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SPRINGS OAKS II
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

This DECLARATION of Covenants, Conditions, and Restrictions was made originally on the 10th day of January, 1987, by Marion Properties, hereinafter referred to as "Declarant." It was amended by written consent of more than seventy-five percent (75%) of the total voting power of the Association and by more than seventy-five percent (75%) of the voting power of the members of the association other than Declarant on the 28th day of April, 1994, with reference to the following. The development which is the subject of the Declaration will be known as Spring Oaks II Homeowners Association.

RECITALS:

A. Declarant is the owner of the certain real property located in Las Vegas, County of Clark, State of Nevada, which is described as follows:

Units 401-432, and the Phase I Common Area known as Lots 11A and 12A. Parcels H, I, and L as shown and described on Spring Oaks II Condominium Plan, recorded in Official records of Clark County, Nevada, in the Book 37, Page 51 of Plats.

Hereinafter called the "Condominium Property."

B. Declarant has or intends to improve the Condominium Property by constructing thereon three hundred twelve (312) condominium units and intends to establish a condominium project under the provisions of the Nevada Condominium Act providing for separate title to Living Units (as hereinafter defined) appurtenant to which will be an undivided fractional interest Condominium Property other than the Living Units. The architectural style is wood framing and stucco.

C. The development of the Condominium Property is the first phase of a planned 10 phase Condominium project described as follows:

<u>PHASE NUMBER</u>	<u>COMMON AREA AND ASSOCIATION PROPERTY WITHIN PHASES</u>	<u>NUMBER OF CONDOMINIUMS</u>	<u>NUMBER OF UNDIV. FRACTIONAL INTEREST IN COMMON AREA IN PHASE</u>
I	Units 401-432 and the Phase I Common Area known as Lots 11A and 12A, and Association	32	1/32

Property Parcels H, I and L as shown and described on the Spring Oaks II Condominium Plan recorded in the Official records of Clark County, Nevada, in Book 37, Page 51, of Plats.

2 Units 249-264 and 329-344 and the Phase 2 Common area known as Lot 9 and Association Property Parcel G as shown and described on the Spring Oaks II Condominium Plan recorded in the official records of Clark County, Nevada, in Book 37, Page 51 of Plats. 32 1/2

3 Units 265-288; 345-360; 385-400; and 433-448; and the Phase 3 Common Area known as Lots 11B, 12B, and 14 and Association Property Parcels J, K, and M as shown and described on the Spring Oaks II Condominium Plan recorded in the Official records of Clark County, Nevada, in Book 37, Page 51 of the Plats. 72 1/2

4 Units 361-384 and the Phase 4 Common Area known as Lot 10 as shown and described on the Spring Oaks II Condominium Plan recorded in the Official records of Clark County, Nevada, in Book 37, Page 51 of Plats. 24 1/4

5 Units 225-248 and the Phase 5 Common Area known as Lot 8-a as shown and described on the 24 1/4

Spring Oaks II Condominium Plan recorded in the Official records of Clark County, Nevada, in Book 37, Page 51 of Plats.

- 6 Units 289-304 and the Phase 6 Common Area known as Lot 8-b as shown and described on the Spring Oaks II Condominium Plan recorded in the Official records of Clark County, Nevada, in Book 37, Page 51 of Plats. 16 1/16
- 7 Units 449-472 and the Phase 7 Common Area known as Lot 13 as shown and described on Spring Oaks II Condominium recorded in the Official records of Clark County, Nevada, in Book 37, Page 51 of Plats. 24 1/2
- 8 Units 305-328 and the Phase 8 Common Area known as Lot 15; and Association Property Parcel E as shown and described on the Spring Oaks II Condominium Plan recorded in the Official records of Clark County, Nevada, in Book 37, Page 51, of Plats. 24 1/2
- 9 Units 121-144 and the Phase 9 Common Area known as Lot 5; and Association Property Parcel F as shown and described on the Spring Oaks II Condominium Plan recorded in the Official records of Clark County, Nevada, in Book 37, Page 51, of Plats. 24 1/2

10	Units 65-104 and the Phase 10 Common Area known as Lot 6 as shown and described on the Spring Oaks II Condominium Plan recorded in the Official records of Clark County, Nevada, in Book 37, Page 51, of Plats.	40	40
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Total condominium units for all phases = 312

Each lot, its related parcel or parcels and the units contained within the lot will constitute a phase.

The above respective undivided interests established and to be conveyed with the respective condominium units as indicated above, can not be changed; and said Grantor its successors and assigns, and grantees, covenant and agree that the undivided interest in the Common Areas and facilities and the fee titles to the respective condominium units conveyed therewith together with the restricted Common Area facilities allocated for the restrictive use of the respective use of the respective condominium units, shall not be separated or separately conveyed; and each said undivided interest and allocated restricted Common Area and facility shall be deemed to be conveyed or encumbered with it respective condominium unit even though the description in the instrument of conveyance or encumbrance may refer only to the fee title to the condominium unit.

There is no guarantee that all phases will be completed, or that the number of condominiums or the recreational facilities and amenities will be developed as described above. The project will be consistent with the overall development plan submitted to the VETERANS ADMINISTRATION and FEDERAL HOUSING ADMINISTRATION.

- D. Each Condominium shall have appurtenant to it a membership in the SPRING OAKS II HOMEOWNERS ASSOCIATION, a Nevada non-profit corporation (Association), which will be the management body for the overall Condominium Project.
- E. Before selling or conveying any interest in the Condominium Property, Declarant desires to subdivide the Condominium Property in accordance with a common plan to certain covenant, conditions, and restrictions for the benefit of Declarant and any and all present and future owners of the Condominium Property.

NOW THEREFORE, Declarant hereby declares that all of the properties in Phase I, described above 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 parties or any part thereof, their heirs, successors, and assigns, and shall insure to

the benefit of each owner hereof.

ARTICLE I

DEFINITIONS

SECTION 1.1 "Articles" shall mean and refer to the Articles of Incorporation of the Association and any amendments to said Articles.

SECTION 1.2 "Association" shall mean and refer to SPRING OAKS II HOMEOWNERS ASSOCIATION, a Nevada corporation, its successors and assigns.

SECTION 1.2(a) "Association Property" shall mean and refer to all that real Property and all improvements thereto, which is owned by the Association for the common use, benefit and enjoyment of all the Owners. The Association Property is Phase I is described as Parcels H, I and L shown and described on Spring Oaks II Condominium Plan recorded in the Official Records of Clark County, Nevada, in Book 37, Page 51 of Plats. The Association Property for Phases II through X inclusive is described in Article I, Section 1.12 of the Declaration. Declarant hereby declares that it will convey fee simple title to the Association Property in each Phase of the Project prior to or concurrent with the closing of the first sale of the Condominium to an owner in each Phase.

SECTION 1.3 "Board" or "Board of Directors" shall mean and refer to the governing body of said Association.

SECTION 1.4 "Boundaries" shall mean that in interpreting deeds and plans, the then existing physical boundaries of a Living Unit whether in its original state or reconstructed in substantial accordance with the original plans thereof, shall be conclusively presumed to be its boundaries rather than the boundaries expressed in the deed or plan, regardless of settling or lateral movement of the building and regardless of minor variance between boundaries shown on the plan or deed, and those of the building.

SECTION 1.5 "By-Laws" shall mean and refer to the By-laws of the Association and any amendments to said By-laws.

SECTION 1.6 "Common Area" shall mean and refer to all portions of the Project not located within a Living Unit.

SECTION 1.7 "Common Expenses" shall mean and include the actual and estimated expenses of operating the Condominium Property and any reasonable reserve for such purposes.

SECTION 1.8 "Condominium" shall mean and refer to a fee simple estate in the Condominium Property and shall consist of a separate interest in a Living Unit and an undivided fractional interest as tenant-in-common in the Common Area and shall include the right to an

assigned parking area pursuant to Section 9.6.

SECTION 1.9 "Condominium Building" shall mean and refer to a residential structure containing Condominium Living Units

SECTION 1.10 "Condominium Plan" shall mainly refer to the Final Map of SPRING OAKS II, a Condominium Subdivision, file 37, 1987, in Book 51, of Plats, Page 870721, Instrument No. 00699, in the Office of the County Recorder of Clark County, Nevada.

SECTION 1.11 "Condominium Property" shall mean and refer to that certain real property located in the County of Clark, State of Nevada, more particularly described as follows:

PHASE 1 Units 401-432 and the Phase I Common Area known as Lots 11A and 12A, and Association Property Parcels H, I and L as shown and described on the Spring Oaks II Condominium Plan recorded in the official records of Clark County, Nevada, in Book 37, Page 51, of Plats.

SECTION 1.12 "Property Subject to Annexation" shall mean and refer to that certain real property located in the County of Clark, State of Nevada, more particularly described as follows:

PHASE 2 Units 249-264 and 329-344 and the Phase 2 Common area known as Lot 9 and Association Property Parcel G as shown and described on the Spring Oaks II Condominium Plan recorded in the official records of Clark County, Nevada, in Book 37, Page 51 of Plats.

PHASE 3 Units 265-288; 345-360; 385-400; and 433-448; and the Phase 3 in Area known as Lots 11B, 12B, and 14 and Association Property Parcels J, K, and M as shown and described on the Spring Oaks II Condominium Plan recorded in the Official records of Clark County, Nevada, in Book 37, Page 51 of the Plats.

PHASE 4 Units 361-384 and the Phase 4 in Area known as Lot 10 as shown and described on the Spring Oaks II Condominium Plan recorded in the Official records of Clark County, Nevada, in Book 37, Page 51 of Plats.

PHASE 5 Units 225-248 and the Phase 5 Common Area known as Lot S-a as shown and described on the Spring Oaks II Condominium Plan recorded in the Official records of Clark County, Nevada, in Book 37, Page 51 of Plats.

PHASE 6 Units 289-304 and the Phase 6 Common Area known as Lot S-b as shown and described on the Spring Oaks II Condominium Plan recorded in the

Official records of Clark County, Nevada, in Book 37, Page 51 of Plats.

PHASE 7 Units 449-472 and the Phase 7 Common Area known as Lot 13 as shown and described on Spring Oaks II Condominium recorded in the Official records of Clark County, Nevada in Book 37, Page 51 of Plats.

PHASE 8 Units 305-328 and the Phase 8 Common Area known as Lot 15; and Association Property Parcel E as shown and described on the Spring Oaks II Condominium Plan recorded in the Official records of Clark County, Nevada, in Book 37, Page 51, of Plats.

PHASE 9 Units 121-144 and the Phase 9 Common Area known as Lot 5; and Association Property Parcel F as shown and described on the Spring Oaks II Condominium Plan recorded in the Official records of Clark County, Nevada, in Book 37, Page 51, of Plats.

PHASE 10 Units 65-104 and the Phase 10 Common Area known as Lot 6 as shown and described on the Spring Oaks II Condominium Plan recorded in the Official records of Clark County, Nevada, in Book 37, Page 51, of Plats.

SECTION 1.13 "Declarant" shall mean and refer to MARION PROPERTIES, its successors and assigns.

SECTION 1.14 "Declaration" shall mean and refer to this enabling Declaration of Covenants, Conditions, and Restrictions as it may from time to time be amended.

SECTION 1.15 "Eligible Insurer or Guarantor" shall mean and refer to a institutional mortgage, insurer or governmental guarantor who has requested notice from the Association of those matters which such insurer or guarantor is entitled to notice of by reason of this Declaration or the By-laws of the Association.

SECTION 1.16 "Eligible Mortgage Holder" shall mean and refer to a holder of a first mortgage on a Condominium who has requested notice from the Association of those matters which such holder is entitled to notice of by reason of this Declaration or the By-laws of the Association.

SECTION 1.17 "Exclusive Use Area" or "Restricted Common Area" shall mean and refer to those portions of the Common Area to which an exclusive right to use is granted to an Owner as shown and described on the Condominium Plan and shall consist of covered parking, patio, balconies and internal and external stairways. Covered parking is defined on the Amended Plat of Spring Oaks Lot J as shown by map thereof on file in Book 25 of Plats, Page 60, the space numbers corresponding to the unit numbers.

SECTION 1.18 "FHA" shall mean and refer to the Federal Housing Administration.

SECTION 1.19 "Living Unit" shall mean and refer to those portions of the Condominium Property shown and described as such on the Condominium Plan; provided, however, that the following are not part of any Living Unit: bearing walls, columns, floors, roofs, foundations, central heating, central refrigeration, and central air conditioning equipment; reservoir tanks, pump and other central service, pipes, ducts, chutes, conduits, wires, and other utility installations, wherever located, except the outlets thereof when located in the Living Unit.

SECTION 1.20 "Members of Association" shall mean and refer to an owner as defined in Section 1.23 of Article I herein.

SECTION 1.21 "Mortgage" shall mean and refer to a deed of trust as well as to a mortgage.

SECTION 1.22 "Mortgagee" shall mean and refer to a beneficiary under or a holder of a deed of trust given for value, which encumbers any Condominium.

SECTION 1.23 "Owner" shall mean and refer to the record owners, whether one (1) or more persons or entities, of fee simple title to any Condominium which is part of the Project including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

SECTION 1.24 "Project" shall mean and refer to the entire real property above described, including all structures and improvements erected or to be erected thereon, and such additions as may hereafter be brought within the jurisdiction of the Association.

SECTION 1.25 "VA" shall mean and refer to the Veteran Administration.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

SECTION 2.1 MEMBERSHIP. Every Owner of a Condominium shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a condominium. Every owner shall promptly, fully and faithfully comply with and abide by the Declaration, By-laws, and Rules and Regulations adopted from time to time by the Board of Directors of the Association. Membership in the Association shall not be transferred, pledged, or alienated in any way, except upon sale of the Condominium to which it is appurtenant, and then only to the purchaser of such Condominium. Any attempt to make a prohibited transfer is void. In the event the Owner of any Condominium should fail or refuse to transfer the membership registered in his name to the purchaser of his 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 2.2 VOTING RIGHTS. The Association shall have two (2) classes of voting membership:

CLASS A. Class A members shall be all owners with the exception of Declarant, and shall be entitled to one (1) vote for each Condominium owned. When more than one (1) person holds an interest in any Condominium, all such persons shall be members. The vote for each Condominium shall be exercised as they determine among themselves, but in no event shall more than one (1) vote be cast with respect to any one Condominium.

CLASS B. Class B member(s) shall be Declarant and shall be entitled to three (3) votes for each Condominium owned. The Class B membership shall cease and be converted to Class A membership on the happening of the earliest of the following to occur:

1. When the total votes outstanding in Class A membership equal the total votes outstanding in the Class B membership; or
2. On December 31, 1991; or
3. When the Declarant waives in writing its right to Class B membership.

Notwithstanding the foregoing, if at any time or times, subsequent to any such conversion, additional land is added by the Declarant, such additional land shall automatically be Class B lots. In addition, if following such addition of land, the total votes allocable to all lots then owned by the Declarant (calculated as if all such Lots are Class B, whether or not they are) shall exceed the remaining total votes outstanding in the remaining Class A membership (i.e. excluding the Declarant), then any Class A lots owned by the Declarant shall automatically be converted to Class B. Any such reconversion shall not occur, however, if either occurrence 2 or 3 above shall have taken place.

When more than one person holds an interest in any Lot, the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one person vote with respect to any Lot as defined herein.

ARTICLE III

COVENANT FOR MAINTENANCE ASSESSMENTS TO ASSOCIATION

SECTION 3.1 CREATION OF LIEN AND PERSONAL OBLIGATION OF ASSESSMENT.

The Declarant, for each Condominium owned within the Project, hereby covenants, and each Owner of any Condominium by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

- (a) annual assessments, which shall include an adequate resource fund for the periodic maintenance, repair, and replacement of the Common Area; and
- (b) special assessments for capital improvements or the commencement of a civil action; such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the Condominium and shall be a continuing lien upon the Condominium against which each such assessment is made; the lien to become effective upon recordation of an assessment. Each such assessment, together with interest, and reasonable attorney's fees shall also be the personal obligation of the person who was the owner of such Condominium at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to an Owner's successors in title unless expressly assumed by them. Late payment charges shall be in the amount provided in the Bylaws.

SECTION 3.2 PURPOSE OF ASSESSMENT. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of all the residents in the entire Project, and for the improvement and maintenance of the Common Area for the common good of the Project.

SECTION 3.3 MAXIMUM ANNUAL ASSESSMENT. Until January 1st of the year immediately following the conveyance of the first Condominium to an Owner, the maximum annual assessment shall be \$828.00 per Condominium.

- (a) From and after January 1st of the year immediately following the conveyance of the first Condominium to an Owner, the maximum annual assessment may be increased each year not more than ten percent (10%) above the maximum annual assessment for the previous year without a vote of the membership;
- (b) From and after January 1st of the year immediately following the conveyance of the first Condominium to an Owner, the maximum annual assessment may be increased above ten percent (10%) by a vote or written assent of (1) fifty-one percent (51%) of the total voting power of the Association, and (2) fifty-one percent (51%) of the total voting power of members other than the Declarant.
- (c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

SECTION 3.4 SPECIAL ASSESSMENTS. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the following purposes:

- (a) to defray, in whole or in part, the cost of any construction, reconstruction, repair,

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or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the vote or written assent of (1) fifty-one percent (51%) of the total voting power of the Association; and (2) fifty-one percent (51%) of the total voting power of members other than the Declarant.

- (b) as against any Member, to reimburse the Association for costs incurred in bringing a Member and his Condominium into compliance with the provisions of the Declaration, any amendments thereto, the Bylaws, and the Association Rules and Regulations, which special assessments may be levied upon the vote of the Board after notice and an opportunity for a hearing;
- (c) to commence a civil action, provided that any such assessment shall have been approved by a majority vote of the Members of the Association. This subsection shall not apply if the commencement of a civil action is for any of the following purposes:
 - (4) to enforce the payment of an assessment;
 - (5) to enforce the Declaration, By-laws or Rules of the Association;
 - (6) to proceed with a counter-claim; or
 - (7) to protect the health, safety and welfare of the members of the Association.

SECTION 3.5 MEMBERSHIP APPROVAL.

The approval may be obtained as follows:

- (a) Any action authorized under Section 3.3b above shall be taken at a meeting called for that purpose, written notice of which shall be given to all Members not less than ten (10) days nor more than sixty (60) days in advance of the meeting; provided, however, if notice is given by mail and the notice is not mailed by first class, registered, or certified mail, then notice shall be given not less than twenty (20) days before the meeting.
- (b) Any action authorized under Section 3.4 above shall be taken at a meeting called for that purpose, written notice of which shall be given to all Members not less than twenty-one (21) days nor more than sixty (60) days in advance of the meeting. A quorum for such meeting shall be a majority of the voting power of the membership of the Association.
- (c) Approval can be obtained in accordance with the specific provisions of each subparagraph of Section 3.4.
- (d) If the required quorum for 3.4(a) is not present, another meeting may be called

subject to the same notice requirements in (a) and (b) above, and the required quorum at the subsequent meeting shall be twenty-five percent (25%) of the voting power of the membership of the Association.

SECTION 3.6 UNIFORM RATE OF ASSESSMENT. Except as otherwise provided herein, both annual and special assessments shall be assessed against all units in accordance with the allocations as set forth in the Recitals of this Declaration and may be collected on a monthly basis or as otherwise determined by the Board. A special assessment against Members to raise funds for the rebuilding or major repair of Living Units shall be determined by dividing the square footage area to be repaired in each Living Unit by the total of the square footage area to be repaired in all of the Living Units which are the subject of the special assessment. A special assessment against a Member to reimburse the Association for costs incurred in bringing the Member and his Condominium in compliance with the provisions of the Condominium documents shall be assessed only against that Member and his Condominium. Any Assessment not paid within thirty (30) days after the due date shall be delinquent and shall bear interest at the rate of eighteen percent (18%) per annum from the due date until paid in full.

SECTION 3.7. DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS; DUE DATES. The annual assessments provided for herein shall commence as to all Condominiums in the first phase of the project on the first day of the month following the conveyance of the first Condominium to an Owner in the first phase. The annual assessments as to all Condominiums in the remaining phases of the Project shall commence on the first day of the month following the conveyance of the first Condominium to an Owner in each remaining phase. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board shall fix the amount of the annual assessment against each annual assessment period. Written notice of the annual assessment shall be established by the Board.

SECTION 3.8 EFFECT OF NON-PAYMENT OF ASSESSMENTS; REMEDIES OF THE ASSOCIATION. Any assessment made in accordance with this Declaration shall be a debt of the Owner of a Condominium from the time the assessment is due. At any time after any assessment levied by the Association affecting any Condominium have become delinquent, the Board may file for recording in the office of the Clark County Recorder a notice of delinquency as to such Condominium, which notice shall state all amounts which have become delinquent with respect to such Condominium and interest costs, and reasonable attorney's fees which have accrued thereon, the amount of any assessments relating to such condominium which are due and payable although not delinquent, a description of the Condominium with respect to which the delinquent assessments are owed, and the name of the reputed record owner of such Condominium. Such notice shall be signed by the President or Vice President and Secretary or Assistant Secretary of the Association. Any assessment not paid after the due date shall bear interest from the due date at the rate provided for in the Bylaws and a late charge may be imposed for each such late payment in the amount provided for in the Bylaws.

Immediately upon recording of any notice of delinquency pursuant to the foregoing provisions of this section, the amounts delinquent, as set forth in such notice, together with the costs, attorney's fees, and interest accruing thereon, shall be and become a lien upon the Condominium described therein which lien shall also secure all other payments and/or assessments which shall become due and payable with respect to said Condominium following such recording, and all costs, attorney's fees, and interest accruing thereon. Said lien shall continue for a period of one (1) year unless extended for a period of an additional year by the recording of a written extension by the Association.

When notice of assessment has been recorded, such assessment shall constitute a lien on each respective Condominium prior and superior to all other liens, except: (1) all taxes, bonds, assessments, and other levies which, by law, would be superior thereto, and (2) the lien or charge of any first mortgage of record. In the event the delinquent assessments and all other assessments which have become due and payable with respect to the same Condominium together with all costs, attorney's fees, and interest which have accrued on such amounts are fully paid or otherwise satisfied prior to the completion of any sale held to foreclose the lien provided for in this Article, the Board shall record a further notice, similarly signed, stating the satisfaction and relating of such lien.

Each assessment lien may be foreclosed as, and in the same manner as, the foreclosure of a mortgage upon real property under the laws of the State of Nevada, and to that end a power of sale is hereby conferred upon the Association. The Association, acting on behalf of the Condominium owners, shall have the power to bid for the Condominium at a foreclosure sale, and to acquire and hold, lease, mortgage, and convey the same. The Association may bring an action at law against the Owner personally obligated to pay the same, and in addition thereto or in lieu thereof, may foreclose the lien against the Condominium. Suit to recover a money judgment for unpaid assessments, rent, and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same.

SECTION 3.9. SUBORDINATION OF THE LIEN TO FIRST DEEDS OF TRUST AND FIRST MORTGAGE.

The lien of the assessments, including interest, costs (including attorney's fees), provided for herein shall be subordinate to the lien of any first mortgage upon any Condominium. Sale or transfer of any Condominium shall not affect the assessment lien. However, the sale or transfer of any Condominium pursuant to judicial or non-judicial foreclosure of a first mortgage shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Condominium from lien rights for any assessments thereafter coming due. Where the mortgagee of a first mortgage of record or other purchaser of a Condominium obtains title, his successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association chargeable to such Condominium which became due prior to the acquisition of title to such Condominium by such acquirer. Unpaid share of Common Expenses or Assessments shall be deemed to be Common Expenses, collectible from all of the Condominiums including such acquirer, his successors, and assigns.

SECTION 3.10. ESTOPPEL CERTIFICATE.

The Association shall furnish or cause an

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appropriate offer to furnish, upon demand by any person, a certificate signed by an Officer of the Association setting forth whether the assessments on a specified Condominium have been paid. A properly executed certificate of the Association as to the status of assessments on a Condominium is binding upon the Association as of the date of its issuance.

SECTION 3.11. PERSONAL LIABILITY OF OWNER. No Owner may exempt himself from the personal liability for assessments levied by the Association, nor release the Condominium owned by him from the liens and charges thereof by waiver of the use or enjoyment of any of the Common Area or by abandonment of his Condominium.

SECTION 3.12. TAXATION OF ASSOCIATION. In the event that any taxes are assessed against the Common Area or the personal property of the Association, rather than against the individual Condominiums, said taxes shall be added to the annual assessments and, if necessary, a special assessment may be levied against the Condominiums in an amount equal to said taxes, to be paid in two (2) installments, thirty (30) days prior to the due date of each tax installment.

SECTION 3.13 CAPITALIZATION OF ASSOCIATION. Upon acquisition of record title to a Condominium from Declarant, each owner of a condominium in Phase I only, shall contribute to the capital of the Association an amount equal to one-sixth (1/6) the amount of the then annual assessment for that Condominium as determined by the Board. This amount shall be deposited by the buyer in the purchase and sale escrow and disbursed therefrom to the Association.

ARTICLE IV

RESPONSIBILITIES OF MAINTENANCE.

SECTION 4.1. OWNER MAINTENANCE OF LIVING UNIT. Each Owner of a Condominium shall be responsible for the maintenance and repair of the glass doors and windows enclosing his Living Unit, the interior of his Living Unit and all appliances whether "built-in" or freestanding, within the Living Unit, and shall also be responsible for the maintenance and repair of the plumbing, electrical and heating systems servicing his Living Unit and located within the outside perimeter of the exterior bearing walls. Therefore, including television cable equipment and connections and all appliances and equipment located in said Living Unit. Each Owner shall be responsible for the maintenance and repair of the Patio, Balcony and Interior Stairway, which he has the exclusive right to use, including the interior surface of any fence or railing (but not the exterior surface) and shall make such repairs as the Board deems necessary to preserve the attractive appearance and protect the value thereof.

SECTION 4.2. OWNER'S GRANT OF EASEMENTS. Each owner hereby grants easements to other Owners to enter into each Condominium and to have utility companies enter into Condominiums to repair the plumbing, heating, and electrical systems located thereon, subject to the following limitations: entry into a Living Unit for emergency purposes may be immediate; provided, however, such entry shall be made with as little inconvenience as possible to the Owner and any damage caused thereby shall be repaired by the entering party. Entry into a Living Unit for other than emergency repairs shall be made only after three (3) days notice has been given to the Owner and shall be made with as little inconvenience as possible to the Owner and any damage caused thereby shall be repaired by the entering party.

SECTION 4.3. ASSOCIATION MAINTENANCE OF COMMON AREA. Except as otherwise provided herein, the Association acting through the Board and its officers shall have the sole and exclusive right and duty to manage, operate, control, repair, replace, or restore all of the Common Area or any portion thereof, together with the improvements, trees, shrubbery, plants, and grass thereon, all as more fully set forth in the Declaration, the By-laws, and the Rules and Regulations. The Association shall maintain and repair all exterior parking areas, provided however, that should said maintenance or repair result from the negligence of an owner, or his guests or licensees, the Owner shall reimburse the Association for the cost of such maintenance or repair. The Association shall maintain and repair all stairs, which are Exclusive Use Areas shown and described on the Condominium Plan.

SECTION 4.4. ASSOCIATION RIGHT OF ENTRY. For the purpose of performing the maintenance of the Common Area, for repair or prevention of damage to another Living Unit, or for any other purpose reasonably related to the performance by the Board of its responsibilities under this Declaration, the Association's agents or employees shall have the right to enter any Living Unit, or portion of the Common Area to effect emergency repairs. For other than emergency repairs, the Association's agents or employees shall have the right to enter any Living Unit or any portion of the Common Area to effect repairs, improvements, replacements, or maintenance which the Association, after approval by two-thirds (2/3) vote of the Board, reasonably deems necessary. Such entry shall be made with as little inconvenience to the owner as possible by the Association. Further, such entry, other than for emergency repairs, shall be made only after not less than three (3) days notice has been given to the Owner. A Living Unit may only be entered in an "Emergency Situation" by two (2) people, one of whom shall be a Member of the Board or an employee or agent of the Developer.

SECTION 4.5. ASSOCIATION RIGHT TO ADOPT RULES. The Board shall have the right to adopt reasonable rules not inconsistent with the provisions contained in this Declaration, and to amend the same from time-to-time relating to the use of the Common Area and the recreational and other facilities situated thereon by Owners and by their tenants or guests, and the conduct of such persons with respect to automobile parking, outside storage of boats, trailers, bicycle and other objects, disposal of waste materials, drying of laundry, control of pests, and other activities which, if not so regulated, might detract from the appearance of the community or offend or cause

inconvenience or danger to persons residing or visiting thereon. Such rules may provide that the Owner of a Condominium whose occupant leaves property on the Common Area in violation of the rules may be assessed to cover the expenses incurred by the Association in removing such property and storing or disposing thereof, after appropriate notice, and an opportunity for a hearing before the Board and a two-thirds (2/3) vote of approval by the Board. The Board may suspend the voting rights and the right to use the recreational facilities located on the Common Area of a Member who is in default in the payment of any assessment for any period not to exceed thirty (30) days for any infraction of its published Rules and Regulations, after reasonable written notice and an opportunity for a hearing before the Board as set forth in the Bylaws.

SECTION 4.6. ASSOCIATION RIGHT TO GRANT PERMITS. The Association shall have the right to grant permits, licenses and easements over, under, upon, and across the Common Area for utilities, roads, and other purposes reasonably necessary or useful for the property maintenance or operation of the Project.

ARTICLE V

ARCHITECTURAL CONTROL

SECTION 5.1. ARCHITECTURAL CONTROL. No building, fence, wall or other structure or improvement shall be commenced, erected, placed, or altered upon the Common Area, or which shall be visible from the Common Area, until the location and complete plans and specifications showing the nature, kind, shape, height and materials, including the color scheme, have been submitted to and approved in writing as to harmony of external design and location to surrounding structures and topography by the Board of Directors of the Association or by an architectural committee appointed by the Board of Directors and composed of five (5) representatives. The grade, level or drainage characteristics of the Condominium Property or any portion thereof, shall not be altered without the prior written approval and consent of the Board or its designate committee. The provisions of this Article shall not apply to the initial construction by Declarant of Condominiums or other improvements of Condominium Property, and neither the Board nor any committee appointed by the Board shall have any authority or right to approve or disapprove the initial construction by Declarant or Condominiums or other improvements to the Condominium Property.

ARTICLE VI

PROHIBITION OF PARTITION OR SEPARATION OF INTEREST

SECTION 6.1. SEPARATION OF INTEREST. No Owner may sell, assign, lease or convey: (1) his interest in the Common Area separate and apart from his Living Unit, nor (2) his interest in any Exclusive Use Area separate and apart from his interest in the Common Area or his Living Unit.

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SECTION 6.2 PROHIBITION OF PARTITION. Each of the Owners of a Condominium whether such ownership is in fee simple or as a tenant-in-common, is hereby prohibited from partitioning or in any other way severing or separating such ownership from any other ownership in the Condominium Property except upon showing that:

- (a) more than three (3) years before the filing of the action, the Project was damaged or destroyed so that a material part thereof was unfit for its use and the Project has not been rebuilt or that owners holding in aggregate more than a fifty percent (50%) interest in the Common Area are opposed to repair or restoration of the Project; or
- (b) that the Project has been in existence in excess of fifty (50) years, that it is obsolete and uneconomic, and that owners holding in aggregate more than a fifty percent (50%) interest in the Common Area are opposed to repair or restoration of the Project; provided, however, that if any Condominium shall be owned by two or more co-tenants as tenants-in-common or as joint tenants, nothing herein shall be deemed to prevent a judicial partition as between such co-tenants and no Condominium may be partitioned or subdivided without the prior written approval of the mortgagee holding the first mortgage on that Condominium.

SECTION 6.3 POWER OF ATTORNEY. The Association is hereby granted an irrevocable power of attorney to sell the Condominium Property for the benefit of all the owners thereof when the partition of the owners' interest in said Condominium Property may be had pursuant to Section 6.2 above. The Power of Attorney herein granted may be exercised upon the vote or written consent of Owners holding in the aggregate at least two-thirds (2/3) of the interest in the Common Area by any two (2) Members of the Board who are hereby authorized to record a Certificate of Exercise in the office of the County Recorder, Clark County, which certificate shall be conclusive evidence thereof in favor of any person relying thereon in good faith; provided however, that said Power of Attorney shall not apply to the Administrator of Veterans Affairs, an Officer of the United States of America.

ARTICLE VII

RIGHT OF MORTGAGEES

SECTION 7.1 RIGHT OF MORTGAGEES. Provided that the Mortgagee informs the Association in writing of its appropriate address and requests in writing to be notified, neither the Association [or] nor any Owner shall do any of the following, unless at least sixty-seven percent (67%) of the first mortgagees or mortgages encumbering Condominiums (based upon one (1) vote for each mortgage) have given their prior written approval:

- (a) Seek, by act or omission, to abandon the Condominium Project or to terminate the Condominium Plan or this Declaration (whether or not because of an

destruction of the Project) or change, waive or abandon any scheme of regulation or enforcement thereof pertaining to the architectural design of the exterior appearance or maintenance of Living Units, or the Common Area;

- (b) Change the pro-rata interest or obligation of a Condominium for purposes of levying assessments or allocating distributions of hazard insurance proceeds or condemnation awards or for determining the pro-rata share of the Common Area appurtenant to each Living Unit;
- (c) Partition or subdivide any Condominium;
- (d) Seek, by act or omission, to abandon, partition, subdivide, encumber, sell or transfer the Common Area; provided, however, that the granting of easements for public utility or other public purposes consistent with the uses of the Common Area shall not be deemed a transfer within the meaning of this provision;
- (e) Use hazard insurance proceeds for losses to any portion of the Condominium Property for other than the repair, replacement or reconstruction of the Condominium Property, except as may be provided by statute upon substantial loss to the Living Unit, or Common Area;
- (f) Fail to maintain fire and extended coverage insurance on the Common Area and the Improvements thereto on a current replacement cost basis in an amount less than one hundred percent (100%) of the insurable value, based on current replacement costs.

ARTICLE VIII

DESTRUCTION OF COMMON AREA OR LIVING UNITS

SECTION 8.1 CASUALTY DESTRUCTION OF COMMON AREA. If any portion of the Common Area is damaged or destroyed by fire or other casualty, then:

- (a) If the cost of repairing or rebuilding does not exceed the amount of available insurance proceeds by more than five percent (5%) of the budgeted gross expense of the expenses of the Association for the fiscal year during which the repairs or rebuilding is necessitated, the Board shall contract to repair or rebuild the damaged portions of the Common Area substantially in accordance with the original plans and specifications therefor;
- (b) If the costs of repairing or rebuilding exceeds the amount of available insurance proceeds by more than five percent (5%) of the budgeted gross expenses of the

Association for the fiscal year during which the repairs or rebuilding is necessitated, and if the Owners holding in aggregate more than fifty percent (50%) interest in the Common Area agree to the repair or restoration of the Project, then the Board shall contract as provided in (a) above;

- (c) If the Owners do not so agree to the repair or rebuilding of the Common Area as provided in (b) above, then each owner (and his mortgagee (s) as their respective interests shall then appear) shall be entitled to receive that portion of the insurance proceeds equal to the proportion of the decrease in fair market value of his Condominium as compared to the aggregate decrease in the fair market values of all the Condominiums caused by such damage or destruction. For purposes hereof, fair market value shall be determined by a Member of the American Institute of Real Estate Appraisers selected by the Board and hired by and at the expense of the Association. Should dispute arise as to the distribution of insurance proceeds, the dispute shall be decided by arbitration by the American Arbitration Association pursuant to its commercial Rules of Arbitration;
- (d) Notwithstanding Section 8.1 (c), the Board shall contract for such repair or rebuilding of the Common Area which consists of Condominium Building(s) containing Living Units (or portions thereof and/or improvements thereto) if fifty percent (50%) or more of the Owners owning Living Units in said Condominium Building(s) agree to the repair or restoration of said Condominium buildings;
- (e) If a bid to repair or rebuild is accepted, the Board shall levy a special assessment against each Condominium in the proportion the Condominiums are assessed, pursuant to Section 3.6, Article III, of this Declaration, for purpose of raising funds for the rebuilding or major repair of a portion of the structural Common Area, to make up any deficiency between the total insurance proceeds and the contract price for such repair and rebuilding, and such assessment and all insurance proceeds, whether or not subject to liens of mortgagees, shall be paid to the account of the Association to be used for such rebuilding.

SECTION 8.2 TAKING OF COMMON AREA. If any portion of the Common Area is taken by condemnation, eminent domain or any proceeding in lieu thereof, and the award therefore is not apportioned among the Owners (and their mortgagees as their respective interests then appear) by court judgment or by agreement between the condemning authority and each of the affected owners, then the owners of the Common Area (and their mortgagees as their respective interests then appear) shall be entitled to receive a distribution from the award for such taking in the same proportion as insurance proceeds will be distributed pursuant to subsection (c) of Section 8.1 above; provided, however, that should it be determined to repair or rebuild any portion of the Common Area, such proceeds shall be paid to the Association for that purpose in the same manner and subject to the same

terms, conditions and limitations as are set forth above in Section 8.1 of this ARTICLE VIII for repairing damaged or destroyed portions of the Common Area. A decision to repair or rebuild shall be made in the same manner and subject to the same conditions and limitations as provided in Section 8.1 of this ARTICLE VIII for determining whether to rebuild or repair following damage or destruction.

SECTION 8.3 CASUALTY DESTRUCTION OF LIVING UNIT. In the event of damage or destruction to any Living Unit, the Owner thereof shall reconstruct the same as soon as reasonably practicable and substantially in accord with the original plans and specifications therefor provided, however, that any such Owner may, with the written consent of the Board, reconstruct or repair the same pursuant to new or changed plans and specifications. In the event the Board fails to approve or disapprove such changed plans and specifications within sixty (60) days of the receipt thereof, they shall be deemed to have been approved.

SECTION 8.4 TAKING OF LIVING UNIT. In the event of any taking of a Living Unit, the Owner (and his mortgagees as their interest may appear) of the Living Unit shall be entitled to receive the award for such taking and after acceptance thereof, he (and his mortgagee) shall be divested of any further interests in the Condominium Property as such Owner shall vacate his Living Unit as the result of such taking.

In such event said Owner shall grant his remaining interests in the Common Area appurtenant to the Living Unit so taken, if any, to the other Owners owning a fractional interest in the same Common Area, such grant to be in proportion to the fractional interest in the Common Area then owned by each.

SECTION 8.5 ASSOCIATION INSURANCE. The Association shall obtain and continue in effect the following insurance:

- (a) A master fire insurance policy with glass coverage and extended coverage endorsement for the full insurable value of all of the improvements within the Project. "Improvements" means and refers to the Common Area together with those appliances and improvements located within the Living Units provided by the Declarant to the initial Owners of Condominiums and does not include items not provided by Declarant. The form and content of such policy must be satisfactory to all institutional first mortgagees and shall meet the maximum standards of the various institutional first mortgagees whose loan(s) encumber any of the Condominiums.
- (b) A public liability and property damage insurance policy with cross liability endorsement, if available, insuring the Association, any manager, and Owners against liability incidents to ownership or use of the Common Area. The limits

of such insurance shall not be less than \$1,000,000 covering all claims for death, personal injury, and property damage arising out of a single occurrence. Such policies must provide that they may not be canceled or substantially modified by the insurance company without at least ten (10) days prior written notice to the Association and to each holder of a first mortgage which is listed as a scheduled holder of a first mortgage in the insurance policy.

- (c) A fidelity bond covering members of the Board, officers and employees of the Association, and employees of any management agent, whether or not such persons are compensated for their services, naming the Association as obligee and written in an amount equal to at least the estimated maximum of funds, including reserves, in the custody of the Association or management agent at any given time during the term of the Fidelity Bond. However, the bond shall not be less than a sum equal to three (3) months aggregate assessments on all Condominiums plus reserves for each phase completed. A Fidelity Bond will not be required as long as there is a Class B membership.
- (d) Workmen's Compensation Insurance covering any employees of the Association.

Insurance premiums for the master policy shall be a Common Expense to be included in the monthly assessments levied by the Association. Each Owner shall be responsible to pay any deductible amount for any loss to his Condominium. Each Owner may separately insure the improvements not covered by the master fire insurance policy and personal property within his Condominium. No Owner shall insure his Condominium in any manner which would cause any diminution in insurance proceeds from the master policy. Should any Owner violate this provision, he shall be responsible to the Association for any such diminution.

SECTION 8.6 OWNERS' INSURANCE. Each owner of a Living Unit is required to keep in force Condominium insurance or be self-insured.

SECTION 8.7 MORTGAGEE APPROVAL. Any restoration or repair of the Project, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with original plans and specifications, unless other action is approved by Eligible Mortgage Holders of first mortgages on Condominiums which have at least fifty-one percent (51%) of the votes of Condominiums subject to Eligible Mortgage Holders' mortgages.

ARTICLE IX

USE OF LIVING UNITS AND COMMON AREA AS DESCRIBED IN CONDOMINIUM PLAN

SECTION 9.1 RESIDENTIAL PURPOSES Each Living Unit shall be improved, used and occupied for private, single-family dwelling purposes only. No portion of the Living Unit or Common Area shall be used for any commercial purpose whatsoever, provided, however, Declarant may use any of the living units and exclusive use areas owned or leased by Declarant as model homes and sales offices during that period of time commencing when the Condominiums are first offered for sale to the public and ending when all the Condominiums in the project are sold and conveyed by Declarant to separate owners thereof or five (5) years after the date of the sale of the first Condominium in the project, which ever shall first occur.

SECTION 9.2 LEASE OF CONDOMINIUM Each owner shall have the right to lease his Condominium, provided that such lease is in writing and provides that the tenant shall be bound and obligated to the provisions of this Declaration, the Bylaws, and Rules and Regulations of the Board, and that failure to comply with the provisions of these documents shall be a default under the lease. With the exception of a lender in possession of a Condominium following a default under a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no owner shall lease his Condominium for transient or hotel purposes. Any lease which is either for a period of less than thirty (30) days or pursuant to which the lessor provides any services normally associated with a hotel, shall be deemed to be for transient or hotel purposes.

SECTION 9.3 INTERIOR SURFACES Each owner shall the right, at his sole cost and expense, to maintain, repair, paint, paper, panel, plaster, tile and finish the interior surfaces of the ceilings, floors, window frames, door frames, trim and perimeter walls of his Living Unit, and the surfaces of the bearing walls and partitions located within his Living Unit. Said Owners shall have the right to substitute new finished surfaces in place of those existing on said ceiling, floor, walls, and doors of said Living Unit, at the Owners' sole expense.

SECTION 9.4 EXCLUSIVE USE AREAS APPURTENANT Each Exclusive Use Area shall be used only for the purposes set forth in this Declaration. The right to so use an Exclusive Use Area shall be exercisable only by the Owner(s) of the Condominium appurtenant thereto (other than said revocable licenses) shall be transferred or conveyed apart from conveyance of the Condominium to which they are appurtenant. Each Exclusive Use Area shall be deemed to be Common Area for all those purposes set forth in this Declaration which are not inconsistent with this ARTICLE IX or IV.

SECTION 9.5 USE OF COMMON AREA Except as otherwise provided herein, the Common Area shall be improved and used only for the following purposes:

- (a) Affording vehicular passage and pedestrian movement within the Condominium Property, including access to the Living Units;
- (b) Recreation use by the owners and occupants of Living Units in the Condominium Property and their guests, subject to Rules and Regulations established by the

Board:

- (c) Beautification of the Common Area and providing privacy to the residents of the Condominium Property through landscaping and such other means as the Board shall deem appropriate;
- (d) Parking of automotive passenger vehicles in areas provided therefor as may be designated and approved by the Board by such persons, upon such terms and conditions, and for such fees as may, from time-to-time, be determined by the Board;
- (e) As Exclusive Use Areas to be used in the manner hereinafter described. Nothing herein shall be deemed to allow persons other than the Owner of a Living Unit to which an Exclusive Use Area is appurtenant (or his tenants and lessees) to enjoy the use thereof.

No part of the Common Area shall be obstructed so as to interfere with its use for the purposes herein above permitted, nor shall any part of the Common Area be used for storage purposes (except as incidental to one of such permitted uses, or for storage of maintenance equipment used exclusively to maintain the Common Area or in storage areas designated by the Board), nor in any manner which shall increase the rate of which insurance against loss by fire, or the perils of the extended coverage endorsement to the Fire Policy Form, or bodily injury or property damage liability insurance covering the Common Area and the improvements situated thereon may be obtained, or cause such premises to be uninsurable against such risks or any policy or policies representing such insurances to be canceled or suspended or the company issuing the same to refuse renewal thereof.

SECTION 9.6 USE OF EXCLUSIVE USE AREAS.

Each Owner shall have the following rights with regard to the parking area which he has the exclusive right to use:

- (a) To park and store standard automotive vehicle(s) in the covered parking area which he has the exclusive right to use.

All parking spaces not assigned shall remain under the control of the Association as unrestricted Common Area for the use of all Unit Owners, their families, tenants, and guests.

In addition, each Owner shall have the following rights with regard to the Balcony or Patio which he has the Exclusive Right to use:

- (1) To place furniture and plants on said area.
- (2) To plant flowers and shrubs which do not unreasonably interfere with the use of the

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Owners of adjacent Living Units and Exclusive Use Areas.

- (3) Any other changes, additions, or alterations of Exclusive Use Areas are subject to Architectural Control as per ARTICLE V of these Declaration's Covenants, Conditions, and Restrictions.

SECTION 9.7 OWNERS LIABLE FOR DAMAGE.

Each Owner shall be legally liable to the Association for all damage to the Common Area or to any improvements there, including the buildings, recreation facilities and landscaping, caused by such Owner, his licensee(s) or any occupant of such owner's Living Unit as such liability may be determined under Nevada Law. Additionally, each Owner shall be legally liable for all damages caused by such Owner, his licensee(s) or any occupant of such Owner's Living Unit as such liability may be determined under Nevada Law. Each Owner shall be responsible for compliance with the provisions of the Declaration, Articles, Bylaws and the Rules and Regulations of the Board by his guests, lessees and all occupants of his Living Unit, and shall after a written notice and an opportunity for a hearing, pay the fines and penalties assessed pursuant to the Declaration, the Bylaws, or the Board Rules and Regulations for any violation by his guest, lessees, and occupants of his Living Unit.

SECTION 9.8 PETS

A maximum of two (2) pets (exclusive of caged birds or aquarium fish) may be kept in any Living Unit or Exclusive Use Area without prior written consent of the Board. No pet may weigh more than twenty (20) pounds; all animals must be confined to the respective Owner's Living Unit. However, if animals are not confined within the respective Owner's Living Unit, said animals must be leashed and under direct control of the owner. A specific area of this Project is to be designated as a "Pet Walking Area" for the purposes of exercising pets. It shall be the absolute duty and responsibility of each Owner or tenant to clean up after such animals which have used any portion of the properties in the vicinity of the Project. No Pet shall be permitted to be kept within any portion of the Condominium Property if it makes excessive noise or is determined to be a nuisance. If a pet is determined to be a nuisance, the Board may give notice to resolve the offending problem within 72 hours, or order the removal of the pet at the end of that period.

SECTION 9.9 NUISANCE.

No Living Unit or Exclusive Use Area shall be used in such a manner as to interfere with the enjoyment of other owners or annoy them by unreasonable noise or otherwise, nor shall any nuisance be committed or permitted to occur in any Living Unit, nor on the Common Area.

SECTION 9.10 SIGN CONTROL.

No sign other than one (1) sign of customary and reasonable dimensions advertising a Condominium for sale or rent shall be displayed in any Living Unit so that it is visible from such area without prior written consent of the Board. No signs shall be displayed on the Common Area except signs approved by the Board. Anything

contained in this Declaration to the contrary notwithstanding, Declarant shall have the right to install and maintain during sales periods set forth in Section 9.1 above, such signs, poles, and advertisements as it deems appropriate in connection with its sales of Condominiums to the public.

SECTION 9.11 OUTSIDE ANTENNAE. There shall be no outside television or radio antennae, poles, or flag poles constructed or maintained on the Condominium Property for any purposes without the prior approval of the board.

SECTION 9.12 USE CAUSING LOSS OF PROPERTY. No Living Unit, Exclusive Use Area or improvements situated therein shall be used in any manner which shall cause such improvements to be uninsurable against loss by fire or the perils of an extended coverage endorsement to the Nevada Standard Fire Policy Form, and cause any such policy or policies representing such insurance to be canceled or suspended or in the company issuing the same to refuse renewal thereof.

SECTION 9.13 USE SALES MODELS. (This section has been intentionally deleted)

SECTION 9.14 PARKING AREAS. No vehicles may be parked in the Common Area streets, except for the purpose of loading or unloading, for a maximum time of five (5) minutes.

No recreational vehicles, camp trailers or mobile homes shall be parked on any Common Area, except in Parcels E and K.

No Vehicle may be stored permanently in any unassigned parking spaces. Permanently, in this stance, shall be construed to mean more than one (1) week. At the end of one (1) week's time, said vehicle shall be removed from the parking space and parked elsewhere, except in parcels E and K. Additionally, no auto maintenance shall be performed on any automobile on the Common Area.

ARTICLE X

GENERAL PROVISIONS

SECTION 10.1 ENFORCEMENT. The Association and any Owner shall have the right to enforce by any proceedings at law or in equity, each covenant, condition, restriction, reservation, lien and charge now or hereafter imposed by the provisions of this Declaration. Each Owner shall have a right of action against the Association for any failure by the Association to comply with the provisions of this Declaration or of the Bylaws or Articles. Failure by the Association or any owner to enforce any covenant, condition, restriction or

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

SECTION 10.2 SEVERABILITY. Should any provision in this Declaration be void or become unenforceable in law or equity by judgment or court order, the remaining provisions of this Declaration shall remain in full force and effect.

SECTION 10.3 AMENDMENTS. During the period of time prior to conversion of the Class B membership to Class A membership, this Declaration may be amended by an instrument in writing signed by fifty percent plus one (50 % + 1) of the voting power of each class of Members of the Association. The amendment shall become effective upon its recording in the Office of the County Recorder of Clark County, Nevada. After conversion of the Class B membership to Class A membership, the Declaration may be amended by an instrument in writing signed by fifty percent plus one (50 % + 1) of the voting power of the Association. No amendment material to a mortgagee may be made to this Declaration without the prior written consent of Eligible Mortgage Holders whose mortgages encumber fifty percent plus one (50 % + 1) or more of the Condominiums within the Condominium Property which are subject to Eligible Mortgage Holder mortgages. For these purposes, any amendments to provisions of this Declaration governing any of the following subjects, shall be deemed "material to a Mortgagee":

- (a) Voting;
- (b) Assessments, assessment liens, or subordination of such liens;
- (c) Reserves for maintenance, repair, and replacement for the Common Areas;
- (d) Casualty insurance, liability insurance or fidelity bonds;
- (e) Rights of use of the Common Area;
- (f) Responsibility for maintenance and repair of the several portions of the Project;
- (g) Expansion or contraction of the Project or the addition, annexation or withdrawal of property to or from the Property;
- (h) Boundaries of any Living Unit;
- (i) The interest in Exclusive Use Area and other portions of the Common Area;
- (j) Convertibility of Living Units into Common Area or of Common Area into Living Units;

- (k) Leasing of Condominiums;
- (l) Imposition of any right of first refusal or similar restrictions on the right of an Owner to sell, transfer or otherwise convey his or her Condominium;
- (m) any provisions which are for the express benefit of Mortgage Holders, Eligible Mortgage Holders or Eligible Insurers or Guarantors.

In addition to an amendment to the Declaration or By-laws shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. An Eligible Mortgage Holder who receives a written request to approve additions or amendments who does not deliver or mail to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request.

So long as there is a Class B membership in the Association, any amendment to this Declaration shall require the prior approval of the Veterans Administration. A draft of any amendment should be submitted to the Veterans Administration for its approval prior to the recordation of the this amendment.

SECTION 10.4 EXTENSION OF DECLARATION. Each and all of these covenants, conditions, and restrictions shall terminate on December 31, 2024, after which date they shall automatically be extended for successive periods of ten (10) years unless the owners have executed and recorded at any time within six (6) months prior to December 31, 2024, or within six (6) months prior to the end of any such ten (10) year period, in the manner required for a conveyance of real property, a writing in which it is agreed that said restrictions shall terminate on December 31, 2024, or at the end of any such ten (10) year period.

SECTION 10.5 ENCROACHMENT EASEMENT. In the event any portion of the Common Area encroaches upon any Living Unit or any Living Unit encroaches upon the Common Area or another Living Unit as a result of the construction, reconstruction, repair, shifting settlement, or movement of any portion of the improvements, a valid easement for the encroachment and for the maintenance of the same shall exist so long as the encroachment exists. Said valid easement shall apply only to minor encroachments, not exceeding one (1) foot.

There shall be easements for the maintenance of said encroachments as long as they exist, and the rights and obligations of owners shall not be altered in any way by said encroachments, settlement or shifting provided, however, that in any event shall an easement for encroachment be created in favor of an Owner if said encroachment occurred due to the willful misconduct of any Owner. In the event any portion of a structure on Condominium Property is partially or totally destroyed and then repaired or rebuilt, each Owner agrees that minor encroachment over adjoining Living Units or Common Area shall be easements for the maintenance of said

encroachments so long as they shall exist.

SECTION 10.6 LITIGATION In the event the Association or any owner shall commence litigation to enforce any of the covenants, conditions, or restrictions 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 10.7 LIMITATION OF RESTRICTIONS ON DECLARANT. Declarant is undertaking the work of contraction or residential Condominiums and additional improvements upon the Condominium Property. The completion of that work, and the sale, rental or other disposal of said Condominiums is essential to the establishment of the condominium Property as a residential community. In order that his work may be completed and the Condominium Property established as a fully occupied residential community as rapidly as possible, nothing in this Declaration shall be understood to:

- (a) Prevent Declarant, its contractor or subcontractor from doing on the Condominium Property of in any Living Unity or Exclusive Use Area, whatever is reasonably necessary or advisable in connection with the completion of said work; or
- (b) Prevent Declarant or its representative from constructing and maintaining on any part or parts of the condominium Property, such structures as may be reasonably necessary for the conduct of its business of completing said work and establishing said Condominium Property as a residential community and disposing of same in parcels by sale, lease or otherwise; or
- (c) Prevent Declarant from conducting on any part of the Condominium Property its business of completing his work, and of establishing a plan of Condominium ownership and of disposing of the Condominium Property in the form of Condominiums by sale, lease, or otherwise; or
- (d) Prevent Declarant from maintaining such sign or signs on any of the Condominium Property as may be necessary for the sale, lease, or disposition thereof; provided, however, that the maintenance of any such sign shall not unreasonably interfere with the use by any Owner of his Living unit or the Common Area;

The rights of Declarant provided in Subparagraphs (a) through (d) above, may be exercised during the period of time commencing when the Condominiums are first sold and offered for sale to the public, ending when all the Condominiums in the Project are sold and conveyed by Declarant to the separate owners, or seven (7) years from the date of the conveyance of the first

Condominium in the Project from Declarant to a retail purchaser, whichever shall first occur. So long as Declarant, its successor assigns, owns one or more of the Condominiums established and described herein, Declarant, its successors or assigns shall be subject to the provisions of this Declaration. Declarant in exercising its rights under this Section 11.7, shall not unreasonably interfere with the use of the Common Area by any owner.

ARTICLE XI

ANNEXATION

SECTION 11.1 ANNEXATION OF ADDITIONAL PROPERTY. Provided for the annexation of additional property as indicated:

- (a) All or any portion of the real property described in ARTICLE I, Section 1.12 "Property Subject to Annexation" may be annexed by Declarant, without the consent of the Association or any Members or owners, within seven (7) years after the date this Declaration is recorded, provided that the improvements to be constructed thereon are substantially completed prior to any such annexation. Declarant shall be under no obligation to develop or annex such additional property and Declarant makes no representation with respect to whether or not such additional real property will ever be developed or annexed. Prior to any annexation under this Section 11.1, plans for the development of the additional property must be submitted to the Veterans Administration and the Veterans Administration must determine that such plans are in accordance with the previously submitted and approved overall general plan and so advise Declarant.
- (b) Upon approval in writing of the Association, pursuant to two-thirds (2/3) of the voting power of each class of Members of the Association, the Owner of any property who desires to add it to the scheme of this Declaration and to subject it to the jurisdiction of the Association, may file or record a Declaration of Annexation which shall extend the scheme of this Declaration to such property. After conversion of the Class B membership to Class A membership, this action shall require the vote or written consent of (1) two-thirds (2/3) of the voting power of the Members of the Association; and (2) two-thirds (2/3) or more of the voting power of the Members of the Association other than the Declarant.
- (c) Subject to annexation of additional property as set forth in Subsection:
 - (i) Declarant hereby reserves for the benefit of and appurtenant to the Condominium hereinafter located in the annexed property and their respective Owners; non-exclusive easements to use the Common Area (other than any buildings or Exclusive Use Areas) in the Condominium

Property pursuant to and in the manner set forth in this Declaration, to the same extent and with the same effect as if each of the Owners of a Condominium in Phases 2 through 10 owned an undivided interest in the Common Area in the Condominium Property.

- (ii) Declarant hereby grants, for the benefit of any appurtenance to each Condominium in the Condominium Property, and their Owners, a non-exclusive easement to use the Common Area (other than any building or Exclusive Use Areas) in Phase 2 through 10 pursuant to the provisions of and in the same manner prescribed by this Declaration, to the same extent and with the same effect as if each of the Owners of a Condominium in the Condominium Property owned an undivided interest in the Common Area of the property so annexed.

These reciprocal cross-easements shall be effective as to each phase, and as to the Condominium Property, only at such time as each phase has been annexed by recordation of a Declaration of Annexation or a separate Declaration of Covenants, Conditions, and Restrictions by Declarant. Prior to such action, neither the Condominium Property nor Phases 2 through 10 shall be affected by these reciprocal cross-easements, nor shall the owners in Phases 2 through 10 have such rights in the Common Area within the Condominium Property.

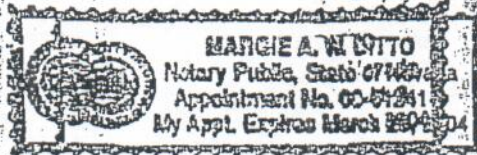
IN WITNESS WHEREOF, the undersigned, being President of the Association herein, has executed this instrument to be effective on the date that it is recorded.

Spring Oaks II Homeowners Association

BY Robert Budini
SEC.

SUBSCRIBED AND SWORN to before me this 21st day of September, ²⁰⁰⁸ 1999.

Margie A. Wito
NOTARY PUBLIC *Appointment expires 03/20/2004*



RECORDING REQUESTED BY,
AND WHEN RECORDED, MAIL TO:

VANNAH COSTELLO CANEPA
RIEDY RUBINO & LATTIE
1850 East Flamingo Road #236
Las Vegas, Nevada 89014

CLARK COUNTY, NEVADA
JUDITH A. VANDIVER, RECORDER
RECORDED AT REQUEST OF