

Inst #: 201009270004620

Fees: \$18.00

N/C Fee: \$0.00

09/27/2010 02:07:24 PM

Receipt #: 517508

Requestor:

LEACH JOHNSON SONG & GRUCHO

Recorded By: EAH Pgs: 5

DEBBIE CONWAY

CLARK COUNTY RECORDER

WHEN RECORDED MAIL TO:

John E. Leach, Esq.
Leach Johnson Song & Gruchow
5495 South Rainbow Boulevard, Suite 202
Las Vegas, NV 89118

APN Nos.: 138-14-316-001 through 138-14-316-280, inclusive

**FIRST AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
CANYON CREEK VILLAS CONDOMINIUMS**

**FIRST AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
CANYON CREEK VILLAS CONDOMINIUMS**

This First Amendment to Declaration of Covenants, Conditions and Restrictions for Canyon Creek Villas Condominiums (the "First Amendment") is made by the Members of the Canyon Creek Villas Homeowners Association, a Nevada non-profit corporation (the "Association"), on this 14th day of September, 2010.

RECITALS

WHEREAS, the Association was formed on November 8, 2006, with the filing of the Articles of Incorporation of Canyon Creek Villas Homeowners Association in the Office of the Nevada Secretary of State;

WHEREAS, Orchid Investors, LLC, a Nevada limited liability company (the "Declarant") recorded the Declaration of Covenants, Conditions and Restrictions for Canyon Creek Villas Condominiums (the "Declaration") in the Office of the Clark County Recorder's Office, Clark County, Nevada (the "County Recorder") on December 11, 2006, in Book No. 20061211, as Instrument No. 0003446;

WHEREAS, the membership of the Association desires to amend the Declaration to: (a) define transient and hotel use as any lease which is either for a period of less than six (6) months or pursuant to which the lessor provides any services normally associated with the motel or hotel; (b) eliminate the Rental Unit Limit which sets the cap on the number of units which may be leased in the community at any one time; (c) eliminate the requirement that a lease, sublease, assignment, extension or renewal be approved by the Association; and (d) require any lease to be for a period of not less than six (6) months; and

NOW, THEREFORE, the following sections of the Declaration are hereby amended to as follows:

1. Article IX, Section 9.1(a) of the Declaration is hereby amended to read as follows:

Section 9.1 **Use Restrictions.** Subject to the Special Declarant Rights reserved under Article VII and the following Use Restrictions applied to all Units and to the Common Elements:

(a) The use of each Unit is restricted to that of a single-family residence and accessory uses as permitted herein. Except for those activities conducted as a part of the marketing and development program of Declarant, no industry, business, trade or commercial activities shall be conducted, maintained or permitted in any part of a Unit, nor shall any Unit be used or rented for transient, hotel

or motel purposes. **Any lease which is either for a period of less than six (6) months or pursuant to which the lessor provides for any services normally associated with a motel or hotel shall be deemed to be for transient or hotel purposes.**

2. Article IX, Section 9.4 of the Declaration is hereby amended to read, as follows:

Section 9.4 **Restrictions on Alienation.**

(a) A Unit may not be conveyed pursuant to a time-sharing plan. Each Unit may only be used for single family residential purposes. Time-sharing, interval ownership and other short-term occupancy based on, without limitation, club membership or points is not permitted.

(b) A Unit may not be leased or rented for a term of less than **six (6) months**. All leases and rental agreements shall be in writing and subject to the requirements of the Documents and the Association.

(c) All leases of a Unit shall include a provision that the tenant will recognize and attorn to the Association as landlord, solely for the purpose of having the power to enforce a violation of the provisions of the Documents against the tenant, provided the Association gives the landlord notice of its intent to so enforce and a reasonable opportunity to cure the violation directly, prior to the commencement of an enforcement action.

(d) Each Owner shall notify the Association when such Owner wishes to rent a Unit, which notification shall include the name(s), address(es) and telephone number(s) of the prospective tenant or tenants, the term of the proposed lease (including any renewal or option term), a copy of the proposed lease and any other information requested by the Association. The Association may charge a lease approval fee to be determined by the Board of Directors, however, no fee shall be charged for the approval of an amendment, modification or extension of a previously approved lease which does not result in a change in the identity of any tenant under such lease.

(e) In the event of a sublease or assignment of an existing lease for the unexpired term thereof (including any renewal or option term of which the Association was notified in connection with its approval of the underlying lease as provided in Section 9.4(e)), the Owner shall notify the Association of such sublease or assignment as provided in Section 9.4(e).

IN WITNESS WHEREOF, this First Amendment has been executed by the Association as of the date first above written. The undersigned hereby certify that this First Amendment has been adopted and approved by a Majority of Owners, as required by Article XIV, Section 14.1 of the Declaration, and in accordance with the Act.

CANYON CREEK VILLAS
HOMEOWNERS ASSOCIATION

By: *Chao Yoong*
Chao Yoong

Its: President

By: *Jackie Johnson*
Jackie Johnson

Its: Secretary

STATE OF NEVADA)
)ss:
COUNTY OF CLARK)

On this 14 day of September, 2010, before me, the signed Notary Public in and for said County and State, appeared Chao Yoong, as President of Canyon Creek Villas Homeowners Association, known to me to be the person who executed the above and foregoing First Amendment to Declaration of Covenants, Conditions and Restrictions for Canyon Creek Villas Condominiums, and who acknowledged to me that s/he did so freely and voluntarily and for the purposes therein mentioned.

Veronika Link-Violand
NOTARY PUBLIC

(additional notary signatures on following page)

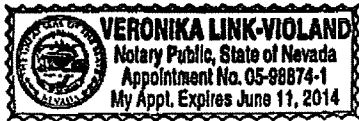


STATE OF NEVADA)
)ss:
COUNTY OF CLARK)

On this 14 day of September, 2010, before me, the signed Notary Public in and for said County and State, appeared Jackie Johnson, as Secretary of Canyon Creek Villas Homeowners Association, known to me to be the person who executed the above and foregoing First Amendment to Declaration of Covenants, Conditions and Restrictions for Canyon Creek Villas Condominiums, and who acknowledged to me that s/he did so freely and voluntarily and for the purposes therein mentioned.



NOTARY PUBLIC



Receipt/Conformed Copy

Requestor:

JONES VARGAS

12/11/2006 14:02:13 T20060216852

Book/Instr: 20061211-0003446

Restrictio Page Count: 49

Fees: \$62.00 N/C Fee: \$0.00

APN NO.: 138-14-301-001

When Recorded Mail To:

JONES VARGAS
3773 Howard Hughes Parkway
3rd Floor South
Las Vegas, Nevada 89109
Attn: Patrick J. Sheehan, Esq.

Charles Harvey
Clark County Recorder

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS FOR
CANYON CREEK VILLAS CONDOMINIUMS

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS.....	1
Section 1.1 Act.....	1
Section 1.2 Allocated Interests.....	1
Section 1.3 Architectural Committee.....	1
Section 1.4 Architectural Rules.....	2
Section 1.5 Articles.....	2
Section 1.6 Assessment, Capital Improvement.....	2
Section 1.7 Assessment, Common or Common Expense.....	2
Section 1.8 Assessment, Reconstruction.....	2
Section 1.9 Assessment, Special.....	2
Section 1.10 Association.....	2
Section 1.11 Board of Directors.....	2
Section 1.12 By-Laws.....	2
Section 1.13 Common Elements.....	2
Section 1.14 Common Expenses.....	3
Section 1.15 Declarant.....	3
Section 1.16 Declarant Control Period.....	3
Section 1.17 Declaration.....	3
Section 1.18 Development Rights.....	3
Section 1.19 Director.....	3
Section 1.20 Documents.....	3
Section 1.21 Eligible Insurer.....	3
Section 1.22 Eligible Mortgagee.....	3
Section 1.23 Garages.....	4
Section 1.24 HUD.....	4
Section 1.25 Improvements.....	4
Section 1.26 Liability for Common Expenses.....	4
Section 1.27 Limited Common Elements.....	4
Section 1.28 Majority of Owners or Majority of Members.....	4
Section 1.29 Member.....	4
Section 1.30 Manager.....	4
Section 1.31 Notice and Comment.....	4
Section 1.32 Notice and Hearing.....	4
Section 1.33 NRS.....	4
Section 1.34 Owner.....	4
Section 1.35 Person.....	4
Section 1.36 Plat and Plans.....	5
Section 1.37 Project.....	5
Section 1.38 Property.....	5
Section 1.39 Public Offering Statement.....	5
Section 1.40 Rules.....	5
Section 1.41 Security Interest.....	5
Section 1.42 Special Declarant Rights.....	5
Section 1.43 Subsidy Agreement.....	5
Section 1.44 Trustee.....	5
Section 1.45 Unit.....	6
Section 1.46 VA.....	6
ARTICLE II PROJECT AND ASSOCIATION.....	6
Section 2.1 Project.....	6
Section 2.2 Association.....	6

ARTICLE III DESCRIPTION OF PROPERTY	6
ARTICLE IV UNIT AND BOUNDARY DESCRIPTIONS	6
Section 4.1 Maximum Number of Units.....	6
Section 4.2 Boundaries.....	6
ARTICLE V LIMITED COMMON ELEMENTS.....	7
Section 5.1 Assigned Limited Common Elements.....	7
Section 5.2 Subsequently Allocated Limited Common Elements.....	7
ARTICLE VI MAINTENANCE.....	8
Section 6.1 Common Elements.....	8
Section 6.2 Units.....	8
Section 6.3 Limited Common Elements.....	8
Section 6.4 Right of Access.....	8
Section 6.5 Repairs Resulting from Negligence.....	8
Section 6.6 Mold.....	9
ARTICLE VII DEVELOPMENT RIGHTS AND OTHER SPECIAL DECLARANT RIGHTS	9
Section 7.1 Reservation of Development Rights.....	9
Section 7.2 Special Declarant Rights.....	10
Section 7.3 Models, Sales Offices and Management Offices.....	10
Section 7.4 Signs and Marketing.....	10
Section 7.5 Declarant's Personal Property.....	10
Section 7.6 Declarant Control of the Association.....	10
Section 7.7 Limitations on Special Declarant Rights.....	11
Section 7.8 Interference with Special Declarant Rights.....	11
Section 7.9 Lender Protection.....	11
Section 7.10 Priority of Declarant's Rights and Reservations.....	11
Section 7.11 Assignment of Declarant's Rights and Duties.....	11
ARTICLE VIII ALLOCATED INTERESTS.....	12
Section 8.1 Allocation of Interests.....	12
Section 8.2 Formulas for the Allocation of Interests.....	12
Section 8.3 Assignment of Allocated Interests Pursuant to Exercise of Development Rights.....	12
ARTICLE IX RESTRICTION ON USE, ALIENATION AND OCCUPANCY	12
Section 9.1 Use Restrictions.....	12
Section 9.2 Occupancy Restrictions.....	13
Section 9.3 Laws and Insurance Requirements.....	15
Section 9.4 Restrictions on Alienation.....	15
Section 9.5 Declarant's Rights.....	16
ARTICLE X EASEMENTS AND LICENSES	17
Section 10.1 Easements of Record.....	17
Section 10.2 Encroachment Easement.....	17
ARTICLE XI ALLOCATION OF LIMITED COMMON ELEMENTS.....	17
ARTICLE XII ADDITIONS, ALTERATIONS AND IMPROVEMENTS	17
Section 12.1 Requisite Approvals and Procedures for Owner Alteration.....	17
Section 12.2 Limitation on Liability of Architectural Committee.....	18
Section 12.3 Architectural Committee Rules.....	19
Section 12.4 Board of Directors and Architectural Committee Discretion.....	19
Section 12.5 No Applicability to Any Previous Construction by Declarant or its Predecessors.....	19
Section 12.6 No Applicability to Board of Directors.....	19

ARTICLE XIII BOUNDARIES	19
Section 13.1 Application and Amendment	19
Section 13.2 Recording Amendments.....	20
ARTICLE XIV AMENDMENTS TO DECLARATION	20
Section 14.1 In General.....	20
Section 14.2 Limitation of Challenges.....	20
Section 14.3 Recordation of Amendments.....	20
Section 14.4 Unanimous Consent.	20
Section 14.5 Execution of Amendments.....	20
Section 14.6 Special Declarant Rights.....	20
Section 14.7 Consent of Holders of Security Interests and FHA, HUD, FNMA and VA.	20
Section 14.8 Amendments to Create Units.....	20
ARTICLE XV AMENDMENTS TO BY-LAWS	21
ARTICLE XVI TERMINATION	21
ARTICLE XVII MORTGAGEE PROTECTION	21
Section 17.1 Introduction.....	21
Section 17.2 Percentage of Eligible Mortgagees.....	21
Section 17.3 Notice of Actions.....	21
Section 17.4 Consent and Notice Required.....	21
Section 17.5 Development Rights.....	24
Section 17.6 Inspection of Books.....	24
Section 17.7 Financial Statements.....	24
Section 17.8 Enforcement.....	24
Section 17.9 Attendance at Meetings.....	24
Section 17.10 Appointment of Trustee.....	24
ARTICLE XVIII ASSESSMENT AND COLLECTION OF COMMON EXPENSES	25
Section 18.1 Apportionment of Common Expenses.....	25
Section 18.2 Common Expenses Attributable to Fewer than all Units; Exempt Property.....	25
Section 18.3 Lien.....	25
Section 18.4 Budget Adoption and Ratification.....	27
Section 18.5 Capital Improvement Assessments.....	27
Section 18.6 Certificate of Payment of Common Expense Assessments.....	27
Section 18.7 Monthly Payment of Common Expenses.....	27
Section 18.8 Limitations on Maximum Annual Assessment.....	27
Section 18.9 Acceleration of Common Expense Assessments.....	27
Section 18.10 Commencement of Common Expense Assessments.....	27
Section 18.11 No Waiver of Liability for Common Expenses.....	28
Section 18.12 Personal Liability of Owners.....	28
Section 18.13 Capitalization of Association.....	Error! Bookmark not defined.
Section 18.14 Subsidy Agreements.....	28
ARTICLE XIX RIGHT TO ASSIGN FUTURE INCOME	28
ARTICLE XX PERSONS AND UNITS SUBJECT TO DOCUMENTS	28
Section 20.1 Membership in the Association.....	28
Section 20.2 Compliance with Documents.....	29
Section 20.3 Adoption of Rules.....	29
ARTICLE XXI INSURANCE	29
Section 21.1 Coverage.....	29
Section 21.2 Property Insurance Coverage.....	29
Section 21.3 Liability Insurance.....	30

Section 21.4	Fidelity Bonds.....	31
Section 21.5	Owner Policies.....	31
Section 21.6	Workers' Compensation Insurance.....	31
Section 21.7	Directors and Officers' Liability Insurance.....	31
Section 21.8	Other Insurance.....	31
Section 21.9	Premiums.....	31
ARTICLE XXII DAMAGE TO OR DESTRUCTION OF PROPERTY.....		31
Section 22.1	Duty to Restore.....	31
Section 22.2	Cost.....	31
Section 22.3	Plans.....	31
Section 22.4	Replacement of Less Than Entire Property.....	32
Section 22.5	Insurance Proceeds.....	32
Section 22.6	Certificates by Board of Directors.....	32
Section 22.7	Certificates by Title Insurance Companies.....	32
ARTICLE XXIII NOTICE AND HEARING.....		33
Section 23.1	Right to Notice and Comment.....	33
Section 23.2	Right to Notice and Hearing.....	33
Section 23.3	Appeals.....	33
ARTICLE XXIV BOARD OF DIRECTORS.....		33
Section 24.1	Association Records and Minutes of Board of Directors Meetings.....	33
Section 24.2	Powers and Duties.....	33
Section 24.3	Board of Directors Limitations.....	33
ARTICLE XXV OPEN MEETINGS.....		34
Section 25.1	Access.....	34
Section 25.2	Executive Sessions.....	34
ARTICLE XXVI CONDEMNATION.....		34
ARTICLE XXVII ALLEGED DEFECTS: RIGHT TO CURE AND ARBITRATION; DISCLAIMER OF WARRANTIES.....		34
Section 27.1	Declarant's Right to Cure Alleged Defects.....	34
Section 27.2	Arbitration of Disputes.....	36
Section 27.3	Disclaimer of Warranties.....	38
Section 27.4	Required Procedure for Legal Proceedings.....	38
ARTICLE XXVIII MISCELLANEOUS PROVISIONS.....		41
Section 28.1	Enforcement.....	41
Section 28.2	Captions.....	41
Section 28.3	Gender.....	41
Section 28.4	Waiver.....	41
Section 28.5	Invalidity.....	41
Section 28.6	Conflict.....	41
Section 28.7	Notices.....	41
Section 28.8	Unilateral Amendment by Declarant.....	42
Section 28.9	Term.....	42
EXHIBIT A LEGAL DESCRIPTION.....		44

**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS FOR
CANYON CREEK VILLAS CONDOMINIUMS**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (the "Declaration") is made as of this sixth day of November, 2006, by ORCHID INVESTORS LLC, a Nevada limited liability company with an office at 1600 SW 4th Avenue, Suite 870, Portland, Oregon ("Declarant") for the purpose of submitting that certain real property located in the County of Clark, State of Nevada, described in Exhibit A (the "Property"), to the provisions of the Uniform Common Interest Ownership Act, Chapter 116 of the Nevada Revised Statutes (the "Act"), for the purpose of a condominium common interest community. Declarant is presently the owner of all of the condominiums comprising Canyon Creek Villas Condominiums, and hereby files the initial Declaration of Covenants, Conditions and Restrictions.

RECITALS

A. Declarant intends to develop the Property, together with any improvements, modifications, additions or amendments as may hereinafter be brought within the terms of this Declaration (the "Project"), as a condominium common interest community to be known as Canyon Creek Villas Condominiums. Declarant intends to develop the condominiums in one phase under the provisions of the Act providing for separate title to living units appurtenant to which will be an undivided fractional interest in the Project other than living units and pursuant to a general plan for the maintenance, care, use and management of the Project. Therefore, Declarant intends 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.

B. The Project shall initially contain a total of 280 Units (see map attached as Exhibit A), together with Common Elements and Limited Common Elements.

C. Each Unit shall have appurtenant to it a membership in the Canyon Creek Villas Homeowners' Association, Inc., a Nevada nonprofit corporation ("Association"), which will be the management body for the overall Project.

D. Before selling or conveying any interest in the Property, Declarant desires to subject the 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 Property.

NOW THEREFORE, Declarant hereby declares that the 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 undivided interest in the Common Elements and Limited Common Elements, the Liability for Common Expenses, and the votes in the Association which are allocated to Units in the Project.

Section 1.3 Architectural Committee. "Architectural Committee" shall mean the architectural committee created pursuant to Section 12.1 hereof.

Section 1.4 Architectural Rules. "Architectural Rules" shall mean the rules adopted by the Architectural Committee pursuant to Section 12.3 hereof.

Section 1.5 Articles. "Articles" or "Articles of Incorporation" shall mean the Articles of Incorporation of the Association, as they may from time to time be amended.

Section 1.6 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 1.7 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 1.8 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 1.9 Assessment, Special. "Assessment, Special" shall mean a charge against a particular Owner and his Unit, directly attributable to or reimbursable by the 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 1.10 Association. "Association" shall mean Canyon Creek Villas Homeowners' Association, Inc., a nonprofit corporation organized under NRS Chapter 82 organized as the Association of Owners pursuant to the Act (NRS 116.3101).

Section 1.11 Board of Directors. "Board" or "Board of Directors" shall mean the Board of Directors of the Association.

Section 1.12 By-Laws. "By-Laws" shall mean the By-Laws of the Association, as they may be amended from time to time.

Section 1.13 Common Elements. "Common Elements" shall mean all of the Project (see Exhibit A) and property on which it sits, and shall initially include the real property described in Exhibit A except for the units, including without limitation, the following components:

(a) The buildings (including, but not by way of limitation, the foundation, columns, girders, beams, supports, perimeter and supporting walls, chimneys, chimney chases, roofs, stairs, patios, balconies, entrances and exits and the mechanical installations of a building consisting of the equipment and materials making up any central services such as power, light, gas, hot and cold water, sewer and heating and central air conditioning which exist for use by one or more of the Owners, including the pipes, vents, ducts, flues, cable conduits, wires, telephone wire and other similar utility installations used in connection therewith), except for the Units; and

(b) The sidewalks, walkways, paths, grass, shrubbery, trees, driveways, roadways, landscaping, parking areas and related facilities upon the Property; and

(c) The pumps, tanks, motors, fans, storm drainage structures, compressors, ducts and, in general, all apparatus, installations and equipment of the building existing for the use of one or more of the Owners; and

(d) In general, all other parts of the Project designated by Declarant as Common Elements or Limited Common Elements and existing for the use of one or more of the Owners. The Common Elements shall be owned by the Owners of the Units, each Owner of a Unit having an undivided interest in the Common Elements as provided below.

Section 1.14 Common Expenses. "Common Expenses" shall mean the expenses or financial liabilities for the operation of the Project together with any allocations to reserve and shall include:

(a) Expenses of administration, insurance, operation, maintenance, repair or replacement of the Common Elements except to the extent such repairs and replacements are the responsibility of an Owner pursuant to the terms of this Declaration;

(b) Expenses declared to be Common Expenses under the Documents or the Act;

(c) Sums lawfully assessed against the Units by the Board of Directors.

(d) Expenses agreed upon as Common Expenses by the Members of the Association (including without limitation the painting and maintenance of the exterior or the perimeter walls);

(e) Allocation for reserves established by the Association for repair, replacement and restoration of the major components of the Common Elements; and

(f) 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 1.15 Declarant. "Declarant" shall mean Orchid Investors LLC, a Nevada limited liability company, or its successors as defined in the Act (NRS 116.110335).

Section 1.16 Declarant Control Period. "Declarant Control Period" shall mean the period of time during which the Declarant is entitled to appoint a majority of the members of the Board of Directors pursuant to Section 7.6.

Section 1.17 Declaration. "Declaration" shall mean this document, including any amendments.

Section 1.18 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 1.19 Director. "Director" shall mean a member of the Board of Directors.

Section 1.20 Documents. "Documents" shall mean the Declaration, the Articles, the Plat and Plans, the By-Laws and the Rules as they may 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 1.21 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 1.22 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 1.23 Garages. "Garage" shall mean an enclosed parking space as identified on the Plat and Plans as a Garage, appurtenant to and part of a designated Unit. A Garage shall consist of a fee simple interest appurtenant to and part of a designated Unit bounded by the Upper Boundary, Lower Boundary, Vertical Perimeter Boundaries, Inclusions (to the extent applicable) serving each Garage exclusively and Exclusions (to the extent applicable), in like manner as a Unit is bounded as described in Section 4.2. If this definition is inconsistent with the information contained in the Plat and Plans, then the Plat and Plans definition will control. A Garage shall not be deemed independently to constitute a Unit, but shall be appurtenant to and part of a Unit.

Section 1.24 HUD. "HUD" shall mean the U.S. Department of Housing and Urban Development.

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

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 Owners under the Declaration or the Act and are described in Article V of this Declaration.

Section 1.28 Majority of Owners or Majority of Members. "Majority of Owners" or "Majority of Members" shall mean the Owners of more than 50% of the total number of Units contained in the Project.

Section 1.29 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 By-Laws.

Section 1.30 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 1.31 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 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 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 each 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 Plat and Plans. "Plat and Plans" means the Final Map of Canyon Creek Villas Condominiums (A Condominium Development), recorded 12/11/06 on file in Book 134 of Plats, p. 99, instrument No. 2405, in the Office of the County Recorder, Clark County, Nevada, together with such other diagrammatic plans and information regarding the Project as may be required by the Act or other applicable law, or as may be included at the discretion of Declarant, as each such survey may be amended and supplemented from time to time, and all as recorded in the Office of the County Recorder, Clark County, Nevada.

Section 1.37 Project. "Project" shall mean the Property together with the Common Elements and all Improvements constructed thereon.

Section 1.38 Property. "Property" shall mean the real property described in Exhibit A and all Improvements, easements, rights, appurtenances and additional property which have been or are hereafter submitted to the provisions of the Act by this Declaration.

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 Rules. "Rules" shall mean the Rules and 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 and the By-Laws.

Section 1.41 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 1.42 Special Declarant Rights. "Special Declarant Rights" shall mean those rights reserved for the benefit of Declarant to:

- (a) Complete improvements indicated on the Plat and Plans;
- (b) Exercise any Development Right;
- (c) Maintain sales offices, management offices, advertisement signs and models within the Project for the benefit of the Property and any other real property owned by Declarant;
- (d) 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
- (e) Appoint or remove an officer of the Association or a master association or any Board of Directors Member during the Declarant Control Period.

Section 1.43 Subsidy Agreement. "Subsidy Agreement" shall mean an agreement between Declarant and the Association of the type described in this Declaration.

Section 1.44 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 By-Laws. 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 to by the secretary.

Section 1.45 Unit. "Unit" shall mean the fee simple interest in and to a single Unit depicted on the Plat and Plans designated for separate ownership and occupancy, the boundaries of which are described in this Declaration, together with the Limited Common Elements appurtenant to the Unit as specified in Article V and the undivided interest in the Common Elements appurtenant to the Unit as specified in Exhibit A.

Section 1.46 VA. "VA" shall mean and refer to the U.S. Department of Veterans Affairs.

ARTICLE II

PROJECT AND ASSOCIATION

Section 2.1 Project. The name of the Project is Canyon Creek Villas Condominiums. Canyon Creek Villas Condominiums is a condominium common interest community under the Act.

Section 2.2 Association. The name of the Association is Canyon Creek Villas Homeowners' Association, Inc. The Association is charged with the duties and vested with the powers prescribed by law and set forth in the Articles, By-Laws and this Declaration. Neither the Articles nor the By-Laws 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 By-Laws, then such provision shall be consistent with the provisions of this Declaration.

ARTICLE III

DESCRIPTION OF PROPERTY

The Property is situated in Clark County, Nevada, and is more particularly described as set forth in Exhibit A attached hereto.

ARTICLE IV

UNIT AND BOUNDARY DESCRIPTIONS

Section 4.1 Maximum Number of Units. When created, the Project shall contain 280 Units.

Section 4.2 Boundaries. The Boundaries of each Unit created by the Declaration are the Unit lines shown on the Plat and Plans as numbered Units, along with their identifying number, and are described as follows:

(a) Upper Boundary. The horizontal or sloping plane or plans of the unfinished lower surfaces of the ceiling bearing structure surfaces, beams and rafters, extended to an intersection with the vertical perimeter boundaries.

(b) Lower Boundary. The horizontal plane or planes of the undecorated or unfinished upper surfaces of the floors, extended to an intersection with the vertical perimeter boundaries and open horizontal unfinished surfaces of trim, sills and structural components.

(c) Vertical Perimeter Boundaries. The planes defined by the inner surfaces of the studs and framing of the perimeter walls; the unfinished inner surfaces of poured concrete walls; the unfinished surfaces of the interior trim and thresholds along perimeter walls and floors; the unfinished (inner) surfaces of closed windows and closed perimeter doors; and the innermost unfinished planes of all interior bearing studs and framing of bearing walls, columns, bearing partitions and partition walls between separate Units.

(d) Inclusions. Each Unit will include the spaces and Improvements lying within the boundaries described in (a)-(c) above, and will also include the spaces and Improvements within those spaces containing any space heating, water heating and air conditioning apparatus, all

electrical switches, wiring, pipes, ducts, conduits, smoke detector systems and television, telephone, electrical receptacles and light fixtures and boxes serving that Unit exclusively. The surface of the foregoing items will be the boundaries of that Unit, whether or not those items are contiguous to the Unit.

(e) Exclusions. Except when specifically included by other provisions of this Section, the following are excluded from each Unit: the spaces and Improvements lying outside the boundaries described in (a)-(c) above and all chutes, pipes, flues, ducts, wires, conduits, skylights and other facilities running through or within any interior wall or partition for the purpose of furnishing utility and similar services to other Units and Common Elements or both.

(f) Noncontiguous Portions. Certain Units may include special portions, pieces or equipment such as air conditioning compressors, meter boxes, utility connection structures and storage portions situated in buildings or structures that are detached or semi-detached from the buildings containing the principal occupied portion of the Units. This special equipment and storage portions are a part of the Unit, even though they are not contiguous with the residential portions.

(g) Inconsistency with Plat and Plans. If this definition is inconsistent with the information contained in the Plat and Plans, then the Plat and Plans definition will control.

ARTICLE V

LIMITED COMMON ELEMENTS

Section 5.1 Assigned Limited Common Elements. The following portions of the Common Elements are Limited Common Elements assigned to the Units as stated:

(a) If a chute, flue, pipe, duct, wire, conduit, bearing wall, bearing column or other fixture lies partially within and partially outside the designated boundaries of a Unit, the portion serving only the Unit is a Limited Common Element, allocated solely to the Unit, the use of which is limited to that Unit and any portion serving more than one Unit or a portion of the Common Elements is a part of the Common Elements.

(b) Any shutters, awnings, window boxes, doorsteps, storage areas, entry areas, stoops, porches, balconies, patios and exterior doors and windows or other fixtures designed to serve a single Unit and identified on the Plat and Plans as Limited Common Areas, located outside the boundaries of the Unit, are Limited Common Elements allocated exclusively to the Unit and their use is limited to that Unit.

(c) Entry areas, stairs, stoops, steps and walls above door openings at the entrances to each building which provide access to less than all Units, the use of which is limited to the Units to which they provide access.

(d) Exterior surfaces, trim, siding, doors and windows will be Limited Common Elements allocated to the Units sheltered.

(e) Mailboxes, nameplates and exterior lighting affixed to the building will be Limited Common Elements allocated to the Units served.

Section 5.2 Subsequently Allocated Limited Common Elements. Those portions of the Common Elements shown as unnumbered or unassigned parking spaces on the Plat and Plans may be allocated as Limited Common Elements in accordance with Section 7.1(b) and Article XI of this Declaration, or may be assigned or limited to visitor parking only by the Board of Directors through the Rules.

ARTICLE VI

MAINTENANCE

Section 6.1 Common Elements. The Association shall maintain, repair and replace all of the Common Elements, except the portions of the Limited Common Elements which are required by this Declaration or the Act to be maintained, repaired or replaced by an Owner.

Section 6.2 Units. Each Owner shall maintain, repair and replace, at his or her own expense, all portions of his or her Unit (including the Garage), except the portions of the Unit required by this Declaration or the Act to be maintained, repaired or replaced by the Association.

Section 6.3 Limited Common Elements. Any Common Expense associated with the maintenance, repair or replacement of heat exchanger, heater outlet, enclosures and mechanical attachments will be assessed against the Unit or Units to which the Limited Common Element is assigned.

(a) Common Expenses associated with the maintenance, repair or replacement of components and elements attached to, planted on, or a part of yards, patios, balconies, exterior surfaces, trim, siding, doors and windows will be assessed against the Unit or Units to which the Limited Common Element is assigned. No additional component or element may be attached without consent of the Board of Directors in accordance with Article XII. In the event any additional component or element becomes deteriorated or unsightly, or is inconsistent with conditions of installation, it may be removed or repaired at the Owner's expense as a Common Expense assessment under this Section, after Notice and Hearing.

(b) If any such Limited Common Element is assigned to more than one Unit, the Common Expenses attributable to the Limited Common Element will be assessed equally among the Units to which it is assigned.

(c) Common Expenses associated with the cleaning, maintenance, repair or replacement of any Limited Common Elements will be assessed against all Units in accordance with the Allocated Interests in the Common Expenses.

(d) Each Owner shall be responsible for removing snow, leaves and debris from all patios, balconies and front landings which are Limited Common Elements appurtenant to the Unit. If any such Limited Common Element is appurtenant to two or more Units, the Owners of those Units will be jointly responsible for such removal.

Section 6.4 Right of Access. Any person authorized by the Board of Directors shall have the right of access to all portions of the Project 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 6.5 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 guest's failure to properly maintain, repair or make replacements to his or her Unit or to those Limited Common Elements for which such Owner is responsible under this Declaration. 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 6.6 **Mold.** Each Owner, by acceptance of a deed to a Unit, acknowledges and understands that there is, and will always be, the presence of certain biological organisms within the Unit. Most typically, this will include the common occurrence of mold and/or mildew. It is important to note that mold and mildew tend to proliferate in warm, wet areas. As such, it is each Owner's responsibility to maintain his or her Unit so as to avoid the accumulation of moisture and/or mold and mildew within the Unit. Such mitigation matters should include, without limitation, the frequent ventilation of the Unit, removal of standing water on the balcony (as applicable), prompt repair of any leaks which permit water intrusion into the Unit, and prompt repair of plumbing leaks within the Unit (irrespective of who may have caused any such leaks). Each Owner also understands that the presence of indoor plants may also increase moisture and/or mold and mildew. Also, the propping of large pieces of furniture against wall surfaces may lead to mold or mildew accumulation. It is the responsibility of each Owner to monitor and maintain his or her Unit so as to mitigate and avoid the conditions which are likely to lead to the existence and/or growth of mold and/or mildew. In the event that mold does appear and/or grow within the Unit, it is also the Owner's responsibility to promptly and properly treat such mold to minimize the spreading thereof and/or unhealthy conditions likely to arise as a result thereof. Such measures frequently include, but are not limited to, cleaning mold-affected surfaces with chlorine bleach. Each Owner is responsible to learn how to clean any affected Improvements. No claim shall be made against Declarant for any legal cause of action relating to the accumulation of mold or mildew, including without limitation, claims made by Unit Owners that neighbor Units containing mold or mildew.

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, to expand the Project by amendment. Declarant shall have the unilateral right to transfer to any other person the right to expand which is herein reserved.

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.

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

(c) 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 Plat and Plans will be amended to include reference to the recorded easement.

(d) 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.

(e) 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 and to further amend thereafter pursuant to these Covenants, Conditions and Restrictions.

Section 7.2 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 Plat and Plans;
- (b) To exercise any Development Right reserved in this Declaration or allowed by law;
- (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 make the Project subject to a master association;
- (f) To merge or consolidate the Project with another common interest community of the same form of ownership; and
- (g) To appoint or remove any officer of the Association or a Board of Directors Member during the Declarant Control Period.

Section 7.3 Models, Sales Offices and Management Offices. For so long as Declarant is an Owner, Declarant, its duly authorized agents, representatives and employees, reserves the right to use a portion of the "Office" identified on the Plat and Plans for sales offices and/or management offices. Declarant further reserves the right to maintain any Unit owned by Declarant or any portion of the Common Elements as a model Unit, sales office or management office.

Section 7.4 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 7.5 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 7.6 Declarant Control of the Association. (a) Subject to subsection 7.6(b), there shall be a Declarant Control Period during which the 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) Sixty (60) days after conveyance of 75% 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 the termination of the Declarant Control 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 sixty (60) days after conveyance of 25% of the Units that may be created to Owners other than a Declarant, at least one Member and not less than 25% of the Members of the Board of Directors shall be elected by Owners other than Declarant. Not later than sixty (60) days after conveyance of 50% of the Units that may be created to Owners other than a Declarant, not less than 33 1/3% 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 By-Laws.

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

Section 7.7 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) holds a Development Right to create additional Units or Common Elements; (b) owns any Unit; (c) owns any Security Interest in any Units; or (d) fifteen years have elapsed after recording of this Declaration. Earlier termination of certain rights may occur by statute.

Section 7.8 Interference with Special Declarant Rights. Neither the Association nor any 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 7.9 Lender Protection. During the Declarant Control Period, the following actions will require the prior approval of FHA, FNMA, VA and HUD to the extent necessary to meet any FHA, FNMA, VA and/or HUD requirements which are 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 By-Laws, 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 7.10 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 herein. 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 7.11 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. Allocated Interests have been 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.

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

(a) **Undivided Interest in the Common Elements.** The percentage of the Undivided Interest in the Common Elements allocated to each Unit is based on one share for each Unit compared with the total shares allocated to all the Units in the Project. The maximum possible percentage of the Undivided Interest in the Common Elements allocable to a Unit is equal to 1/280. The minimum possible percentage of the Undivided Interest in the Common Elements allocable to a Unit is equal to 1/280.

(b) **Liability for Common Expenses.** The percentage of Liability for Common Expenses allocated to each Unit (except as otherwise set forth herein) is based on one share for each Unit compared with the total shares allocated to all the Units in the Project. The maximum possible percentage of Liability for Common Expenses allocable to a Unit is equal to 1/280. Nothing contained in this subsection shall prohibit certain Common Expenses from being apportioned to particular Units under this Declaration.

(c) **Votes.** Each Unit in the Project shall have one equal vote. Any specified percentage, portion or fraction of Owners, unless otherwise stated in the Documents, means the specified percentage, portion or fraction of all of the votes as allocated in this Section.

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, ALIENATION AND OCCUPANCY

Section 9.1 Use Restrictions. Subject to the Special Declarant Rights reserved under Article VII and the following Use Restrictions apply to all Units and to the Common Elements:

(a) The use of each Unit is restricted to that of a single-family residence and accessory uses as permitted herein. Except for those activities conducted as a part of the marketing and development program of Declarant, no industry, business, trade or commercial activities shall be conducted, maintained or permitted in any part of a Unit, nor shall any Unit be used or rented for transient, hotel or motel purposes, including, but not limited to, any rental period less than three (3) months.

(b) No indecent or pornographic uses, massage parlors, adult bookstore, retail store, or any other similar store or club or any business devoted to the sale of articles and merchandise normally used or associated with illegal or unlawful activities, including, without limitation, the

sale of paraphernalia used in connection with marijuana, cocaine or other controlled drugs or substances.

Section 9.2 Occupancy Restrictions. Subject to the Special Declarant Rights reserved under Article VII, the following occupancy restrictions apply to all Units, Limited Common Elements and to the Common Elements:

(a) No electrical device creating overloading of standard circuits may be used without permission from the Board of Directors. Misuse or abuse of appliances or fixtures within a Unit which affects other Units or the Common Elements is prohibited. Any damage resulting from such misuse shall be the responsibility of the Owner who caused such damage. Total electrical usage in any Unit shall not exceed the capacity of the circuits as labeled on the circuit breaker boxes.

(b) All Owners shall maintain their Units in a clean and well-maintained condition. No storage of trash will be permitted in or outside of any Unit in a manner which may permit the spread of fire, odors, seepage or encouragement of vermin. No bicycles, refrigerators, boxes, refuse or debris or other items which may be deemed storage items may be placed on balconies or patio areas where they can be seen and laundry may not be placed to dry on balcony or patio areas. No clotheslines of any kind shall be allowed.

(c) Any parking spaces, if any, which are designated as visitor parking by the Board of Directors are for the sole use of visitors and guests only and may not be used by Owners. Such parking spaces may be used only for vehicles, but specifically excluding oversized trucks, commercial vehicles, motorhomes, boats, personal watercraft, campers and trailers. Furthermore, no motorhomes, boats, personal watercraft, campers or trailers may be parked in any exterior parking space, regardless of whether the parking space is designated for use by visitors or residents.

(d) No noxious, offensive, dangerous or unsafe activity shall be conducted in any Unit, nor shall anything be done, either willfully or negligently, which may be or might become an annoyance or nuisance to the other Owners or occupants of Units. No Owner or occupant of a Unit shall make or permit any disturbing noises nor do or permit anything to be done by others that will interfere with the rights, comforts or convenience of other Owners or Unit occupants.

(e) Livestock, poultry and reptiles shall not be raised, bred or kept in any Unit, or elsewhere within the Project. An Owner or occupant of a Unit may keep and maintain at a Unit not more than two (2) cats or two (2) dogs (and no more than two (2) such animals total, in any combination, at any time, not including fish). No one animal may weigh more than fifty (50) pounds. No animal may be kept, bred or maintained at any Unit for any commercial purpose. Pets shall be kept within the Unit, except when under leash. Pets that become a nuisance or any annoyance to other Owners (as reasonably determined by the Board) may be muted, confined or removed by the Board at the Owner's expense. Domestic birds (not to exceed two (2)), and fish in an aquarium measuring less than twenty (20) gallons shall be permitted so long as such animals are kept in the interior of a Unit and are (i) kept as household pets, (ii) are not so excessively noisy as to disturb the quiet enjoyment by each Owner of its Unit, as reasonably determined by the Board, (iii) are not kept, bred or raised for commercial purposes or, as determined by the Board, in unreasonable numbers, (iv) do not constitute a nuisance or threat to the personal safety of other Owners and their guests in the Project, as reasonably determined by the Board. All pets must be registered in writing on a form to be provided by the Manager and/or the Board. The Board shall specifically have the power to prohibit the keeping or maintenance of any animal, which, in the opinion of the Board, after Notice and Hearing, is deemed by the Board to constitute a nuisance to any other Owner or Owners or other Persons, or to be a threat to the personal safety and welfare of any Owner or Owners or other Persons. Additionally, and notwithstanding anything contained herein to the contrary, no Owner is permitted to keep any pet known to be involved in any incident resulting in major property damage (above \$250), injury or death to any person, any pet that is of a

type or breed that is commonly known to be aggressive or dangerous, or any pet the damages caused by which is not or would not be covered by the Owner's insurance policy. Each Person bringing or keeping an animal within the Project shall be liable to Owners and their guests and other Persons for any damage to Persons or property caused by any pet brought upon or kept upon the Project by such Person or by members of its family, or its guests, and it shall be the immediate duty and responsibility of each such Person to clean up after such animal(s) that have deposited droppings or otherwise used any portion of the Project or public street abutting or visible from the Property. Animals belonging to Owners or guests of any Owner must be kept within an enclosure or on a leash held by a Person capable of controlling the animal. The Board may adopt additional Rules regarding the foregoing, including without limitation, regulations relating to the size, breed, weight and other characteristics of permitted pets. Pets are not permitted to be left unattended in the Common Elements, or in any place where they may become a nuisance to others or a danger to themselves. No animal is allowed inside any pool/spa area enclosure at any time. All animals must have a current license and updated vaccinations.

(f) No signs, window displays or advertising visible from outside a Unit (except for a nameplate sign not exceeding nine square inches in area on the main door to each Unit) shall be maintained or permitted in any part of a Unit. All draperies which can be seen from the outside of the Unit must have a white or off-white backing.

(g) There will be no structural changes made to the appearance of any Unit without permission of the Association under Article XII.

(h) No person may live or reside in any Garage. Garages are for the purpose of storing personal property only and are subject to further restrictions as may be set forth in the Rules.

(h) The Common Elements shall be improved and used only for the following purposes:

(1) Affording vehicular passage and pedestrian movement within the Project, including access to the Units;

(2) Recreation use by the Owners and occupants of Units in the Project and their guests, subject to rules established by the Board of Directors;

(3) Beautification of the Common Elements and providing privacy to the residents of the Project through landscaping and such other means as the Board of Directors shall deem appropriate;

(4) Parking of automotive passenger vehicles in areas provided therefor upon such terms and conditions as may from time to time be determined by the Board of Directors;

(5) The following uses are hereby expressly prohibited:

(i) No garbage or refuse may be placed or left in the Common Elements except in receptacles provided for that use; and

(ii) No planting may be done in the Common Elements by any Owner, except at the direction of the Board of Directors.

(6) No part of the Common Elements shall be obstructed so as to interfere with its use for the purposes hereinabove permitted, nor shall any part of the Common Elements 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 Elements or in storage areas designated by the Board of Directors), nor in any manner which shall increase the rate at 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 Elements 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 insurance to be canceled or suspended or the company issuing the same to refuse renewal thereof.

(i) Noise:

(1) The following chart sets forth the allowable noise standards:

Allowable Exterior Noise Level 7:00 a.m. to 10:00 p.m.	Allowable Exterior Noise Level 10:01 p.m. to 6:59 a.m.
50 Decibels	40 Decibels

All decibel levels shall be measured using A-weighted slow response, and shall be measured anywhere within a neighboring Unit. If the Ambient Noise Level exceeds the resulting standard, the Ambient Noise Level shall be the standard.

(2) No occupant of any Unit shall create any noise or allow the creation of any noise which causes the noise level, when measured within any other Unit, to exceed any of the following:

(i) The noise standard for any fifteen-minute period;

(ii) An instantaneous noise level equal to the value of the noise standard plus twenty (20) dba for any period of time;

(iii) A repeated impulsive noise level equal to the value of the noise standard plus five (5) dba for any period of time;

(iv) A noise occurring more than five (5) but less than fifteen (15) minutes per hour equal to the value of the noise standard plus five (5) dba; or

(v) A noise occurring more than one (1) but less than five (5) minutes per hour equal to the value of the noise standard plus ten (10) dba.

Section 9.3 Laws and Insurance Requirements. Nothing shall be done to or kept on any Unit or improvement thereon 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 9.4 Restrictions on Alienation.

(a) A Unit may not be conveyed pursuant to a time-sharing plan. Each Unit may only be used for single family residential purposes. Time-sharing, interval ownership and other short-term occupancy based on, without limitation, club membership or points is not permitted.

(b) A Unit may not be leased or rented for a term of less than 30 days. All leases and rental agreements shall be in writing and subject to the requirements of the Documents and the Association.

(c) No more than One Hundred and Forty (140) Units within the Project may be rented at any particular time (the "Rental Unit Limit").

(d) All leases of a Unit shall include a provision that the tenant will recognize and attorn to the Association as landlord, solely for the purpose of having the power to enforce a violation of the provisions of the Documents against the tenant, provided the Association gives the landlord notice of its intent to so enforce and a reasonable opportunity to cure the violation directly, prior to the commencement of an enforcement action.

(e) Each Owner shall notify the Association when such Owner wishes to rent a Unit, which notification shall include the name(s), address(es) and telephone number(s) of the prospective tenant or tenants, the term of the proposed lease (including any renewal or option term), a copy of the proposed lease and any other information requested by the Association. Each proposed lease (including any subleases, assignments or renewals) shall be subject to the Association's approval which may be denied on any reasonable grounds the Association may find, including, without limitation, if the proposed lease would cause the Rental Unit Limit to be exceeded. In making its determination as to whether to approve a tenant of a Unit, the Association shall not discriminate on the grounds of race, gender, religion, national origin, familial status or physical or mental handicap; provided, however, nothing herein shall be construed to require the Association to furnish an alternate tenant to the Owner in the event the Association disapproves a lease or tenant. The Association may charge a lease approval fee to be determined by the Board of Directors, however, no fee shall be charged for the approval of an amendment, modification or extension of a previously approved lease which does not result in a change in the identity of any tenant under such lease.

(f) In the event of a sublease or assignment of an existing lease for the unexpired term thereof (including any renewal or option term of which the Association was notified in connection with its approval of the underlying lease as provided in Section 9.4(e)), the Owner shall notify the Association of such sublease or assignment as provided in Section 9.4(e), but, without limiting the right of the Association to disapprove of the proposed assignment or subletting for any other reason as provided in Section 9.4(e), the Association shall not disapprove such assignment or sublease solely on the ground that the Rental Unit Limit would be exceeded. If any sublease or assignment includes an extension of the term of the underlying lease other than pursuant to a renewal or option of which the Association was notified when it originally approved the underlying lease, the Association may, without limiting its ability to disapprove of the proposed sublease or assignment for any other reason as provided herein, disapprove such sublease or assignment on the ground that it would cause the Rental Unit Limit to be exceeded.

(g) In the event of that a previously approved lease is renewed or otherwise extended (but not assigned or otherwise conveyed to a different tenant or tenants) pursuant to a renewal or extension option which was contained in the lease and the Association was specifically notified of such renewal or extension option when it originally approved the lease as provided in Section 9.4(e), the Owner shall notify the Association of such renewal or extension as provided in Section 9.4(e), but the Association shall not disapprove such renewal or extension on the ground that the Rental Unit Limit would be exceeded. If a previously approved lease is renewed or extended (but not assigned or otherwise conveyed to a different tenant or tenants) and either the lease did not contain an option to renew or otherwise extend the term thereof or the lease did contain an option to renew or otherwise extend the term thereof and the Association was not specifically notified of the existence of such renewal or extension option in the lease when it originally approved the lease, notwithstanding that a copy of the lease was provided to the Association, the Association may, without limiting its ability to disapprove of the renewal of the lease for any other reason as permitted in this Declaration, disapprove of the renewal or extension of the Lease on the ground that such renewal or extension would cause the Rental Unit Limit to be exceeded.

Section 9.5 Declarant's Rights. As long as Declarant is an 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.

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 the Plat and Plans 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. In the Property, and all portions thereof, shall be subject to an easement of up to one (1) foot from the Unit 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 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 Property.

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.

Declarant has reserved the right to create Limited Common Elements. If created, such Limited Common Elements shall be assigned to particular Units by amendment to this Declaration. Any Limited Common Elements which are not allocated by Declarant pursuant to the Development Rights reserved hereunder, may be so allocated by the Association by amendment to this Declaration.

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

ADDITIONS, ALTERATIONS AND IMPROVEMENTS

Section 12.1 Requisite Approvals and Procedures for Owner Alteration. No Owner may make or commence any structural addition, alteration or Improvement in the Project, including without limitation, the alteration or construction of a building, fence, wall or structure or the placement, erection or alteration of any

Limited Common Element without the prior written consent of the Board of Directors or an architectural committee appointed by the Board of Directors composed of three members ("Architectural Committee").

(a) Any request for approval of anything prohibited under Section 12.1 or Sections 12.1(b)(i) or (ii) must be submitted in writing to the Board of Directors or the Architectural Committee, as applicable. The Board of Directors or the Architectural Committee shall answer any written request for approval within 60 days after the request. Failure to answer the request within this time shall not constitute a consent or approval by the Board of Directors or the Architectural Committee to the proposed action. Any such request shall be reviewed in accordance with any Architectural Committee rules then in effect.

(b) Subject to this Section 12.1, an Owner:

(i) May make any Improvements or alterations to the interior of their Units that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Project.

(ii) May not change the appearance of the Common Elements, the exterior appearance of a Unit or any other portion of the Project, without permission of the Board of Directors or the Architectural Committee.

(iii) After acquiring an adjoining Unit, may remove or alter any intervening partition or create apertures therein even if the partition in whole or in part is a Common Element, if those acts do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Project. Removal of partitions or creation of apertures under this subsection is not an alteration of boundaries. If a part of an adjoining Unit is acquired, boundaries will be relocated in accordance with Article XIII.

(c) Any applications to any department or governmental authority for a permit to make any addition, alteration or improvement in or to any Unit shall be executed by the Association only. This execution will not, however, create any liability on the part of the Association or any of its members to any contractor, subcontractor or materialman on account of the addition, alteration or improvement or to any person because of any claim for injury to person or damage to property arising from the permit.

(d) Any member or authorized consultant of the Board of Directors or the Architectural Committee, or any authorized officer, employee or agent of the Association may enter upon any Unit at any reasonable time after notice to the Owner, without being deemed guilty of trespass, in order to inspect any structural addition, alteration or Improvement constructed or under construction in the Unit to determine whether the work has been or is being built in compliance with the plans and specifications approved by the Board of Directors or the Architectural Committee.

(e) All additions, alterations and Improvements to the Units and Common Elements shall not, except pursuant to prior approval by the Board of Directors, cause any increase in the premiums of any insurance policies carried by the Association or by the Owners of any Units other than those affected by such change.

Section 12.2 Limitation on Liability of Architectural Committee. Provided that the Architectural Committee or a particular member of the Architectural Committee has acted in good faith on the basis of the information as may be possessed by the Architectural Committee or the member, as the case may be, then neither the Architectural Committee nor any member thereof shall be liable to the Association, to any Owner, or any other person for any damage, loss or prejudice suffered or claimed on account of:

- (a) the approval or disapproval of any plans, drawings and specifications, whether or not defective;
- (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications;
- (c) the development of any property subject to this Declaration.

Without limiting the generality of the foregoing, the Architectural Committee and any member thereof may, but it is not required to, consult with knowledgeable outsiders with respect to any plans, drawings, specifications or any other proposal submitted to the Architectural Committee.

Section 12.3 Architectural Committee Rules. The Architectural Committee shall, upon request of the Board of Directors and subject to the approval of the Board of Directors, prepare and promulgate Architectural Committee Rules containing guidelines and review procedures on behalf of the Association. The Architectural Committee Rules shall be those of the Association, and the Architectural Committee shall have sole and full authority to prepare and to amend the Architectural Committee Rules, provided the Architectural Committee Rules are otherwise in compliance with the Articles, By-Laws and this Declaration. The Architectural Committee shall make Architectural Committee Rules available to Owners.

Section 12.4 Board of Directors and Architectural Committee Discretion. Except as may be expressly provided in this Declaration, any consent or approval of the Board of Directors, Architectural Committee 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, Architectural Committee 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 consent or approval from the same or other parties.

Section 12.5 No Applicability to Any Previous Construction by Declarant or its Predecessors. The provisions of this Article XII shall not apply to any previous construction by Declarant or its predecessors in the Project, and neither the Board of Directors nor any Architectural Committee appointed by the Board of Directors shall have any authority or right to approve or disapprove the previous construction by Declarant or its predecessors in the Project.

Section 12.6 No Applicability to Board of Directors. Subject to the limitations of Sections 13.1 and 13.2 of this Declaration, the Board of Directors may make any additions, alterations or Improvements to the Common Elements which, in its judgment, it deems necessary.

ARTICLE XIII

BOUNDARIES

Section 13.1 Application and Amendment. The boundaries between adjoining Units may not be relocated without the approval of the Board of Directors or the Architectural Committee under Article XII. In addition to the plans and specifications required for approval under Section 12.1, 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 Board of Directors or the Architectural Committee 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 must 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.

Section 13.2 **Recording Amendments.** The Association shall prepare and record an amendment to the Plat and Plans as 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 and otherwise in the exercise of its Development Rights;
- (ii) by the Association under this Declaration and NRS 116.1107; or
- (iii) by certain Owners under this Declaration and NRS 116.2118, and except as limited by this Declaration, including the Plat and Plans,

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, 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 FHA, HUD, FNMA and VA.** Amendments are subject to the consent requirements of FHA, HUD, FNMA and VA.

Section 14.8 **Amendments to Create Units.** To exercise any Development Right reserved under this Declaration, Declarant shall prepare, execute and record an amendment to this Declaration. Declarant shall also record new Plat and Plans to the extent as necessary to conform to the requirements of NRS 116.2109(1), (2) and (4).

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 BY-LAWS

The By-Laws may be amended or repealed by the vote or written consent of a Majority of the Owners and in accordance with Article 12 of the By-Laws. Furthermore, any amendment of the By-Laws during the Declarant Control Period shall require the prior approval of FHA, FNMA, VA and HUD to the extent necessary to meet any FHA, FNMA, VA and/or HUD requirements applicable to the Project.

ARTICLE XVI

TERMINATION

Termination of the Project may be accomplished only in accordance with the provisions of the Act.

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. Notwithstanding any provision in this Declaration to the contrary, no Owner shall assign (by proxy or otherwise) the right to vote in any meeting of the Association to an Eligible Mortgagee.

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 an Owner which remains uncured for a period of 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 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 vote of at least 67% of the Owners (or any greater Owner vote required in this Declaration or the Act) and without approval by at least 51% 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 Owners' rights 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% (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 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% 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 Project 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 common interest community, for which the prior written approval of FHA, HUD, FNMA and VA must also be obtained to the extent required under Section 7.9 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 Project 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. The prior approval of FHA, FNMA, VA and HUD shall be required during the Declarant Control Period for those Association actions set forth in Section 7.6 to the extent necessary to meet any FHA, FNMA, VA and/or HUD requirements which are applicable to the Project.

(e) Implied Approval. The failure of an Eligible Mortgagee or Eligible Insurer to respond within 60 days to any written request for approval of an addition or amendment to the Document wherever Eligible Mortgagee or Eligible 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.

After substantial destruction or condemnation occurs, the legal status of the Project may be terminated if agreed to by Unit Owners who represent at least 67% of the total Allocated Votes in the Owners Association and by Eligible Mortgagees that represent at least 51% of the votes of the Units that are subject to mortgages held by eligible holders.

Legal status of the project for reasons other than substantial destruction or condemnation can also be agreed to by eligible mortgage holders that represent at least 67% of the votes of the mortgaged Units. However, when an eligible mortgage holder fails to submit a response to any written proposal for an amendment within 30 days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail with return receipt requested, it is assumed that the approval is granted for all matters, including terminating the legal status of the Project.

The termination of the common interest community (except in the case of eminent domain or the destruction of the Property) shall require an agreement of Unit owners to whom at least 80% of the votes in the Association are allocated pursuant to NRS 116.2118.

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, By-Laws, 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 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.

Section 17.11. Mortgagee Protection. Notwithstanding any other provision of this Declaration to the contrary, no amendment or violation of this Declaration shall operate to defeat or render invalid the rights of the Eligible Mortgagee under any Security Interest upon one (1) or more Units made in good faith and for value,

provided that after the foreclosure of any such Security Interest such Unit(s) shall remain subject to this Declaration, as amended.

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 associated with the maintenance, repair or replacement of components and elements attached to, planted on or a part of yards, patios, balconies, entries, exterior surfaces, trim, siding, doors, and windows shall be assessed against the Unit or Units to which the Limited Common Element is assigned. If any such Limited Common Element is assigned to more than one Unit, the Common Expenses attributable to the Limited Common Element shall be assessed equally among the Units to which it is assigned.

(b) Any Common Expense or portion thereof benefiting fewer than all of the Units shall be assessed exclusively against the Units benefited.

(c) The costs of insurance shall be assessed in proportion to risk and the cost of utilities shall be assessed in proportion to usage.

(d) 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 the respective Liability for Common Expense.

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

(f) 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.

(g) 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.

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 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 Sections 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 fees for the prevailing party.

(g) The Association's lien must be foreclosed by the same procedure set forth in NRS 116.31162 and 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 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 of Directors before the beginning of each Fiscal Year and distributed to the Members in accordance with the By-Laws 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 ten (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 20% 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 as 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 (except Declarant), 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 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 attorney 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 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 Subsidy Agreements. The Association is specifically authorized and empowered to enter into a Subsidy Agreement or other similar agreement with the Declarant whereby assessments otherwise payable by the Declarant on Units owned by the Declarant are suspended in exchange for the payment by the Declarant of shortfalls in the Association's operating expenses or the provision of maintenance of the Common Elements and/or the performance of certain other services which are Common Expenses of the Association. Any such agreement shall provide that it may be terminated upon the vote of the Owners of 67% of the total number of Units in the Project, other than those Units owned by 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 Mortgage 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, guests, invitees, 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, guest, invitee, 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. The Board of Directors shall take any and all reasonable measures to obtain and maintain insurance coverage as set forth in this Article. If, after all reasonable measures have been exhausted, 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) The facilities of the Project including all buildings on the Property, for example, the Units and all fixtures, equipment and any improvements and betterments whether part of a Unit or a Common Element, and such personal property of Owners as is normally insured under building coverage, but excluding land, excavations, portions of foundations below the undersurface of the lowest basement floors, underground pilings, piers, pipes, flues and drains and other items normally excluded from property policies; 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% of the actual replacement cost 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: "Canyon Creek Villas Homeowners' Association, Inc., 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 in a minimum amount of \$1,000,000 in liability.

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. The bond shall include a provision that calls for ten (10) days' written notice to the Association, each holder of a Security Interest in a Unit, each servicer that services a FNMA-owned or FHLMC-owned mortgage on a Unit and the insurance trustee, if any, before the bond can be canceled or substantially modified for any reason. The bond shall be in an amount equal to the maximum amount of funds in the custody and control of the Association when the bond is in effect. When either: (a) separate bank accounts for working funds and reserves are maintained and monthly statements 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 Architectural Committee) 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 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% 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 lienholders, as their interests may appear; and

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

(c) If the Owners vote not to rebuild a Unit, the Allocated Interests shall be automatically reallocated upon the vote as if the Unit had been condemned under the Act (NRS 116.1107(1)), and the Association promptly shall prepare, execute and record an amendment to the Declaration reflecting the reallocation of the Allocated Interests.

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 lienholders as their interests may appear. Subject to the provisions of subsections 22.1(a)-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 lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus after the 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.

The Owners Association is designated to represent the Unit Owners in any proceedings, negotiations, settlements or agreements regarding condemnation, destruction or liquidation of condominiums. If there are any funds left over after all repairs are made to the destroyed property, any distribution should be made based on the relative value of each Unit and in accordance with the formula that is used to determine Unit Owner's individual interest in the Common Elements. Each Unit Owner appoints the Association as an attorney-in-fact representing the Owners in any proceedings, negotiations, settlements or agreements. Notwithstanding any of the above, the Association may appoint an insurance trustee to act on the behalf of the Unit Owners. Any and all proceeds from a settlement must be payable to the Owners Association or to the insurance trustee for the benefit of Unit Owners and the mortgage holders.

ARTICLE XXIII

NOTICE AND HEARING

Section 23.1 Right to Notice and Comment. Before the Board of Directors amends the By-Laws 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 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 ten (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 By-Laws 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 By-Laws, 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 By-Laws 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 By-Laws.

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 By-Laws and the provisions of the Act.

ARTICLE XXV

OPEN MEETINGS

Section 25.1 Access. All meetings of the Board of Directors will be open to the Owners, except as hereinafter provided.

Section 25.2 Executive Sessions. Meetings of the Board of Directors may be held in executive session, without giving notice and without the requirement that they be open to Owners, only if the action taken at the executive session involves (i) consultation with the Association's attorney regarding proposed or pending litigation which consultation involves privileged attorney-client information; (ii) personal matters; (iii) alleged violations of the Documents committed by an Owner; and (iv) any other matter permitted by law to be discussed in an executive session.

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

ALLEGED DEFECTS: RIGHT TO CURE AND ARBITRATION; DISCLAIMER OF WARRANTIES

Section 27.1 Declarant's Rights to Cure Alleged Defects. It is understood Declarant did not build the building and improvements known as Canyon Creek Villas. Accordingly, Declarant, except as otherwise provided by law, is not liable for any defect or repairs to improvements not done by Declarant. With respect to improvements done by Declarant, if any, it is Declarant's intent that all Improvements of every type and kind which may be installed by Declarant as part of the Project, if any, including, but not limited to, buildings, balconies, patios, stairs, 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 built in the same time period as the Project. 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, the Architectural Committee shall be bound by the claim resolution procedure set forth in this Article XXVII.

(a) Declarant's Right to Cure. If the Association, the Board of Directors, the Architectural Committee 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.

(b) Notice to Declarant. In the event that a Claimant discovers any Alleged Defect, Claimant shall, within a reasonable time after discovery, notify Declarant, in writing, at 1600 SW 4th Ave., Suite 870, Portland, OR 97201, Attention: David Gifford 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").

(c) Right to Enter, Inspect, Cure, Repair 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.

(d) Legal Actions. No Claimant shall initiate any legal action, cause of action, proceeding or arbitration against Declarant alleging damages (i) for the costs of curing, repairing, or replacing any Alleged Defect, (ii) for the diminution in value of any real or personal property resulting from such Alleged Defect or (iii) for any consequential damages resulting from such Alleged Defect, unless and until Claimant has (1) delivered to Declarant a Notice of Alleged Defect (2) Declarant has, within one hundred twenty (120) days after its receipt of the Notice of Alleged Defect, either (y) failed to cure, repair or replace the Alleged Defect or (z) if the Alleged Defect cannot reasonably be cured, repaired or replaced within such one hundred twenty (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 and (3) eighty percent (80%) of Owners of record give written consent to the Association to initiate such legal action, proceeding or arbitration against the Declarant. 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.

(e) No Additional Obligations; Irrevocability, Waiver of Right, No Express or Implied Warranties, No Reset in Statute of Limitations Tolling Period. 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 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 Clark County, Nevada Recorder. Notwithstanding any provision of the Act to the contrary, any cure or attempted cure by Declarant pursuant to this Article does not create or extend any express or implied warranty in any way whatsoever. Additionally, notwithstanding any provision of the Act to the contrary, any cure or attempted cure by Declarant pursuant to this Article does not reset the tolling time for any statute of limitations period that had previously began to toll.

(f) NRS Chapter 40. The terms, conditions and procedures set forth in this Article XXVII 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" as defined in Chapter 40; provided, however, the procedures set forth in this Article XXVII shall not abrogate any of the requirements of Claimant under Chapter 40, inclusive without limitation 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 (subject to the limitations contained in Section 27.1(a) hereof). Such notification shall be given in a format that substantially complies with the notice requirements of NRS 40.645. Further, to the extent any provisions of this Article XXVII are inconsistent with the provision of Chapter 40, the provisions of this Article XXVII 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 XXVII. It is the express intent of Declarant to provide, by this Article XXVII, 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 XXVII.

Section 27.2 Arbitration of Disputes. DECLARANT AND EACH CLAIMANT, BY ACCEPTING TITLE TO OR AN INTEREST IN ANY PORTION OF THE REAL PROPERTY OR PROJECT, AGREE AS FOLLOWS:

(a) Definitions. For purposes of this Section 27.2, the following definitions shall apply:

(i) "Declarant" shall mean the entity executing this Declaration and its respective predecessors, successors, subsidiaries, and/or affiliated corporations, parent companies, sister companies, divisions, or other entities, partners, joint venturers, the general contractor for the Project, affiliates, owners, officers, directors, employees, shareholders, agents, and assigns.

(ii) "Claimant" shall include all Owners, the Association, the Board and their successors, heirs, assigns, subsequent Owners, and any third party claiming any right or interest in the Property through them.

(b) Arbitration is Sole Remedy. Subject to Declarant's right to cure any Alleged Defect pursuant to the provisions of this Article, the arbitration procedures described below shall be the sole, exclusive, and final means of resolving any "Dispute" between Declarant and a Claimant and/or between their respective successors-in-interest. As used herein, "Dispute" shall mean any claim, cause of action (whether at Law or in equity) or disagreement of any nature whatsoever ("Claim") arising from or in connection with the sale of the Property to Claimant, construction or installation of any improvements on the Property or Project, the grading of the Property or Project, performance of customer service work by or on behalf of Declarant, or any work or services performed by or on behalf of Declarant on or in connection with the Property or Project, other than a Claim made pursuant to NRS 38.300 to 38.360. Disputes subject to these arbitration procedures shall include, without limitation, Claims for real and personal property damage, construction defects (whether patent or latent), including without limitation any Claims subject to the provisions of NRS 40.600 to 40.695 (as may be amended from time to time, the "Construction Defect Act"), bodily injury or wrongful death, nondisclosure, misrepresentation, fraud, emotional distress, monetary damages, rescission of any agreement, enforceability of this Article XXVII, and/or specific performance. As a condition to Declarant's obligation to arbitrate Disputes under this Section 27.2, Declarant may require in its sole discretion that any or all third parties, including without limitation, contractors, subcontractors, suppliers, consultants, partners, affiliates, or agents of Declarant (collectively, the "Third Parties") who may have liability in connection with the Dispute, including any right of contribution or indemnity Declarant may have against such Third Party, shall have agreed to be participants in and bound by the arbitration procedure described in this Section 27.2. Notwithstanding the foregoing, Declarant may, in its sole discretion, waive the foregoing condition.

(c) Applicable Procedures. With respect to any Dispute governed by the Construction Defect Act, after all prerequisites to initiating a civil action under the Construction Defect Act are satisfied or waived in accordance with the provisions of such Act, and with respect to all other Disputes, at all times, the following procedures shall apply thereto:

Any Dispute between Claimant and Declarant where the claim of damage is less than the jurisdictional maximum under NRS 4.370, as now or hereafter in effect ("Jurisdictional Maximum"), including Disputes governed by the provisions of the Construction Defect Act where the estimated cost of repair or replacement of the item(s) in dispute is less than the Jurisdictional Maximum, shall be within the sole jurisdiction of the Justice Court and the procedures set forth herein shall not be applicable unless both Claimant and Declarant so agree in writing.

Any Dispute between Claimant and Declarant where the claim of damage is more than the Jurisdictional Maximum, including disputes governed by the provisions of the Construction Defect Act where the estimated cost of repair or replacement of the item(s) in dispute is more than the Jurisdictional Maximum, shall, upon request by

either Claimant or Declarant, be submitted to arbitration conducted in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association ("AAA"), as such rules are expressly amended hereby. Arbitration shall be initiated by the filing by either party of a written Demand for Arbitration with the AAA, accompanied by the required filing fee, and concurrently mailing a copy of the demand to the other party. Unless Claimant and Declarant agree otherwise, the Procedures for Large, Complex Construction Cases issued by the AAA shall apply to all cases to the extent such procedures are not in conflict with the Federal Arbitration Act or the Uniform Arbitration Act.

(d) Notice of Arbitration. Before any Dispute can be submitted to arbitration, the party wishing to submit the Dispute must first, at least sixty (60) days prior to filing a Demand for Arbitration, give the other party written notice of the Dispute describing with reasonable specificity the actions that should be taken by the other party to resolve the Dispute. With respect to any Dispute regulated by NRS 40.600 to 40.695, inclusive, this sixty (60) day notice, if given by Claimant, shall comply with the requirements of NRS 40.645. Each party may, prior to the arbitration hearing, conduct discovery as provided in NRS 40.680, and Nevada Rules of Civil Procedure Section V, Rules 26 to 37, inclusive. This Arbitration of Disputes Provision is intended to be binding upon Claimant and Declarant for all claims regulated by NRS 40.600 to 40.695, inclusive, after all the requirements of NRS 40.645 to 40.675 for resolution of the dispute prior to commencement of a civil action have been satisfied or waived by Claimant and Declarant in accordance with said statutes and in place and instead of any court action described therein.

(e) Applicable Rules of Arbitration. The arbitration shall take place in the office of the AAA nearest to the Property, at such time and date selected by the arbitrator. Any dispute regarding the scope of the arbitration or the procedures to be followed in the arbitration shall be resolved by the arbitrator. Only compensatory damages as recognized by Nevada law, in an amount not to exceed the original purchase price of the Unit, are recoverable and the arbitrator chosen for the arbitration shall have no authority to award damages for emotional distress, consequential, punitive, or any other nature of damages. In no event shall one party's liability to the other exceed the original purchase price of the Unit. The combined cost (fee and expenses) of the AAA and of the arbitrator shall be apportioned equally between Claimant and Declarant. Each party shall bear its own attorneys' fees and other costs. The award rendered by the arbitrator must be accompanied by a written decision of the arbitrator that contains written findings of fact and conclusions of Law and, once so rendered, shall be binding, final and non-appealable as to all parties in the arbitration to the fullest extent permitted by Nevada law. Notwithstanding the preceding sentence, an appeal may be taken if any award is based on any deviation by the arbitrator from the terms of this Article XXVII. In furtherance thereof, and to the fullest extent permitted by Nevada law, Claimant and Declarant waive the provisions of NRS 38.145. Judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction. Except as otherwise expressly set forth in this Section, the arbitrator shall based his decision on the substantive Law of Nevada.

To the maximum extent allowed by Law, no statute of limitations or repose shall be tolled, or the running thereof otherwise stopped, by any notice, claim, or communication between Claimant and Declarant, whether under any written limited warranty or otherwise. In addition to the Construction Industry Rules of the AAA, the following additional rules shall govern the arbitration: (a) with the exception of contractors, subcontractors, suppliers, consultants, partners, affiliates, and agents added by Declarant as provided herein, the parties to the arbitration shall be limited to Claimant and Declarant, and (b) Claimant and Declarant shall each pay one-half (½) of the initial fee for such arbitration.

(f) Consolidation. Declarant may, in its sole discretion, consolidate claims of any other person(s) who are buying or have bought Units from Declarant in the Las Vegas metropolitan area with any Dispute, in the event that such Claims are, in Declarant's opinion, similar in nature to a Dispute submitted to arbitration hereunder. Further, if Declarant elects to consolidate such Claims with a Dispute, if the aggregate amount of damage claimed by the Claimant and such person(s) exceeds the Jurisdictional Maximum, the procedures governing such consolidated matters will be those governing Disputes where the claim of damage is more than the Jurisdictional Maximum, as set forth in paragraph this Section 27.2.

(g) Severability. If any provision or aspect of this Section 27.2 is determined by a court of competent jurisdiction to be invalid or unenforceable, or if any provision or aspect of this Section 27.2 is superseded or rendered unenforceable by any Law which becomes effective after the date this Declaration is recorded, the remaining provisions of this Section 27.2 shall nevertheless remain in full force and effect and continue to be binding. If there is any conflict between this Section 27.2 and the other provisions of this Declaration, including the other provisions of this Article XXVII, the provisions of this Section 27.2 shall control.

(h) Effect. By accepting a deed conveying an interest in a portion of the Property, each Claimant: (a) for Disputes for which the amount in controversy exceeds the Jurisdictional Maximum (including without limitation Disputes aggregated as provided in Subsection 27.2(c) above), agrees to have any such Dispute decided by neutral, binding arbitration as set forth above and waives any rights such Claimant may possess to have any such Dispute litigated in a court of Law, including without limitation in a trial by jury; (b) in connection with any Dispute, waives any rights such Claimant may have to recover: (i) damages for emotional distress, and (ii) any damages other than direct, compensatory damages as recognized by Nevada law in an amount not to exceed the original purchase price of the Unit conveyed as conveyed by Declarant. By way of illustration and not limitation, the damages which each Claimant waives any right to recover include: punitive, exemplary, indirect, or consequential. Furthermore, by accepting a deed conveying an interest in a portion of the Property, each Claimant also waives any rights it may have to discovery and appeal, except as those rights are expressly included in this Section 27.2. If a Claimant fails or refuses to submit to arbitration as set forth herein, such Claimant may be compelled by Nevada law to participate in good faith in such arbitration proceedings or may have an unfavorable and binding decision rendered by the arbitrator, notwithstanding such refusal or failure to participate in arbitration. Each Claimant acknowledges that its agreement to the arbitration provisions set forth herein is voluntary.

Section 27.3 Disclaimer of Warranties. Declarant hereby disclaims any and all express or implied warranties as to design, construction, sound transmission, noise from exterior conditions (whether from nearby construction, vehicular or air passage or otherwise), furnishing and equipping of the Property and the Project, except only those that cannot be disclaimed pursuant to Section 116.4115(2) of the Act, to the extent applicable and to the extent that same have not expired by their terms. As to such warranties which cannot be disclaimed, and to other claims, if any, which can be made as to the aforesaid matters, all Owners understand and acknowledge that all incidental and consequential damages arising therefrom are hereby disclaimed and the statute of limitation for bringing any such claim shall be limited to a maximum of two (2) years from the recording of this Declaration.

ALL OWNERS, BY VIRTUE OF ACCEPTANCE OF TITLE TO THEIR RESPECTIVE UNITS (WHETHER FROM THE DECLARANT OR ANOTHER PARTY), SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ALL OF THE AFORESAID DISCLAIMED WARRANTIES AND INCIDENTAL AND CONSEQUENTIAL DAMAGES.

Section 27.4 Required Procedure for Legal Proceedings. Subject to the provisions of this Article XXVII, the Association, acting through the Board, shall have the power and the duty to reasonably defend the Association (and, in connection therewith, to raise counterclaims) in any pending or potential lawsuit, arbitration, mediation or governmental proceeding (collectively hereinafter referred to as a "Proceeding"). The Association, acting through the Board, shall have the power, but not the duty, to reasonably institute, prosecute, maintain and/or intervene in a Proceeding, in its own name, but only on matters affecting or pertaining to this Declaration or the Common Elements and as to which the Association is a proper party in interest, and any exercise of such power shall be subject to full compliance with the following provisions:

(a) Any Proceeding commenced by the Association: (i) to enforce the payment of an assessment or an assessment lien or other lien against an Owner as provided for in this Declaration, or (ii) to otherwise enforce compliance with the Governing Documents by, or to obtain other relief from, any Owner who has violated any provision thereof, or (iii) to protect against any matter which imminently and substantially threatens all of the health, safety and welfare of the Owners, or (iv) against a supplier, vendor, contractor or provider of services, pursuant to a contract or purchase order with the Association and in the ordinary course of business, or (v) for money damages wherein the total amount in controversy for all matters arising in connection with the action is not likely to exceed

Ten Thousand Dollars (\$10,000.00) in the aggregate; shall be referred to herein as an "Operational Proceeding." The Board from time to time may cause an Operational Proceeding to be reasonably commenced and prosecuted, without the need for further authorization.

(b) Any and all pending or potential Proceedings other than Operational Proceedings shall be referred to herein as a "Non-Operational Controversy" or "Non-Operational Controversies." To protect the Association and the Owners from being subjected to potentially costly or prolonged Non-Operational Controversies without full disclosure, analysis and consent; to protect the Board and individual Directors from any charges of negligence, breach of fiduciary duty, conflict of interest or acting in excess of their authority or in a manner not in the best interests of the Association and the Owners; and to ensure voluntary and well-informed consent and clear and express authorization by the Owners, strict compliance with all of the following provisions of this Section 27.4 shall be mandatory with regard to any and all Non-Operational Controversies commenced, instituted or maintained by the Board:

(i) Subject to the provisions of Article XXVII of this Declaration, the Board shall first endeavor to resolve any Non-Operational Controversy by good faith negotiations with the adverse party or parties. In the event that such good faith negotiations fail to reasonably resolve the Non-Operational Controversy, the Board shall then endeavor in good faith to resolve such Non-Operational Controversy by mediation, provided that the Board shall not incur liability for or spend more than Five Thousand Dollars (\$5,000.00) in connection therewith (provided that, if more than said sum is reasonably required in connection with such mediation, then the Board shall be required first to reasonably seek approval of a majority of the voting power of the Members for such additional amount for mediation before proceeding to either arbitration or litigation). In the event that the adverse party or parties refuse mediation, or if such good faith mediation still fails to reasonably resolve the Non-Operational Controversy, the Board shall not be authorized to commence, institute or maintain any arbitration or litigation of such Non-Operational Controversy until the Board has fully complied with the following procedures:

(ii) The Board shall first investigate the legal merit, feasibility and expense of prosecuting the Non-Operational Controversy, by obtaining the written opinion of a licensed Nevada attorney regularly residing in Clark County, Nevada, with a Martindale-Hubbell rating of "av", expressly stating that such attorney has reviewed the underlying facts and data in sufficient, verifiable detail to render the opinion, and expressly opining that the Association has a substantial likelihood of prevailing on the merits with regard to the Non-Operational Controversy, without substantial likelihood of incurring any material liability with respect to any counterclaim which may be asserted against the Association. The Board shall be authorized to spend up to an aggregate of Five Thousand Dollars (\$5,000.00) to obtain such legal opinion, including all amounts paid to said attorney therefor, and all amounts paid to any consultants, contractors and/or experts preparing or processing reports and/or information in connection therewith. The Board may increase said Five Thousand Dollar (\$5,000.00) limit, with the express consent of more than fifty percent (50%) or more of all of the Members of the Association, at a special meeting called for such purpose.

(iii) Said attorney opinion letter shall also contain the attorney's best good faith estimate of the aggregate maximum "not-to-exceed" amount of legal fees and costs, including, without limitation, court costs, costs of investigation and all further reports or studies, costs of court reporters and transcripts, and costs of expert witnesses and forensic specialists (all collectively, "Quoted Litigation Costs") which are reasonably expected to be incurred for prosecution to completion (including appeal) of the Non-Operational Controversy. Said opinion letter shall also include a draft of any proposed fee agreement with such attorney. If the attorney's proposed fee arrangement is contingent, the Board shall nevertheless obtain the Quoted Litigation Costs with respect to all costs other than legal fees, and shall also obtain a written draft of the attorney's proposed contingent fee agreement. (Such written legal opinion, including the Quoted Litigation Costs, and also including any proposed fee agreement, contingent or non-contingent, are collectively referred to herein as the "Attorney Letter"). The Attorney Letter shall also set forth the expected length of the civil proceeding and the expected impact on the Members of the Association.

(iv) Upon receipt and review of the Attorney Letter, if two-thirds (2/3) or more of the Board affirmatively vote to proceed with the institution or prosecution of, and/or intervention in, the Non-Operational Controversy, the Board thereupon shall duly notice and call a special meeting of the Members. The written notice to each Member of the Association shall include a copy of the Attorney Letter, including the Quoted Litigation Costs and any proposed fee agreement, contingent or non-contingent, together with a written report ("Special Assessment Report") prepared by the Board: (A) itemizing the amount necessary to be assessed to each Member ("Special Litigation Assessment"), on a monthly basis, to fund the Quoted Litigation Costs, and (B) specifying the probable duration and aggregate amount of such Special Litigation Assessment. At said special meeting, following review of the Attorney Letter, Quoted Litigation Costs, and the Special Assessment Report, and full and frank discussion thereof, including balancing the desirability of instituting, prosecuting and/or intervening in the Non-Operational Controversy against the desirability of accepting any settlement proposals from the adversary party or parties, the Board shall call for a vote of the Members, whereupon: (x) if not more than eighty percent (80%) of the total voting power of the Association votes in favor of pursuing such Non-Operational Controversy and levying the Special Litigation Assessment, then the Non-Operational Controversy shall not be pursued further, but (y) if more than eighty percent (80%) of the total voting power of the Association (i.e., more than eighty percent (80%) of all of the Members of the Association) affirmatively vote in favor of pursuing such Non-Operational Controversy, and in favor of levying a Special Litigation Assessment on the Members in the amounts and for the duration set forth in the Special Assessment Report, then the Board shall be authorized to proceed to institute, prosecute, and/or intervene in the Non-Operational Controversy. In such event, the Board shall engage the attorney who gave the opinion and quote set forth in the Attorney Letter, which engagement shall be expressly subject to the Attorney Letter. The terms of such engagement shall require (i) that said attorney shall be responsible for all attorneys' fees and costs and expenses whatsoever in excess of one hundred twenty percent (120%) of the Quoted Litigation Costs, and (ii) that said attorney shall provide, and the Board shall distribute to the Members, not less frequently than quarterly, a written update of the progress and current status of, and the attorney's considered prognosis for, the Non-Operational Controversy, including any offers of settlement and/or settlement prospects, together with an itemized summary of attorneys fees and costs incurred to date in connection therewith.

(c) In the event of any bona fide settlement offer from the adverse party or parties in the Non-Operational Controversy, if the Association's attorney advises the Board that acceptance of the settlement offer would be reasonable under the circumstances, or would be in the best interests of the Association, or that said attorney no longer believes that the Association is assured of a substantial likelihood of prevailing on the merits without prospect of material liability on any counterclaim, then the Board shall have the authority to accept such settlement offer. In all other cases, the Board shall submit any settlement offer to the Owners, who shall have the right to accept any such settlement offer upon a majority vote of all of the Members of the Association.

(d) In no event shall any Association Reserve Fund be used as the source of funds to institute, prosecute, maintain and/or intervene in any Proceeding (including, but not limited to, any Non-Operational Controversy). Association Reserve Funds, pursuant to this Declaration, are to be used only for the specified replacements, painting and repairs of Common Elements, and for no other purpose whatsoever.

Any provision in this Declaration notwithstanding: (i) other than as set forth in this Section 24.4, the Association shall have no power whatsoever to institute, prosecute, maintain, or intervene in any Proceeding, (ii) any institution, prosecution, or maintenance of, or intervention in, a Proceeding by the Board without first strictly complying with, and thereafter continuing to comply with, each of the provisions of this Section 24.4, shall be unauthorized and ultra vires (i.e., an unauthorized and unlawful act, beyond the scope of authority of the corporation or of the person(s) undertaking such act) as to the Association, and shall subject any Director who voted or acted in any manner to violate or avoid the provisions and/or requirements of this Section 24.4 to personal liability to the Association for all costs and liabilities incurred by reason of the unauthorized institution, prosecution, or maintenance of, or intervention in, the Proceeding; and (iii) this Section 24.4 may not be amended or deleted at any time without the express prior written approval of both: (1) Members representing not less than seventy-five percent (75%) of the total voting power of Association, and (2) not less than seventy-five percent (75%) of the total voting power of the

Board of Directors; and any purported amendment or deletion of this Section 24.4, or any portion hereof, without both of such express prior written approvals shall be void.

Section 27.5 Declarant's Six-Year Reserve Contribution. Declarant shall pay into a fund, upon its sale of each Unit in the Project, the sum of Two Hundred Thousand dollars and No/100 (\$200,000.00), as a refundable account deposit when all Units have been sold (the "Six Year Contribution"). The Declarant shall maintain such Six-Year Contribution, in trust, in a separate interest bearing account specifically designated for the Six-Year Contribution. The Six-Year Contribution shall not be included as part of the budget. The Six-Year Contribution deposited by Declarant shall become non-refundable to Declarant, and may be retained by the Association and deposited into the reserve fund provided that (i) six (6) years have passed since the sale of all Units by Declarant, (ii) no Alleged Defect (as defined in this Article 27) has been made, claimed, filed, or brought by the Association in any forum (pursuant to Section 27.2, in a court of law, or otherwise) within the foregoing six (6) year period, and (iii) the Association provides Declarant with a letter confirming that no Alleged Defect exists and waives any and all rights to recovery for any Alleged Defect, whether known or unknown. In the event or to the extent an Alleged Defect is brought by the Association in any forum (pursuant to Section 27.2, in a court of law, or otherwise) within the stated time period, Declarant shall be entitled to an immediate refund of Six-Year Contribution paid by Declarant into the account pursuant to this Section 27.5.

ARTICLE XXVIII

MISCELLANEOUS PROVISIONS

Section 28.1 Enforcement.

(a) The Association and any 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 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 Owner to enforce any covenant, condition, restriction or reservation contained herein shall not be deemed a waiver or the right to do so thereafter.

Section 28.2 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 28.3 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 28.4 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 28.5 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 28.6 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 28.7 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 28.8 Unilateral Amendment by Declarant. Declarant may unilaterally amend this Declaration if such amendment is (i) necessary to bring any provision into compliance with any applicable governmental statutes, rules, regulations or judicial determinations; (ii) necessary to enable any reputable title insurance company to issue title insurance coverage on the Units; (iii) required by an institutional or governmental lender or purchaser of mortgage loans, to enable such lender or purchaser to make or purchase mortgage loans on the Units; (iv) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Units; or (v) otherwise necessary to satisfy the requirements of any governmental agency. However, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent thereto in writing. So long as Declarant still owns property described in Exhibit "A" for development as part of the Project, it may unilaterally amend this Declaration for any other purpose without meeting the requirements herein, provided the amendment has no material adverse effect upon right of any Owner.

Section 28.9 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 ten 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 ten 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.

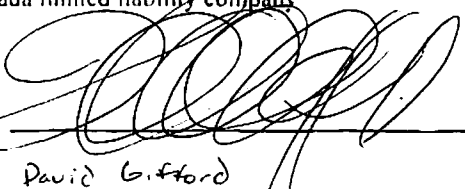
Section 28.10 Units Walls. Due to minor variations in construction, subsidence and other natural and man made phenomena the location of walls within this project may shift or move. The buyer is hereby made aware that he/she is buying the airspace contained within the interior walls of the unit they purchased and have no rights or privileges, other than contained in this document, outside that unit's walls.

[Signature page follows]

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the date set forth above.

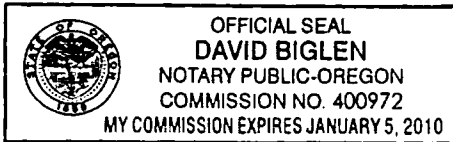
"DECLARANT"

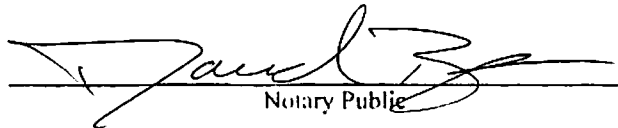
ORCHID INVESTORS LLC
a Nevada limited liability company

By: 
Printed: _____
Name: David Gifford
Its: Authorized Representative

STATE OF Oregon)
COUNTY OF Multnomah) ss.

This instrument was acknowledged before me on November 20, 2006 by David Gifford
Manager of ORCHID Investors LLC, a Nevada limited liability company.




Notary Public

My Commission Expires: 01/05/2010

EXHIBIT A

LEGAL DESCRIPTION

ALL THAT LAND LYING WITHIN THE EXTERIOR BOUNDARIES OF CANYON CREEK VILLAS CONDOMINIUMS THE "RECORDED PLAT" IS CANYON CREEK VILLAS CONDOMINIUMS, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 134 OF PLATS, PAGE 99 INSTRUMENT NO. 2405, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

Inst #: 201306130001513

Fees: \$23.00

N/C Fee: \$0.00

06/13/2013 11:04:42 AM

Receipt #: 1653739

Requestor:

SOUTHERN NEVADA WATER AUTH

Recorded By: COJ Pgs: 7

DEBBIE CONWAY

CLARK COUNTY RECORDER

APN: 13814316000

When Recorded, Return To:

Southern Nevada Water Authority

Conservation Division

PO Box 99956

MS 110

Las Vegas, NV 89193-9956

CONSERVATION EASEMENT

This Restrictive Covenant and Grant of Conservation Easement (the "**Covenant**"), is made by the undersigned owner, as the grantor, (the "**Owner**") and Southern Nevada Water Authority, a cooperative agency formed under and pursuant to NRS 277.080 to 277.180, inclusive, as the holder ("**Authority**") with reference to the following facts and is as follows:

RECITALS:

A. The Owner is the owner in fee simple of that certain real property commonly known as 2700 N. RAINBOW BLVD, LAS VEGAS, Nevada and more particularly described in **Exhibit A** hereto and by this reference incorporated herein. The Authority, has heretofore implemented its Water Smart Landscapes Program (the "**Program**") for the express purpose of permanently reducing demand for water resources and reducing or deferring major infrastructure needs. The Program accomplishes its goal by making incentive payments to participants who convert lawn and/or water surface to landscaping which meets the requirements of the Program as set forth in the "Requirements for the Converted Area" portion of the Program Conditions (herein "drought tolerant landscaping").

B. Pursuant to Program guidelines, the Owner has converted a qualifying portion of the lawn and/or water surface present on the Property to drought tolerant landscaping in the size described in **Exhibit B** hereto and depicted in **Exhibit C** hereto, and has received an incentive payment from the Authority in exchange therefor, receipt of which is hereby acknowledged by Owner.

C. In order for the Authority to maximize the water savings desired by the Program, it is essential that the Owner and all successors in interest of the Owner sustain the conversion described in **Exhibit B** and **Exhibit C** in perpetuity.

D. It is the purpose of this Covenant granted hereby to provide a significant public benefit by protecting and preserving in perpetuity natural resources.

E. This Covenant is created pursuant to the Uniform Conservation Easement Act provided for in NRS 111.390 to 111.440, inclusive. The Authority is a governmental body empowered to hold an interest in real property.

F. The Owner declares that the Property is and shall be held, conveyed, hypothecated, developed or encumbered, subject to this Covenant, which shall run with the land and every portion thereof and interest therein pursuant to NRS 111.390 to 111.440, inclusive, and shall be binding upon the Owner and all successors in interest to the Owner in perpetuity.

G. The Owner and Authority recognizing the importance of the conservation of water have the common purpose of conserving the water usage with respect to the Property by the conveyance of this Covenant on the Property.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants, terms, conditions and restrictions contained in and pursuant to the laws of Nevada, including, but not limited to, NRS 111.390 to 111.440, Owner and the Authority covenant as follows:

1. Grant of Easement. Owner voluntarily grants and conveys to the Authority the Conservation Easement as part of this Covenant, in perpetuity, over the Property of the nature and character and to the extent herein set forth, and hereby covenants and agrees as set forth below.

2. Conservation Easement. Owner hereby covenants and agrees that the portion of the lawn and/or water surface on the Property which is described in **Exhibit B** and depicted on **Exhibit C** that has been converted to drought tolerant landscaping in accordance with the Program shall be indefinitely sustained, to the extent reasonably practicable. Subject to **Section 4** hereof, any intentional modification whatsoever to the drought tolerant landscaping installed on the Property in accordance with the Program, including, without limitation, the installation of irrigated lawn or grass, spray irrigation systems, swimming pools, ponds or other bodies of water or water features upon or within any areas depicted and/or described in **Exhibit C** shall constitute a breach and violation of terms of this Covenant.

3. Benefit. This Covenant is made for the express benefit of the Authority and its successors and assigns.

4. Consent and Waiver. The Authority and its successors and assigns may consent to modifications of the drought tolerant landscaping installed in accordance with the Program and depicted and described in **Exhibit B and Exhibit C** hereto, such that water efficiency features as described may be replaced or modified without the Authority's consent in the course of normal maintenance of the Property provided that the outcome of such changes provides equal or greater water efficiency and provided that no irrigated lawn or grass, spray irrigation, swimming pools, ponds or other bodies of water or water features are developed in or upon the areas depicted in **Exhibit C**. The Authority may agree to waive the requirements of this Covenant altogether, in its sole and absolute discretion. Any such consent to a modification or waiver shall be binding on the Authority and its successors and assigns only if it is in writing and is executed by a duly authorized representative of the Authority or its successors or assigns hereunder and recorded in the official records of the County Recorder of Clark County, Nevada.

5. General Provisions.

(a) Liberal Construction. The Covenant hereof shall be liberally construed to promote and accomplish the objectives set forth in the Recitals.

(b) Enforcement. The Authority and its successors and assigns shall have all rights of enforcement and remedies for breach available at law and in equity including, without limitation, the right to damages and the right to injunctive and other equitable relief to enforce this Covenant. No delay in enforcing this Covenant or any portion hereof shall be deemed a waiver thereof, or of the part not enforced, it being the intent of the parties that a waiver may be granted only by a written instrument signed by the Authority or its successors or assigns and recorded as set forth in **Section 4** hereof.

(c) Authority. The undersigned person executing this Covenant as the Owner is the record owner of the Property, or has been delegated the authority to execute this Covenant on behalf of the Owner as evidenced by a duly executed and recorded power of attorney indicating authorization to act on behalf of the Owner, and represents and certifies that such person or entity is duly authorized and has been empowered to execute and deliver this Covenant.

(d) Captions. The captions contained within this Covenant are for convenience only and do not constitute a portion of the Covenant itself.

(e) Governing Law; Venue. This Covenant is governed by, and shall be construed in accordance with, the laws of the State of Nevada. Venue for the resolution of any dispute arising out of this Covenant shall be limited to the Eighth Judicial District Court of the State of Nevada, and any appellate court in an appeal from the decision of such court, and the Owner and all successors and assigns each irrevocably and unconditionally waive, to the fullest extent each may legally do so, any objection or defense which each may now or later have to the laying of venue of any suit, action or proceeding relating to this Covenant in any court referred to in this **Section 5(e)**.

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

[Click here to enter text.](#)

SEC TWP RNG

EXHIBIT B

LEGAL DESCRIPTION OF PROPERTY

The Project is comprised of 7893 square feet of landscaping in the specific areas described in Exhibit C and having the following characteristics:

Physical description of the Project area:

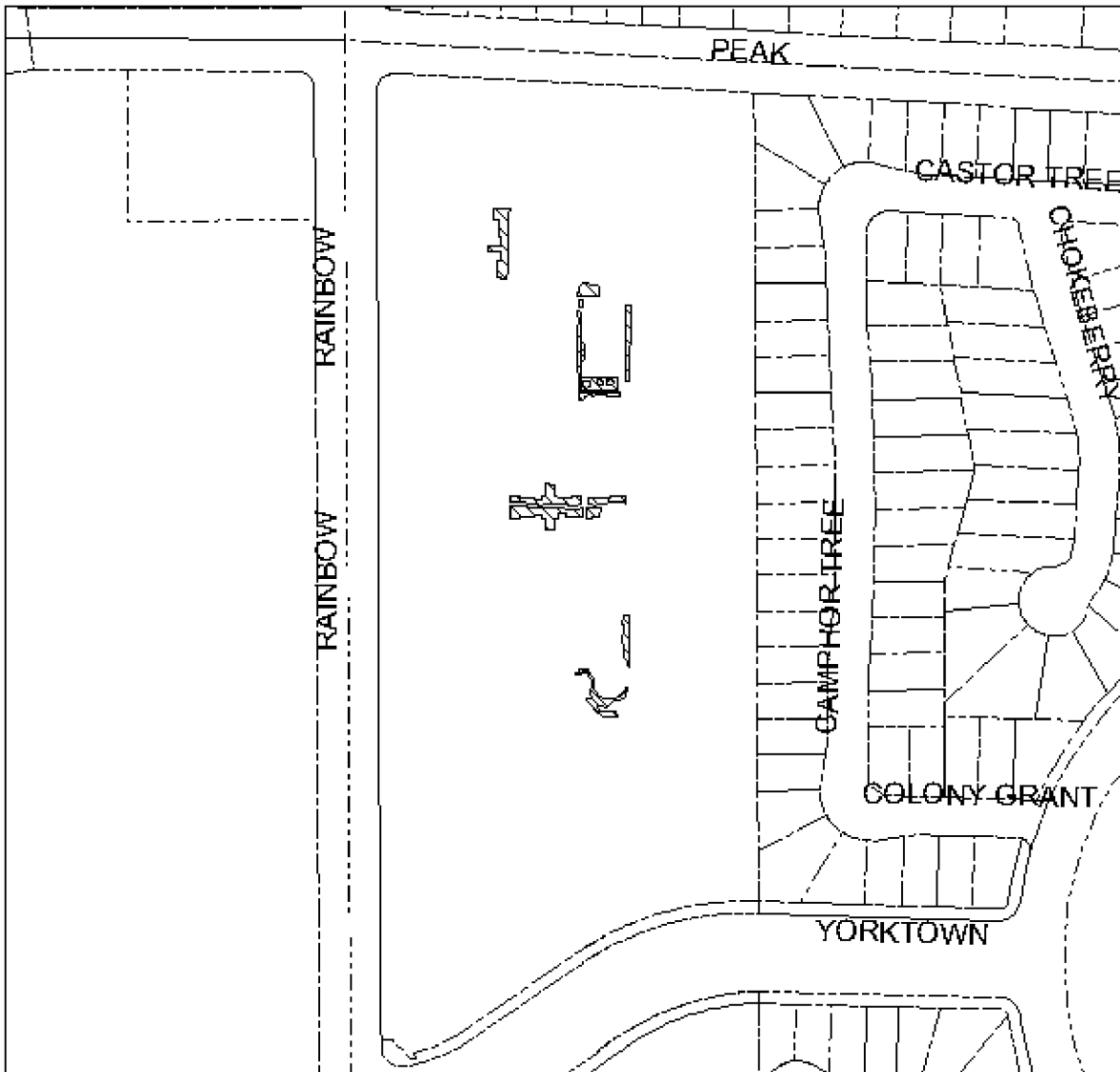
A) Living Plants - The project areas may have living plants; however, there is no lawn grass in the project area.

B) Irrigation systems - The project areas either have no irrigation system or a low-volume drip irrigation system. If a watering system is used, it is a drip irrigation system equipped with a filter, pressure regulator and emitters rated at 20 gallons per hour (gph) or less. The system is maintained free of leaks and malfunctions. No spray irrigation is applied to the area, including spray from irrigation systems adjacent to the project area.

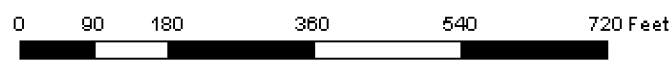
C) Surface Treatments - The project area is covered by a layer of mulch permeable to air and water, including, but not limited to rock, bark, ungrouted stepping stones and artificial turf manufactured to be permeable or a high-density planting of living groundcover plants. There are no impermeable barriers that would inhibit the passage of air and/or water to the soil.

Parcel Number:
13814316000

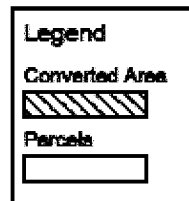
Exhibit C



Total Sq. Ft.
7893
Incentive Amount
10393



Legal Description
SEC TWP RNG



Instructions: Do not mark outside this box. No markings or notary stamps may overlap any text or handwriting on the page. All printed text or notary stamps must be legible. Improperly executed documents will delay payment incentive.

Chao Yoong STATE OF Nevada)
Primary Owner's Signature)

Chao Yoong COUNTY OF Clark)
Primary Owner's Printed Name)

The restrictive covenant and grant of conservation easement was acknowledged

before me on June 11, 20 13,

by (Owners Name) Chao Yoong.

Erica Chih
Notary Public

5/10/14
My commission expires

(NOTARY STAMP BELOW)

