committee, any member thereof, the Association, nor the Board shall be liable to any Member, Owner, occupant, or other Person or entity for any personal injury, property damage or any other damage, loss, or prejudice suffered or claimed on account of (a) the approval or disapproval of any proposals, plans and specifications and drawings, whether or not defective, or (b) the construction or performance of any work whether or not pursuant to the approved proposals, plans and specifications and drawings.

10.2 Composition of Design Review Committee

The Design Review Committee shall be composed of the Board of the Association or, at the Board's election, three (3) or more representatives appointed, removed and replaced by the Board. The City shall designate from time to time a liaison to the Design Review Committee who shall be a nonvoting member.

10.3 Failure to Approve or Disapprove Plans and Specifications; Completion of Work

In the event the Design Review Committee, or its designated representative, fails to either approve or disapprove plans and specifications submitted by an Owner within forty-five (45) days after submission of a completed application, it shall be conclusively presumed that the Design Review Committee has approved the plans and specifications. Once improvement work approved or deemed to be approved by the Design Review Committee is commenced, it shall be diligently completed in accordance with the approved plans and specifications.

10.4 No Liability

Neither the City, the Association, the Board, the Design Review Committee, nor any of the Members of the Association shall be liable in damages to anyone submitting plans or specifications for approval of the Design Review Committee pursuant to this Declaration, or to any Owner of property affected by these Covenants, by reason of mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or failure to approve or disapprove any such plans or specifications. Every Person who submits plans or specifications to the Design Review Committee for approval agrees, by submission of such plans and specifications, to release the City, the Association, the Board, the Design Review Committee or any Members of the Association from any such claims.

10.5 Rules

The Design Review Committee may from time to time adopt, amend and repeal rules interpreting and implementing the provisions of this Declaration, subject to approval by the Board. Such rules shall be known as the Design Review Committee Rules.

10.6 Fee

The Design Review Committee may, by rule or regulation, condition its review of submitted plans and specifications upon payment of a monetary fee sufficient to pay the Design Review Committee's costs and expenses reasonably incurred in connection with such review, including without limitation, the costs of experts and consultants retained by it.

11. General Provisions

11.1 Term

The Covenants of this Declaration shall run until December 31, 2046, subject to amendment from time to time as provided in Section 11.2 below and shall be Recorded in Washoe County. After December 31, 2046, the Covenants shall be automatically extended for successive periods of ten (10) years each, unless abrogated and extinguished at any time by a written and Recorded instrument executed by the City and the Association, where the joinder of the Association is approved by a vote of at least seventy-five (75%) of the voting power of the Association (which vote shall be certified by the Secretary of the Association).

11.2 Amendments

Subject to the provisions of Section 11.1 above, (i) prior to Phase I Completion this Declaration may be amended only by an instrument in writing signed by the City, the Agency and all owners of real property that is subject to this Declaration, and (ii) following Phase I Completion this Declaration may be amended only by an instrument in writing signed by the City, the Agency (if the Agency is still in existence) and the Association, where the joinder of the Association is approved by a vote of at least seventy-five percent (75%) of the voting power of the Association (which vote shall be certified by the Secretary of the Association). Any amendment must be properly Recorded in Official Records of Washoe County before it shall be effective.

11.3 Notices

Any notice permitted or required to be delivered by this Declaration shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of the same has been deposited in the United States mail with postage prepaid and addressed to any Person at the address given by such Person to the Association for the purpose of service of such notice, or to the residence of such Person if no address has been given to the Association or at such Person's address shown on the Records of the Washoe County Tax Collector. Such address may be changed from time to time by notice in writing to the Association.

11.4 Interpretation

The provisions of this Declaration shall be liberally construed to effectuate their purpose of creating a uniform plan for the development and operation of

Victorian Square. This Declaration shall be construed and governed under the laws of the State of Nevada.

11.5 Enforcement and Nonwaiver

11.5.1 Right of Enforcement

Except as otherwise provided herein, the City, the Agency, the Association and any Owner of any Parcel within Victorian Square shall each have an independent right to enforce any or all of the provisions of this Declaration benefiting such Person.

11.5.2 Violations and Nuisance

Every act or omission whereby any provision of this Declaration 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 the negative or affirmative action by the City, the Agency, the Association or any Owners of Parcels within Victorian Square. Notwithstanding the foregoing, only the City, the Agency, the Association, the Board and the duly authorized agents of any of them may enforce, by self-help, any of the provisions of this Declaration, and only if such self-help is preceded by reasonable notice to the Owner of the Parcel that is in violation of this Declaration.

11.5.3 Violations of Law

Any violation of any state, municipal or local law, ordinance or regulation pertaining to the Ownership, occupation or use of any property within Victorian Square is declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth in said restrictions.

11.5.4 Captions

All captions and titles used in this Declaration are intended solely for convenience or reference, and shall not affect the interpretation of the text of any of its provisions.

11.6 City's Reserved Right

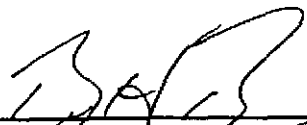
The City reserves the right to amend this Declaration by written amendment duly Recorded for the purpose of correcting typographical or scrivener's errors.

11.7 Rights of Syufy Enterprises


Nothing in this Declaration shall limit or impair the rights of Syufy Enterprises, a California limited partnership, under the easements created in that certain deed Recorded at [BOOK AND PAGE OR RECORDING NUMBER].

IN WITNESS WHEREOF, the City has executed this Declaration of Covenants, Conditions and Restrictions for Victorian Square at Sparks, Nevada on February 25, 1997.

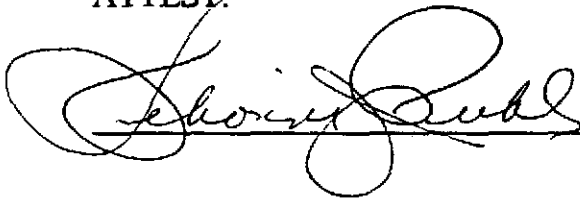
CITY OF SPARKS

By 
Name: BRUCE H. BRESLOW
Title: CHAIRMAN
Date: 2/25/97

APPROVED AS TO FORM:



ATTEST:





Agreed and Approved:

SYUFY ENTERPRISES,
a California limited partnership

CENTURY THEATRES, INC.,
a Delaware corporation

By [Signature]
Name: Raymond W. Syufy
Title: President
Date: Mar 3, 1997

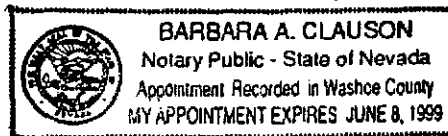
By: [Signature]
Name: Joseph Syufy
Title: Sen. Exec. Vice President
Date: Mar 3, 1997

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

This instrument was acknowledged before me on Feb. 25th, 1997 by
BRUCE H. BRESLOW, MAYOR.

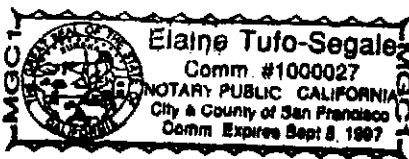
Barbara A. Clauson
NOTARY PUBLIC
My commission expires: 6/8/99

[Seal]



~~STATE OF NEVADA)~~
~~CALIFORNIA) ss.~~
~~COUNTY OF WASHOE)~~
SAN FRANCISCO

This instrument was acknowledged before me on march 3, 1997 by
Raymond W. Syufy

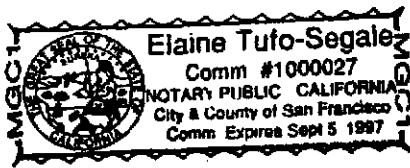


[Signature]
NOTARY PUBLIC
My commission expires: Sept 5, 1997

[Seal]

STATE OF NEVADA)
CALIFORNIA) ss.
COUNTY OF WASHOE)
SAN FRANCISCO)

This instrument was acknowledged before me on March 3, 1997 by
Joseph Syufy



Elaine Tuto-Segale
NOTARY PUBLIC
My commission expires: Sept 5, 1997

[Seal]

EXHIBIT A

All that certain property situate within a portion of the Southeast One-Quarter (1/4) of Section 5, Township 19 North, Range 20 East, Mount Diablo Meridian, in the City of Sparks, Washoe County, Nevada, being a portion of Robison's Addition East Reno, recorded as Tract Map Number 106 in the Records of Washoe County, Nevada on November 17, 1903 and being more particularly described as follows:

Lots 13 through 24, Block 4; Lots 1, 2, and 13 through 17 and the westerly nine (9) feet of Lot 18 in Block 5; and Lots 10, 11, 12, and 13 through 24 in Block 6 on the above referenced tract map; and

All of 'D' Street (formerly Hood Street) lying easterly of the westerly right-of-way of 14th Street (formerly known as Jefferson Street) and westerly of the easterly right-of-way of 11th Street (formerly known as Jackson Street); all of 11th Street (formerly known as Jackson Street) lying southerly of the northerly right-of-way of 'D' Street (formerly known as Hood Street) and northerly of the southerly right-of-way of Victorian Ave. (formerly known as Harriman Street); all of 12th Street (formerly known as Monroe Street) lying southerly of the northerly right-of-way of 'D' Street (formerly known as Hood Street) and northerly of the southerly right-of-way of Victorian Ave. (formerly known as Harriman Street); all of 13th Street (formerly known as Madison Street) lying southerly of the northerly right-of-way of 'D' Street (formerly known as Hood Street) and northerly of the southerly right-of-way of Victorian Ave. (formerly known as Harriman Street); all of 14th Street (formerly known as Jefferson Street) lying northerly of the southerly right-of-way of Victorian Ave. (formerly known as Harriman Street) and southerly of the northerly right-of-way of 'D' Street (formerly known as Hood Street); all of 'C' Street (formerly known as Kruttschnitt) lying easterly of the westerly right-of-way of 14th Street (formerly known as Jefferson Street) and westerly of the easterly right-of-way of 11th Street (formerly known as Jackson Street); and all of Victorian Ave. (formerly known as Harriman Street) lying westerly of the easterly right-of-way of 11th Street (formerly known as Jackson Street) and easterly of the westerly right-of-way of 14th Street (formerly known as Jefferson Street).

Amended Parcel 1 and Amended Parcel 2 as shown on the Amended Parcel Map Number 3119, Document Number 2043150, as recorded in the Official Records of Washoe County, Nevada on October 29, 1996.

EXHIBIT B

All that certain property situate within a portion of the Southeast One-Quarter (1/4) of Section 5, Township 19 North, Range 20 East, Mount Diablo Meridian, in the City of Sparks, Washoe County, Nevada, being a portion of Robison's Addition East Reno, recorded as Tract Map Number 106 in the Records of Washoe County, Nevada on November 17, 1903 and being more particularly described as follows:

Blocks 4, 5, 6, 9, 10 and 11 of the above mentioned Robison's Addition East Reno, lying southerly of 'D' Street (formerly known as Hood Street), westerly of 11th Street (formerly known as Jackson Street), northerly of Victorian Ave. (formerly known as Harriman Street), easterly of 14th Street (formerly known as Jefferson Street), and bounded by and including:

All of 'D' Street (formerly Hood Street) lying westerly of the easterly right-of-way of 14th Street (formerly known as Jefferson Street) and easterly of the westerly right-of-way of 11th Street (formerly known as Jackson Street), all of 11th Street (formerly known as Jackson Street) lying southerly of the northerly right-of-way of 'D' Street (formerly known as Hood Street) and northerly of the southerly right-of-way of Victorian Ave. (formerly known as Harriman Street), all of Victorian Ave. (formerly known as Harriman Street) lying westerly of the easterly right-of-way of 11th Street (formerly known as Jackson Street) and easterly of the westerly right-of-way of 14th Street (formerly known as Jefferson Street) and all of 14th Street (formerly known as Jefferson Street) lying northerly of the southerly right-of-way of Victorian Ave. (formerly known as Harriman Street) and southerly of the northerly right-of-way of 'D' Street (formerly known as Hood Street).

OFFICIAL RECORDS
WASHOE COUNTY, NEV.
RECORD REQUESTED BY
WESTERN TITLE COMPANY, INC.
MAR 05 1997
COUNTY RECORDER
FEE _____ DEP _____