

SUMMARY
OF
DECLARATION OF RESTRICTIONS
FOR THE
SHADOW MOUNTAIN RANCH COMMUNITY ASSOCIATION

The tract in which the Residence is located is subject to a Declaration of Covenants, Conditions and Restrictions ("CC&Rs"), which is hereby incorporated by reference herein. The CC&Rs, which is a recorded legal document covering numerous matters, has been imposed to protect and enhance the value and desirability of my (our) property and that of my (our) neighbors. I/we have received a copy of the CC&Rs and have read and understand the contents thereof. I/we expressly agree to comply with all applicable provisions of the CC&Rs. I/we further agree and acknowledge that Seller has no obligation to enforce the CC&Rs.

I/we acknowledge that I/we have been informed by Seller's representative that there are deed restrictions, including, but not limited to, prohibition against the installation of any outside television or radio antenna, satellite dish, masts, aerials, or other device for the purpose of audio or video reception or transmission without first receiving approval by the Architectural Committee.

Under specific Sections of the CC&Rs, I/we may not erect, install, place or alter on the Residence, any building, fence, wall, hedge, construction, obstruction or other structure or improvement, unless, prior to commencing any work, the proposed location and complete working plans and specifications (showing all items required under the CC&Rs) have first been submitted to and approved in writing by the architectural committee as to harmony of external design, location with respect to topography and surrounding structures, and all other aspects required under the CC&Rs. Nothing herein shall be construed as requiring architectural control committee approval as a condition to nonsubstantial modifications necessary as repairs. In making any submission to the architectural committee, I/we will use the form provided by Seller.

I/we agree that my (our) obligation to purchase the Residence shall in no event be contingent on the approval of any improvement or work by the architectural committee, regardless of when my (our) application for such approval may be submitted.

I/we understand that if I/we fail to obtain approval from the architectural committee required under the CC&Rs, and proceed with alterations anyway, I/we will be in breach of the CC&Rs. In such event, I/we will be obligated to do remedial work (which may be expensive) at my (our) sole cost and, in extreme cases, I/we may be subject to legal action. In order to avoid such problems, I/we agree to fully comply with the CC&Rs. I/we also understand that there are deed restrictions regulating the maintenance and appearance of the landscaping, a prohibition against inoperative or abandoned vehicles in the driveways, yards or common areas, architectural restrictions against nonconforming additions and other restrictions against any adverse conditions which might cause property values in this neighborhood to deteriorate. I/we understand that my (our) agreements above shall survive close of escrow.

1. Pardee Construction Company of Nevada (Declarant) intends to construct the Shadow Mountain Ranch project in multiple phases and may include approximately 416 residences. (Page 1)
2. Phase 1 may initially include 15 residences. (Page 1)
3. There is no guarantee that all phases will be completed. (page 2)
4. Common elements shall mean real property owned by the Association. (Page 3)
5. The Project shall include all real property and common elements and additional real property annexed into the Association. (Page 6)
6. Each owner shall be responsible for the maintenance of its residence. (Page 12)
7. The Association shall have the right to remove all graffiti from all walls in the project. (Page 13)
8. The Declarant has the right to construct the annexable property. (Page 13)
9. Declarant has the right to maintain sales offices. (Page 15)
10. Each residence shall have 1 equal vote. (Page 18)
11. A residence may not be used for any business purpose without the prior written consent of the Board. (Page 19)
12. Satellite dishes need approval from the Architectural Review Committee prior to installation. (Page 20)
13. A lawn or ground cover must be installed within 60 days of escrow closing. (Page 20)
14. The total number of household pets shall not exceed four (4) unless approved by the Board of Directors. (Page 22)
15. Water shall not be permitted to drain over, under, or across a neighboring residence. (Page 23)
16. Trash cans cannot be left outside and visible from the street for an unreasonable period of time. (Page 24)
17. Recreational vehicles shall be parked in the garage or adequately screened from view. (Page 25)
18. Declarant has the right to correct or modify the grade of the real property so to improve the drainage of water. (Page 28)
19. Except for improvements made by Declarant in any phase of the project, all improvements must be approved by the Architectural Review Committee. (Page 29)

20. The Architectural Review Committee has 60 days to review and approve/disapprove plans for improvements. (Page 30)
21. All owners and tenants shall comply with the documents. (Page 42)
22. The Board has the right to remove any vehicles that are improperly parked. (Page 48)

**** Note:** *This is only a brief summary of a limited number of provisions within this document. Each purchaser should read this document completely to thoroughly understand the Declaration of Restrictions for the Shadow Mountain Ranch Community Association.*

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When Recorded Mail To:

Pardee Construction Company
10880 Wilshire Boulevard
Suite 1900
Los Angeles, CA 90024
Attn: Barbara Bail

APN: 163-30-310-001
through 163-30-310-003 and
163-30-310-014
through 163-30-310-016

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DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS FOR
SHADOW MOUNTAIN RANCH

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EXHIBIT "A" - ANNEXABLE PROPERTY - LEGAL DESCRIPTION

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS FOR
SHADOW MOUNTAIN RANCH

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (the "Declaration") is made as of this 19th day of June, 2000, by Pardee Construction Company of Nevada, a Nevada corporation ("Declarant") for the purpose of submitting that certain real property located in the County of Clark, State of Nevada described below as the Real Property, to the provisions of the Uniform Common Interest Ownership Act, Chapter 116 of the Nevada Revised Statutes, for the purpose of creating a Project and making the improvements shown in the Plat referred to herein.

R E C I T A L S:

A. Declarant is the owner of all of the Real Property (defined below) together with that certain real property located in the County of Clark, State of Nevada more particularly described in Exhibit "A" attached hereto and incorporated herein by reference (the "Annexable Property").

B. Declarant proposes to develop the Real Property and any Annexable Property hereafter made subject to this Declaration, to be known as the Shadow Mountain Ranch (the "Project").

C. Declarant intends to develop the Project in twenty-six (26) or more phases under the provisions of the Nevada Common Interest Ownership Act pursuant to a general plan for the maintenance, care, use and management of the Project, and to convey the real property within the Project subject to certain protective covenants, conditions, restrictions, reservations, easements, equitable servitudes, liens and charges, all running with the real property as hereinafter set forth.

D. At the present time, Declarant proposes that the Project may include approximately four hundred six (406) residential dwellings, together with certain Common Elements (defined below).

E. The initial phase of the Project which shall be subject to this Declaration of Covenant, Conditions and Restrictions is Phase 1, more particularly described as:

Lots Fourteen (14) through Sixteen (16) inclusive and Twenty-Seven (27) through Twenty-Nine (29) inclusive in Block One (1) as shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase I, A Common Interest Community, recorded January 19, 2000, on file in Book 92 of Plats, page 92 in the Office of the County Recorder, Clark County, Nevada.

(the "Real Property"). Phase 1 shall contain a total of six (6) Units, together with Common Elements.

F. There is no guarantee that all phases will be completed, or that the contemplated number of Units will be developed as described above. The project will be consistent with the overall development plan submitted to the U.S. Department of Veterans Affairs and Federal Housing Administration.

G. Each Unit shall have appurtenant to it a membership in the SHADOW MOUNTAIN RANCH ASSOCIATION, a Nevada nonprofit corporation ("Association"), which will be the management body for the overall Project.

H. Before selling or conveying any interest in the Real Property, Declarant desires to subject the Real Property in accordance with a common plan to certain covenants, conditions, and restrictions for the benefit of Declarant and any and all present and future owners of the Real Property.

NOW THEREFORE, Declarant hereby declares that the Real Property shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding on all parties having any right, title, or interest in the described properties or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I DEFINITIONS

Section 1.1 Act: "Act" shall mean the Uniform Common Interest Ownership Act, NRS Chapter 116, as it may be amended from time to time.

Section 1.2 Allocated Interests: "Allocated Interests" shall mean the Liability for Common Expenses and votes in the Association, which are allocated to Units in the Project. The Allocated Interests are described in Article VIII of this Declaration.

Section 1.3 Annexable Property: "Annexable Property" shall mean the real property described in Exhibit "A" which may hereafter be brought within the terms of this Declaration as part of the Project pursuant to Article VII.

Section 1.4 ARC: "ARC" shall mean the architectural, design and landscaping committee created pursuant to Article XII hereto.

Section 1.5 ARC Rules: "ARC Rules" shall mean the rules adopted by the ARC pursuant to Article XII hereof.

Section 1.6 Articles: "Articles" shall mean the Articles of Incorporation of the Association as may be amended from time to time.

Section 1.7 Assessment, Capital Improvement: "Assessment, Capital Improvement" shall mean a charge against each Owner and his Unit representing a portion of the costs to the Association for installation or construction of any Improvements on any portion of the Common Elements which the Association may from time to time authorize, pursuant to the provisions of this Declaration.

Section 1.8 Assessment, Common or Common Expense: "Assessment, Common or Common Expense" shall mean the annual charge against each Owner and his Unit representing a portion of the total, ordinary costs of maintaining, improving, repairing, replacing, managing and operating the Common Elements or other Common Expenses, which are to be paid by each Owner to the Association, as provided herein.

Section 1.9 Assessment, Reconstruction: "Assessment, Reconstruction" shall mean a charge against each Owner and his Unit, representing a portion of the cost to the Association for reconstruction of any portion of the Improvements on the Common Elements, pursuant to the provisions of this Declaration.

Section 1.10 Assessment, Special: "Assessment, Special" shall mean a charge against a particular Owner and his Unit, directly attributable to or reimbursable by the Unit Owner, equal to the cost incurred by the Association for corrective action performed pursuant to the provisions of this Declaration (including, if applicable, the amount of any deductible payable in connection with an insured loss), or levied by the Board as a reasonable fine or penalty for non-compliance with the Restrictions, plus interest and other charges on such Special Assessment as provided for in this Declaration.

Section 1.11 Association: "Association" shall mean Shadow Mountain Ranch Community Association, a nonprofit/nonstock corporation organized under NRS Chapter 82 organized as the Association of Owners pursuant to the Act (NRS 116.3101).

Section 1.12 Board of Directors or Board: "Board of Directors" or "Board" shall mean the board of directors of the Association.

Section 1.13 Bylaws: "Bylaws" shall mean the Bylaws of the Association, as may be amended from time to time.

Section 1.14 Common Elements: "Common Elements" shall mean all (i) real property, other than Units, owned or leased by the Association, (ii) real property over which the Association holds an easement for the use and enjoyment of the Owners, (iii) any personal property owned by the Association for the use and enjoyment of the Owners, and (iv) any other property owned or held by the Association for the use and enjoyment of the Owners. The Common Elements shall additionally initially consist of the real property described as follows:

A 5.00' WIDE LANDSCAPE AND MAINTENANCE EASEMENT across Lots Fourteen (14) through Sixteen (16) inclusive and Twenty-Nine (29) in Block One (1) as shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45

Phase I, A Common Interest Community, recorded January 19, 2000, on file in Book 92 of Plats, page 92 in the Office of the County Recorder, Clark County, Nevada.

Section 1.15 Common Expenses: "Common Expenses" shall mean the expenses or financial liabilities for the operation of the Project together with any allocations to reserves and shall include:

- (i) Expenses of administration, maintenance, repair or replacement of the Common Elements;
- (ii) Expenses declared to be Common Expenses under the Documents or the Act;
- (iii) Expenses agreed upon as Common Expenses by the Association; and
- (iv) Reserves established by the Association, for repairs, replacements or additions to the Common Elements; and
- (v) Expenses, fees, and other charges imposed upon the Association by any governmental entity because the Project is a community interest community pursuant to the Act.

Section 1.16 Declarant: "Declarant" shall mean Pardee Construction Company of Nevada, a Nevada corporation, or its successor as defined in the Act (NRS 116.110335).

Section 1.17 Declarant Control Period: "Declarant Control Period" shall mean the period to time during which the Declarant is entitled to appoint a majority of the members of the Board of Directors pursuant to Section 7.9.

Section 1.18 Declaration: "Declaration" shall mean this document, including any amendments.

Section 1.19 Development Rights: "Development Rights" shall mean the rights reserved by the Declarant under Article VII of this Declaration to create Units, Common Elements and Limited Common Elements within the Project as well as other rights provided for herein.

Section 1.20 Director: "Director" shall mean a member of the Board of Directors.

Section 1.21 Documents: "Documents" shall mean the Declaration, the Plat, the Articles, the Bylaws and the Rules as they be amended from time to time. Any exhibit, schedule or certification accompanying a Document shall be deemed to be a part of that Document.

Section 1.22 Eligible Insurer: "Eligible Insurer" shall mean an insurer or guarantor of a first Security Interest in a Unit. An Eligible Insurer shall notify the Association in writing of its name and address and inform the Association that it has insured or guaranteed a first Security

Interest in a Unit and must provide the Association with the Unit number and address of the Unit on which it is the insurer or guarantor of a Security Interest. Such notice shall be deemed to include a request that the Eligible Insurer be given the notices and other rights described in Article XVII.

Section 1.23 Eligible Mortgagee: "Eligible Mortgagee" shall mean the holder of a first Security Interest in a Unit, when the holder has notified the Association, in writing, of its name and address and that it holds a first Security Interest in a Unit. The notice must include the Unit number and address of the Unit on which it has a security interest. This notice shall be deemed to include a request that the Eligible Mortgagee be given the notices and other rights described in Article XVII.

Section 1.24 FHA: "FHA" shall mean the Federal Housing Administration.

Section 1.25 Improvements: "Improvements" shall mean any construction, structure, fixture or facilities existing or to be constructed on the real property which is included in the Project, including, but not limited to: buildings, trees and shrubbery planted by the Declarant or the Association, paving, utility wires, pipes, light poles, fire hydrants and walls.

Section 1.26 Liability for Common Expenses: "Liability for Common Expenses" shall mean the liability for common expenses allocated to each Unit pursuant to Article VIII.

Section 1.27 Limited Common Elements: "Limited Common Elements" shall mean the portion of the Common Elements allocated for the exclusive use of fewer than all Unit Owners under the Declaration or the Act.

Section 1.28 Majority of Members or Majority of Owners: "Majority of Members" or "Majority of Owners" shall mean the Owners of Units to which at least a majority of the votes in the Association are allocated.

Section 1.29 Manager: "Manager" shall mean a person, firm or corporation possessing all licenses and certifications required by the Act, employed or engaged to perform management services for the Project and the Association.

Section 1.30 Member: "Member" shall mean a person entitled to membership in the Association as provided in the Documents. A "Member in Good Standing" shall mean a Member whose voting rights have not been suspended in accordance with Section 13.2 of the Bylaws.

Section 1.31 Notice and Comment: "Notice and Comment" shall mean the right of an Owner to receive notice of an action proposed to be taken by or on behalf of the Association, and the right to comment thereon, the procedure for which is set forth in Section 23.1 of this Declaration.

Section 1.32 Notice and Hearing: "Notice and Hearing" shall mean the right of an Owner to receive notice of an action proposed to be taken by or on behalf of the Association, and the right to be heard thereon, the procedure for which is set forth in Section 23.2 of this Declaration.

Section 1.33 NRS: "NRS" shall mean the Nevada Revised Statutes.

Section 1.34 Owner. "Owner" shall mean the Declarant or other Person who owns a Unit, however, Owner does not include a Person having an interest in a Unit solely as security for an obligation. The Declarant is the initial owner of any Unit created by this Declaration.

Section 1.35 Person: "Person" shall mean an individual, corporation, business trust, estate, trust, partnership, association, joint venture, government, government subdivision or agency or other legal or commercial entity.

Section 1.36 Phase 1: "Phase 1" shall mean the Real Property initially subject to this Declaration and together with the Common Elements and including all Improvements constructed thereon.

Section 1.37 Plat: "Plat" means the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase I, recorded on January 19, 2000 on file in Book 92 of Plats, page 92 in the Office of the County Recorder of Clark County, Nevada, together with such other diagrammatic plans and information regarding the Real Property as may be required by the Act or other applicable law, or as may be included in the discretion of Declarant, as each may be amended and supplemented from time to time.

Section 1.38 Project: "Project" shall mean the Real Property, the Common Elements and any additional real property that may be annexed under Article VII, including all Improvements erected or to be erected thereon.

Section 1.39 Public Offering Statement: "Public Offering Statement" shall mean the current document pertaining to the Project prepared pursuant to the Act as it may be amended from time to time, and provided to purchasers prior to the time of execution of a binding purchase agreement.

Section 1.40 Real Property: "Real Property" shall mean the real property described as follows:

Lots Fourteen (14) through Sixteen (16) inclusive and Twenty-Seven (27) through Twenty-Nine (29) inclusive in Block One (1) as shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase I, A Common Interest Community, recorded January 19, 2000, on file in Book 92 of Plats, page 92 in the Office of the County Recorder, Clark County, Nevada,

and all Improvements, easements, rights, appurtenances and additions which have been or hereafter are submitted to the provisions of the Act by this Declaration.

Section 1.41 Residential Use: "Residential Use" shall mean use as a dwelling for personal family or household purposes by ordinary customers.

Section 1.42 Restrictions: "Restrictions" shall mean this Declaration, the Articles of Incorporation of the Association, the Bylaws and the Rules from time to time in effect.

Section 1.43 Rules: "Rules" shall mean the regulations for the use of Common Elements and the conduct of persons in connection therewith within the Project as adopted by the Board of Directors pursuant to this Declaration.

Section 1.44 Security Interest: "Security Interest" shall mean the interest in real estate or personal property, created by contract or conveyance, which secures payment or performance of an obligation. The term includes a lien created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of lease or rents intended as security, pledge of an ownership interest in an Association, and any other consensual lien or title retention contract intended as security for an obligation.

Section 1.45 Special Declarant Rights: "Special Declarant Rights" shall mean those rights reserved for the benefit of Declarant to (1) complete improvements indicated on the Plats; (2) exercise any Development Right; (3) maintain sales offices, management offices, advertisement signs and models within the Project for the benefit of the Real Property and any other real property owned by Declarant; (4) use easements through the Common Elements for the purpose of making improvements within the Project, within real estate that may be added to the Project and any other real property owned by Declarant; or (5) appoint or remove an officer of the Association or any Board of Directors member during the Declarant Control Period.

Section 1.46 Subsidy Agreement: "Subsidy Agreement" means an agreement of the type described in Section 18.14 of this Declaration.

Section 1.47 Trustee: "Trustee" shall mean the entity which may be designated by the Board of Directors as the Trustee for the receipt, administration and disbursement of funds derived from insured losses, condemnation awards, special assessments for uninsured losses and other sources as defined in the Bylaws. If no Trustee has been designated, the Trustee shall be the Board of Directors acting by majority vote, as executed by the president and attested by the secretary.

Section 1.48 Unit: "Unit" shall mean the physical portion of the Project designated for separate ownership and occupancy which shall include a single family house on a separately platted lot, the boundaries of which are described in Section 4.2 of this Declaration.

Section 1.49 VA: "VA" shall mean and refer to the U.S. Department of Veterans Affairs.

ARTICLE II

PROJECT AND ASSOCIATION

Section 2.1 Project and Association: The name of the Project is Shadow Mountain Ranch. Shadow Mountain Ranch is a planned community under the Act.

Section 2.2 Association: The name of the Association is Shadow Mountain Ranch Community Association. The Association is charged with the duties and vested with the powers prescribed by law and set forth in the Articles, Bylaws, and this Declaration. Neither the Articles nor Bylaws shall, for any reason, be amended or otherwise changed so as to be inconsistent with this Declaration. If there should exist any ambiguity in any provision of the Articles or Bylaws, then such provision shall be consistent with the provisions of this Declaration.

ARTICLE III

DESCRIPTION OF REAL PROPERTY

The Project is situated in Clark County, Nevada, and initially consists of the Real Property described in Section 1.40 hereof.

ARTICLE IV

UNIT AND BOUNDARY DESCRIPTIONS

Section 4.1 Maximum Number of Units: When created, the Project shall contain six (6) Units. Declarant reserves the right to create up to a total of four hundred six (406) Units pursuant to Article VII.

Section 4.2 Boundaries: The Boundaries of each Unit created by the Declaration are the lot lines shown on the Plat as numbered lots, along with their identifying number.

ARTICLE V

COMMON ELEMENTS

Section 5.1 Use. Except as otherwise provided herein and subject to such specific limitations as may otherwise be imposed upon any portion of the Common Elements, the Common Elements shall be improved and used only for the purposes of (i) affording pedestrian and vehicular movement within the Project subject to Rules established by the Board and easements provided for in the Documents; and (ii) beautification of the Common Elements and providing privacy to the residents of the Project through landscaping and such other means as the Board shall deem appropriate. In addition:

(a) Entrances. Any lighted entry monument structure and sign(s) and/or open space landscaping which may be installed or constructed by Declarant within the Project for the common enjoyment of the Owners.

(b) Restriction on Change. The right and easement to the Common Elements shall be held, maintained and used by the Association to enhance the Owners' enjoyment of the natural environment of the Project and for no other purposes. No Improvement, excavation or work which in any way alters any Common Elements from its natural or existing state on the date such Area was transferred to or otherwise came under the jurisdiction of the Association shall be made or done except upon strict compliance with, and within the restrictions and limitations of, this Declaration.

Section 5.2 Limitation on Construction. Subject to Articles VII and XI, no person other than the Declarant or the Association or its duly authorized agents shall construct, reconstruct, refinish, alter or maintain any Improvement upon, or shall make or create any excavation or fill upon, or shall change the natural or existing drainage of, or shall destroy or remove any tree, shrub, or other vegetation from any Common Elements. The Association may, at any time, as to any Common Elements:

(a) Reconstruct, replace or refinish any Improvement or portion thereof upon any such Common Elements (to the extent that such work is not done by a governmental entity, if any, responsible for the maintenance and upkeep of such area), in accordance with the plans filed by Declarant with the Board pursuant to Section 5.3.

(b) Construct, reconstruct, replace or refinish any road improvement or surface upon any portion of the Common Elements used as a road, driveway or parking area in accordance with the plans filed by Declarant with the Board pursuant to Section 5.3.

(c) Replace injured or diseased trees, shrubs or other vegetation in any Common Elements, and plant trees, shrubs and other vegetation to the extent that the Association deems necessary for the conservation of water and soil or for aesthetic purposes; and

(d) Place and maintain upon any Common Elements such signs as the Association may deem appropriate for the proper identification, use and regulation thereof.

Notwithstanding the foregoing, no change, alteration or modification to the Common Elements, including the removal of trees, shrubs or other vegetation thereon or any pruning or trimming thereof which would alter height or width by more than five percent (5%), shall be made which is not in accordance with the plans filed by Declarant with the Board pursuant to Section 5.3, without the affirmative vote of a Majority of Owners at a special meeting thereof, duly called and held, notice of which shall specifically state the proposed change, alteration or modification to be made to the Common Elements.

Section 5.3 Declarant's Plans and Specifications. Declarant shall from time to time file with the Board such plans and specifications as it may have in its possession for the purpose of maintaining a permanent record of Improvements constructed on any Common Elements. If Declarant, for any reason, has not delivered such plans and specifications to the Board, the references to such "plans and specifications" shall mean to the Improvements as originally constructed by Declarant.

Section 5.4 Owner's Easement of Enjoyment. Every Owner is hereby granted a right and easement of enjoyment of the Common Elements and such easement shall be appurtenant to and shall pass with title to every Unit subject to the following provisions:

- (a) The right of the Association to establish and enforce Rules.
- (b) The right of the Association to suspend the voting rights of an Owner for any period during which any assessment against his or her Unit remains unpaid and delinquent, and for a period not to exceed thirty (30) days for any single infraction of the Declaration, Bylaws or Rules provided that any suspension of such voting rights except for failure to pay assessments, shall be made only by the Association after notice and hearing given and held in accordance with Section 8.4 of the Bylaws.
- (c) The Special Declarant Rights described in Article VII.
- (d) No Owner shall allow his or her furniture, furnishings, or other personal property to remain within any portion of the Common Elements except as may otherwise be permitted by the Association.

Section 5.5 Delegation of Enjoyment. Any Owner may delegate, in accordance with the Documents his or her rights of enjoyment to the Common Elements to the members of his or her family, social invitees, tenants or contract purchasers subject to reasonable regulations and procedures established by the Board. The Board may extend permission to recognized community leagues to use appropriate portions of the Common Elements subject to such terms and conditions as the Board may impose.

Section 5.6 Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to the Common Elements, and no odors shall be permitted to arise therefrom, so as to render any such property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to the occupants of such other property. No nuisance shall be permitted to exist or operate upon the Common Elements so as to be offensive or detrimental to any other property in the vicinity thereof or the occupants of such other property.

Section 5.7 Declarant's Exemption. Nothing contained in this Declaration shall be construed to prevent the exercise by Declarant or its duly authorized agents within the Common Elements of any Special Declarant Rights.

Section 5.8 Owner's Liability for Damages to Common Elements. Each Owner shall be legally liable to the Association for all damages to the Common Elements or to any Improvements thereof or thereto, including but not limited to curbs, sidewalks, paved surfaces, any buildings and landscaping, caused by such Owner, his or her licensees, guests or any occupant of such Owner's Unit, as such liability may be determined under Nevada law.

Section 5.9 Maintenance. The Association shall maintain, or provide for the maintenance of the exterior of all perimeter stucco walls. The Association shall also maintain, or provide for the maintenance of all Common Elements within the Project, including planting, replacing, repairing and maintaining all landscaped areas, irrigation systems, drainage areas, recreational facilities and monument signs, and shall keep all Improvements of whatever kind and for whatever purpose from time to time located thereon in good order and repair. In the maintenance of the Common Elements, the Association shall at all times strictly comply with the conditions of all applicable federal, state and local laws, including the laws and ordinances of County. In addition, the Association shall maintain and keep in good repair the rights-of-way within the Project and the Common Elements. This maintenance may include, but not be limited to, maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures and Improvements situated upon such areas.

Section 5.10 Duties of Association. The Association shall be obligated to adhere to the standards of maintenance for the Common Elements established as provided in Section 5.3. Subject to the foregoing limitations, the Board shall have the right to establish standards of maintenance for the Common Elements more stringent than those initially established by Declarant but not less stringent than those established by Declarant.

Section 5.11 Mineral Exploration; Toxic Substances. No property within the Common Elements shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, or any earth substance of any kind, or for the storage or disposal of "hazardous waste" or other hazardous or toxic materials, as such terms are defined by federal, state or local laws now or hereafter in effect.

Section 5.12 Automatic Irrigation Systems. Any and all irrigation systems installed within the Common Elements shall be automatic.

Section 5.13 Declarant's Maintenance of Certain Common Elements. Any or all of the Common Elements may be conveyed to the Association subject to easements in favor of Declarant for purposes of maintenance.

Section 5.14 Limited Common Elements: There are currently no Limited Common Elements within the Project.

ARTICLE VI MAINTENANCE

Section 6.1 Common Elements: The Association shall maintain, repair and replace all of the Common Elements within the Project, including without limitation planting, replacing, repairing and maintaining all landscaped areas, irrigation systems, drainage areas, and monument signs, and shall keep all Improvements of whatever kind and for whatever purpose from time to time located thereon in good order and repair, including without limitation the obligation to paint and maintain the exterior of the perimeter walls. In the maintenance of the Common Elements, the Association shall at all times strictly comply with the conditions of all applicable federal, state

and local laws, including any applicable city or county laws and ordinances. In addition, the Association may maintain and keep in good repair rights-of-way, whether owned as part of a Unit or by any political subdivision of the State (subject to the approval or consent of the political subdivision), so long as the rights-of-way are within the Common Elements or within the Project. This maintenance may include, but not be limited to, maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures and improvements situated upon such areas.

Section 6.2 Units: Each Owner shall maintain, repair and replace, at his or her own expense, all portions of his or her Unit.

Section 6.3 Right of Access: Any person authorized by the Board of Directors shall have the right of access to all portions of the Real Property for the purpose of performing emergency repairs or to do other work reasonably necessary for the proper maintenance of the Project, for the purpose of performing installations, alterations or repairs, and for the purpose of reading, repairing and replacing utility meters and related pipes, valves, wires and equipment, provided that requests for entry are made in advance and that any entry is at a time reasonably convenient to the affected Owner. In case of an emergency, no request or notice is required and the right of entry shall be immediate, and with as much force as is reasonably necessary to gain entrance, whether or not the Owner is present at the time.

Section 6.4 Repairs Resulting From Negligence: Each Owner will reimburse the Association for any damages to any other Unit or to the Common Elements caused intentionally, negligently or by his or her failure to properly maintain, repair or make replacements to his or her Unit. The Association will be responsible for damage to Units which is caused intentionally, negligently or by its failure to maintain, repair or make replacements to the Common Elements. If such damage is caused by misconduct, it will be assessed following Notice and Hearing.

Section 6.5 Association Easement for Removal of Graffiti: The Association shall have the right but not the obligation to remove all graffiti and similar unsightly appearance from all walls in the Project (notwithstanding that such walls may constitute part of a Unit) which are visible from the Common Elements or from dedicated streets or rights of way and Declarant hereby reserves an easement in favor of the Association for such purpose.

ARTICLE VII

DEVELOPMENT RIGHTS AND OTHER SPECIAL DECLARANT RIGHTS

Section 7.1 Reservation of Development Rights: Declarant reserves the following Development Rights:

(a) The right, but not the obligation, by amendment to expand the Project to include all or part of the Annexable Property. Declarant shall have the unilateral right to transfer to any other person the right to expand which is herein reserved. Declarant shall pay all taxes and other governmental assessments relating to the Annexable Property owned by Declarant until expansion.

Such expansion may be accomplished by recording a supplemental declaration or annexation amendment in the records of the County Recorder of Clark County, Nevada, describing the real property to be annexed, submitting it to the covenants, conditions, and restrictions contained herein, and providing for the readjustment of voting rights and assessment allocations provided for herein on the basis of formulas provided herein. Such supplemental declaration or annexation amendment shall not require the consent of the Owners. Any such expansion shall be effective upon the filing for record of such supplemental declaration or annexation amendment except as provided therein. The expansion may be accomplished in stages by successive supplements or in one supplemental expansion. Upon the recordation of any such supplemental declaration or annexation amendment, the definitions used in this Declaration shall be expanded automatically to encompass and refer to the Real Property as expanded. Such supplemental declaration or annexation amendment may add, delete, or modify provisions of this Declaration as it applies to all or any portion of the Annexable Property then being subjected to the Declaration, provided, however, that this Declaration may not be modified with respect to the Real Property previously subject to the Declaration except as provided herein for amendment.

(b) The right, but not the obligation, by amendment to create Units and Common Elements upon all or parts of the Annexable Property as well as any real property adjacent thereto that shall be annexed into the Project.

(c) The right, but not the obligation, by amendment to subdivide Units located on the Real Property or convert such Units into Common Elements.

(d) The right, but not the obligation, to construct underground utility lines, pipes, wires, ducts, conduits and other facilities upon the real property in the Project, for the purpose of furnishing utility and other services to buildings and Improvements to be constructed in the Project. Declarant also reserves the right to withdraw and grant easements to public utility companies and to convey Improvements within those easements anywhere in the Project not occupied by buildings, for the purposes mentioned above. If Declarant grants any such easements, the Plats will be amended to include reference to the recorded easement.

(e) The right, but not the obligation, to withdraw any Unit from this Declaration at any time prior to the sale or conveyance of that Unit by Declarant. Such withdrawal shall be accomplished by recording a declaration of withdrawal in the records of the Recorder of Clark County, Nevada, describing the real property to be withdrawn, and providing for the readjustment of voting rights and assessment allocations provided for herein. Such declaration of withdrawal shall not require the consent of the Owners. Any such withdrawal shall be effective upon the filing for record of such declaration of withdrawal except as provided therein. The withdrawal may be accomplished in stages by successive declarations or in one declaration of withdrawal.

(f) The right, but not the obligation, to unilaterally amend this Declaration at any time prior to the close of the first sale of a Unit.

Section 7.2 Limitations on Development Rights: The Development Rights reserved in Section 7.1 are limited as follows:

- (a) The Development Rights may be exercised at any time within five years after the recording of the initial Declaration;
- (b) Not more than four hundred (400) additional Units may be created under the Development Rights;
- (c) The quality of the construction of any buildings and improvements to be created on the Real Property shall be consistent with the buildings and improvements of those constructed in Phase 1 (this limitation shall not prevent Declarant from having the right to modify the shape, size, elevation, or floor plan of Units);
- (d) All Units and Common Elements created pursuant to the Development Rights will be restricted to Residential Use in the same manner and to the same extent as the Units created under this Declaration as initially recorded;
- (e) All taxes, assessments, mechanic's liens and other charges affecting the Real Property arising in connection with Declarant's ownership of, and construction of improvements upon, the Annexable Property which may adversely affect the rights of existing Unit Owners, or the priority of any Eligible Mortgagee on Units in the Real Property, are to be paid or otherwise satisfactorily provided for by Declarant; and
- (f) Declarant must purchase (at Declarant's own expense) a general liability insurance policy in an amount not less than one million dollars (\$1,000,000.00) for each occurrence, to cover any liability which Owners of previously sold Units are exposed to as a result of further development.

Section 7.3 Phasing of Development Rights: No assurances are made by Declarant as to the Annexable Property as to whether Declarant will exercise its Development Rights or the order in which such portions, or all of the areas, will be developed. The exercise of Development Rights as to some portions will not obligate Declarant to exercise its Development Rights as to other portions.

Section 7.4 Special Declarant Rights: Declarant reserves the following Special Declarant Rights, to the maximum extent permitted by law, which may be exercised, where applicable, anywhere within the Project:

- (a) To complete any Improvements indicated on Plats;
- (b) To exercise any Development Right reserved in this Declaration;
- (c) To maintain sales offices, management offices, signs advertising the Project and models which are reasonably necessary to market the Units or any other real property owned by Declarant regardless of whether such real property is part of the Project;

(d) To use easements through the Common Elements for the purpose of making Improvements within the Project or within real estate which may be added to the Project or any other real property owned by Declarant regardless of whether such real property is part of the Project;

(e) To merge or consolidate the Project with another Project of the same form of ownership; and

(f) To appoint or remove any officer of the Association or an Board of Directors member during the Declarant Control Period.

Section 7.5 Models, Sales Offices and Management Offices: For so long as Declarant is an Owner, Declarant, its duly authorized agents, representatives and employees may maintain any Unit owned by Declarant or any portion of the Common Elements as a model Unit, sales office or management office.

Section 7.6 Construction; Declarant's Easement: Declarant reserves the right to perform warranty work, repairs and construction work in Units and Common Elements, to store materials in secure areas, and to control and have the right of access to work and repairs until completion. All work may be performed by Declarant without the consent or approval of the Board of Directors. Declarant has an easement through the Common Elements as may be reasonably necessary for the purpose of discharging Declarant's obligations or exercising Special Declarant Rights, whether arising under the Act or reserved in this Declaration. This easement includes the right to convey utility and drainage easements to public utilities, municipalities, the State, riparian owners or upland owners to fulfill the plan of development.

Section 7.7 Signs and Marketing: Declarant reserves the right to post signs and displays in the Common Elements in order to promote sales of Units. Declarant also reserves the right to conduct general sales activities in a manner which will not unreasonably disturb the rights of Owners.

Section 7.8 Declarant's Personal Property: Declarant reserves the right to retain all personal property and equipment used in the sales, management, construction and maintenance of the Project that has not been represented as property of the Association. Declarant reserves the right to remove from the Project (promptly after the sale and close of escrow of the last Unit) any and all goods and improvements used in development, marketing and construction, whether or not they have become fixtures.

Section 7.9 Declarant Control of the Association:

(a) Subject to Subsection 7.9(b), there shall be a Declarant Control Period during which Declarant, or persons designated by Declarant, may appoint and remove the officers and members of the Board of Directors. The Declarant Control Period terminates no later than the earlier of:

(i) 60 days after conveyance of 75 percent of the Units that may be created to Owners other than Declarant; or

(ii) Five (5) years after Declarant has ceased to offer Units for sale in the ordinary course of business; or

(iii) Five (5) years after any right to add new Units was last exercised.

Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board of Directors before termination of that period. In that event, Declarant may require, for the duration of the Declarant Control Period, that specified actions of the Association or Board of Directors, as described in a recorded instrument executed by Declarant, be approved by Declarant before they become effective.

(b) Not later than 60 days after conveyance of 25 percent of the Units that may be created to Owners other than Declarant, at least one member and not less than 25 percent of the members of the Board of Directors shall be elected by Owners other than Declarant. Not later than 60 days after conveyance of 50 percent of the Units that may be created to Owners other than Declarant, not less than 33-1/3 percent of the members of the Board of Directors must be elected by Owners other than Declarant.

(c) Not later than the termination of the Declarant Control Period, each member of the Board of Directors must have been elected by the Owners as provided in the Bylaws.

(d) Notwithstanding any provision of this Declaration to the contrary, the termination of the Declarant Control Period under this Section 7.9 shall not affect Declarant's rights as an Owner to exercise the vote allocated to Units which Declarant owns.

Section 7.10 Limitations on Special Declarant Rights: Unless terminated earlier by an amendment to this Declaration executed by Declarant, any Special Declarant Right may be exercised by Declarant until the later of the following: as long as Declarant (a) is obligated under any warranty or obligation, (b) holds a Development Right to create additional Units or Common Elements, (c) owns any Unit; (d) owns any Security Interest in any Units; or (e) fifteen years have elapsed after recording of this Declaration. Earlier termination of certain rights may occur by statute.

Section 7.11 Interference with Special Declarant Rights: Neither the Association nor any Unit Owner may take any action or adopt any rule that will interfere with or diminish any Special Declarant Right without the prior written consent of Declarant.

Section 7.12 VA Approval; Lender Protection. During the Declarant Control Period, the following actions will require the prior approval of the VA to the extent necessary to meet any VA requirements applicable to the Project: annexation or de-annexation of any additional properties, any merger or consolidation of the Association, any special assessment, mortgaging of the Common Elements, dedication of the Common Elements, any amendment of the Declaration, any

amendment to the Bylaws, and the removal of any portion of the Common Elements. Additional limitations on the right of Declarant to exercise Development Rights may be found in Article XVII of this Declaration.

Section 7.13 Declarant's Rights to Complete Development: No provision of this Declaration shall be construed to prevent or limit Declarant's rights to complete the development, construction, promotion, marketing, sale and leasing of properties within the boundaries of the area comprised of the Real Property and the Annexable Property; to construct or alter Improvements on any property owned by Declarant within such boundaries; to maintain model homes, offices for construction, sales or leasing purposes or similar facilities on any property owned by Declarant or owned by the Association within such boundaries; or to post signs incidental to the development, construction, promotion, marketing, sale and leasing of property within such boundaries. Nothing contained in this Declaration shall limit the right of Declarant or require Declarant to obtain approval to: (a) excavate, cut, fill or grade any property owned by Declarant or to construct, alter, remodel, demolish or replace any Improvements on any of the Real Property or any property owned by Declarant; (b) use any structure on any of the Real Property or any property owned by Declarant as a construction, model home or real estate sales or leasing office in connection with the sale of any property within such boundaries; or (c) require Declarant to seek or obtain the approval of the ARC or of the Association for any such activity or Improvement to property by Declarant on any of the Real Property or any property owned by Declarant. Nothing in this Section shall limit or impair the reserved rights of Declarant as elsewhere provide in this Declaration.

Section 7.14 Priority of Declarant's Rights and Reservations: Declarant shall have, and hereby retains and reserves, certain rights as set forth in this Declaration with respect to the Association and the Project. The rights and reservations of Declarant set forth in this Declaration shall be deemed excepted and reserved in each recorded supplemental declaration or annexation amendment, in each conveyance of property by Declarant to the Association and in each deed or other instrument by which any property encumbered hereby is conveyed by Declarant, whether or not specifically stated therein. The rights, reservations and easements of Declarant set forth in this Declaration shall be prior and superior to any other provisions of this Declaration and may not, without Declarant's prior written consent, be modified, amended, rescinded or affected by any amendment of this Declaration, including any amendment of this Section. Declarant's consent to any one such amendment shall not be construed as consent to any other or subsequent amendment.

Section 7.15 Assignment of Declarant's Rights and Duties: Any and all of the rights, powers and reservations of Declarant herein contained may be assigned by Declarant to any person, corporation or association which will assume any or all of the duties of Declarant hereunder, and upon any such person, corporation or association's evidencing its consent in writing to accept such assignment, said assignee shall, to the extent of such assignment, assume Declarant's duties hereunder, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by Declarant herein. Upon such assignment, and to the extent thereof, Declarant shall be relieved from all liabilities, obligations and duties hereunder.

ARTICLE VIII ALLOCATED INTERESTS

Section 8.1 Allocation of Interests: The Allocated Interests shall be allocated and calculated in accordance with the formulas set forth in this Article. The same formulas are to be used in reallocating interests if Units are added to the Project pursuant to Section 7.1 of this Declaration.

Section 8.2 Formulas for the Allocation of Interests: The interests allocated to each Unit have been calculated by the following formulas:

(a) Liability for Common Expenses. The percentage of Liability for Common Expenses allocated to each Unit shall be one equal share for each Unit. Nothing contained in this Subsection shall prohibit certain Common Expenses from being apportioned to particular Units under Article XVIII of this Declaration.

(b) Votes. Each Unit in the Project shall have one equal vote in Association matters pursuant to the Documents. Any specified percentage, portion or fraction of Owners, unless otherwise stated in the Documents, shall be deemed to require the specified percentage, portion or fraction of all of the votes allocated to Units in the Project.

Section 8.3 Assignment of Allocated Interests Pursuant to Exercise of Development Rights: The effective date for assigning Allocated Interests to Units created pursuant to Section 7.1 of this Declaration shall be the date on which the amendment creating the Units is recorded in the Recorder's Office for Clark County, Nevada.

ARTICLE IX RESTRICTION ON USE

Section 9.1 Residential Area: Except as provided in Article VII with respect to Declarant, each Unit shall be used for private, one-family residence purposes exclusively. No part of the Project shall be used or caused, allowed or authorized to be used in any way whatsoever, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending or other non-residential purpose, without the prior written consent of the Board. In deciding whether or not to permit an otherwise nonconforming use hereunder, the Board shall consider the

potential effect upon traffic in the Project and interference with or annoyance of neighbors; notwithstanding the foregoing, a nonconforming use shall never be permitted unless such use is incidental to the Residential Use of the Unit and is permitted by applicable law.

Section 9.2 Improvements. No structure whatsoever, other than one-family private residence may be erected or maintained on a Unit at any one time. No building, structure or other Improvement of any kind shall be erected, constructed, altered or maintained on any lot in excess of one story; other than those lots upon which Declarant (or any entity owned or controlled by Declarant) has previously erected a two-story residential dwelling, in which case alone, no such dwelling or other Improvement shall be erected, constructed, altered or maintained thereon more than two stories. Every single-family dwelling erected upon a Unit shall contain not less than 600 square feet floor space, exclusive of porches, patios, garages and carports. No garage or carport shall be used for a living area or used for other purposes other than those uses normally attendant to a garage or carport. All lavatories and toilets shall be built indoors and connected with the sewer system.

Section 9.3 Oil, Water and Mineral Operations; Hazardous and Toxic Materials. No tools or equipment and no derrick or other structure designed for use in boring for oil, gas, or other kindred substances, or designed for use in boring for water, or designed for use in any mining operation or exploration shall hereafter be erected or placed upon the Real Property or any portion thereof; and no Owner of any Unit shall ever consent to the use of the surface of the land, or any portion of the subsurface thereof, by any lessee under any lease to be negotiated or under any lease now of record affecting any Unit, which lease pertains to the exploration, mining, or operating for oil, gas or other hydrocarbon substances and the taking, storing, removing and disposition of same. No Unit or any portion thereof shall ever be used for the storage or disposal of "hazardous waste" or other hazardous or toxic materials, as such terms are defined by federal, state or local laws now or hereafter in effect.

Section 9.4 Laws and Insurance Requirements. Nothing shall be done to or kept on any Unit or Improvement thereon or in the Common Elements that might increase the rate of, or cause the cancellation of, insurance for the Project, or any portion of the Project, without the prior written consent of the Association. No Owner shall permit anything to be done or kept in his or her Unit or any Improvement thereon that violates any of the restrictions contained in this Declaration or any law, ordinance, statute, rule, or regulation of any local, county, state or federal body, including, without limitation, local ordinances relating to zoning and building codes.

Section 9.5 Antennae; Satellite Dishes. Except as otherwise expressly permitted by law, no antennae, satellite dish, or other device for the transmission or reception of television or radio signals or any other form of electromagnetic radiation, including but not limited to, a dish or other device capable of transmitting or receiving signals for cable, satellite or pay-television systems, as well as any other pole or tower, shall be erected, used or maintained outdoors above ground within the Project whether attached to a building or otherwise, unless such antenna or device shall have been approved by the ARC.

Section 9.6 Ground Cover Requirement. If Declarant has not provided a lawn or other ground cover for a Unit, then the Owner of that Unit shall have installed thereon, within sixty (60) days following the recordation of a deed conveying title to the Unit to the Owner from Declarant or the date of occupancy thereof, whichever occurs first, a lawn or a ground cover acceptable to the ARC; provided however, that nothing herein shall operate to permit the Association or ARC to prevent the use of water-efficient landscaping, as defined by the applicable water district, solely on the basis that such design makes use of water-efficient landscaping.

Section 9.7 Maintenance of Units. No rubbish, brush, weeds, undergrowth, debris of any kind or character shall ever be placed or permitted to accumulate upon any Unit, or any portion thereof, so as to render it a fire hazard, unsanitary, unsightly, offensive or detrimental to the Common Elements, any other Unit in the Project or to any occupants in the Project. The Owner of each Unit shall care for, cultivate, prune and maintain in good condition any and all trees, lawns, shrubs and other landscaping (including without limitation acceptable desert or water-efficient landscaping) growing on his or her Unit in a manner consistent with the restrictions set forth in this Declaration and the standards originally established by Declarant or the ARC for the Real Property; the Association may assume all or any portion of such landscaping duties but the Association shall in no event be obligated to undertake such work, except with respect to Common Elements. Should an Owner fail to perform his or her obligations under this Section or Section 9.6, or fail to keep his or her Unit free from rubbish, brush, weeds, dead or dying shrubbery, overgrown lawn, undergrowth or debris of any character, the Association may, at any time, (i) initiate legal proceedings to enforce compliance with either of such Sections or (ii) upon thirty (30) days' written notice to such Owner of its intention to do so, enter upon that Unit and (A) remove such rubbish, brush, weeds, dead or dying shrubbery, overgrown lawn, undergrowth or debris or (B) cause any required lawn or ground cover acceptable to the Association, together with any necessary sprinklers and irrigation facilities to be completed and, in either event, assess that Owner for the cost thereof. The Association shall notify the Owner in writing of the cost thereof, and in the event that Owner fails to reimburse the Association for its costs and expenses, such charges shall constitute a lien on that Owner's Unit, which may be enforced by the Association in accordance with the provisions of Article XVIII of this Declaration.

Section 9.8 Perimeter Stucco Walls. There are perimeter stucco walls and/or fences around the Project which were constructed and are to be constructed by Declarant and are subject to this Declaration. It shall be the duty of every Owner to maintain and repair those walls and/or fences and, if necessary, replace the walls and/or fences as originally constructed, all at such Owner's sole cost and expense. No changes or alterations, including, without limitation, temporary alterations (e.g., removal for construction of pool) shall be made to the perimeter walls and/or fences. It shall be the duty of the Owner of each Unit on which a stucco wall and/or fence is located to maintain that wall and/or fence and to obtain and maintain in force property and casualty insurance on a current replacement cost basis on such stucco walls and/or fences. If an Owner fails to repair or replace such stucco wall and/or fence, in accordance with this Section within ninety (90) days after the occurrence of any damage thereto, the Association shall be entitled to repair such damaged stucco wall and/or fence, in which event any insurance proceeds an Owner may receive for any damage or destruction to the stucco wall and/or fence located on his or her Unit shall be paid to the Association which shall as promptly as practicable and in a

lawful and workmanlike manner restore and repair the stucco wall and/or fence to its former condition. If an Owner fails to reimburse the Association the cost of such repairs, then the Association shall have the right to place a lien upon the Unit of such Owner in an amount equal to the cost of such repairs, which shall be enforceable in accordance with the procedures described in Article XVIII for unpaid assessments. The Association is hereby granted a right and easement over, under, upon and across each Unit whereon a perimeter block wall and/or fence is located for the purposes of exercising its rights under this Section.

Section 9.9 Nuisances. No odors shall be permitted to arise from any Unit so as to render any Unit unsanitary, unsightly, offensive or detrimental to the Common Elements or any other Unit; and no nuisance shall be permitted to exist or operate upon any Unit so as to be offensive or detrimental to any other Unit or to the Owner thereof. Without limiting the generality of the foregoing provision, no horns, whistles, bells or other sound devices, except devices used exclusively for security purposes, shall be located, used or placed upon any Unit; no Owner shall permit any thing or condition to exist upon any Unit which shall induce, breed or harbor infectious plant diseases or noxious insects, and no noxious or offensive trade or activity shall be carried on upon any Unit, nor shall anything be done thereon which is or may become an annoyance or nuisance to the Project.

Section 9.10 Repair of Improvement. No Improvement to a Unit (including but not limited to dwelling units, garages, carports, parking lots, walls and fences) shall be permitted to fall into disrepair and all Improvements shall be kept at all times in good condition and repair and, if appropriate, painted or otherwise finished. Any and all repairs, redecorations, modifications or additions, interior or exterior, shall fully comply with all applicable building code and other governmental requirements; the Documents and, for exterior repairs, redecorations, modifications or additions only, shall comply with the guidelines, rules and specifications established by the ARC.

Section 9.11 Signs. Except with respect to the Special Declarant Rights reserved in Article VII, no billboards, signs or advertising of any kind, excepting one (1) standard "for sale" sign or "for rent" sign, shall be erected or maintained upon any Unit without the prior written consent of the ARC.

Section 9.12 Animals. No animals or fowl, other than commonly recognized household pets, shall be kept or maintained on a Unit or any portion thereof; no animal shall be kept, bred or maintained for any commercial purpose; and no animals or fowl, including household pets, which, after notice and a hearing are determined by the Board of Directors to be dangerous, may be kept or maintained anywhere within the Project. At any one time the total number of household pets shall not exceed four (4) unless otherwise approved by the Board of Directors. If an animal is not confined within the Unit, the animal must be leashed and under direct control of the Owner. It shall be the absolute duty and responsibility of each Owner or tenant to clean up any solid animal waste after such animals which have used any portion of the Real Property or any public property in the vicinity of the Real Property. No pet shall be permitted to be kept within any portion of the Real Property if it makes excessive noise or is otherwise determined to be a

nuisance. If a pet is determined to be a nuisance, the Board of Directors may, after Notice and Hearing, order the removal of the pet.

Section 9.13 Easements.

(a) Easements for installation and maintenance of utilities and drainage facilities have been conveyed as shown on the Plats. Whether or not such easements constitute a part of the Common Elements, neither the Association nor any Owner shall take any action which would interfere with the reasonable and normal use and operation of such easements.

(b) Without limiting any provision of this Declaration, neither an Owner nor any licensee, invitee, tenant or other occupant of a Unit or contractor (other than Declarant and its affiliates) shall excavate in a street, highway, public space or private easement of a utility, the Association, Declarant or any municipality, or near the location of an underground line installed on the premises of an Owner served by a utility, the Association, Declarant or any municipality, or demolish a building without having first:

(i) Complied with the provisions of NRS 455.100 et seq. (the "call before you dig" laws) with respect to utility lines subject to that law;

(ii) Notified the Association by telephoning its representative at least 2 but not more than 14 working days before excavation or demolition is scheduled to commence;

(iii) Cooperated with the utility, the Declarant, the Association and/or governing municipality in locating and identifying any of its underground lines by:

(1) Meeting with its representative as requested; and

(2) Observing and being guided by its physical marking of the area containing the underground line.

An Owner intending to excavate or demolish shall give the entity, the Declarant, the Association and/or the governing municipality a reasonable amount of time to replace, remove or relocate its underground line if Declarant, the Association, and/or the governing municipality so requests.

A person responsible for emergency excavation or demolition is not required to comply with the provisions of this Section if there is a substantial likelihood that loss of life, health or property will result before the provisions of this Section can be fully complied with. The person shall notify the Association of the action he or she has been required to take as soon as practicable.

As used herein, "line" means any system of traffic control signals or line, system or facility used for producing, storing, conveying, transmitting or distributing electricity, gas, petroleum, petroleum products, hazardous liquids, water, steam, sewage or communications, including television.

For purposes of this Section, the representative of the Association shall be its Manager or, if none, any duly appointed officer of the Association or duly elected Board Member.

(c) If an Owner fails to comply with this Section, the cost of any damage or repair to an underground line shall be borne by such owner, and, in addition to any other right or remedy permitted by law or this Declaration, the Association shall have the right, but not the obligation, after reasonable notice, but not less than five days, to enter upon a Unit to repair damage to an underground line (and an easement in favor of the Association is hereby reserved) and to assess the Owner for the cost of such damage or repair, together with any costs or expenses incurred by the Association in connection therewith. The Association shall notify the Owner in writing of the cost thereof, and in the event that Owner fails to reimburse the Association for its costs and expenses, such charges shall constitute a lien on that Owner's Unit, which may be enforced by the Association in accordance with the provisions of this Declaration.

Section 9.14 Drainage.

(a) No Owner shall in any way interfere with the natural or established drainage of water over his or her Unit from an adjoining or other Unit in the Project, including run off from the roof of an adjoining Owner, and an Owner shall make adequate provisions for proper drainage in the event the Association determines it is necessary to change the natural or established flow of water drainage over the Owner's Unit.

For the purposes hereof "natural" drainage is defined as the drainage which would naturally occur at the time the overall approved grading plan of the Project has been completed by Declarant. For the purposes hereof, "established" drainage is defined as the drainage which occurred or which would occur at the time the overall grading of the Project, including the finish grading of each Unit in the Project, is completed by Declarant.

(b) Each Owner shall permit free access by Owners of adjacent or adjoining Units to slopes or drainageways located on his or her Unit which affect the adjacent or adjoining Units, when such access is essential for the maintenance of permanent stabilization on drainage slopes, or for the maintenance of the drainage facilities for the protection and use of real property other than the Unit on which the slope or drainageway is located.

(c) Except as provided in subsections (a) and (b) of this Section 9.14, no Owner shall permit water from his or her Unit to drain over, under or across the Unit of any adjoining Owner.

Section 9.15 Unsightly Articles. No unsightly articles shall be permitted to remain on any Unit so as to be visible from any street within the Project or from any other Unit. Without limiting the generality of the foregoing, refuse, garbage and trash shall be kept at all times in covered, sanitary containers, or enclosed areas designed for such purpose. Such containers shall be exposed to the view of neighboring Units only when set out for a reasonable period of time (not to exceed 12 hours before scheduled trash collection and twelve (12) hours after scheduled trash collection hours by a trash disposal company). There shall be no exterior fires whatsoever, except

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barbecue fires contained within receptacles commercially designed therefor, such that they do not create a fire hazard, and except as specifically authorized in writing by the Association (and subject to applicable ordinances and fire regulations).

Section 9.16 Solar Equipment. No solar equipment, including but not limited to solar collectors and solar panels, shall be installed until approval of the ARC has been obtained as to (i) the type of solar equipment to be installed and (ii) the location thereof.

Section 9.17 Garage Doors. Garage doors shall be kept closed, except for those periods reasonably necessary for entry and exit of vehicles, cleaning, removing trash or other similar residential household purposes.

Section 9.18 Restricted Access. Certain Units have prohibitions or restrictions on access to adjoining public streets from the rear or side yards of each Unit as set forth in the Plats. No Owner shall at any time permit access, ingress or egress to or from his or her Unit in violation of any prohibitions or restrictions on access set forth on the Plats; nor in any other manner shall an Owner otherwise cause or permit his or her Unit to be in violation of the restrictions set forth in the Plats.

Section 9.19 Clotheslines. No clotheslines shall be placed, nor shall any clothes be hung in any manner whatsoever, on any Unit in a location, including but not limited to the garage door, visible from any street within the Project or the Common Elements.

Section 9.20 Post-Construction Entry Rights. In addition to, and not in limitation of any Special Declarant Rights provided for in Article VII, Declarant or its designee shall have the right to enter upon each Unit in the Project for the purpose of planting and maintaining any slope or drainage control areas. The right of entry under this Section shall exist for a period not to exceed ninety (90) days after the completion of the construction of all residential structures in the Project, at which time the right of entry and maintenance under this Section shall terminate as to the Project.

Section 9.21 Construction of Walls. Without limiting the provisions of this Declaration requiring prior ARC approval, no fence, wall, hedge, construction, or obstruction shall be installed upon any Unit in the Project except the residence, garage or other improvement permitted to be erected under the provisions of this Declaration, unless approved as required herein or unless such fence, hedge, wall, construction or obstruction was originally constructed by Declarant or is designed so as to be provided with one opening for every three (3) feet of length at ground level and so as to permit free drainage of waters falling upon that Unit or flowing across that Unit from an adjoining Unit.

Section 9.22 Leasing. An Owner may lease or sublease his or her Unit (but not less than an entire residential Unit) at any time and from time to time provided that:

(a) No Unit may be leased or subleased for transient or hotel purposes or for an initial term of less than ninety (90) days;

- (b) No Unit may be leased or subleased without a written lease or sublease;
- (c) A copy of such lease or sublease shall be furnished to the Board within ten (10) days after written request therefor; and
- (d) The rights of any lessee or sublessee of the Unit shall be subject to, and each such lessee or sublessee shall be bound by, the covenants, conditions and restrictions set forth in the Documents, and a breach of any such covenants, conditions or restrictions shall constitute a default under the lease or sublease; provided, however, that the foregoing shall not impose any direct liability on any lessee or sublessee of a Unit to pay any regular assessment or special assessment on behalf of the Owner of that Unit. Notwithstanding the foregoing, the provisions of this Section shall not apply to an Eligible Mortgagee who is in possession of a Unit following a default in such Security Interest, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure; and shall not restrict the exercise of any Special Declarant Rights.

Section 9.23 Commercial Vehicles and Recreational Vehicles. "Commercial Vehicles" and "Recreation Vehicles" (as those terms are defined below) shall be subject to the following prohibitions and restrictions:

(a) As used herein the term "Commercial Vehicle" shall be defined as: (i) any vehicle with a sign displayed on any part thereof advertising any kind of business or other venture; or (ii) any vehicle on which racks, materials, ladders and/or tools are visible; or (iii) any vehicle with a body type normally employed as a business vehicle whether or not a sign is displayed on any part thereof; or (iv) a truck of greater than one (1) ton capacity; (v) a van other than one used solely as a family passenger van; or (vi) a bus. A Commercial Vehicle may be defined as such even if the vehicle does not have a commercial license plate.

(b) As used herein, the term "Recreational Vehicle" shall include, without limitation, motorhomes, buses, trailer coaches, trailers, boats or other watercraft, aircraft or campers.

(c) No Commercial Vehicle or Recreational Vehicle may be parked on any Unit or within the Project (unless the entire vehicle is located within a garage or otherwise adequately screened from view) except as permitted below:

(i) A Commercial Vehicle not owned or operated by an Owner or an occupant of a Unit may be parked temporarily in the driveway of any Unit during such time as the operator of such Commercial Vehicle is delivering goods or providing services to the Owner or occupant of the Unit.

(ii) Recreational Vehicles owned by an Owner or occupant of a Unit may be parked on the driveway of the Unit while the Recreational Vehicle is being loaded or unloaded, for a period not to exceed forty-eight (48) hours.

In addition, no Commercial Vehicle, Recreational Vehicle or any automobile, van, motor home or truck or equipment, may be dismantled, repaired or serviced on: (i) any Unit visible from adjoining property or any street; or (ii) any part of the Project. Furthermore, no portion of any vehicle parked on any driveway shall be parked on any portion of the sidewalk, curb or private roadway or in any area between the private roadway and sidewalk.

Section 9.24 Declarant's Rights: As long as Declarant is a Unit Owner, Declarant and its duly authorized agents, representatives and employees may maintain any Unit owned by Declarant or any portion of the Common Elements, as model units or sales offices. Declarant may also maintain management offices and signs and displays advertising the Project.

Section 9.25 Declarant's Approval of Conveyances or Changes in Use of Project: As long as the Declarant is a Unit Owner, the Association shall not, without first obtaining the prior written consent of Declarant, convey, change or alter the use of the Project, mortgage all or any portion of the Project or use all or any portion of the Project other than solely for the benefit of Owners.

Section 9.26 Board of Directors and ARC Discretion: Except as may be expressly provided in this Declaration, any consent or approval of the Board of Directors, ARC, or Association that is required under the provisions hereof may be granted or withheld in the sole and absolute discretion of the Board of Directors, ARC, or Association, as applicable. In that regard, the granting or withholding of such consent or approval shall not be subject to any objective standards of "reasonableness" or otherwise. Further, the approval of or consent to any matter shall not be deemed to be a waiver of the right to disapprove the same or similar matters in subsequent requests for consents or approvals from the same or other parties.

ARTICLE X EASEMENTS AND LICENSES

Section 10.1 Easements of Record: All easements or licenses to which the Project is presently subject are shown on Plats or otherwise contained herein. In addition, the Project may be subject to other easements or licenses granted by Declarant pursuant to its powers under Article VII of this Declaration, liens created under Article XVIII of this Declaration, and easements granted by the Association pursuant to its powers under Article XXIV of this Declaration.

Section 10.2 Encroachment Easement: The Project, and all portions thereof, shall be subject to an easement of up to one (1) foot from the Unit border lines or Common Elements boundaries for the actual extent of encroachments created by construction as designed or constructed by Declarant and for settling, shifting, and movement of any portion of the Real Property, except that no such easement is created for an encroachment which is the result of willful conduct on the part of Declarant, an Owner, a tenant, the Association, or any other person or entity. A valid easement for said encroachments and for the maintenance thereof shall exist. Such encroachments shall not be considered to be encumbrances upon any part of the Project. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of improvements constructed on any Unit, by settling, rising, or

shifting of the earth, or by changes in position caused by repair or reconstruction of any improvements on the Real Property.

Section 10.3 Utility Easement: There is hereby created a general easement upon, across, over, in, and under the Real Property for ingress and egress and for installation, replacement, repair, and maintenance of all utilities, including but not limited to water, sewer, gas, telephone, electrical, television and a master communications system. By virtue of this easement, it will be expressly permissible and proper for the County of Clark, or companies providing electrical, television, telephone and other communication services to install and maintain necessary equipment on the Real Property and to affix and maintain electrical, television, communications, and telephone wires, circuits, and conduits under the Real Property. Any utility company using this general easement will use its best efforts to install and maintain the utilities provided for without disturbing the uses of the Owners, the Association and Declarant; will prosecute its installation and maintenance activities as promptly and expeditiously as reasonably possible; and will restore the surface to its original condition as soon as possible after completion of its work. Should any utility company furnishing a service covered by the general easement request a specific easement by separate recordable document, either Declarant or the Association will have, and are hereby given, the right and authority to grant such easement upon, across, over, or under any part or all of the Real Property without conflicting with the terms of this Declaration. This general easement will in no way affect, avoid, extinguish, or modify any other recorded easement on the Real Property.

Section 10.4 Easement for Expansion: Declarant hereby reserves to itself and for Owners of Units in all future phases of the Project a perpetual easement and right-of-way and access over, upon, and across the Real Property for construction, utilities, drainage, ingress and egress, and for use of the Common Elements. The location of said easements and rights-of-way may be made certain by Declarant or the Association by recorded documents.

Section 10.5 Reservation of Easements, Exceptions, and Exclusions: Declarant reserves to itself and hereby grants to the Association the concurrent right to establish from time to time, by declaration or otherwise, utility and other easements, permits, or licenses over the Common Elements, for purposes including but not limited to streets, paths, walkways, drainage, recreation areas, parking areas, ducts, shafts, flues, and conduit installation areas, and to create other reservations, exceptions, and exclusions consistent with the ownership of the Project for the best interest of all the Owners and the Association, in order to serve all the Owners within the Project as initially built and expanded. Declarant further reserves the right to establish from time to time, by dedication or otherwise, utility and other easements, and to create other reservations, exceptions, rights of ingress and egress, and exclusions convenient or necessary for the use and operation of any other property of Declarant, as long as it does not materially hamper the enjoyment of the Project, as built or expanded, by the Owners. In addition, Declarant reserves to it and its successors and assigns the right of ingress and egress through streets, paths and walkways and for the purpose of construction, maintenance and operation of commercial areas located outside the Project including, but not limited to, offices, shopping centers, resort complexes and for the purpose of installation and maintenance of utilities to serve those projects which are located on parcels of land not governed by this Declaration.

Section 10.6 Drainage Easement: An easement is hereby reserved to Declarant and granted to the Association, and their respective officers, agents, employees, successors, and assigns to enter upon, across, over, in, and under any portion of the Real Property for the purpose of changing, correcting, or otherwise modifying the grade or drainage channels of the Real Property so as to improve the drainage of water on the Real Property. Best efforts shall be made to use this easement so as to disturb, as little as possible, the uses of the Owners, the Association and Declarant, as applicable, to prosecute such drainage work promptly and expeditiously, and to restore any areas affected by such work to a sightly and usable condition as soon as reasonably possible following such work. Declarant shall inform and obtain the approval of the Board of Directors prior to undertaking such drainage work, which approval shall not be unreasonably withheld.

Section 10.7 Maintenance Easement: An easement is hereby reserved to Declarant, and granted to the Association, and any Director or Manager, and their respective officers, agents, employees, and assigns upon, across, over, in, and under the Units and a right to make such use of the Units as may be necessary or appropriate to make emergency repairs or to perform the duties and functions which the Association is obligated or permitted to perform pursuant to the Documents, including the right to enter upon any Unit for the purpose of performing maintenance to the landscaping or the exterior of improvements to such Unit as required by the Documents. The Association shall not unreasonably interfere with the rights of the Owners in the use of this easement.

Section 10.8 Easements Deemed Created: All conveyances of Units hereafter made, whether by Declarant or otherwise, shall be construed to grant and reserve the easements contained in this Article X, even though no specific reference to such easements or to this Section appears in the instrument for such conveyance.

ARTICLE XI ALLOCATION OF LIMITED COMMON ELEMENTS

A Common Element not previously allocated as a Limited Common Element may be so allocated only pursuant to the provisions of this Article. All allocations will be made by amendments to the Declaration specifying to which Unit or Units the Limited Common Element is allocated.

All amendments shall specify to which Unit or Units the Limited Common Element is allocated. Such amendment shall require the approval of all holders of Security Interests in the affected Units. The person executing the amendment shall provide an executed copy of the amendment to the Association, which shall record it, provided that the amendment complies with the provisions of this Declaration and the Act. The amendment shall contain words of conveyance and must be recorded and indexed in the names of the parties and the Project.

The parties executing the amendment shall be responsible for the preparation of the amendment and shall reimburse the Association for its reasonable attorneys' fees in connection with the review of the amendment and for the recording costs.

ARTICLE XII
ARCHITECTURAL REVIEW

Section 12.1 Creation of ARC. There is hereby established an ARC which shall have exclusive jurisdiction over all construction, modification, addition or alteration of Improvements located within the Project, other than Improvements constructed by Declarant. Whenever in this Declaration the prior consent or approval of the Association is required as a condition to any action by an Owner affecting any construction, alterations, changes, additions, or modifications, the ARC shall have the right and duty to grant or withhold such consent or approval.

The Board of Directors shall have the authority and standing, on behalf of the Association, to enforce in courts of competent jurisdiction decisions of the ARC. This Section may not be amended without the Declarant's written consent, so long as the Declarant owns any land subject to this Declaration or subject to annexation to this Declaration.

Section 12.2 Provision for Architectural Approvals. Except as to construction of Improvements by Declarant in any phase of the Project, no building, fence, wall, or other structure (including the following by way of illustration and not limitation: solar or heating systems; air conditioning systems; pools, spas, ponds, fountains; landscaping, additional trees, shrubs or ground cover, stonework, or concrete work; related mechanical, plumbing, or electrical facilities; storage sheds; garbage areas; awnings and patio covers) shall be constructed, erected, maintained, altered or changed on the Real Property until the plans and specifications showing the nature, kind, shape, materials, and location of the Improvements prior to the commencement of such work, shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the ARC. No permission or approval shall be required to repaint in accordance with an originally approved color scheme, or to rebuild in accordance with the originally approved plans and specifications. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his or her residence, or to paint the interior of his or her residence any color desired. The ARC is specifically authorized and empowered to establish different criteria for the homogeneous areas within the Project which are not generally applicable to all areas of the Project.

Section 12.3 ARC. The Declarant shall appoint all of the original members of the ARC consisting of not less than three (3) nor more than five (5) members, the initial members of which shall be Vance T. Meyer, David E. Landon and Harold Struck, c/o 10880 Wilshire Boulevard, Suite 1900, Los Angeles, California 90024. A majority of the ARC may designate a representative to act for it. Any member shall have the right to resign at any time. Neither the members of the ARC nor its designated representative shall be entitled to any compensation for services performed under this provision. Following the appointment of the original members of the ARC, the Board shall thereafter have the right to appoint, remove and replace from time to time all of the members of the ARC. The terms of office of the members of the ARC shall expire at such time as the Board, in its sole discretion shall determine, whichever shall be entitled to appoint the members thereof.

Section 12.4 Procedure for Approval of Committee. The ARC's approval or disapproval as required in this Declaration shall be in writing. The method of submission shall be by personal delivery or by the mailing of a first class United States Mail Certified Receipt Requested letter together with all necessary plans and specifications, to any current member of the ARC. In the event the ARC or its designated representatives fails to approve or disapprove such design and location within sixty (60) days after the plans and specifications have been submitted to it in accordance with this Section, the plans and specifications shall be deemed to be disapproved. The sixty (60) day period shall begin to run on the date of receipt of a complete submission by the ARC member.

Section 12.5 Guidelines. The ARC shall, upon request of the Board and subject to the approval of the Board, prepare and promulgate ARC guidelines ("Guidelines") and application and review procedures ("Procedures") on behalf of the Association. The Guidelines and Procedures shall be those of the Association, and the ARC shall have sole and full authority to prepare and to amend the Guidelines and Procedures, provided the Guidelines and Procedures are otherwise in compliance with the Articles, the Bylaws and this Declaration. The ARC shall make both available to Owners.

Section 12.6 Liability of Committee Members. Neither Declarant, the Association nor any member or representative of the ARC shall be liable, whether for damages or other relief, to anyone submitting plans and specifications to it for approval or to any Owner, occupant or guest, affected by the action or inaction of the ARC, by reason of a mistake in judgment, negligence or nonfeasance arising in connection with the approval or disapproval of any plans and specifications.

Anyone who submits plans and specifications to the ARC shall be deemed to have agreed by submission of such plans and specifications, and every Owner and occupant of any Unit, or any part of the Real Property, agrees, by acquiring title and/or possessory rights thereto, that he or she will not bring any action or suit against Declarant, the Association, any member of the ARC or its designated representative for the recovery of damages by reason of any such approval or disapproval.

Section 12.7 Painting. No building, including without limitation, garages, shall be painted or repainted other than in its original colors until the new color has been approved by the ARC.

Section 12.8 Failure to Appoint. If at any time the Board fails to cause an ARC to be in existence, the members of the ARC shall be appointed or removed by the written consent of Owners of fifty-one percent (51%) of the Units. Appointment or removal of members of the ARC shall be evidenced by written instrument recorded setting forth the fact of appointment or removal, the name and address of the person appointed or removed, and in the case of an appointment, the term of office of the person appointed. The written instrument shall be filed by at least two (2) Directors or Owners, if the Directors or Owners are then appointing the members of the ARC.

Section 12.9 Limitation. Nothing contained in this Article 12 shall authorize the ARC to take any action or approve any plans and specifications in violation of this Declaration.

ARTICLE XIII BOUNDARIES

Section 13.1 Application and Amendment: The boundaries between adjoining Units may not be relocated without the approval of the ARC under Article XII. In addition to the plans and specifications required for ARC approval under Section 12.4, a request for a boundary adjustment must be accompanied by the written consent of all Owners of the Units affected by the relocation. If the Owners of the adjoining Units have specified a reallocation between their Units of their Allocated Interests, the application shall state the proposed reallocation. In the event that the ARC approves the request for boundary adjustment, the Association shall prepare an amendment that identifies the Units involved, states the reallocations and indicates the Association's consent. The amendment must be executed by those Unit Owners affected and contain words of conveyance between them. The approval of all holders of Security Interests in the affected Units shall be endorsed on the conveyance. On recordation, the amendment shall be indexed in the name of the grantor and the grantee, and in the grantee's index in the name of the Association. The applicants will pay for the costs of preparation of the amendment and its recording, as well as any reasonable consultant fees incurred by the Association

Section 13.2 Recording Amendments: The Association shall prepare and record Plats necessary to show the altered boundaries between adjoining Units, along with the Units' dimensions and identifying numbers. The applicants will pay for the costs of preparation of the amendment and its recording, as well as any reasonable consultant fees incurred by the Association.

ARTICLE XIV AMENDMENTS TO DECLARATION

Section 14.1 In General: Except in cases of amendments that may be executed (i) by Declarant in the exercise of its Development Rights, (ii) by the Association under Article X of this Declaration and NRS 116.1107 or (iii) by certain Unit Owners under Article XIII and Section 13.1 of this Declaration and NRS 116.2118, and except as limited by Section 14.4 and Article XVII of this Declaration, this Declaration, including the Plat, may be amended only by vote or agreement of a Majority of Owners. The procedure for amendment must follow the procedures set forth in NRS 116.2117.

Section 14.2 Limitation of Challenges: An action to challenge the validity of an amendment adopted by the Association pursuant to this Article may not be brought more than one year after the amendment is recorded.

Section 14.3 Recordation of Amendments: Each amendment to this Declaration must be recorded in the Clark County Recorder's Office, and the amendment is effective only upon recording.

Section 14.4 Unanimous Consent: Except to the extent expressly permitted or required by other provisions of this Declaration or the Act, an amendment may not create or increase

Special Declarant Rights, increase the number of Units, change the boundaries of any Unit, change the Allocated Interests of a Unit or change the uses to which any Unit is restricted, except by unanimous consent of the Owners affected and the consent of a Majority of Owners.

Section 14.5 Execution of Amendments: An amendment to this Declaration required by the Act to be recorded by the Association, which has been adopted in accordance with this Declaration and the Act, must be prepared, executed, recorded and certified on behalf of the Association by an officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association.

Section 14.6 Special Declarant Rights: Provisions in this Declaration creating Special Declarant Rights may not be amended without the consent of Declarant.

Section 14.7 Consent of Holders of Security Interests and VA: Amendments are subject to the consent requirements of Article XVII.

Section 14.8 Amendments To Create Units: To exercise any Development Right reserved under Section 7.1 of this Declaration, Declarant shall prepare, execute and record an amendment to this Declaration. Declarant shall also record new Plats as necessary to conform to the requirements of NRS 116.2109(1), (2) and (4) or new certifications of the Plat if the Plat otherwise conforms to the requirements of those Subsections.

The amendment to this Declaration shall assign an identifying number to each new Unit created and reallocate the Allocated Interests among all Units. The amendment shall describe any Common Elements and any Limited Common Elements created and designate the Unit to which each Limited Common Element is allocated to the extent required by NRS 116.2108(a).

ARTICLE XV AMENDMENTS TO BYLAWS

The Bylaws may be amended or repealed by the vote of the Majority of Owners, or by the written consent of such Members and in accordance with Article 12 of the Bylaws. Furthermore, during the Declarant Control Period, any amendment of the Bylaws shall require prior approval of the VA to the extent necessary to meet any VA requirements applicable to the Project.

ARTICLE XVI TERMINATION

Termination of the Project may be accomplished only upon the approval of one hundred percent (100%) of the Members, and then in accordance with the provisions of NRS Chapter 116.

ARTICLE XVII
MORTGAGEE PROTECTION

Section 17.1 Introduction: This Article establishes certain standards and covenants which are for the benefit of the holders, insurers and guarantors of certain Security Interests. This Article is supplemental to, not a substitution for, any other provisions of the Documents, but in the case of conflict, this Article shall control.

Section 17.2 Percentage of Eligible Mortgagees: Wherever in this Declaration the approval or consent of a specified percentage of Eligible Mortgagees is required, it shall mean the approval or consent of Eligible Mortgagees holding Security Interests in Units which in the aggregate have allocated to them that specified percentage of votes as compared to the total votes allocated to all Units in the Association then subject to Security Interests held by all Eligible Mortgagees.

Section 17.3 Notice of Actions: The Association shall give prompt written notice to each Eligible Mortgagee and Eligible Insurer of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Project or any Unit in which there is a first Security Interest held, insured or guaranteed by that Eligible Mortgagee or Eligible Insurer, as applicable;

(b) Any delinquency in the payment of Common Expense Assessments owed by a Unit Owner which remains uncured for a period of sixty (60) days and whose Unit is subject to a first Security Interest held, insured or guaranteed by that Eligible Mortgagee or Eligible Insurer, as applicable;

(c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

(d) Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in Section 17.4 of the Declaration; and

(e) Any judgment rendered against the Association.

Section 17.4 Consent and Notice Required.

(a) Document Changes. Notwithstanding any requirement permitted by this Declaration or the Act, no amendment of any material provision of the Documents by the Association or Owners described in this Section may be effective without notice to all Eligible Mortgagees and Eligible Insurers, as required by Section 17.3 above, without the approval of Owners representing at least a 67 percent of the votes in the Association (or any greater percentage required in this Declaration or the Act) and without approval by at least 51 percent of the Eligible Mortgagees (or any greater Eligible Mortgagee approval required by this Declaration). The

foregoing approval requirements do not apply to amendments effected by the exercise of any Development Right. A change to any of the following would be considered material:

- (i) Any provision of this Declaration pertaining to voting rights;
- (ii) Any provision of this Declaration pertaining to assessments, assessment liens or priority of assessment liens;
- (iii) Any provision of this Declaration pertaining to reserves for maintenance, repair and replacement of Common Elements;
- (iv) Any provision of this Declaration pertaining to responsibility for maintenance and repairs;
- (v) Any provision of this Declaration pertaining to expansion or contraction of the Project, or the addition, annexation or withdrawal of property to or from the Project;
- (vi) Any provision of this Declaration pertaining to insurance or fidelity bonds;
- (vii) Any provision of this Declaration pertaining to leasing of Units;
- (viii) Any provision of this Declaration pertaining to imposition of any restrictions on Unit Owners' right to sell or transfer their Units; or
- (ix) Any provision of this Declaration that expressly benefits holders, insurers or guarantors of Security Interests.

(b) Actions. Notwithstanding any lower requirement permitted by this Declaration or the Act, the Association may not take any of the following actions, other than rights reserved to Declarant as Special Declarant Rights, without notice to all Eligible Mortgagees and Eligible Insurers, as required by Section 17.3 above, and approval of at least 51 percent (or the indicated percentage, if higher) of the Eligible Mortgagees:

- (i) Reallocation of interests in the Common Elements or Limited Common Elements, except that when Limited Common Elements are reallocated by agreement between Owners, only those Owners and only the Eligible Mortgagees holding Security Interests in those Units need approve the action;
- (ii) Redefinitions of boundaries of Units, except that when boundaries of only adjoining Units are involved, or a Unit is being subdivided, then only those Unit Owners and the Eligible Mortgagees holding Security Interests in the Unit or Units need approve the action;
- (iii) Convertibility of Units into Common Elements or Common Elements into Units;

(iv) A decision by the Association to establish self-management when professional management had been required previously by the Documents or any Eligible Mortgagee;

(v) Termination of the Project after occurrence of substantial destruction or condemnation;

(vi) Convey or encumber the Common Elements or any portion of the Common Elements, for which approval of at least 67 percent of the Eligible Mortgagees is required. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the Project will not be deemed a transfer within the meaning of this clause);

(vii) The termination of the Project for reasons other than substantial destruction or condemnation, for which approval of at least 67% of Eligible Mortgagees is required;

(viii) The alteration of any partition or creation of any aperture between adjoining Units (when Unit boundaries are not otherwise being affected), for which only the owners of Units affected and Eligible Mortgagees of those Units need approve the action;

(ix) The granting of any easements, leases, licenses or concessions through or over the Common Elements (excluding, however, any utility easements serving or to serve the Project and also excluding any leases, licenses or concessions lasting for no more than one year);

(x) The restoration or repair of the Real Property after hazard damage or a partial condemnation in a manner other than specified in the Documents;

(xi) The merger of the Project with any other Project, for which the prior written approval of the VA must also be obtained to the extent required under Section 7.12 hereof;

(xii) The assignment of the future income of the Association, including its right to receive Common Expense Assessments; or

(xiii) Any action taken not to repair or replace the Real Property in the event of substantial destruction of any part of a Unit or the Common Elements.

(c) Limitations. The Association may not change the period for collection of regularly budgeted Common Expense Assessments to other than monthly collection without the consent of all Eligible Mortgagees.

(d) VA Approval. During the Declarant Control Period, the prior approval of the VA shall be required for those Association actions set forth in Section 7.12 to the extent necessary to meet any VA requirements applicable to the Project.

(e) Implied Approval. The failure of an Eligible Mortgagee or Insurer to respond within 30 days to any written request for approval of an addition or amendment to the Document wherever Eligible Mortgagee or Insurer approval is required, when such request is delivered by certified or registered mail, return receipt requested, shall constitute an implied approval of the addition or amendment.

Section 17.5 Development Rights: No Development Rights may be exercised, voluntarily abandoned or terminated by Declarant unless all persons holding Security Interests in the Development Rights consent to the exercise, abandonment or termination.

Section 17.6 Inspection of Books: The Association must maintain current copies of the Declaration, Bylaws, Rules, the Articles of Incorporation, books, records and financial statements of the Association. The Association shall permit any Eligible Mortgagee or Eligible Insurer, or other first mortgagee of Units, to inspect the books and records of the Association during normal business hours.

Section 17.7 Financial Statements: The Association shall provide any Eligible Mortgagee or Eligible Insurer who submits a written request with a copy of an annual financial statement. It shall be provided within 120 days following the end of each fiscal year of the Association. This financial statement shall be audited by an independent certified public accountant if:

(a) The Project contains 50 or more Units, in which case the cost of the audit shall be a Common Expense; or

(b) Any Eligible Mortgagee or Eligible Insurer requests it, in which case the Eligible Mortgagee or Eligible Insurer shall bear the cost of the audit.

Section 17.8 Enforcement: The provisions of this Article are for the benefit of Eligible Mortgagees and Eligible Insurers and their successors and may be enforced by any of them by any available means, at law or in equity.

Section 17.9 Attendance at Meetings: Any representative of an Eligible Mortgagee or Eligible Insurer may attend and address any meeting which an Owner may attend.

Section 17.10 Appointment of Trustee: In the event of damage or destruction under Article XXI or XXII or condemnation of all or a portion of the Project, any Eligible Mortgagee may require that such proceeds be payable to a Trustee established pursuant to this Declaration. This Trustee may be required to be a corporate trustee licensed by the State of Nevada. Proceeds will then be distributed pursuant to Article XXII or pursuant to a condemnation award. Unless otherwise required, the members of the Board of Directors, acting by majority vote through the president, may act as Trustee.

ARTICLE XVIII
ASSESSMENT AND COLLECTION OF COMMON EXPENSES

Section 18.1 Apportionment of Common Expenses: Except as provided in Section 18.2, all Common Expenses shall be assessed at a uniform rate for all Units in accordance with the percentage of Liability for Common Expenses as set forth in Article VIII of this Declaration.

Section 18.2 Common Expenses Attributable to Fewer than all Units; Exempt Property:

(a) Any Common Expense or portion thereof benefitting fewer than all of the Units shall be assessed exclusively against the Units benefitted.

(b) An assessment to pay a judgment against the Association may be made only against the Units in the Project at the time the judgment was entered, in proportion to their respective Liability for Common Expense.

(c) If a Common Expense is caused by the misconduct of an Owner, the Association may assess that expense exclusively against that Owner's Unit.

(d) If the Liability for Common Expenses are reallocated, Common Expenses Assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated liabilities.

(e) Fees, charges, late charges, fines, collection costs and interest charged against an Owner pursuant to the Documents and the Act are enforceable as Common Expense Assessments against that Owner's Unit.

(f) The following portions of the Real Property shall be exempt from the assessments, charges, and liens created herein:

(1) All properties dedicated and accepted by a governmental municipality and devoted to public uses, whether the governmental municipality's interest is represented by a fee ownership, by an easement, or in any other form of property ownership;

(2) All utility lines and easements; and

(3) The Common Elements.

Section 18.3 Lien:

(a) The Association has a lien on a Unit for an assessment levied against the Unit or fines imposed against its Unit Owner from the time the assessment or fine becomes due. Fees, charges, late charges, fines and interest charged pursuant to the Act and the Documents are enforceable as assessments under this Section; provided, however, that unless otherwise permitted by law, the Association may not foreclose upon a lien for unpaid assessments which is comprised

solely of fines levied against an Owner for violation of the Documents unless the violation is of a type that threatens the health and welfare of the residents of the Project. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment becomes due.

(b) Except to the extent permitted under the Act (NRS 116.3116(2)), a lien under this Section is prior to all other liens and encumbrances on a Unit except: (1) liens and encumbrances recorded before the recordation of this Declaration; (2) a first Security Interest on the Unit recorded before the date on which the assessment sought to be enforced became delinquent; and (3) liens for real estate taxes and other governmental assessments or charges against the Unit. A lien under this Section is also prior to all Security Interests described in Subdivision (2) of this Subsection to the extent that the Common Expense assessments are based on the periodic budget adopted by the Association pursuant to Section 18.4 and 18.5 of this Article and would have become due in the absence of acceleration, during the six months immediately preceding institution of an action to enforce the Association's lien. This Subsection does not affect the priority of mechanics' or materialmen's liens or the priority of a lien for other assessments made by the Association.

(c) Recording of the Declaration constitutes record notice and perfection of the lien. Further recording of a claim of lien for assessment under this Section is not required.

(d) A lien for an unpaid assessment is extinguished unless proceedings to enforce the lien are instituted within three years after the full amount of the assessment becomes due, except that if an Owner of a Unit subject to a lien under this Section files a petition for relief under the United States Bankruptcy Code, the time period for instituting proceedings to enforce the Association's lien shall be tolled until thirty days after the automatic stay of proceedings under Section 362 of the Bankruptcy Code is lifted.

(e) This Section does not prohibit an action to recover sums for which Subsection (a) of this Section creates a lien or prohibit the Association from taking a deed in lieu of foreclosure.

(f) A judgment or decree in any action brought under this Section shall include costs and reasonable attorney's fees for the prevailing party.

(g) The Association's lien must be foreclosed by the same procedure set forth in NRS 116.31162 and NRS 116.31164.

(h) In any action by the Association to collect assessments or to foreclose a lien for unpaid assessments, the court may appoint a receiver for the Owner to collect all sums alleged to be due to that Owner from third parties prior to or during the pendency of the action. The court may order the receiver to pay any sums held by the receiver to the Association during the pendency of the action to the extent of the Association's Common Expense Assessments, based on a periodic budget adopted by the Association pursuant to Section 18.4 of this Declaration.

(i) If a holder of a first Security Interest in a Unit forecloses that Security Interest, the purchaser at the foreclosure sale is not liable for any unpaid assessments against that Unit which became due before the sale, other than the assessments which are prior to that Security Interest under Subsection (b) of this section of this Declaration. Any unpaid assessments not satisfied from the proceeds of sale become Common Expenses collectible from all the Owners, including the purchaser.

(j) A Request for Notice of Default and Sale recorded in accordance with NRS 107.090 shall apply to the foreclosure of an Association lien. The Request must identify the lien by stating the names of the Owner and the Project.

(k) In the case of foreclosure under NRS 116.31162 and NRS 116.31164, the Association shall give reasonable notice of its intent to foreclose to each lien holder of the affected Unit known to the Association.

(l) Any payments received by the Association in the discharge of an Owner's obligation may be applied to the oldest balance due; provided, however, that the Association may not apply any assessment, fee or other charge that is paid by an Owner toward a fine imposed against the Owner by the Association unless otherwise directed by the Owner or as permitted by law.

Section 18.4 Budget Adoption and Ratification: Each year the Board of Directors shall adopt a proposed budget of the Common Expenses of the Project, which shall include the budget for the daily operation of the Association and an adequate reserve for the repair, replacement and restoration of the major components of the Common Elements. Such budget must be adopted by the Board before the beginning of each Fiscal Year and distributed to the Members in accordance with the Bylaws and the Act. Within 30 days after adoption of a proposed budget for the Project, the Board of Directors shall provide the budget or a summary thereof to each Owner and shall set a date for a meeting of the Owners to consider ratification of the budget. The meeting shall be not less than 14 or more than 30 days after mailing of the summary. Unless at that meeting a Majority of Owners reject the budget, the budget is ratified, whether or not a quorum is present. If the proposed budget is rejected, the periodic budget last ratified by the Owners continues until the Owners ratify a subsequent budget proposed by the Board of Directors.

Section 18.5 Capital Improvement Assessments: If the Board of Directors votes to levy a Capital Improvement Assessment the Board of Directors shall submit the assessment to the Owners for ratification in the same manner as budget under Section 18.4. A Capital Improvement Assessment levied pursuant to this Section 18.5 shall include (i) an assessment not included in the current budget, other than one enumerated in Section 18.2 of this Declaration, in an amount greater than 15% of the current annual operating budget, or (ii) an assessment for the cost of construction, reconstruction, repair or replacement of a capital improvement upon the Common Elements.

Section 18.6 Certificate of Payment of Common Expense Assessments: The Association, upon written request, shall furnish an Owner with a statement, in recordable form, setting out the

amount of unpaid assessments against the Unit. The statement must be furnished within 10 business days after receipt of the request and is binding on the Association, the Board of Directors and each Owner.

Section 18.7 Monthly Payment of Common Expenses: All Common Expenses assessed under Sections 18.1 and 18.2 of this Declaration shall be due and payable monthly, at 1/12th of the annual total (in cases where an annual total is applicable).

Section 18.8 Limitations on Maximum Annual Assessment: From and after January 1st of the year immediately following the first conveyance of a Unit to an Owner other than Declarant, the maximum annual Common Expense Assessment may not be increased by more than 15% of the annual budget for the previous year unless approved by the vote or written assent of a Majority of Owners.

Section 18.9 Acceleration of Common Expense Assessments: In the event of default in which any Owner does not make the payment of any Common Expense Assessment levied against his or her Unit within 10 days after the date due, the Board of Directors shall have the right, after Notice and Hearing, to declare all unpaid assessments for the pertinent fiscal year immediately due and payable.

Section 18.10 Commencement of Common Expense Assessments: The Common Expense Assessments provided for herein shall begin as to all Units in each phase of the Project (other than unsold Units owned by Declarant if a Subsidy Agreement is in effect) on the first day of the month following the first conveyance of a Unit to an Owner other than Declarant in that phase. The first assessment shall be adjusted according to the number of months remaining in the calendar year. If a Subsidy Agreement is in effect, regular assessments to all unsold Units owned by Declarant shall commence upon termination or expiration of the Subsidy Agreement.

Section 18.11 No Waiver of Liability for Common Expenses: No Owner may become exempt from liability for payment of the Common Expense Assessments by waiver of the use or enjoyment of the Common Elements or by abandonment of the Unit against which the assessments are made.

Section 18.12 Personal Liability of Owners: The Owner of a Unit, at the time a Common Expense Assessment or portion of the assessment is due and payable, is personally liable for the assessment. Additionally, the Owner of a Unit, by acceptance of a deed or other conveyance therefor, whether or not it shall be so expressed in such deed or such other instrument, is deemed to covenant and agree to pay to the Association (1) annual Common Expense Assessments, (2) Capital Improvement Assessments, (3) Special Assessments, and (4) Reconstruction Assessments; such assessments to be established and collected as herein provided. All Assessments, together with interest, costs, and reasonable attorneys' fees for the collection thereof, shall be a charge on the land and shall be a continuing lien upon the Unit against which such assessment is made.

(a) No owner may exempt himself from the personal liability for assessments levied by the Association, nor release the Unit owned by him from the liens and charges thereof by

waiver of the use or enjoyment of any of the Common Elements or by abandonment of his/her Unit.

(b) Personal liability for the assessment shall not pass to a successor in title to the Unit unless the successor agrees to assume the obligation. The successor in title shall be personally liable for any Common Expense Assessments thereafter due.

Section 18.13 Capitalization of Association: A working capital fund is to be established in the amount of two (2) months' regularly budgeted initial Common Expense Assessments, measured as of the date of the first assessment on the first phase, for all Units as they are created in proportion to their respective Allocated Interests in Common Expenses. Any amounts paid into this fund shall not be considered as advance payment of assessments. Each Unit's share of the working capital fund may be collected and then contributed to the Association by Declarant at the time the sale of the Unit is closed or at the termination of the Declarant Control Period, if earlier. Until paid to the Association, the contribution to the working capital shall be considered an unpaid Common Expense Assessment, with a lien on Declarant's unsold Units pursuant to the Act. Until termination of Declarant control of the Board of Directors, the working capital shall be deposited without interest in a segregated fund. While Declarant is in control of the Board of Directors, Declarant cannot use any of the working capital funds to defray its expenses, reserve contributions or construction costs or to make up budget deficits.

Section 18.14 Subsidy Agreements: The Association is specifically authorized to enter into an agreement (a "Subsidy Agreement") with the Declarant or other entities under which such party provides maintenance of the Common Elements and/or certain other services which are Common Expenses of the Association in exchange for a temporary suspension of regular assessments; provided, however, the VA shall be advised of and approve any form of Subsidy Agreement entered into between Declarant and Association. Furthermore, any Subsidy Agreement shall provide that it may be terminated upon the vote of sixty-seven (67%) of the Owners other than Declarant, in which event, after the date of such termination, all Owners, including Declarant shall be liable for the full amount of the regular assessments which would otherwise be payable in accordance with this Article XVIII.

ARTICLE XIX RIGHT TO ASSIGN FUTURE INCOME

The Association may assign its future income, including its right to receive Common Expense Assessments, only upon the approval of a Majority of Owners, at a meeting called for that purpose, and with the Eligible Mortgagee consent described in Article XVII.

ARTICLE XX PERSONS AND UNITS SUBJECT TO DOCUMENTS

Section 20.1 Membership in the Association: Every Owner of a Unit shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a Unit. Membership in the Association shall not be transferred, pledged, or alienated in any

way, except upon the sale of a Unit to which it is appurtenant, and then only to the purchaser of such Unit. Any attempt to make a prohibited transfer is void. In the event the Owner of any Unit should fail or refuse to transfer the membership registered in his or her name to the purchaser of his or her Unit, the Association shall have the right to record the transfer upon its books and thereupon the old membership outstanding in the name of the seller shall be null and void.

Section 20.2 Compliance with Documents: All Owners, tenants, mortgagees and occupants of Units shall comply with the Documents. The acceptance of a deed or the exercise of any incident of ownership or the entering into of a lease or the occupancy of a Unit constitutes agreement that the provisions of the Documents are accepted and ratified by that Owner, tenant, mortgagee or occupant. All provisions of the Documents recorded in the Clark County Recorder's Office are covenants running with the land and shall bind any Persons having at any time any interest or estate in any Unit.

Section 20.3 Adoption of Rules: The Board of Directors may adopt Rules regarding the use and occupancy of Units as it affects the Common Elements, the Limited Common Elements and the activities of occupants, subject to Notice and Comment.

ARTICLE XXI INSURANCE

Section 21.1 Coverage: To the extent reasonably available, the Board of Directors shall obtain and maintain insurance coverage as set forth in this Article. If such insurance is not reasonably available, and the Board of Directors determines that any insurance described in this Article will not be maintained, the Board of Directors shall promptly cause notice of that fact to be hand-delivered or sent prepaid by United States mail to all Owners and Eligible Mortgagees at their respective last known addresses.

Section 21.2 Property Insurance Coverage:

(a) Coverage. Property insurance will cover:

- (i) All fixtures, equipment and any improvements and betterments which are affixed to or a part of the Common Elements; and
- (ii) All personal property owned by the Association.

(b) Amounts. The insurance will be for an amount (after application of any deductions) equal to 100 percent of the actual cash value of the covered items at the time the insurance is purchased and at each renewal date.

The Board of Directors is authorized to obtain appraisals periodically for the purpose of establishing replacement cost of the insured items, and the cost of such appraisals shall be a Common Expense.

(c) Risks Insured Against. The insurance shall afford protection against "all risks" of direct physical loss commonly insured.

(d) Other Provisions. Insurance policies required by this Section shall provide that:

(i) Each Owner is an insured person under the policy with respect to liability arising out of the Owner's interest in the Common Elements or membership in the Association.

(ii) The insurer waives the right to subrogation under the policy against an Owner or member of the household of an Owner.

(iii) An act or omission by an Owner, unless acting within the scope of the Owner's authority on behalf of the Association, will not void the policy or be a condition of recovery under the policy.

(iv) If, at the time of a loss under the policy, there is other insurance in the name of an Owner which covers the same risk covered by the policy, the Association's policy provides primary insurance.

(v) Losses must be adjusted with the Association.

(vi) Insurance proceeds shall be paid to any insurance trustee designated in the policy for that purpose, and otherwise to the Association, but, in any case, it is to be held in trust for each Owner and the Owner's mortgagee.

(vii) The insurer may not cancel or refuse to renew the policy until 30 days after notice of the proposed cancellation or nonrenewal has been mailed to the Association, to each Owner and to each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued, at their respective last known addresses.

(viii) The name of the insured shall be substantially as follows:

SHADOW MOUNTAIN RANCH ASSOCIATION, for the
use and benefit of the individual Owners.

Section 21.3 Liability Insurance: Liability insurance, including medical payments insurance, will be maintained as determined by the Board of Directors. This insurance shall cover all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements and the activities of the Association.

Insurance policies carried pursuant to this Section shall provide that:

(i) Each Owner is an insured person under the policy with respect to liability arising out of the Owner's interest in the Common Elements or membership in the Association;

(ii) The insurer waives the right to subrogation under the policy against an Owner or member of the household of an Owner.

(iii) An act or omission by an Owner, unless acting within the scope of the Owner's authority on behalf of the Association, will not void the policy or be a condition to recovery under the policy.

(iv) If, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the policy of the Association provides primary insurance.

(v) Losses must be adjusted with the Association.

(vi) Insurance proceeds shall be paid to any insurance trustee designated in the policy for that purpose, and otherwise to the Association, but, in any case, it is to be held in trust for each Owner and the Owner's mortgagee.

(vii) The insurer issuing the policy may not cancel or refuse to renew it until 30 days after notice of the proposed cancellation or nonrenewal has been mailed to the Association, each Owner and each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued at their last known addresses.

Section 21.4 Fidelity Bonds: A blanket fidelity bond shall be provided for anyone who either handles or is responsible for funds held or administered by the Association, whether or not they receive compensation for their services. The bond shall name the Association as obligee and shall cover the maximum funds that will be in the custody of the Association or the Manager at any time while the bond is in force. In no event shall the bond be for an amount less than the sum of three months' assessments plus reserve funds. When either: (a) separate bank accounts for working funds and reserves are maintained and monthly checks are sent directly to the Association, (b) a management company maintains separate records and bank accounts for each reserve account of the Association, or (c) two Directors must sign any check written on the reserve account, then the fidelity bond may be in an amount equal to three months Common Expense Assessments on all Units.

Section 21.5 Owner Policies: An insurance policy issued to the Association does not preclude Owners from obtaining insurance for their own benefit.

Section 21.6 Workers' Compensation Insurance: The Board of Directors shall obtain and maintain Workers' Compensation Insurance to meet the requirements of the laws of the State of Nevada.

Section 21.7 Directors' and Officers' Liability Insurance: The Board of Directors shall obtain and maintain directors' and officers' liability insurance, if available, covering all of the directors and officers (including without limitation the members of the ARC) of the Association. This insurance will have limits determined by the Board of Directors.

Section 21.8 Other Insurance: The Association may carry other insurance which the Board of Directors considers appropriate to protect the Association and/or the Owners.

Section 21.9 Premiums: Insurance premiums for insurance carried or to be carried by the Association shall be a Common Expense.

ARTICLE XXII DAMAGE TO OR DESTRUCTION OF PROPERTY

Section 22.1 Duty to Restore: Any portion of the Project for which insurance is required under the Act (NRS 116.31135) that is damaged or destroyed must be repaired or replaced promptly by the Association unless:

- (a) The Project is terminated; or
- (b) Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety; or
- (c) The Owners of 80% of the total number of Units in the Project, including each owner of a Unit or assigned Limited Common Element that will not be rebuilt, vote not to rebuild.

Section 22.2 Cost: The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense.

Section 22.3 Plans: The Real Property must be repaired and restored in accordance with either the original plans and specifications or other plans and specifications which have been approved by the Board of Directors, a Majority of Owners and 51 percent of Eligible Mortgagees.

Section 22.4 Replacement of Less Than Entire Property:

(a) The insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Project.

(b) Except to the extent that other persons will be distributees:

(i) The insurance proceeds attributable to a Unit and Limited Common Elements that are not rebuilt must be distributed to the owner of the Unit and the owner of the Unit to which the Limited Common Elements were allocated, or to lien holders, as their interests may appear; and

(ii) The remainder of the proceeds must be distributed to each Owner or lien holder, as their interests may appear, in proportion to the Common Element interests of all the Units.

Section 22.5 Insurance Proceeds: The Trustee, or if there is no Trustee, then the Board of Directors of the Association, acting by the President, shall hold any insurance proceeds in trust for the Association, Owners and lien holders as their interests may appear. Subject to the provisions of Subsection 22.1(a) through Subsection 22.1(c) of this Declaration, the proceeds shall be disbursed first for the repair or restoration of the damaged Property. The Association, Owners and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus after the Real Property has been completely repaired or restored, or unless the Project is terminated.

Section 22.6 Certificates By Board of Directors: The Trustee, if any, may rely on the following certifications in writing made by the Board of Directors:

- (a) Whether or not damaged or destroyed Property is to be repaired or restored; and
- (b) The amount or amounts to be paid for repairs or restoration and the names and addresses of the parties to whom such amounts are to be paid.

Section 22.7 Certificates by Title Insurance Companies: If payments are to be made to Owners or mortgagees, then the Board of Directors and the Trustee, if any, shall obtain and may rely on a title insurance company's certificate or a title insurance policy based on a search of the Records in the Clark County Recorder's Office from the date of the recording of the original Declaration, stating the names of the Owners and the mortgagees.

ARTICLE XXIII NOTICE AND HEARING

Section 23.1 Right to Notice and Comment: Before the Board of Directors amends the Bylaws or the Rules, whenever the Documents require that an action be taken after "Notice and Comment," and at any other time the Board of Directors determines, the Owners have the right to receive notice of the proposed action and the right to comment orally or in writing. Notice of the proposed action either shall be given to each Owner in writing, delivered personally or by mail to all Owners at such address as appears in the records of the Association, or it shall be published in a newsletter or similar publication which is routinely circulated to all Owners. The notice shall be given not less than five days before the proposed action is to be taken. It shall invite comment to the Board of Directors orally or in writing before the scheduled time of the meeting.

Section 23.2 Right to Notice and Hearing: Whenever the Documents require that an action be taken after "Notice and Hearing," the following procedure shall be observed: The party proposing to take the action (e.g., the Board of Directors, a committee, an officer, the Manager, etc.) shall give written notice of the proposed action to all Owners or occupants of Units whose interest would be significantly affected by the proposed action. The notice shall include a general statement of the proposed action and the date, time and place of the hearing. At the hearing, the affected person shall have the right, personally or by a representative, to give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the party conducting the meeting to assure a prompt and orderly resolution of the issues. Any

evidence shall be duly considered, but is not binding in making the decision. The affected person shall be notified of the decision in the same manner in which notice of the meeting was given.

Section 23.3 Appeals: Any person having a right to Notice and Hearing shall have the right to appeal to the Board of Directors from a decision of persons other than the Board of Directors by filing a written notice of appeal with the Board of Directors within 10 days after being notified of the decision. The Board of Directors shall conduct a hearing within 30 days, giving the same notice and observing the same procedures as were required for the original meeting.

ARTICLE XXIV BOARD OF DIRECTORS

Section 24.1 Association Records and Minutes of Board of Directors Meetings: The Board of Directors shall maintain and make available , subject to the provisions of the Bylaws and the Act, to any Owner, or holder, insurer or guarantor of a first mortgage secured by a Unit, current copies of this Declaration, the Articles, the Bylaws, the Rules, and all other books, records and other papers of the Association, including but not limited to the financial statements, budgets and reserve studies.

Section 24.2 Powers and Duties: The Board of Directors may act in all instances on behalf of the Association, except as provided in this Declaration, the Bylaws or the Act. The Board of Directors shall have, subject to the limitations contained in this Declaration and the Act, the powers and duties necessary for the administration of the affairs of the Association and of the Project, which shall include, but not be limited to, the powers set forth in the Bylaws.

Section 24.3 Board of Directors Limitations: The Board of Directors may not act on behalf of the Association to amend this Declaration, to terminate the Project or to elect members of the Board of Directors or determine the qualifications, powers and duties or terms of office of Board of Directors members, but the Board of Directors may fill vacancies in its membership for the unexpired portion of any term subject to the terms of the Bylaws and the provisions of the Act.

ARTICLE XXV ALLEGED DEFECTS

Section 25.1 Intention: It is Declarant's intent that all Improvements of every type and kind which may be installed by Declarant as part of the Project, including, but not limited to, residences, sidewalks, driveways, streets, fences, walls, landscaping, signs, utility pipes, lines or wires, sewer and drainage systems and grading on all of the Units and Common Elements within the Project (collectively, the "Declarant Improvements") be of a quality that is consistent with construction and development practices for production housing of this type. Nevertheless, due to the complex nature of construction and the subjectivity involved in evaluating such quality, disputes may arise as to whether a defect exists and Declarant's responsibility therefor. It is Declarant's intent to resolve all disputes and claims regarding "Alleged Defects" (as defined below) amicably, and without the necessity of time consuming and costly litigation. Accordingly,

all Owners and the Association, the Board of Directors, ARC shall be bound by the claim resolution procedure set forth in this Article XXV.

Section 25.2 Declarant's Right to Cure: If the Association, the Board of Directors, ARC or any Owner or Owners (collectively, "Claimant") claim, contend, or allege that any portion of a Unit and/or any Declarant Improvements are defective or incomplete, or that Declarant or its agents, consultants, contractors or subcontractors (collectively, "Declarant's Agents") were negligent in the planning, design, engineering, grading, construction or other development thereof (collectively, an "Alleged Defect"), Declarant hereby reserves the right to inspect, cure, repair and/or replace such Alleged Defect as set forth herein.

Section 25.3 Notice to Declarant: If a Claimant discovers an Alleged Defect, Claimant shall, within a reasonable time after discovery, notify Declarant, in writing, at 7220 Bermuda Road, Las Vegas, Nevada 89119, or such other address at which Declarant maintains its principal place of business, of the specific nature of such Alleged Defect ("Notice of Alleged Defect").

Section 25.4 Right to Enter, Inspect, Cure and/or Replace: Immediately after the receipt by Declarant of a Notice of Alleged Defect or the independent discovery of an Alleged Defect by Declarant or any governmental agency, and for a reasonable time thereafter, as part of Declarant's reservation of right, Declarant shall have the right, upon reasonable notice to Claimant and during normal business hours, to enter onto or into, as applicable, any Unit or the Common Elements, and/or any Declarant Improvements for the purposes of inspecting and, if deemed necessary by Declarant, curing, repairing and/or replacing the Alleged Defect. In conducting such inspection, cure, repairs and/or replacement, Declarant shall be entitled to take any actions as it shall deem reasonable and necessary under the circumstances.

Section 25.5 Legal Actions: No Claimant shall initiate any legal action, cause of action, proceeding or arbitration against Declarant alleging damages (a) for the costs of curing, repairing, or replacing any Alleged Defect, (b) for the diminution in value of any real or personal property resulting from such Alleged Defect or (c) for any consequential damages resulting from such Alleged Defect, unless and until Claimant has (i) delivered to Declarant a Notice of Alleged Defect and (ii) Declarant has, within 120 days after its receipt of the Notice of Alleged Defect, either (1) failed to cure, repair or replace the Alleged Defect or (2) if the Alleged Defect cannot reasonably be cured, repaired or replaced within such 120 day period, failed to commence such cure, repair or replacement of the Alleged Defect and, thereafter, failed to pursue diligently such cure, repair or replacement to completion. During any such period while Declarant is diligently pursuing to completion the cure, repair, or replacement of the Alleged Defect, Claimant shall not stop, restrict, hinder, interrupt or otherwise interfere with any reasonable action or activity taken by Declarant, its employees, agents, or independent contractors, to inspect, cure, repair or replace the Alleged Defect, whether or not such action or activity is taken, or is proposed to be taken, on property owned by Claimant.

Section 25.6 No Additional Obligations: Irrevocability and Waiver of Rights: Nothing set forth in this Article shall be construed to impose any obligation on Declarant to inspect, cure, repair or replace any item or Alleged Defect for which Declarant is not otherwise obligated to do

under applicable law or any limited warranty provided by Declarant in connection with the sale of the Units and/or the Declarant Improvements constructed thereon, nor shall anything set forth in this Article constitute an express or implied representation, warranty or guarantee by Declarant concerning any Declarant Improvements, the Property, any Annexable Property or the Project. The right of Declarant to enter, inspect, cure, repair and/or replace reserved hereby shall be irrevocable and may not be waived and/or terminated except by a writing, in recordable form, executed and recorded by Declarant in the Official Records of the Nye County, Nevada Recorder.

Section 25.7 Statutory Remedies: The terms, conditions and procedures set forth in this Article XXV are in addition to the terms, conditions and procedures set forth in NRS Chapter 40, and shall, to the maximum extent permitted by law, be exercised by any Claimant prior to instituting a claim and/or commencing an action under Chapter 40 for "constructional defects"; provided, however, the procedures set forth in this Article XXV shall not abrogate any of the requirements of Claimant under Chapter 40, inclusive of the requirement that Claimant, at the end of the foregoing 120 day period, notify Declarant in writing of any alleged constructional defects which Declarant failed to cure during that 120 day period at least 60 days prior to bringing an action under Chapter 40. Further, to the extent any provisions of this Article XXV are inconsistent with the provision of Chapter 40, the provisions of this Article XXV shall apply to the maximum extent permitted by law and shall extend all the time periods set forth in NRS 40.645 until expiration of the 120 day period set forth in this Article XXV. It is the express intent of Declarant to provide, by this Article XXV, an initial 120 day period for Declarant to investigate and cure any constructional defects alleged by Claimant before the provisions of Chapter 40 are implemented and initiated by Claimant including, without limitation, the notice of claim, inspection, offer of settlement, and repair provisions of Chapter 40. Each Owner, by accepting title to any portion of the Property, as evidenced by Recordation of a deed to Owner describing that land, agrees to be bound by all of the provisions of this Article XXV.

ARTICLE XXVI CONDEMNATION

If part or all of the Project is taken by any person or entity having the authority of eminent domain, all compensation and damages for and on account of the taking shall be payable in accordance with the Act (NRS 116.1107).

ARTICLE XXVII MISCELLANEOUS PROVISIONS

Section 27.1 Enforcement:

(a) The Association and any Unit Owner shall have the right to enforce by any proceedings at law or in equity, each covenant, condition, restriction and reservation now or hereafter imposed by the provisions of this Declaration. Each Unit Owner shall have a right of action against the Association for any failure by the Association to comply with the provisions of the Documents. Failure by the Association or any Unit Owner to enforce any covenant, condition,

restriction or reservation contained herein shall not be deemed a waiver or the right to do so thereafter.

(b) In the event the Association, Declarant, or any Unit Owner shall commence litigation to enforce any of the covenants, conditions, restrictions or reservations herein contained, the prevailing party in such litigation shall be entitled to costs of suit and such attorney's fees as the Court may adjudge reasonable and proper. The "prevailing party" shall be the party in whose favor a final judgment is entered.

Section 27.2 Captions: The captions contained in the Documents are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of the Documents or the intent of any provision thereof.

Section 27.3 Gender: The use of the masculine gender refers to the feminine gender, and vice versa, and the use of the singular includes the plural, and vice versa, whenever the context of the Documents so require.

Section 27.4 Waiver: No provision contained in the Documents is abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 27.5 Invalidity: The invalidity of any provision of the Documents does not impair or affect in any manner the validity, enforceability or effect of the remainder, and if a provision is invalid, all of the other provisions of the Documents shall continue in full force and effect.

Section 27.6 Conflict: The Documents are intended to comply with the requirements of the Act applicable to common interest communities and the Documents shall be interpreted, if at all possible, so as to be consistent with the Act. If there is any conflict between the Documents and the provisions of the foregoing statutes, the provisions of the applicable statutes shall control. In the event of any conflict between this Declaration and any other Document, this Declaration shall control.

Section 27.7 Notices: Any notice permitted or required to be given under the provisions of 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 on the third day (other than a Sunday or a legal holiday) after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to the person at the address given by such person to the Association for the purpose of service of notices, or to the residence of such person if no address has been given to the Association. Such address may be changed from time to time by notice in writing given by such person to the Association.

Section 27.8 Term: This Declaration, including all of the covenants, conditions and restrictions hereof, shall run with and bind the Property for a term of 30 years from the date this Declaration is recorded. After such time, the covenants, conditions and restrictions contained herein, shall be automatically extended for successive periods of 10 years, unless an instrument

is signed by the Owner of at least 2/3 of the total number of Units in the Project and recorded in the Clark County, Nevada Recorder's Office within the year preceding the beginning of each successive period of 10 years, agreeing to change the terms of this Declaration, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated as specified herein.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of this _____ day of June, 2000.

"DECLARANT"

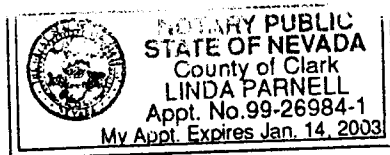
PARDEE CONSTRUCTION COMPANY
OF NEVADA, a Nevada corporation

By: Raymond Landry
Raymond Landry, Assistant Vice President

STATE OF NEVADA

COUNTY OF CLARK

This instrument was acknowledged before me on June 20, 2000, by Raymond Landry.



Linda Parnell
Notary Public

My appointment expires: 1-14-03

EXHIBIT "A"**ANNEXABLE PROPERTY****LEGAL DESCRIPTION****Parcel 1 (Cheyenne I):**

All of the real property shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase I, A Common Interest Community, recorded January 19, 2000, on file in Book 92 of Plats, page 92 in the Office of the County Recorder, Clark County, Nevada,

EXCEPTING THEREFROM, Lots Fourteen (14) through Sixteen (16) inclusive and Twenty-Seven (27) through Twenty-Nine (29) inclusive in Block One (1) as shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase I, A Common Interest Community, recorded January 19, 2000, on file in Book 92 of Plats, page 92 in the Office of the County Recorder, Clark County, Nevada.

Parcel 2 (Cheyenne II):

All of the real property shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase II, A Common Interest Community, recorded May 23, 2000, on file in Book 94 of Plats, page 70 in the Office of the County Recorder, Clark County, Nevada.

Parcel 3 (Cheyenne III and IV):

Those portions of the Southwest Quarter (SW 1/4) and the Southeast Quarter (SE 1/4) of Section 30, Township 21 South, Range 60 East, M.D.M., Clark County, Nevada, described as follows:

The Northwest Quarter (NW 1/4) of the Northwest Quarter (NW 1/4) of the Southeast Quarter (SE 1/4) of said Section 30; and

The West Half (W 1/2) of the Northeast Quarter (NE 1/4) of the Northwest Quarter (NW 1/4) of the Southeast Quarter (SE 1/4) of said Section 30.

Parcel 4 (Montana I):

All of the real property shown on the Final Map of Section 30 Southwest Assemblage #2 R2-60/70 Phase I, A Common Interest Community, recorded March 7, 2000, on file in Book 93 of Plats, page 49 in the Office of the County Recorder, Clark County, Nevada.

Parcel 5 (Montana II):

ALL OF GOVERNMENT LOT 13, GOVERNMENT LOT 20, AND A PORTION OF THE WEST HALF (W 1/2) OF THE NORTHWEST QUARTER (NW 1/4) OF THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) AND THE WEST HALF (W 1/2) OF THE SOUTHWEST QUARTER (SW 1/4) OF THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHWEST QUARTER (NW 1/4), LYING WITHIN SECTION 30, TOWNSHIP 21 SOUTH, RANGE 60 EAST, M.D.M., CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

PARCEL A :

COMMENCING AT THE NORTHWEST CORNER OF SAID GOVERNMENT LOT 13, THENCE ALONG THE WEST LINE OF SAID GOVERNMENT LOT 13, SOUTH $01^{\circ}11'13''$ WEST, 30.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG WEST LINE OF SAID GOVERNMENT LOT 13, SOUTH $01^{\circ}11'13''$ WEST, 654.74 FEET TO THE NORTHWEST CORNER OF GOVERNMENT LOT 20; THENCE ALONG THE WEST LINE OF SAID GOVERNMENT LOT 20, SOUTH $01^{\circ}11'13''$ WEST, 654.74 FEET TO THE NORTH RIGHT-OF-WAY LINE OF HACIENDA AVENUE, DESCRIBED BY "GRANT, BARGAIN, SALE DEED" TO CLARK COUNTY RECORDED DECEMBER 06, 1999 IN BOOK 991206 OF OFFICIAL RECORDS AS INSTRUMENT NO. 00807 IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG SAID NORTH RIGHT-OF-WAY LINE, SOUTH $89^{\circ}46'40''$ EAST, 291.93 FEET; THENCE CURVING TO THE LEFT ALONG THE ARC OF A 20.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY, THROUGH A CENTRAL ANGLE OF $89^{\circ}03'25''$, AN ARC LENGTH OF 31.09 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF CONQUISTADOR STREET (48.00 FEET WIDE), DESCRIBED BY "GRANT, BARGAIN, SALE DEED" TO CLARK COUNTY RECORDED DECEMBER 07, 1999 IN BOOK 991207 OF OFFICIAL RECORDS AS INSTRUMENT NO. 00887 IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG SAID LAST DESCRIBED RIGHT-OF-WAY LINE THE FOLLOWING SEVEN (7) COURSES: THENCE NORTH $01^{\circ}09'55''$ EAST, 190.72 FEET; THENCE CURVING TO THE RIGHT ALONG THE ARC OF A 774.00 FOOT RADIUS CURVE, CONCAVE EASTERLY, THROUGH A CENTRAL ANGLE OF $13^{\circ}55'51''$, AN ARC LENGTH OF 188.19 FEET TO A POINT OF REVERSE CURVATURE THROUGH WHICH A RADIAL LINE BEARS NORTH $74^{\circ}54'14''$ WEST; THENCE CURVING TO THE LEFT ALONG THE ARC OF A 726.00 FOOT RADIUS CURVE, CONCAVE WESTERLY, THROUGH A CENTRAL ANGLE OF $30^{\circ}41'41''$, AN ARC LENGTH OF 388.94 FEET TO A POINT OF REVERSE CURVATURE THROUGH WHICH A RADIAL LINE BEARS SOUTH $74^{\circ}24'05''$ WEST; THENCE CURVING TO THE RIGHT ALONG THE ARC OF A 474.00 FOOT RADIUS CURVE, CONCAVE

EASTERLY, THROUGH A CENTRAL ANGLE OF 26°21'02", AN ARC LENGTH OF 217.99 FEET TO A POINT OF REVERSE CURVATURE THROUGH WHICH A RADIAL LINE BEARS NORTH 79°14'53" WEST; THENCE CURVING TO THE LEFT ALONG THE ARC OF A 300.00 FOOT RADIUS CURVE, CONCAVE WESTERLY, THROUGH A CENTRAL ANGLE OF 10°23'23", AN ARC LENGTH OF 54.40 FEET; THENCE NORTH 00°21'44" EAST, 233.00 FEET; THENCE CURVING TO THE LEFT ALONG THE ARC OF A 15.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY, THROUGH A CENTRAL ANGLE OF 90°00'00", AN ARC LENGTH OF 23.56 FEET TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF RENO AVENUE OF THE LAST DESCRIBED "GRANT, BARGAIN, SALE DEED"; THENCE NORTH 89°38'16" WEST, 296.52 FEET TO THE POINT OF BEGINNING.

PARCEL B :

BEGINNING AT THE SOUTHWEST CORNER OF LOT 94 IN BLOCK "3" OF "SECTION 30 SOUTHWEST ASSEMBLAGE #2 R2 -60/70 PHASE I" AS SHOWN BY MAP THEREOF ON FILE IN BOOK 93, PAGE 49 OF PLATS IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA, ALSO BEING A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF CONQUISTADOR STREET (48.00 FEET WIDE), DESCRIBED BY "GRANT, BARGAIN, SALE DEED" TO CLARK COUNTY RECORDED DECEMBER 07, 1999 IN BOOK 991207 OF OFFICIAL RECORDS AS INSTRUMENT NO. 00887 IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG SAID RIGHT-OF-WAY LINE THE FOLLOWING SIX (6) COURSES : FROM A TANGENT BEARING SOUTH 02°49' 57" WEST, CURVING TO THE RIGHT ALONG THE ARC OF A 348.00 FOOT RADIUS CURVE, CONCAVE WESTERLY (THE RADIUS POINT OF WHICH BEARS NORTH 87°10'03" WEST), THROUGH A CENTRAL ANGLE OF 07°55'10", AN ARC LENGTH OF 48.10 FEET TO A POINT OF REVERSE CURVATURE THROUGH WHICH A RADIAL LINE BEARS SOUTH 79°14'53" EAST; THENCE CURVING TO THE LEFT ALONG THE ARC OF A 426.00 FOOT RADIUS CURVE, CONCAVE EASTERLY, THROUGH A CENTRAL ANGLE OF 26°21'02", AN ARC LENGTH OF 195.92 FEET TO A POINT OF REVERSE CURVATURE THROUGH WHICH A RADIAL LINE BEARS SOUTH 74°24'05" WEST; THENCE CURVING TO THE RIGHT ALONG THE ARC OF A 774.00 FOOT RADIUS CURVE, CONCAVE WESTERLY, THROUGH A CENTRAL ANGLE OF 30°41'41", AN ARC LENGTH OF 414.65 FEET TO A POINT OF REVERSE CURVATURE THROUGH WHICH A RADIAL LINE BEARS SOUTH 74°54'14" EAST; THENCE CURVING TO THE LEFT ALONG THE ARC OF A 726.00 FOOT RADIUS CURVE, CONCAVE EASTERLY, THROUGH A CENTRAL ANGLE OF 13°55'51", AN ARC LENGTH OF 176.52 FEET TO A POINT ON A LINE 24.00 FEET (MEASURED AT RIGHT ANGLES) EAST OF AND PARALLEL

WITH THE WEST LINE OF THE WEST HALF (W 1/2) OF THE SOUTHWEST QUARTER (SW 1/4) OF THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SAID SECTION 30; THENCE ALONG SAID LINE, SOUTH 01°09'55" WEST, 189.24 FEET; THENCE CURVING TO THE LEFT ALONG THE ARC OF A 20.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY, THROUGH A CENTRAL ANGLE OF 90°58'46", AN ARC LENGTH OF 31.76 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF HACIENDA AVENUE, DESCRIBED BY "GRANT, BARGAIN, SALE DEED" TO CLARK COUNTY RECORDED DECEMBER 06, 1999 IN BOOK 991206 OF OFFICIAL RECORDS AS INSTRUMENT NO. 00807 IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG SAID LAST DESCRIBED RIGHT-OF-WAY LINE, SOUTH 89°46'40" EAST, 456.75 FEET TO THE WEST LINE OF "SECTION 30 SOUTHWEST ASSEMBLAGE #2 R2-60/70 PHASE I" AS SHOWN BY MAP THEREOF ON FILE IN BOOK 93, PAGE 49 OF PLATS IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA, THENCE ALONG SAID WEST LINE THE FOLLOWING TWENTY-THREE (23) COURSES: CURVING TO THE LEFT ALONG THE ARC OF A 20.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY, THROUGH A CENTRAL ANGLE OF 89°11'37", AN ARC LENGTH OF 31.13 FEET; THENCE NORTH 00°59'32" EAST, 73.52 FEET; THENCE CURVING TO THE LEFT ALONG THE ARC OF A 16.50 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY, THROUGH A CENTRAL ANGLE OF 90°37'48", AN ARC LENGTH OF 26.10 FEET TO A POINT TO WHICH A RADIAL LINE BEARS NORTH 00°21'44" EAST; THENCE ALONG THE NORTHEASTERLY PROLONGATION OF SAID RADIAL LINE, NORTH 00°21'44" EAST, 24.00 FEET; THENCE SOUTH 89°38'16" EAST, 0.89 FEET; THENCE NORTH 00°21'44" EAST, 24.00 FEET; THENCE FROM A TANGENT BEARING SOUTH 89°38'16" EAST, CURVING TO THE LEFT ALONG THE ARC OF A 16.50 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY (THE RADIUS POINT OF WHICH BEARS NORTH 00°21'44" EAST), THROUGH A CENTRAL ANGLE OF 89°22'12", AN ARC LENGTH OF 25.74 FEET; THENCE NORTH 00°59'32" EAST, 177.01 FEET; THENCE CURVING TO THE LEFT ALONG THE ARC OF A 16.50 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY, THROUGH A CENTRAL ANGLE OF 90°37'48", AN ARC LENGTH OF 26.10 FEET TO A POINT TO WHICH A RADIAL LINE BEARS NORTH 00°21'44" EAST; THENCE ALONG THE NORTHEASTERLY PROLONGATION OF SAID RADIAL LINE, NORTH 00°21'44" EAST, 24.00 FEET; THENCE SOUTH 89°38'16" EAST, 0.89 FEET; THENCE NORTH 00°21'44" EAST, 24.00 FEET; THENCE FROM A TANGENT BEARING SOUTH 89°38'16" EAST, CURVING TO THE LEFT ALONG THE ARC OF A 16.50 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY (THE RADIUS POINT OF WHICH BEARS NORTH 00°21'44" EAST), THROUGH A CENTRAL ANGLE OF 89°22'12", AN ARC LENGTH OF 25.74 FEET; THENCE NORTH 00°59'32" EAST, 88.69 FEET;

THENCE NORTH 89°38'16" WEST, 345.34 FEET; THENCE NORTH 00°21'44" EAST, 130.00 FEET; THENCE NORTH 05°37'53" WEST, 60.33 FEET; THENCE NORTH 09°35'07" WEST, 71.07 FEET; THENCE NORTH 14°01'24" WEST, 65.04 FEET; THENCE NORTH 05°45'11" WEST, 70.40 FEET; THENCE NORTH 06°11'23" EAST, 60.31 FEET; THENCE NORTH 02°28'53" EAST, 60.04 FEET; THENCE NORTH 89°38'16" WEST, 105.00 FEET TO THE POINT OF BEGINNING.

Parcel 6 (Models):

All of the real property shown on the Final Map of Section 30 Southwest Assemblage - Model Site 1, Common Interest Community, recorded January 5, 2000, on file in Book 92 of Plats, page 83 in the Office of the County Recorder, Clark County, Nevada.

Such property is intended to be subdivided and phased into the Project as Phases 2 through 26 as follows:

Phase 2:

Lots One Hundred Five (105) and One Hundred Six (106) of Block Three (3), Lots One Hundred Seven (107) and One Hundred Eight (108) of Block Four (4), and Lots One Hundred Fifty-Three (153) through One Hundred Fifty-Six (156) inclusive of Block Six (6) as shown on the Final Map of Section 30 Southwest Assemblage #2 R2-60/70 Phase I, A Common Interest Community, recorded March 7, 2000, on file in Book 93 of Plats, page 49 in the Office of the County Recorder, Clark County, Nevada; and

A 5.0' WIDE LANDSCAPE AND MAINTENANCE EASEMENT across Lots One Hundred Five (105) and One Hundred Six (106) of Block Three (3), Lot One Hundred Seven (107) of Block Four (4), and Lot One Hundred Fifty-Six (156) of Block Six (6) as shown on the Final Map of Section 30 Southwest Assemblage #2 R2-60/70 Phase I, A Common Interest Community, recorded March 7, 2000, on file in Book 93 of Plats, page 49 in the Office of the County Recorder, Clark County, Nevada; and

Lots Seventeen (17) through Twenty-Six (26) inclusive in Block One (1) as shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase I, A Common Interest Community, recorded January 19, 2000, on file in Book 92 of Plats, page 92 in the Office of the County Recorder, Clark County, Nevada; and

A 5.00' WIDE LANDSCAPE AND MAINTENANCE EASEMENT across Lots Seventeen (17) through Twenty-One (21) inclusive in Block One (1) as shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase I, A Common Interest Community, recorded January 19, 2000, on file in Book 92 of Plats, page 92 in the Office of the County Recorder, Clark County, Nevada.

Phase 3

Lots One Hundred Twenty (120) through One Hundred Twenty-Five (125) inclusive in Block Four (4), and Lots One Hundred Fifty (150) through One Hundred Fifty-Two (152) inclusive in Block Six (6) as shown on the Final Map of Section 30 Southwest Assemblage #2 R2-60/70 Phase I, A Common Interest Community, recorded March 7, 2000, on file in Book 93 of Plats, page 49 in the Office of the County Recorder, Clark County, Nevada; and

A 5.0' WIDE LANDSCAPE AND MAINTENANCE EASEMENT across Lots One Hundred Twenty-Two (122) and One Hundred Twenty-Three (123) in Block Four (4) as shown on the Final Map of Section 30 Southwest Assemblage #2 R2-60/70 Phase I, A Common Interest Community, recorded March 7, 2000, on file in Book 93 of Plats, page 49 in the Office of the County Recorder, Clark County, Nevada; and

Lots Thirty (30) and Forty-Six (46) through Fifty (50) inclusive in Block One (1), and Lots Seventy-Two (72) through Seventy-Four (74) inclusive in Block Two (2) as shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase I, A Common Interest Community, recorded January 19, 2000, on file in Book 92 of Plats, page 92 in the Office of the County Recorder, Clark County, Nevada; and

A 5.00' WIDE LANDSCAPE AND MAINTENANCE EASEMENT across Lot Thirty (30) as shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase I, A Common Interest Community, recorded January 19, 2000, on file in Book 92 of Plats, page 92 in the Office of the County Recorder, Clark County, Nevada.

Phase 4:

Lots One Hundred Thirty-Five (135) through One Hundred Thirty-Eight (138) inclusive in Block Four (4), Lots One Hundred Thirty-Nine (139) and One Hundred Forty (140) in Block Five (5), and Lots One Hundred Forty-Eight (148) and One Hundred Forty-Nine (149) in Block Six (6) as shown on the Final Map of Section 30 Southwest Assemblage #2 R2-60/70 Phase I, A Common Interest Community, recorded March 7, 2000, on file in Book 93 of Plats, page 49 in the Office of the County Recorder, Clark County, Nevada; and

A 5.0' WIDE LANDSCAPE AND MAINTENANCE EASEMENT across Lot One Hundred Thirty-Eight (138) in Block Four (4), Lot One Hundred Thirty-Nine (139) in Block Five (5), and Lot One Hundred Forty-Eight (148) in Block Six (6) as shown on the Final Map of Section 30 Southwest Assemblage #2 R2-60/70 Phase I, A Common Interest Community, recorded March 7, 2000, on file in Book 93 of Plats, page 49 in the Office of the County Recorder, Clark County, Nevada; and

Lots Thirty-One (31) through Thirty-Four (34) inclusive and Forty-Two (42) through Forty-Five (45) inclusive in Block One (1) as shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase I, A Common Interest Community, recorded January 19, 2000, on file in Book 92 of Plats, page 92 in the Office of the County Recorder, Clark County, Nevada.

Phase 5:

Lots One Hundred Forty-One (141) through One Hundred Forty-Seven (147) inclusive in Block Five (5) as shown on the Final Map of Section 30 Southwest Assemblage #2 R2-60/70 Phase I, A Common Interest Community, recorded March 7, 2000, on file in Book 93 of Plats, page 49 in the Office of the County Recorder, Clark County, Nevada; and

A 5.0' WIDE LANDSCAPE AND MAINTENANCE EASEMENT across Lot One Hundred Forty-Seven (147) in Block Five (5) as shown on the Final Map of Section 30 Southwest Assemblage #2 R2-60/70 Phase I, A Common Interest Community, recorded March 7, 2000, on file in Book 93 of Plats, page 49 in the Office of the County Recorder, Clark County, Nevada; and

Lots Thirty-Five (35) through Forty-One (41) inclusive in Block One (1) as shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase I, A Common Interest Community, recorded January 19, 2000, on file in Book 92 of Plats, page 92 in the Office of the County Recorder, Clark County, Nevada.

Phase 6:

Lots One Hundred (100) through One Hundred Four (104) inclusive in Block Three (3) and Lots One Hundred Nine (109) through One Hundred Thirteen (113) inclusive in Block Four (4) as shown on the Final Map of Section 30 Southwest Assemblage #2 R2-60/70 Phase I, A Common Interest Community, recorded March 7, 2000, on file in Book 93 of Plats, page 49 in the Office of the County Recorder, Clark County, Nevada; and

A 5.0' WIDE LANDSCAPE AND MAINTENANCE EASEMENT across Lots One Hundred (100) through One Hundred Four (104) inclusive in Block Three (3) as shown on the Final Map of Section 30 Southwest Assemblage #2 R2-60/70 Phase I, A Common Interest Community, recorded March 7, 2000, on file in Book 93 of Plats, page 49 in the Office of the County Recorder, Clark County, Nevada; and

Lots Six (6) through Thirteen (13) inclusive in Block One (1) as shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase I, A Common Interest Community, recorded January 19, 2000, on file in Book 92 of Plats, page 92 in the Office of the County Recorder, Clark County, Nevada; and

A 5.00' WIDE LANDSCAPE AND MAINTENANCE EASEMENT across Lot Thirteen (13) in Block One (1) as shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase I, A Common Interest Community, recorded January 19, 2000, on file in Book 92 of Plats, page 92 in the Office of the County Recorder, Clark County, Nevada.

Phase 7:

Lots Ninety-Two through Ninety-Nine (99) inclusive in Block Three (3), and Lot One Hundred Fourteen (114) in Block Four (4) as shown on the Final Map of Section 30 Southwest Assemblage #2 R2-60/70 Phase I, A Common Interest Community, recorded March 7, 2000, on file in Book 93 of Plats, page 49 in the Office of the County Recorder, Clark County, Nevada; and

A 5.0' WIDE LANDSCAPE AND MAINTENANCE EASEMENT across Lot Ninety-Two (92) and Ninety-Five (95) through Ninety-Nine (99) inclusive in Block Three (3) as shown on the Final Map of Section 30 Southwest Assemblage #2 R2-60/70 Phase I, A Common Interest Community, recorded March 7, 2000, on file in Book 93 of Plats, page 49 in the Office of the County Recorder, Clark County, Nevada; and

Lots One (1) through Five (5) inclusive and Sixty-Nine (69) through Seventy-One (71) inclusive in Block One (1) as shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase I, A Common Interest Community, recorded January 19, 2000, on file in Book 92 of Plats, page 92 in the Office of the County Recorder, Clark County, Nevada; and

A 5.00' WIDE LANDSCAPE AND MAINTENANCE EASEMENT across Lot One (1) in Block One (1) as shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase I, A Common Interest Community, recorded January 19, 2000, on file in Book 92 of Plats, page 92 in the Office of the County Recorder, Clark County, Nevada.

Phase 8:

Lots One Hundred Fifteen (115) through One Hundred Nineteen (119) inclusive and One Hundred Twenty-Six (126) through One Hundred Thirty (130) inclusive in Block Four (4) as shown on the Final Map of Section 30 Southwest Assemblage #2 R2-60/70 Phase I, A Common Interest Community, recorded March 7, 2000, on file in Book 93 of Plats, page 49 in the Office of the County Recorder, Clark County, Nevada; and

Lots Fifty-Nine (59) through Sixty-Eight (68) inclusive in Block One (1) as shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase I, A

Common Interest Community, recorded January 19, 2000, on file in Book 92 of Plats, page 92 in the Office of the County Recorder, Clark County, Nevada.

Phase 9:

Lot Seventy-Six (76) and Eighty-Five (85) through Ninety-One (91) inclusive in Block Three (3) as shown on the Final Map of Section 30 Southwest Assemblage #2 R2-60/70 Phase I, A Common Interest Community, recorded March 7, 2000, on file in Book 93 of Plats, page 49 in the Office of the County Recorder, Clark County, Nevada; and

Lots Eighty-One (81) through Eighty-Five (85) inclusive in Block Two (2), and Lots Eighty-Six (86) through Ninety (90) inclusive in Block Three (3) as shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase II, A Common Interest Community, recorded May 23, 2000, on file in Book 94 of Plats, page 70 in the Office of the County Recorder, Clark County, Nevada; and

A 5.0' WIDE LANDSCAPE AND MAINTENANCE EASEMENT across Lots Eighty-Six (86) through Ninety (90) inclusive in Block Three (3) as shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase II, A Common Interest Community, recorded May 23, 2000, on file in Book 94 of Plats, page 70 in the Office of the County Recorder, Clark County, Nevada.

Phase 10:

Lots Seventy-Four (74) and Seventy-Five (75) in Block Three (3), and Lots One Hundred Thirty-One through One Hundred Thirty-Four (134) inclusive in Block Four (4) as shown on the Final Map of Section 30 Southwest Assemblage #2 R2-60/70 Phase I, A Common Interest Community, recorded March 7, 2000, on file in Book 93 of Plats, page 49 in the Office of the County Recorder, Clark County, Nevada; and

A 5.0' WIDE LANDSCAPE AND MAINTENANCE EASEMENT across Lot Seventy-Four (74) in Block Three (3) as shown on the Final Map of Section 30 Southwest Assemblage #2 R2-60/70 Phase I, A Common Interest Community, recorded March 7, 2000, on file in Book 93 of Plats, page 49 in the Office of the County Recorder, Clark County, Nevada; and

Lots Seventy-Nine (79) and Eighty (80) in Block Two (2), and Lots Ninety-One (91) through Ninety-Six (96) inclusive and One Hundred Seven (107) and One Hundred Eight (108) in Block Three (3) as shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase II, A Common Interest Community, recorded May 23, 2000, on file in Book 94 of Plats, page 70 in the Office of the County Recorder, Clark County, Nevada; and

A 5.0' WIDE LANDSCAPE AND MAINTENANCE EASEMENT across Lot Seventy-Nine (79) in Block Two (2) and Lots Ninety-One (91) through Ninety-Six (96) inclusive in Block Three (3) as shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase II, A Common Interest Community, recorded May 23, 2000, on file in Book 94 of Plats, page 70 in the Office of the County Recorder, Clark County, Nevada.

Phase 11:

Lots One (1) through Nine (9) inclusive in Block One (1) as illustrated on the Montana Release Map attached hereto as Exhibit "A-1" as Phase 2-1; and

Lots Ninety-Seven (97) through One Hundred Six (106) inclusive in Block Three (3) as shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase II, A Common Interest Community, recorded May 23, 2000, on file in Book 94 of Plats, page 70 in the Office of the County Recorder, Clark County, Nevada; and

A 5.0' WIDE LANDSCAPE AND MAINTENANCE EASEMENT across Lots Ninety-Seven (97) through One Hundred Two (102) inclusive in Block Three (3) as shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase II, A Common Interest Community, recorded May 23, 2000, on file in Book 94 of Plats, page 70 in the Office of the County Recorder, Clark County, Nevada.

Phase 12:

Lots Ten (10) through Eighteen (18) inclusive in Block One (1), and Lots Eighty-One (81) through Eighty-Four (84) inclusive in Block Three (3) as illustrated on the Montana Release Map attached hereto as Exhibit "A-1" as Phase 2-2;

Lots Fifty-One (51) through Fifty-Four (54) inclusive in Block One (1), and Lots Seventy-Five (75) through Seventy-Eight (78) inclusive in Block Two (2) as shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase II, A Common Interest Community, recorded May 23, 2000, on file in Book 94 of Plats, page 70 in the Office of the County Recorder, Clark County, Nevada; and

A 5.0' WIDE LANDSCAPE AND MAINTENANCE EASEMENT across Lot Fifty-Four (54) in Block One (1) and Lot Seventy-Eight (78) in Block Two (2) as shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase II, A Common Interest Community, recorded May 23, 2000, on file in Book 94 of Plats, page 70 in the Office of the County Recorder, Clark County, Nevada.

Phase 13:

Lots Nineteen (19) through Twenty-Eight (28) inclusive in Block One (1), and Lots Seventy-Seven (77) through Eighty (80) inclusive in Block Three (3) as illustrated on the Montana Release Map attached hereto as Exhibit "A-1" as Phase 2-3; and

Lots One Hundred Nine (109) through One Hundred Twelve (112) inclusive and One Hundred Nineteen (119) through One Hundred Twenty-Two (122) inclusive in Block Three (3) as shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase II, A Common Interest Community, recorded May 23, 2000, on file in Book 94 of Plats, page 70 in the Office of the County Recorder, Clark County, Nevada; and

A 5.0' WIDE LANDSCAPE AND MAINTENANCE EASEMENT across Lot One Hundred Twenty-Two (122) in Block Three (3) as shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase II, A Common Interest Community, recorded May 23, 2000, on file in Book 94 of Plats, page 70 in the Office of the County Recorder, Clark County, Nevada.

Phase 14:

Lots Twenty-Nine (29) through Thirty-Seven (37) inclusive in Block One (1) as illustrated on the Montana Release Map attached hereto as Exhibit "A-1" as Phase 2-4; and

Lots One Hundred Thirteen (113) through One Hundred Eighteen (118) inclusive in Block Three (3) as shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase II, A Common Interest Community, recorded May 23, 2000, on file in Book 94 of Plats, page 70 in the Office of the County Recorder, Clark County, Nevada; and

A 5.0' WIDE LANDSCAPE AND MAINTENANCE EASEMENT across Lots One Hundred Fifteen (115) and One Hundred Sixteen (116) in Block Three (3) as shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase II, A Common Interest Community, recorded May 23, 2000, on file in Book 94 of Plats, page 70 in the Office of the County Recorder, Clark County, Nevada.

Phase 15:

Lots Sixty (60) through Sixty-Four (64) inclusive in Block Two (2), and Lots Sixty-Nine (69) through Seventy-Three (73) inclusive in Block Three (3) as illustrated on the Montana Release Map attached hereto as Exhibit "A-1" as Phase 2-5; and

Lots Fifty-Five (55) through Fifty-Eight (58) inclusive in Block One (1), and Lots One Hundred Twenty-Three (123) through One Hundred Twenty-Nine (129) inclusive in Block Three (3) as shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase II, A Common Interest Community, recorded May 23, 2000, on file in Book 94 of Plats, page 70 in the Office of the County Recorder, Clark County, Nevada; and

A 5.0' WIDE LANDSCAPE AND MAINTENANCE EASEMENT across Lot Fifty-Five (55) in Block One (1) and Lot One Hundred Twenty-Nine (129) in Block Three (3) as shown on the Final Map of Section 30 Southwest Assemblage #3 R2-45 Phase II, A Common Interest Community, recorded May 23, 2000, on file in Book 94 of Plats, page 70 in the Office of the County Recorder, Clark County, Nevada.

Phase 16:

Lots Thirty-Eight (38) through Forty-Five (45) inclusive in Block One (1) as illustrated on the Montana Release Map attached hereto as Exhibit "A-1" as Phase 2-6; and

Lots One Hundred Seventy-One (171) through One Hundred Seventy-Four (174) inclusive and One Hundred Eighty-One through One Hundred Eighty-Four (184) inclusive in Block Four (4) as illustrated on the Cheyenne Release Map attached hereto as Exhibit "A-1" as Phase 3-1.

Phase 17:

Lots Fifty (50) through Fifty-Five (55) inclusive and Sixty-Five (65) and Sixty-Six (66) in Block Two (2) as illustrated on the Montana Release Map attached hereto as Exhibit "A-1" as Phase 2-7; and

Lots One Hundred Seventy-Five (175) through One Hundred Eighty (180) inclusive in Block Four (4) as illustrated on the Cheyenne Release Map attached hereto as Exhibit "A-1" as Phase 3-2.

Phase 18:

Lots Forty-Six (46) through Forty-Nine (49) inclusive and Fifty-Six (56) through Fifty-Nine (59) inclusive in Block Two (2) as illustrated on the Montana Release Map attached hereto as Exhibit "A-1" as Phase 2-8; and

Lots One Hundred Fifty-Six (156) through One Hundred Fifty-Nine (159) inclusive, and Lots One Hundred Sixty-Eight (168) through One Hundred Seventy (170) inclusive in Block Four (4) as illustrated on the Cheyenne Release Map attached hereto as Exhibit "A-1" as Phase 3-3.

Phase 19:

Lots One Hundred Sixty (160) through One Hundred Sixty-Seven (167) inclusive in Block Four (4) as illustrated on the Cheyenne Release Map attached hereto as Exhibit "A-1" as Phase 3-4.

Phase 20:

Lots One Hundred Fifty-One (151) through One Hundred Fifty-Five (155) in Block Four (4) as illustrated on the Cheyenne Release Map attached hereto as Exhibit "A-1" as Phase 3-5.

Phase 21:

Lots One Hundred Thirty (130) through One Hundred Forty-Two (142) inclusive in Block Four (4) as illustrated on the Cheyenne Release Map attached hereto as Exhibit "A-1" as Phase 3-6.

Phase 22:

Lots Two Hundred Sixteen (216) through Two Hundred Twenty (220) inclusive in Block Five (5), and Lots One Hundred Eighty-Five (185) through One Hundred Eighty-Nine (189) inclusive in Block Six (6) as illustrated on the Cheyenne Release Map attached hereto as Exhibit "A-1" as Phase 4-1.

Phase 23:

Lots Two Hundred Twenty-One (221) through Two Hundred Twenty-Four (224) inclusive in Block Five (5), and Lots One Hundred Ninety (190) through One Hundred Ninety-Five (195) inclusive in Block Six (6) as illustrated on the Cheyenne Release Map attached hereto as Exhibit "A-1" as Phase 4-2.

Phase 24:

Lots Two Hundred Seven (207) through Two Hundred Ten (210) inclusive in Block Five (5), and Lots One Hundred Ninety-Six (196) through Two Hundred One (201) inclusive in Block Six (6) as illustrated on the Cheyenne Release Map attached hereto as Exhibit "A-1" as Phase 4-3.

Phase 25:

Lots One Hundred Forty-Three (143) through One Hundred Fifty (150) inclusive in Block Four (4), and Lots Two Hundred Two (202) through Two Hundred Six (206) inclusive in Block Six (6) as illustrated on the Cheyenne Release Map attached hereto as Exhibit "A-1" as Phase 4-4.

Phase 26 (Models):

Lots One (1) through Eight (8) inclusive and Lots Twenty-One (21) through Thirty-Six (36) inclusive in Block One (1), and Lots Nine (9) through Twenty (20) inclusive in Block Two (2) as shown on the Final Map of Section 30 Southwest Assemblage - Model Site 1, Common Interest Community, recorded January 5, 2000, on file in Book 92 of Plats, page 83 in the Office of the County Recorder, Clark County, Nevada; and

A 5.00' WIDE LANDSCAPE AND MAINTENANCE EASEMENT across Lot Twenty-One (21) in Block One (1) and Lot Twenty (20) in Block Two (2) as shown on the Final Map of Section 30 Southwest Assemblage - Model Site 1, Common Interest Community, recorded January 5, 2000, on file in Book 92 of Plats, page 83 in the Office of the County Recorder, Clark County, Nevada; and

LANDSCAPE AND MAINTENANCE EASEMENT across Lot Nine (9) in Block Two (2) as shown on the Final Map of Section 30 Southwest Assemblage - Model Site 1, Common Interest Community, recorded January 5, 2000, on file in Book 92 of Plats, page 83 in the Office of the County Recorder, Clark County, Nevada; and

LANDSCAPE AND MAINTENANCE EASEMENT across Lot Eight (8) in Block One (1) as shown on the Final Map of Section 30 Southwest Assemblage - Model Site 1, Common Interest Community, recorded January 5, 2000, on file in Book 92 of Plats, page 83 in the Office of the County Recorder, Clark County, Nevada.

EXHIBIT A-1

MONTANA RELEASE MAP

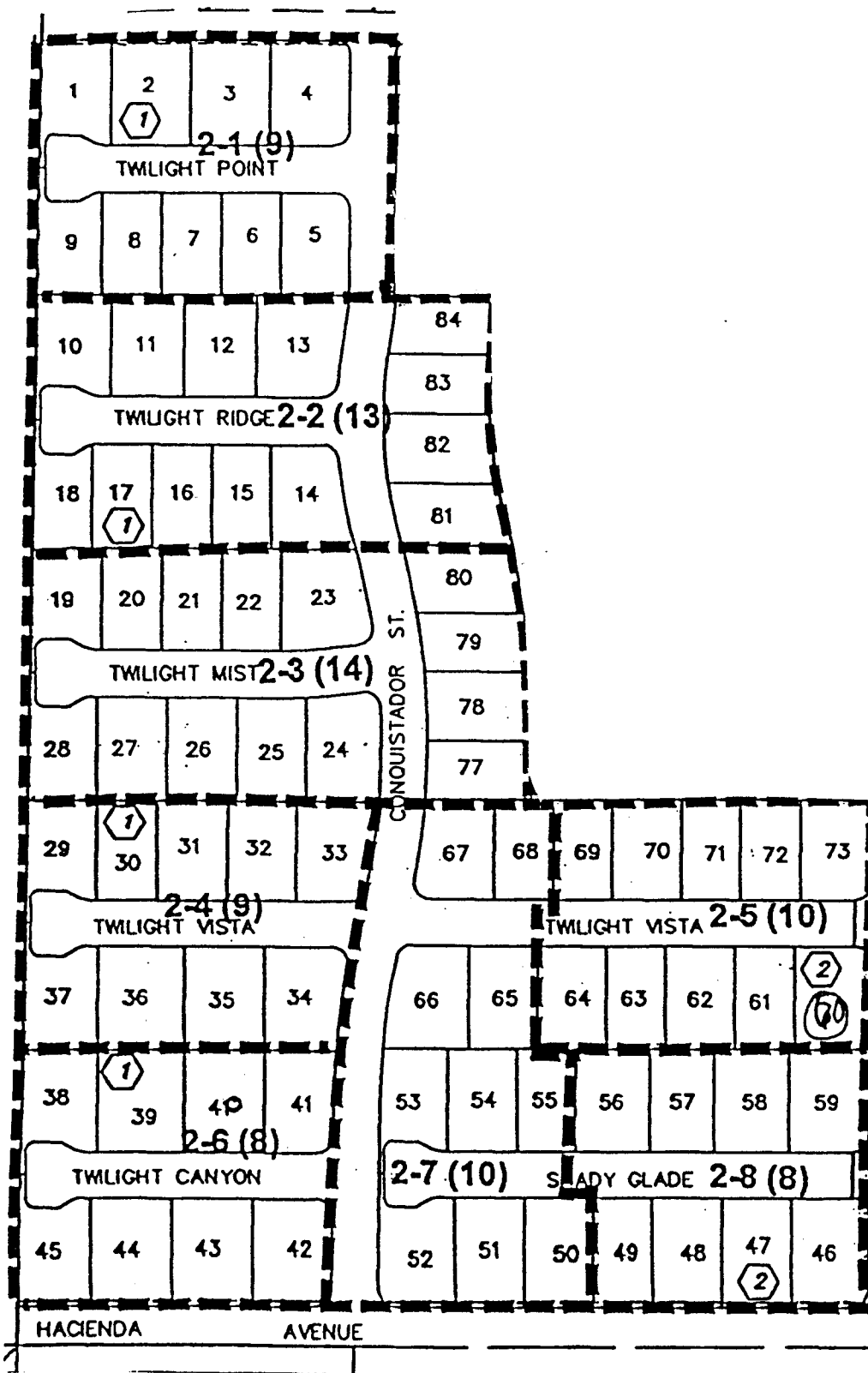
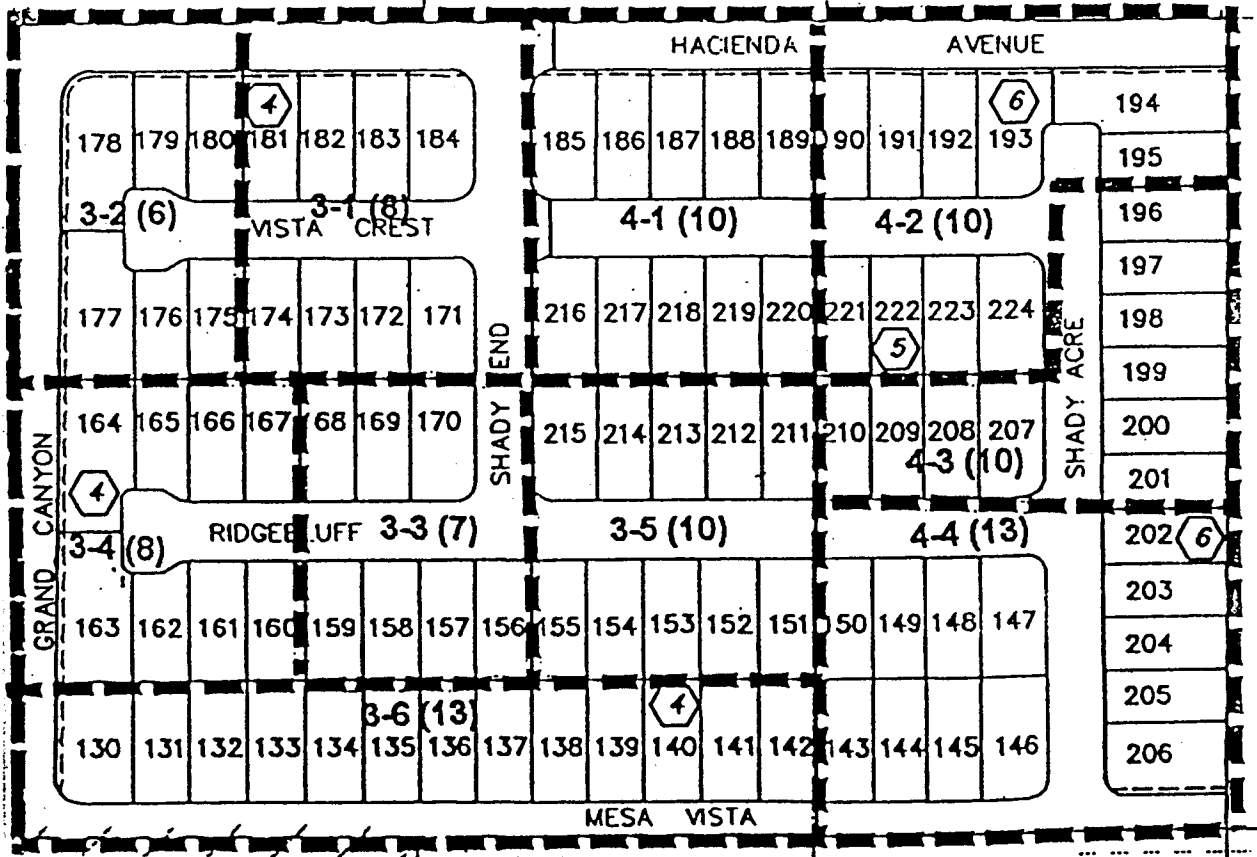


EXHIBIT A-1

CHEYENNE RELEASE MAP



CLARK COUNTY, NEVADA
JUDITH A. VANDEVER, RECORDER
RECORDED AT REQUEST OF:
NATIONAL TITLE COMPANY

06-21-2000 17:00 JSB 75
OFFICIAL RECORDS
BOOK: 20000621 INST: 01735
FEE: 81.00 RPTT: .00

RESOLUTION OF THE SHADOW MOUNTAIN RANCH HOMEOWNERS ASSOCIATION

RE: NEW MANAGEMENT COMPANY APPOINTMENT

WHEREAS, the Shadow Mountain Ranch Homeowners Association is a Nevada corporation duly organized and existing under the laws of the State of Nevada;

WHEREAS, The Recorded Declaration of Conditions, Covenants and Restrictions for the Community Association applicable to all members of the Association.

NOW, THEREFORE, in accordance with all applicable regulations, the directors hereby adopt the following resolution by and on behalf of the Shadow Mountain Ranch Homeowners Association:

RESOLVED, upon the direction of the Declarant, Benchmark Properties Inc., is hereby declared the Associations Management Company effective July 15, 2000.

Adopted by the Shadow Mountain Ranch Homeowners Association Board of Directors on July 15, 2000

Alan Schantz
Association President