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DECLARATION

OF

COVENANTS, CONDITIONS AND RESTRICTIONS FOR

PUEBLO AT SANTA FE CONDOMINIUMS

LAS VEGAS, NEVADA

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DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS FOR
PUEBLO AT SANTA FE CONDOMINIUMS
LAS VEGAS, NEVADA

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (the "Declaration") is made on this 20 day of December, 1994, by Pueblo, LLC, a Nevada Limited-Liability Company with an office at 3035 E. Patrick Lane, Suite 4, Las Vegas, Nevada 89120 ("Declarant") for the purpose of submitting that certain real property located in Las Vegas, County of Clark, State of Nevada described in Exhibit "A," to the provisions of the Uniform Common Interest Ownership Act, Chapter 116 of the Nevada Revised Statutes for the purpose of creating Pueblo at Santa Fe Condominiums as a common interest community and making the improvements shown in the Plat and Plans referenced to herein.

R E C I T A L S:

A. Declarant is the owner of that certain real property located in Las Vegas, County of Clark, State of Nevada, to be known as Pueblo at Santa Fe Condominiums which is more particularly described on Exhibit "A" and Exhibit "B" (the "Condominium Project").

B. Declarant has or intends to improve the Condominium Project including modifications, additions, or amendments as may hereinafter be brought within the terms of this Declaration by establishing thereon condominium units. Declarant intends to establish a condominium project consisting of 11 phases (each containing from 12 to 24 Units as shown on the Plan attached hereto as Exhibit "D", except that Phase 1 shall consist of Phase 1 and 2 as shown on the Plan) under the provisions of the Nevada Common Interest Ownership Act providing for separate title to living units appurtenant to which will be an undivided fractional interest in the Condominium Project other than living units.

C. The initial phase of the Condominium Project (hereinafter the "Property") which shall be subject to this Declaration of Covenant, Conditions and Restrictions is Phase 1, as more specifically described on Exhibit "A." Phase 1 shall consist of 24 Units, Common Elements, Limited Common Elements and a recreational building. There is no guarantee that all phases will be completed, or that the contemplated number of condominiums or the recreational facilities and amenities will be developed as described above. The project will be consistent with the overall development plan submitted to the U.S. Department of Veterans Affairs and Federal Housing Administration.

D. Each condominium shall have appurtenant to it a membership in the PUEBLO AT SANTA FE CONDOMINIUM ASSOCIATION, INC., a Nevada non-profit corporation ("Association"), which will be the management body for the overall Condominium Project.

E. Before selling or conveying any interest in the 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 insure 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, the Liability for Common Expenses, and votes in the Association, which are allocated to Units in the Common Interest Community. The Allocated Interests are described in Article IX of this Declaration and shown on Exhibit "C."

Section 1.3 Association: "Association" shall mean Pueblo at Santa Fe Condominium Association, Inc., a nonprofit/nonstock corporation organized under NRS Chapter 82 organized as the Association of Unit Owners pursuant to the Act (NRS 116.3101).

Section 1.4 Bylaws: "Bylaws" shall mean the Bylaws of the Association, as they may be amended from time to time.

Section 1.5 Common Elements: "Common Elements" shall mean each portion of the Common Interest Community other than a Unit, including easements in favor of Units or the Common Elements over other Units, and all real and personal property owned or leased by the Association.

Section 1.6 Common Expenses: "Common Expenses" shall mean the expenses or financial liabilities for the operation of the Common Interest Community together with any allocations to reserves and shall include:

- (i) Expenses of administration, maintenance, repair or replacement of the Common Elements;
- (ii) Expenses declared to be Common Expenses under the Documents or the Act;

- (iii) Expenses agreed upon as Common Expenses by the Association; and
- (iv) Such reasonable reserves as may be established by the Association, whether held in trust or by the Association, for repair, replacement or addition to the Common Elements or any other real or personal property acquired or held by the Association.

Section 1.7 Common Interest Community: "Common Interest Community" shall mean the real property described in Exhibit "A," subject to the Declaration and includes the real property with respect to which a person, by virtue of ownership of a unit, is obligated to pay for real property other than the Unit. "Ownership of a Unit" does not include a leasehold interest of less than 20 years in a Unit, including options to renew.

Section 1.8 Declarant: "Declarant" shall mean Pueblo, LLC, a Nevada Limited-Liability Company or its successor as defined in the Act (NRS 116.110335).

Section 1.9 Declaration: "Declaration" shall mean this document, including any amendments.

Section 1.10 Development Rights: "Development Rights" shall mean the rights reserved by the Declarant under Article VIII of this Declaration to create Units, Common Elements and Limited Common Elements within the Common Interest Community.

Section 1.11 Director: "Director" shall mean a member of the Executive Board.

Section 1.12 Documents: "Documents" shall mean the Declaration, the Plat and Plans recorded pursuant to the provisions of the Act, the Bylaws and the Rules as they be amended from time to time. Any exhibit, schedule or certification accompanying a Document shall be deemed to be a part of that Document.

Section 1.13 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 XVIII.

Section 1.14 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 XVIII.

Section 1.15 Executive Board: "Executive Board" shall mean the board of directors of the Association.

Section 1.16 FHA: "FHA" shall mean the Federal Housing Administration.

Section 1.17 Floor Plans: "Floor Plans" shall mean those floor plans shown on the Plat and Plans as they may be amended from time to time.

Section 1.18 Improvements: "Improvements" shall mean any construction, structure, fixture or facilities existing or to be constructed on the real property which is included in the Common Interest Community, including, but not limited to: buildings, trees and shrubbery planted by the Declarant or the Association, paving, utility wires, pipes and light poles.

Section 1.19 Liability for Common Expenses: "Liability for Common Expenses" shall mean the liability for common expenses allocated to each Unit pursuant to Article IX.

Section 1.20 Limited Common Elements: "Limited Common Elements" shall mean the portion of the Common Elements allocated for the exclusive use of one Unit under the Declaration or the Act (NRS 116.2102(2) or NRS 116.2102(4)) and are described in Article V of this Declaration.

Section 1.21 Majority or Majority of Unit Owners: "Majority or Majority of Unit Owners" shall mean the Unit Owners with more than 50 percent of the votes in the Association.

Section 1.22 Manager: "Manager" shall mean a person, firm or corporation employed or engaged to perform management services for the Common Interest Community and the Association.

Section 1.23 Notice and Comment: "Notice and Comment" shall mean the right of a Unit 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 procedures for which is set forth in Section 24.1 of this Declaration.

Section 1.24 Notice and Hearing: "Notice and Hearing" shall mean the right of a Unit Owner to receive notice of an action proposed to be taken by or on behalf of the Association, and the right to be heard thereon the procedure for which is set forth in Section 24.2 of this Declaration.

Section 1.25 NRS: "NRS" shall mean the Nevada Revised Statutes.

Section 1.26 Person: "Person" shall mean an individual, corporation, limited liability company, business trust, estate, trust, partnership, association, joint venture, government, government subdivision or agency or other legal or commercial entity.

Section 1.27 Plans: "Plans" shall mean and refer to the general schematic plan of the Condominium Project which is attached hereto as Exhibit "D," as it may be amended from time to time, in accordance with the Act (NRS 116.2109(1)).

Section 1.28 Plat: "Plat" shall mean the Final Map of Pueblo at Santa Fe Condominiums Unit 1, a common interest community, recorded in Book 65, Page 43 of Plats, in the Office of the County Recorder of Clark County, Nevada, as amended from time to time.

Section 1.29 Property: "Property" shall mean the real property described in Exhibit "A" and all Improvements, easements, rights and appurtenances which have been submitted to the provisions of the Act by this Declaration.

Section 1.30 Public Offering Statement: "Public Offering Statement" shall mean the current document prepared pursuant to the Act (NRS 116.4103 - 4106) 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 1.31 Residential Use: "Residential Use" shall mean use as a dwelling for personal family or household purposes by ordinary customers.

Section 1.32 Rules: "Rules" shall mean the regulations for the use of Common Elements and the conduct of persons in connection therewith within the Common Interest Community as adopted by the Executive Board pursuant to this Declaration.

Section 1.33 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 1.34 Special Declarant Rights: "Special Declarant Rights" shall mean those rights reserved for the benefit of a declarant to (1) complete improvements indicated on the Plats and Plans; (2) exercise any Development Right; (3) maintain sales offices, management offices, signs advertising the Common Interest Community and models; (4) use easements through the Common Elements for the purpose of making improvements within the Common Interest Community or within real estate that may be added to the Common Interest Community; or (5) appoint or remove an officer of the Association or a master association or any Executive Board member during any period of Declarant Control.

Section 1.35 Trustee: "Trustee" shall mean the entity which may be designated by the Executive Board as the Trustee for the receipt, administration and disbursement of funds derived from insured losses, condemnation awards, special assessments for uninsured losses and other sources as defined in the Bylaws. If no Trustee has been designated, the Trustee shall be the

Executive Board acting by majority vote, as executed by the president and attested by the secretary.

Section 1.36 Unit: "Unit" shall mean the physical portion of the Common Interest Community designated for separate ownership or occupancy, the boundaries of which are described in Section 4.2 of this Declaration.

Section 1.37 Unit Owner: "Unit Owner" shall mean the Declarant or other Person who owns a Unit, however, Unit Owner does not include a Person having an interest in a Unit solely as security for an obligation. The Declarant is the initial owner of any Unit created by this Declaration.

Section 1.38 VA: "VA" shall mean and refer to the U.S. Department of Veterans Affairs.

ARTICLE II NAME AND TYPE OF COMMON INTEREST COMMUNITY AND ASSOCIATION

Section 2.1 Name and Type of Common Interest Community: The name of the Common Interest Community is Pueblo at Santa Fe Condominiums. Pueblo at Santa Fe Condominiums is a condominium planned community.

Section 2.2 Association: The name of the Association is Pueblo at Santa Fe Condominium Association, Inc.

ARTICLE III DESCRIPTION OF REAL PROPERTY

The Common Interest Community is situated in the City of Las Vegas, Clark County, Nevada, and is more particularly described on Exhibit "A" attached hereto.

ARTICLE IV UNIT AND BOUNDARY DESCRIPTIONS

Section 4.1 Maximum Number of Units: When created, the Common Interest Community shall contain 24 Units. The Declarant reserves the right to create up to a total of 168 Units pursuant to Article VIII.

Section 4.2 Boundaries: The Boundaries of each Unit created by the Declaration are shown on the Plat and Plans as numbered Units, along with their identifying number and inclusive of enclosed two car garages attached to the building in which the rest of the Unit is contained, and are described as follows:

(a) Upper Boundary: The horizontal or sloping plane or planes 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/outer) 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), (b) and (c) above, and will also include the spaces and the 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 of the boundaries described in (a), (b) and (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 or parking 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 or parking portions are a part of the Unit, even though they are not contiguous with the residential portions.

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

ARTICLE V
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, stoops, porches, balconies, patios and exterior doors and windows or other fixtures designed to serve a single Unit and identified on the Plats and Plans as Exclusive Use 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) Exterior surfaces, trim, siding, doors and windows will be Limited Common Elements allocated to the Units sheltered.

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

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 the Unit Owners.

Section 6.2 Units: Each Unit Owner shall maintain, repair and replace, at his own expense, all portions of his Unit, except the portions of the Unit required by the Declaration 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.

Common Expenses associated with the maintenance, repair or replacement of components and elements attached to, planted on, or a part of yards, patios, decks, 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 Executive Board in accordance with Article XIII. 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 Unit Owner's expense as a Common Expense assessment under this section, after Notice and Hearing.

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.

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

Each Unit Owner shall be responsible for removing snow, leaves and debris from all patios and balconies 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 Executive Board shall have the right of access to all portions of the Property for the purpose of performing emergency repairs or to do other work reasonably necessary for the proper maintenance of the Common Interest Community, 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 Unit 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 Unit Owner is present at the time.

Section 6.5 Repairs Resulting From Negligence: Each Unit Owner will reimburse the Association for any damages to any other Unit or to the Common Elements caused intentionally, negligently or by his failure to properly maintain, repair or make replacements to his Unit or to those Limited Common Elements for which he is responsible under Section 6.3 of the Declaration. The Association will be responsible for damage to Units which are caused intentionally, negligently or by its failure to maintain, repair or make replacements to the Common Elements. If such expense is caused by misconduct, it will be assessed following Notice and Hearing.

ARTICLE VII SUBSEQUENTLY ALLOCATED LIMITED COMMON ELEMENTS

Those portions of the Common Elements shown as unnumbered or unassigned parking spaces on the Plat may be allocated as Limited Common Elements in accordance with Section 8.1(b) and Article XII of this Declaration, or may be assigned by Rule of the Executive Board, or may be limited by Rule to visitors only.

ARTICLE VIII
DEVELOPMENT RIGHTS AND OTHER SPECIAL DECLARANT RIGHTS

Section 8.1 Reservation of Development Rights: The Declarant reserves the following Development Rights:

(a) The right by amendment to add all or part of the real estate more particularly described on Exhibit "B" to the Common Interest Community.

(b) The right by amendment to create Units, Common Elements and Limited Common Elements on the Property, more particularly described on Exhibit "A."

(c) The right to construct underground utility lines, pipes, wires, ducts, conduits and other facilities across the Condominium Property for the purpose of furnishing utility and other services to buildings and Improvements to be constructed on the Property. The Declarant also reserves the right to withdraw and grant easements to public utility companies and to convey Improvements within those easements anywhere in the Common Interest Community not occupied by buildings, for the purposes mentioned above. If the Declarant grants any such easements, the Plats and Plans will be amended to include reference to the recorded easement.

(d) The right to subdivide or convert Units within the Common Interest Community into Common Elements.

(e) The right to withdraw all or part of the real estate more particularly described on Exhibit "A" from the Common Interest Community.

Section 8.2 Limitations on Development Rights: The Development Rights reserved in Section 8.1 are limited as follows:

(a) The Development Rights may be exercised at any time, but not more than five years after the recording of the initial Declaration;

(b) Not more than 144 additional Units may be created under the Development Rights;

(c) The quality of construction of any buildings and improvements to be created on the Property shall be consistent with the quality of those constructed pursuant to this Declaration as initially recorded;

(d) All Units and Common Elements created pursuant to the Development Rights will be restricted to residential use in the same manner and to the same extent as the Units created under this Declaration as initially recorded;

(e) All taxes, assessments, mechanic's liens and other charges affecting the Property arising in connection with the Declarant's ownership of, and construction of improvements upon,

the real property described on Exhibit "B," which may adversely affect the rights of existing Unit Owners, or the priority of any Eligible Mortgagee on Units in the existing Property, are to be paid or otherwise satisfactorily provided for by Declarant;

(f) The Declarant must purchase (at Declarant's own expense) a general liability insurance policy in an amount not less than one million dollars for each occurrence, to cover any liability which Owners of previously sold Units are exposed to as a result of further condominium development; and

(g) No Development Rights except those permitted by Section 8.1(c), may be exercised unless approved by the VA in accordance with Section 18.4(d) of this Declaration.

Section 8.3 Phasing of Development Rights: No assurances are made by the Declarant regarding Phases 3 through 12, more particularly described on Exhibit "B" attached hereto, as to whether the Declarant will exercise its Development Rights or the order in which such portions, or all of the areas, will be developed. The exercise of Development Rights as to some portions will not obligate the Declarant to exercise them as to other portions.

Section 8.4 Special Declarant Rights: The Declarant reserves the following Special Declarant Rights, to the maximum extent permitted by law, which may be exercised, where applicable, anywhere within the Common Interest Community:

- (a) To complete Improvements indicated on Plats and Plans filed with the Declaration;
- (b) To exercise a Development Right reserved in the Declaration;
- (c) To maintain sales offices, management offices, signs advertising the Common Interest Community and models which are reasonably necessary to market the Units;
- (d) To use easements through the Common Elements for the purpose of making Improvements within the Common Interest Community or within real estate which may be added to the Common Interest Community; and
- (e) To appoint or remove any officer of the Association or an Executive Board member during a period of Declarant control, subject to the provisions of Section 8.9 of this Declaration.

Section 8.5 Models, Sales Offices and Management Offices: For so long as the Declarant is a Unit Owner, the Declarant, its duly authorized agents, representatives and employees may maintain any Unit owned by the Declarant or any portion of the Common Elements as a model Unit, sales office or management office.

Section 8.6 Construction; Declarant's Easement: The Declarant reserves the right to perform warranty work, repairs and construction work in Units and Common Elements, to store

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

Section 8.7 Signs and Marketing: The 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 Unit Owners.

Section 8.8 Declarant's Personal Property: The Declarant reserves the right to retain all personal property and equipment used in the sales, management, construction and maintenance of the premises that has not been represented as property of the Association. The Declarant reserves the right to remove from the property (promptly after the sale of the last Unit) any and all goods and improvements used in development, marketing and construction, whether or not they have become fixtures.

Section 8.9 Declarant Control of the Association:

(a) Subject to Subsection 8.9(b): There shall be a period of Declarant control of the Association, during which a Declarant, or persons designated by the Declarant, may appoint and remove the officers and members of the Executive Board. The period of Declarant control shall terminate upon the expiration of the maximum time allowed under the Act, but no later than the earlier of:

(i) Sixty (60) days after conveyance of seventy five percent (75%) of the Units that may be created to Unit Owners other than a Declarant; or

(ii) Five (5) years after all Declarants have 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; or

(iv) Five (5) years after the first Unit is conveyed to a Unit Owner other than Declarant.

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

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

(c) Not later than the termination of any period of Declarant control, the Unit Owners shall elect an Executive Board of at least three members, at least a majority of whom shall be Unit Owners. The Executive Board shall elect the officers. The Executive Board members and officers shall take office upon election.

(d) Notwithstanding any provision of this Declaration or the Bylaws to the contrary, the Unit Owners, by a two-thirds vote of all persons present and entitled to vote at a meeting of the Unit Owners at which a quorum is present, may remove a member of the Executive Board with or without cause, other than a member appointed by the Declarant.

(e) Notwithstanding any provision of this Declaration to the contrary, the termination of Declarant's control under this Section 8.9 shall not affect the Declarant's rights as a Unit Owner to exercise the vote allocated to Units which Declarant owns.

Section 8.10 Limitations on Special Declarant Rights: Unless terminated earlier by an amendment to this Declaration executed by the Declarant, any Special Declarant Right may be exercised by the Declarant until the earlier of the following: as long as the Declarant (a) is obligated under any warranty or obligation, (b) holds a Development Right to create additional Units or Common Elements, (c) owns any Unit; or (d) owns any Security Interest in any Units; or (e) five years have elapsed after recording of this Declaration. Earlier termination of certain rights may occur by statute.

Section 8.11 Interference with Special Declarant Rights: Neither the Association nor any Unit Owner may take any action or adopt any rule that will interfere with or diminish any Special Declarant Right without the prior written consent of the Declarant.

Section 8.12 Rights of Lenders to Declarant: Additional limitations on the right of the Declarant to exercise Development Rights may be found in Article XVIII of the Declaration.

ARTICLE IX ALLOCATED INTERESTS

Section 9.1 Allocation of Interests: The table showing Unit numbers and their Allocated Interests is attached as Exhibit "C" and is incorporated herein by this reference. These interests have been allocated 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 Common Interest Community.

Section 9.2 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 Common Interest Community. The maximum possible percentage of the undivided interest in the Common Elements allocatable to a Unit is equal to 1/24. The minimum possible percentage of the undivided interest in the Common elements allocatable to a Unit is equal to 1/168.

(b) Liability for Common Expenses. The percentage of Liability for Common Expenses allocated to each Unit is based on one share for each Unit compared with the total shares allocated to all the Units in the Common Interest Community. The maximum possible percentage of Liability for Common Expenses allocatable to a Unit is equal to 1/24. The minimum possible percentage of Liability for Common Expenses allocatable to a Unit is equal to 1/168. Nothing contained in this Subsection shall prohibit certain Common Expenses from being apportioned to particular Units under Article XIX or Article V of this Declaration.

(c) Votes. Each Unit in the Common Interest Community shall have one equal vote. Any specified percentage, portion or fraction of Unit Owners, unless otherwise stated in the Documents, means the specified percentage, portion or fraction of all of the votes as allocated in Exhibit "C".

Section 9.3 Assignment of Allocated Interests Pursuant to Exercise of Development Rights: The effective date for assigning Allocated Interests to Units created pursuant to Section 8.1 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 X RESTRICTION ON USE, ALIENATION AND OCCUPANCY

Section 10.1 Use Restrictions: Subject to the Special Declarant Rights reserved under Article VIII, 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 the 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.

(b) No immoral, improper, offensive or unlawful use may be made of the Property; Unit Owners shall comply with and conform to all applicable laws and regulations of the United States and of the State of Nevada and all ordinances, rules and regulations of the City of Las

Vegas. The violating Unit Owner shall hold harmless the Association and other Unit Owners from all fines, penalties, costs and prosecutions for any violation or noncompliance.

Section 10.2 Occupancy Restrictions: Subject to the Special Declarant Rights reserved under Article VIII, 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 Executive Board. 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 Unit Owner who caused it. Total electrical usage in any Unit shall not exceed the capacity of the circuits as labeled on the circuit breaker boxes.

(b) All Unit Owners shall maintain their Units in a clean and well maintained condition. No storage of trash will be permitted in or outside any Unit in a manner which may permit the spread of fire, odors, seepage or encouragement of vermin. No 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.

(c) Parking spaces are restricted to use by the owner of the Unit to which the parking space is assigned as a Limited Common Element for parking vehicles, but specifically excluding heavy-load trucks, commercial vehicles and campers, except for loading or unloading within 24 hours.

(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 become an annoyance or nuisance to the other Unit Owners or occupants. No Unit Owner or occupant 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 Unit Owners or occupants.

(e) No animals, birds or reptiles of any kind shall be kept in a Unit, except for a maximum of two household pets (exclusive of aquarium fish) of less than 15 lbs. each, may be kept in any Unit without the prior written consent of the Executive Board or the Manager. Pets may not be allowed on other portions of the Common Elements except as may be permitted by Rule. Pets may not be kept for any commercial purposes. Any pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the Property upon three days' written notice following Notice and Hearing from the Executive Board. Owner shall hold the Association harmless from any claim resulting from any action of their pets. Seeing eye dogs and hearing ear dogs will be permitted for those persons holding certificates of necessity.

(f) No signs, window displays or advertising visible from outside a Unit (except for a name plate or 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 neutral backing.

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

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

1. Affording vehicular passage and pedestrian movement within the Condominium Project, including access to the Units;
2. Recreation use by the Owners and occupants of Living Units in the Condominium Project and their guests, subject to rules established by the Board;
3. Beautification of the Common Elements and providing privacy to the residents of the Condominium Project through landscaping and such other means as the Board shall deem appropriate;
4. Parking of automotive passenger vehicles in areas provided therefor as member designated and approved by the Board by such persons, upon such terms, and conditions and for such fees as may from time-to-time be determined by the Board; and
5. All Limited Common Elements to be used in the manner hereinafter described. Nothing herein shall be deemed to allow persons other than the owner of a Unit to which a Limited Common Element is appurtenant (or his tenants and lessees) to enjoy the use thereof.
6. 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.
 - (ii) No planting may be done in the Common Elements by any individual unit owner.
7. 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), nor in any manner which shall increase the rate of which insurance against loss by fire, or the perils of the extended coverage endorsement to the Fire Policy Form, or bodily injury or property damage liability insurance covering the Common 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 cancelled or suspended or the company issuing the same to refuse renewal thereof.

Section 10.3 Restrictions on Alienation: A Unit may not be conveyed pursuant to a time-sharing plan. A Unit may not be leased or rented for a term of less than 60 days. All leases and rental agreements shall be in writing and subject to the requirements of the Documents and the Association.

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.

Section 10.4 Declarant's Rights: As long as the Declarant is a Unit Owner, the Declarant and its duly authorized agents, representatives and employees may maintain any Unit owned by the Declarant or any portion of the Common Elements, as a model unit or sales office. The Declarant may also maintain management offices and signs and displays advertising the Common Interest Community.

ARTICLE XI EASEMENTS AND LICENSES

Section 11.1 Easements of Record: All easements or licenses to which the Common Interest Community is presently subject are shown on Plats and Plans. In addition, the Common Interest Community may be subject to other easements or licenses granted by the Declarant pursuant to its powers under Article VIII of this Declaration and easements or liens granted by the Association pursuant to its powers under Article XXV of this Declaration.

Section 11.2 Encroachment Easement: In the event any portion of the Common Elements encroaches upon any Unit as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the Common Interest Community, the encroachment shall constitute a valid easement for the encroachment and for the maintenance of the same for so long as the encroachment exists. Said valid easement shall apply only to minor encroachments, not exceeding one (1) foot.

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

ARTICLE XII
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.

The Declarant has reserved the right, under Section 8.1(b) of this Declaration, to create Limited Common Elements as shown on the Plats and Plans as Phases 3 through 12. If such Limited Common Elements are so created they shall be assigned to particular Units by amendment to this Declaration. Any Limited Common Elements which are not allocated at the termination of the Development Rights period 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 Common Interest Community.

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 XIII
ADDITIONS, ALTERATIONS AND IMPROVEMENTS

Section 13.1 Unit Owners:

(a) No Unit Owner will make any structural addition, alteration or improvement in or to the Common Interest Community without the prior written consent of the Executive Board in accordance with Subsection (c) below.

(b) Subject to (a) above, a Unit 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 Common Interest Community.

(ii) May not change the appearance of the Common Elements, the exterior appearance of a Unit or any other portion of the Common Interest Community, without permission of the Association.

(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 Common Interest Community. 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 XIV.

(c) A Unit Owner may submit a written request to the Executive Board for approval of anything prohibited under (a) or (b)(ii) above. The Executive Board shall answer any written request for approval, after Notice and Hearing, within 60 days after the request. Failure to answer the request within this time shall not constitute a consent by the Executive Board to the proposed action. The Executive Board shall review requests in accordance with the provisions of its rules.

(d) 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.

(e) All additions, alterations and improvements to the Units and Common Elements shall not, except pursuant to prior approval by the Executive Board, 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.

The provisions of this Section shall not apply to the Declarant in the exercise of any Special Declarant Right.

Section 13.2 Executive Board: Subject to the limitations of Sections 19.5 and 19.6 of this Declaration, the Executive Board may make any additions, alterations or improvements to the Common Elements which, in its judgment, it deems necessary.

ARTICLE XIV BOUNDARIES

Section 14.1 Application and Amendment: Subject to approval of any structural changes and required permits pursuant to Article XIII, the boundaries between adjoining Units may be relocated by an amendment to the Declaration upon application to the Association by the 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. Unless the Executive Board determines, within 30 days after receipt of the application, that the reallocations are unreasonable, the Association shall prepare an amendment that identifies the Units involved, states the reallocations and indicates the Association's consent. The amendment must be executed by those Unit Owners affected and contain words of conveyance between them. The approval of all holders of Security Interests in the affected Units shall be endorsed on the conveyance. On recordation, the amendment shall be indexed in the name of the grantor and the grantee, and in the grantee's index in the name of the Association.

Section 14.2 Recording Amendments: The Association shall prepare and record Plats or Plans 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 the reasonable consultant fees incurred by the Association if the Executive Board deems it necessary to employ a consultant.

ARTICLE XV AMENDMENTS TO DECLARATION

Section 15.1 In General: Except in cases of amendments that may be executed (i) by the Declarant in the exercise of its Development Rights, (ii) by the Association under Article XI of this Declaration and NRS 116.1107 or (iii) by certain Unit Owners under Article XII and Section 14.1 of this Declaration and NRS 116.2118, and except as limited by Section 15.4 and Article XVIII of this Declaration, this Declaration, including the Plat and Plans, may be amended only by vote or agreement of Unit Owners of Units to which at least a majority of the votes in the Association are allocated. The procedure for amendment must follow the procedures of set forth in NRS 116.2117.

Section 15.2 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 15.3 Recordation of Amendments: Each amendment to the Declaration must be recorded in the Clark County Recorder's Office, and the amendment is effective only upon recording.

Section 15.4 Unanimous Consent: Except to the extent expressly permitted or required by other provisions of the Act, an amendment may not create or increase Special Declarant Rights, increase the number of Units, change the boundaries of any Unit, change the Allocated Interests of a Unit or change the uses to which any Unit is restricted, except by unanimous consent of the Unit Owners affected and the consent of a majority of the Owners of the remaining Units.

Section 15.5 Execution of Amendments: An amendment to the 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 15.6 Special Declarant Rights: Provisions in this Declaration creating Special Declarant Rights may not be amended without the consent of the Declarant.

Section 15.7 Consent of Holders of Security Interests and VA: Amendments are subject to the consent requirements of Article XVIII. Additionally, for so long as the Declarant is in control of the Association pursuant to Section 8.9 herein, an amendment to the Bylaws shall require the prior approval of the VA.

Section 15.8 Amendments To Create Units: To exercise any Development Right reserved under Section 8.1 of this Declaration, the Declarant shall prepare, execute and record an amendment to the Declaration. The Declarant shall also record new Plats and Plans as necessary to conform to the requirements of NRS 116.2109(1), (2) and (4) or new certifications of the Plat or Plans if the Plat or Plans otherwise conform to the requirements of those Subsections.

The amendment to the 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 XVI AMENDMENTS TO BYLAWS

The Bylaws may be amended only by vote of fifty-one percent (51%) of the members of the Association or by the written assent of such members. Additionally, for so long as Declarant is in control of the Association pursuant to Section 8.9 herein, any amendment to the Bylaws shall require the prior approval of the VA.

ARTICLE XVII TERMINATION

Termination of the Common Interest Community may be accomplished only in accordance with NRS 116.2118.

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ARTICLE XVIII
MORTGAGEE PROTECTION

Section 18.1 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 18.2 Percentage of Eligible Mortgagees: Wherever in this Declaration the approval or consent of a specified percentage of Eligible Mortgagees is required, it shall mean that the approval or consent of Eligible Mortgagees holding Security Interests in Units which in the aggregate have allocated to them that specified percentage of votes as compared to the total votes allocated to all Units in the Association then subject to Security Interests held by all Eligible Mortgagees.

Section 18.3 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 Common Interest Community or any Unit in which there is a first Security Interest held, insured or guaranteed by that Eligible Mortgagee or Eligible Insurer, as applicable;
- (b) Any delinquency in the payment of Common Expense assessments owed by a Unit Owner which remains uncured for a period of sixty (60) days and whose Unit is subject to a first Security Interest held, insured or guaranteed by that Eligible Mortgagee or Eligible Insurer, as applicable;
- (c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;
- (d) Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in Section 18.4 of the Declaration; and
- (e) Any judgment rendered against the Association.

Section 18.4 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 Unit Owners described in this Section may be effective without notice to all Eligible Mortgagees and Eligible Insurers, as required by Section 18.3 above, without the vote of at least a 67 percent of the Unit Owners (or any greater Unit Owner vote required in this Declaration or the Act) and without approval by at least 51 percent of the Eligible Mortgagees (or any greater Eligible Mortgagee approval required by this Declaration). The foregoing approval requirements do not

apply to amendments effected by the exercise of any Development Right. A change to any of the following would be considered material:

- (i) Voting rights;
- (ii) Assessments, assessment liens or priority of assessment liens;
- (iii) Reserves for maintenance, repair and replacement of Common Elements;
- (iv) Responsibility for maintenance and repairs;
- (v) Reallocation of interests in the Common Elements or Limited Common Elements, except that when Limited Common Elements are reallocated by agreement between Unit Owners, only those Unit Owners and only the Eligible Mortgagees holding Security Interests in those Units need approve the action;
- (vi) Redefinitions of boundaries of Units, except that when boundaries of only adjoining Units are involved, or a Unit is being subdivided, then only those Unit Owners and the Eligible Mortgagees holding Security Interests in the Unit or Units need approve the action;
- (vii) Convertability of Units into Common Elements or Common Elements into Units;
- (viii) Expansion or contraction of the Common Interest Community, or the addition, annexation or withdrawal of property to or from the Common Interest Community;
- (ix) Insurance or fidelity bonds;
- (x) Leasing of Units;
- (xi) Imposition of any restrictions on Unit Owners' right to sell or transfer their Units;
- (xii) A decision by the Association to establish self-management when professional management had been required previously by the Documents or any Eligible Mortgagee;
- (xiii) Restoration or repair of the project after hazard damage or partial condemnation in a manner other than that specified in the Documents;
- (xiv) Termination of the Common Interest Community after occurrence of substantial destruction or condemnation; and

(xv) Any provision that expressly benefits mortgage holders, insurers or guarantors.

(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 the Declarant as Special Declarant Rights, without notice to all Eligible Mortgagees and Eligible Insurers, as required by Section 18.3 above, and approval of at least 51 percent (or the indicated percentage, if higher) of the Eligible Mortgagees:

(i) Convey or encumber the Common Elements or any portion of the Common Elements, for which an 80 percent Eligible Mortgagee approval 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 Common Interest Community will not be deemed a transfer within the meaning of this clause); and

(ii) The termination of the Common Interest Community for reasons other than substantial destruction or condemnation, for which 67% of the Votes of Eligible Mortgagees is required.

(iii) 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;

(iv) 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 Common Interest Community and also excluding any leases, licenses or concessions lasting for no more than one year).

(v) The restoration or repair of the Property after hazard damage or a partial condemnation in a manner other than specified in the Instruments.

(vi) The merger of the Common Interest Community with any other common interest community, for which the prior written approval of the VA must also be obtained.

(vii) The assignment of the future income of the Association, including its right to receive Common Expense Assessments.

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

(c) 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) For so long as Declarant is in control of the Association, as defined in Section 8.9 herein, any amendment to the Documents shall require the prior approval of the VA. A draft of any amendment shall be submitted to the VA for approval prior to recordation.

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

Section 18.5 Development Rights: No Development Rights may be exercised, voluntarily abandoned or terminated by the Declarant unless all persons holding Security Interests in the Development Rights consent to the exercise, abandonment or termination.

Section 18.6 Inspection of Books: The Association must maintain current copies of the Declaration, Bylaws, Rules, books, records and financial statements. 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 18.7 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 90 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 Common Interest Community 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 18.8 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 18.9 Attendance at Meetings: Any representative of an Eligible Mortgagee or Eligible Insurer may attend and address any meeting which a Unit Owner may attend.

Section 18.10 Appointment of Trustee: In the event of damage or destruction under Article XXII or XXIII or condemnation of all or a portion of the Common Interest Community, any Eligible Mortgagee may require that such proceeds be payable to a Trustee established pursuant to Section 1.31 of 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 XXIII or pursuant to a condemnation award. Unless otherwise required, the members of the Executive Board, acting by majority vote through the president, may act as Trustee.

ARTICLE XIX
ASSESSMENT AND COLLECTION OF COMMON EXPENSES

Section 19.1 Apportionment of Common Expenses: Except as provided in Section 19.2, all Common Expenses shall be assessed at a uniform rate for all Units in accordance with their percentage interest in the Common Expenses as shown on Exhibit "C" of this Declaration.

Section 19.2 Common Expenses Attributable to Fewer than all Units:

(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, decks, 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 Common Interest Community at the time the judgment was entered, in proportion to their liabilities for Common Expense.

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

(f) If Liabilities for Common Expenses are reallocated, assessments for Common Expenses 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 a Unit Owner pursuant to the Documents and the Act are enforceable as Common Expense assessments.

Section 19.3 Lien:

(a) The Association has a lien on a Unit for an assessment levied against the Unit or fines imposed against its Unit Owner from the time the assessment or fine becomes due. Fees, charges, late charges, fines and interest charged pursuant to the Act and the Documents are enforceable as assessments under this Section. 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) 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 the Declaration; (2) a first Security Interest on the Unit recorded before the date on which the assessment sought to be enforced became delinquent; and (3) liens for real estate taxes and other governmental assessments or charges against the Unit. A lien under this Section is also prior to all Security Interests described in Subdivision (2) of this Subsection to the extent that the Common Expense assessments are based on the periodic budget adopted by the Association pursuant to Section 19.5 of this Article and would have become due of in the absence of acceleration, during the six months immediately preceding institution of an action to enforce the Association's lien. This Subsection does not affect the priority of mechanics' or materialmen's liens or the priority of a lien for other assessments made by the Association.

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

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

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

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

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

(h) In any action by the Association to collect assessments or to foreclose a lien for unpaid assessments, the court may appoint a receiver for the Unit Owner to collect all sums alleged to be due from that Unit Owner 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 19.4 of this Declaration.

(i) If a holder of a first or second 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 the Declaration. Any unpaid assessments not satisfied from the proceeds of sale become Common Expenses collectible from all the Unit 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 Unit Owner and the Common Interest Community.

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

(l) Any payments received by the Association in the discharge of a Unit Owner's obligation may be applied to the oldest balance due.

Section 19.4 Budget Adoption and Ratification: Within 30 days after adoption of a proposed budget for the Common Interest Community, the Executive Board shall provide a summary of the budget to each Unit Owner and shall set a date for a meeting of the Unit 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 all Unit 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 Unit Owners continues until the Unit Owners ratify a subsequent budget proposed by the Executive Board.

Section 19.5 Ratification of Nonbudgeted Common Expense Assessments: If the Executive Board votes to levy a Common Expense assessment not included in the current budget, other than one enumerated in Section 19.2 of this Declaration, in an amount greater than 15 percent of the current annual operating budget, the Executive Board shall submit this Common Expense to the Unit Owners for ratification in the same manner as a budget under Section 19.4.

Section 19.6 Certificate of Payment of Common Expense Assessments: The Association, upon written request, shall furnish a Unit Owner with a statement, in recordable form, setting out the amount of unpaid assessments against the Unit. The statement must be furnished within 10 business days after receipt of the request and is binding on the Association, the Executive Board and each Unit Owner.

Section 19.7 Monthly Payment of Common Expenses: All Common Expenses assessed under Sections 19.1 and 19.2 of this Declaration shall be due and payable monthly at 1/12 of the annual total.

Section 19.8 Limitation on Annual Assessment Increases:

(a) From and after January 1st of the year immediately following the conveyance of the first Unit to an Owner, the annual assessment may be increased each year not more than fifteen percent (15%) above the of the annual budget for the previous year without a vote of the membership.

(b) From and after January 1st of the year immediately following the conveyance of the first Unit to an Owner, the annual assessment may be increased above fifteen percent (15%) by the vote or written assent of fifty-one percent (51%) of the memberships; provided, however, that following the termination of Declarant's Control under Section 8.9, any such increase shall have the vote or written assent of (i) fifty-one percent (51%) of the total voting power of the Association and (ii) fifty-one percent (51%) of the total voting power of members other than the Declarant.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the annual budget for the previous year.

Section 19.9 Acceleration of Common Expense Assessments: In the event of default in which any Unit Owner does not make the payment of any Common Expense assessment levied against his Unit within 10 days of the date due, the Executive Board shall have the right, after Notice and Hearing, to declare all unpaid assessments for the pertinent fiscal year immediately due and payable.

Section 19.10 Commencement of Common Expense Assessments: The Common Expense assessments provided for herein shall begin as to all Units in each phase of the Common Interest Community on the first day of the month following the conveyance of the first Unit to a Unit Owner other than the Declarant in that phase. The first assessment shall be adjusted according to the number of months remaining in the calendar year.

Section 19.11 No Waiver of Liability for Common Expenses: No Unit Owner may become exempt from liability for payment of the Common Expenses by waiver of the use or enjoyment of the Common Elements or by abandonment of the Unit against which the assessments are made.

Section 19.12 Personal Liability of Unit Owners: The Unit Owner of a Unit, at the time a Common Expense assessment or portion of the assessment is due and payable, is personally liable for the assessment.

(a) No owner may exempt himself from the personal liability for assessments levied by the Association, nor release the condominium owned by him from the liens and charges thereof by waiver of the use or enjoyment of any of the Common 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 19.13 Capitalization of Association: A working capital fund is to be established in the amount of two months' regularly budgeted initial Common Expense assessments, measured as of the date of the first assessment on the first phase, for all Units as they are created in

proportion to their respective Allocated Interests in Common Expenses. Any amounts paid into this fund shall not be considered as advance payment of assessments. Each Unit's share of the working capital fund may be collected and then contributed to the Association by the Declarant at the time the sale of the Unit is closed or at the termination of Declarant control pursuant to Section 8.9 of the Declaration, if earlier. Until paid to the Association, the contribution to the working capital shall be considered an unpaid Common Expense Assessment, with a lien on the Declarant's unsold Units pursuant to the Act. Until termination of Declarant control of the Executive Board, the working capital shall be deposited without interest in a segregated fund. While the Declarant is in control of the Executive Board, the Declarant cannot use any of the working capital funds to defray its expenses, reserve contributions or construction costs or to make up budget deficits.

ARTICLE XX
RIGHT TO ASSIGN FUTURE INCOME

The Association may assign its future income, including its right to receive Common Expense assessments, only by the affirmative vote of Unit Owners of Units to which at least 51 percent of the votes in the Association are allocated, at a meeting called for that purpose, and with the Eligible Mortgagee consent described in Article XVIII.

ARTICLE XXI
PERSONS AND UNITS SUBJECT TO DOCUMENTS

Section 21.1 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 the Articles, By-Laws, and the Rules. 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 name to the purchaser of his Unit, the Association shall have the right to record the transfer upon its books and thereupon the old membership outstanding in the name of the seller shall be null and void.

Section 21.2 Compliance with Documents: All Unit Owners, tenants, mortgagees and occupants of Units shall comply with the Documents. The acceptance of a deed or the exercise of any incident of ownership or the entering into of a lease or the occupancy of a Unit constitutes agreement that the provisions of the Documents are accepted and ratified by that Unit Owner, tenant, mortgagee or occupant. All provisions 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 21.3 Adoption of Rules: The Executive Board 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 XXII
INSURANCE

Section 22.1 Coverage: To the extent reasonably available, the Executive Board shall obtain and maintain insurance coverage as set forth in this Article. If such insurance is not reasonably available, and the Executive Board determines that any insurance described in this Article will not be maintained, the Executive Board shall promptly cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Unit Owners and Eligible Mortgagees at their respective last known addresses.

Section 22.2 Property Insurance Coverage:

(a) Property insurance will cover:

(i) The project facilities 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 Unit 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 project insurance will be for an amount (after application of any deductions) equal to 100 percent of the project facilities' actual cash value at the time the insurance is purchased and at each renewal date. Personal property owned by the Association will be insured for an amount equal to its actual cash value.

The Executive Board is authorized to obtain appraisals periodically for the purpose of establishing replacement cost of the project facilities and the actual cash value of the personal property, 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 Unit Owner is an insured person under the policy with respect to liability arising out of the Unit Owner's interest in the Common Elements on membership in the Association.

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

(iii) An act or omission by a Unit Owner, unless acting within the scope of the Unit 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 a Unit 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 Unit Owner and the Unit 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 Unit 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:

"Pueblo at Santa Fe Condominium Association, Inc. for the use and benefit of the individual Owners."

Section 22.3 Liability Insurance: Liability insurance, including medical payments insurance, will be maintained in an amount determined by the Executive Board. 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.

(a) Other Provisions. Insurance policies carried pursuant to this Section shall provide that:

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

(ii) The insurer waives the right to subrogation under the policy against a Unit Owner or member of the household of a Unit Owner;

(iii) An act or omission by a Unit Owner, unless acting within the scope of the Unit 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 a Unit Owner covering the same risk covered by the policy, the policy of the Association provides primary insurance; and

(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 Unit Owner and the Unit 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 Unit 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 22.4 Fidelity Bonds: A blanket fidelity bond may 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 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 cancelled 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 checks are sent directly to the Association, (b) a management company maintains separate records and bank accounts for each association's reserve account, 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 22.5 Unit Owner Policies: An insurance policy issued to the Association does not preclude Unit Owners from obtaining insurance for their own benefit.

Section 22.6 Workers' Compensation Insurance: The Executive Board shall obtain and maintain Workers' Compensation Insurance to meet the requirements of the laws of the State of Nevada.

Section 22.7 Directors' and Officers' Liability Insurance: The Executive Board shall obtain and maintain directors' and officers' liability insurance, if available, covering all of the directors and officers of the Association. This insurance will have limits determined by the Executive Board.

Section 22.8 Other Insurance: The Association may carry other insurance which the Executive Board considers appropriate to protect the Association of the Unit Owners.

Section 22.9 Premiums: Insurance premiums for insurance carried or to be carried by the Association shall be a Common Expense.

ARTICLE XXIII DAMAGE TO OR DESTRUCTION OF PROPERTY

Section 23.1 Duty to Restore: Any portion of the Common Interest Community 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 Common Interest Community is terminated; or
- (b) Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety; or
- (c) Eighty percent (80%) of the Unit Owners, including each owner of a Unit or assigned Limited Common Element that will not be rebuilt, vote not to rebuild.

Section 23.2 Cost: The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense.

Section 23.3 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 Executive Board, a majority of Unit Owners and 51 percent of Eligible Mortgagees.

Section 23.4 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 Common Interest Community.

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

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

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

(c) If the Unit Owners vote not to rebuild a Unit, the Allocated Interests of the Unit are 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 reallocations.

Section 23.5 Insurance Proceeds: The Trustee, or if there is no Trustee, then the Executive Board of the Association, acting by the President, shall hold any insurance proceeds in trust for the Association, Unit Owners and lien holders as their interests may appear. Subject to the provisions of Subsection 23.1(a) through Subsection 23.1(c) of this Declaration, the proceeds shall be disbursed first for the repair or restoration of the damaged Property. The Association, Unit Owners and lien holders 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 Common Interest Community is terminated.

Section 23.6 Certificates By Executive Board: The Trustee, if any, may rely on the following certifications in writing made by the Executive Board:

- (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 23.7 Certificates by Title Insurance Companies: If payments are to be made to Unit Owners or mortgagees, then the Executive Board 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 Unit Owners and the mortgagees.

ARTICLE XXIV NOTICE AND HEARING

Section 24.1 Right to Notice and Comment: Before the Executive Board amends the Bylaws or the Rules, whenever the Documents require that an action be taken after "Notice and Comment," and at any other time the Executive Board determines, the Unit 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 Unit Owner in writing, delivered personally or by mail to all Unit 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 Unit 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 Executive Board orally or in writing before the scheduled time of the meeting. The right to Notice and Comment does not entitle a Unit Owner to be heard at a formally constituted meeting.

Section 24.2 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 Executive Board, a committee, an officer, the Manager, etc.) shall give written notice of the proposed action to all Unit Owners or occupants of Units whose interest would be significantly affected by the proposed action. The notice shall include a general statement of the proposed action and the date, time and place of the hearing. At the hearing, the affected person shall have the right, personally or by a representative, to give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the party conducting the meeting to assure a prompt and orderly resolution of the issues. Any evidence shall be duly considered, but is not binding in making the decision. The affected person shall be notified of the decision in the same manner in which notice of the meeting was given.

Section 24.3 Appeals: Any person having a right to Notice and Hearing shall have the right to appeal to the Executive Board from a decision of persons other than the Executive Board by filing a written notice of appeal with the Executive Board within 10 days after being notified of the decision. The Executive Board shall conduct a hearing within 30 days, giving the same notice and observing the same procedures as were required for the original meeting.

ARTICLE XXV EXECUTIVE BOARD

Section 25.1 Association Records and Minutes of Executive Board Meetings: The Executive Board shall permit any Unit Owner, or holder, insurer or guarantor of first mortgages secured by Units, to inspect the records of the Association and the minutes of Executive Board and committee meetings during normal business hours. The minutes shall be available for inspection within 15 days after any such meeting.

Section 25.2 Powers and Duties: The Executive Board may act in all instances on behalf of the Association, except as provided in this Declaration, the Bylaws or the Act. The Executive Board 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 Common Interest Community, which shall include, but not be limited to, the following:

- (a) Adopt and amend Bylaws, Rules and regulations;
- (b) Adopt and amend budgets for revenues, expenditures and reserves;
- (c) Collect assessments for Common Expenses from Unit Owners;
- (d) Hire and discharge managing agents;
- (e) Hire and discharge independent contractors, employees and agents;

- (f) Institute, defend or intervene in litigation or administrative proceedings in the Association's name on behalf of the Association or two or more Unit Owners on matters affecting the Common Interest Community;
- (g) Make contracts and incur liabilities;
- (h) Regulate the use, maintenance, repair, replacement and modification of the Common Elements;
- (i) Cause additional improvements to be made as a part of the Common Elements;
- (j) Acquire, hold, encumber and convey, in the Association's name, any right, title or interest to real property or personal property, but Common Elements may be conveyed or subjected to a Security Interest only pursuant to the Act (NRS 116.3112);
- (k) Grant easements for any period of time, including permanent easements, leases, licenses and concessions through or over the Common Elements;
- (l) Impose and receive a payment, fee or charge for the use, rental or operation of the Common Elements, other than Limited Common Elements described in the Act (NRS 116.2102(2) and (4)), and for services provided to Unit Owners;
- (m) Impose a reasonable charge for late payment of assessments, and after Notice and Hearing, levy reasonable fines for violations of this Declaration, the Bylaws, Rules and regulations of the Association;
- (n) Impose a reasonable charge for the preparation and recordation of amendments to this Declaration, for resale certificates required by the Act (NRS 116.4109) for a statement of unpaid assessments and for statements of unpaid Assessments;
- (o) Provide for the indemnification of the Association's officers and Executive Board and maintain Directors' and officers' liability insurance;
- (p) Assign the Association's right to future income, including the right to receive Common Expense assessments;
- (q) Exercise any other powers conferred by this Declaration or the Bylaws;
- (r) Exercise any other power that may be exercised in this state by legal entities of the same type as the Association;
- (s) Direct the removal of vehicles improperly parked on property owned or leased by the Association pursuant to NRS 487.038;

(t) Exercise any other power necessary and proper for the governance and operation of the Association; and

(u) By resolution, establish permanent and standing committees of Directors to perform any of the above functions under specifically delegated administrative standards, as designated in the resolution establishing the committee. All committees must maintain and publish notice of their actions to Unit Owners and the Executive Board. However, actions taken by a committee may be appealed to the Executive Board by any Unit Owner within 45 days of publication of the notice. If an appeal is made, the committee action must be ratified, modified or rejected by the Executive Board at its next regular meeting.

Section 25.3 Executive Board Limitations: The Executive Board may not act on behalf of the Association to amend this Declaration, to terminate the Common Interest Community or to elect members of the Executive Board or determine the qualifications, powers and duties or terms of office of Executive Board members, but the Executive Board may fill vacancies in its membership for the unexpired portion of any term.

ARTICLE XXVI OPEN MEETINGS

Section 26.1 Access: All meetings of the Executive Board, at which action is to be taken by vote will be open to the Unit Owners, except as hereafter provided.

Section 26.2 Notice: Notice of every such meeting will be given not less than 24 hours prior to the time set for such meeting, by posting such notice in a conspicuous location in the Common Interest Community, except that such notice will not be required if an emergency situation requires that the meeting be held without delay.

Section 26.3 Executive Sessions: Meetings of the Executive Board may be held in executive session, without giving notice and without the requirement that they be open to Unit Owners, in either of the following situations only:

(a) If no action is taken at the executive session requiring the affirmative vote of Directors; or

(b) If the action taken at the executive session involves personnel, pending litigation, contract negotiations, enforcement actions, matters involving the invasion of privacy of individual unit owners, matters which are to remain confidential by request of the affected parties and agreement of the Board or actions taken by unanimous consent of the Board.

ARTICLE XXVII
CONDEMNATION

If part or all of the Common Interest Community is taken by any owner 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 XXVIII
MISCELLANEOUS PROVISIONS

Section 28.1 Enforcement:

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

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

Section 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. If there is any conflict between the Documents and the provisions of the statutes, the provisions of the statutes shall control. In the event of any conflict between this Declaration and any other Document, this Declaration shall control.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed this 12 day of January, 1995.

"DECLARANT"

PUEBLO, LLC
a Nevada Limited- Liability Company

By: [Signature]
Gary M. Frey
its Manager

STATE OF NEVADA

COUNTY OF CLARK

This instrument was acknowledged before me on January 12, 1995, 1994, by Gary M. Frey, as Manager of Pueblo, LLC.

[Signature]
Notary Public

My commission expires: Jan. 26, 1998

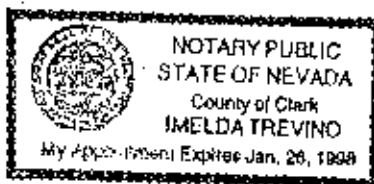


EXHIBIT "A"
CONDOMINIUM PROPERTY

All that real property described as Phases 1 and 2 as shown on the Final Map of Pueblo at Santa Fe Condominiums Unit 1, a common interest community, recorded in Book 65, Page 43 of Plats, in the Office of the County Recorder of Clark County, Nevada.

EXHIBIT "B"
ANNEXABLE PROPERTY

BEING A PORTION OF THE SOUTHEAST QUARTER (SE 1/4) OF SECTION 34, TOWNSHIP 19 SOUTH, RANGE 60 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SOUTHEAST QUARTER (SE 1/4) OF SECTION 34; THENCE SOUTH 89°22'46" WEST, 50.00 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF RAINBOW BOULEVARD, SAID POINT BEING THE POINT OF BEGINNING; THENCE SOUTH 00°40'27" EAST, 400.03 FEET; THENCE DEPARTING SAID RIGHT-OF-WAY LINE, SOUTH 89°19'33" WEST, 461.56 FEET; THENCE SOUTH 53°32'06" WEST, 360.84 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY 95 (RANCHO DRIVE), NORTH 36°27'54" WEST, 227.39 FEET, THENCE NORTH 21°38'19", 457.91 FEET; THENCE DEPARTING SAID RIGHT-OF-WAY LINE, NORTH 89°22'46" EAST, 1051.08 FEET TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINS 10.03 ACRES, MORE OR LESS.

EXCEPTING THEREFROM that portion of Pueblo at Santa Fe Condominiums Unit 1, Phases 1 and 2, as shown by a map in the Office of the Clark County, Nevada Recorder, Book 65, Page 43 of Plats.

EXHIBIT "C"
TABLE OF INTERESTS

Unit No.	Percentage of Common Elements	Percentage of Common Expenses	Vote in the Affairs of Association
111	1/24	1/24	1
112	1/24	1/24	1
121	1/24	1/24	1
122	1/24	1/24	1
123	1/24	1/24	1
124	1/24	1/24	1
211	1/24	1/24	1
212	1/24	1/24	1
221	1/24	1/24	1
222	1/24	1/24	1
223	1/24	1/24	1
224	1/24	1/24	1
311	1/24	1/24	1
312	1/24	1/24	1
321	1/24	1/24	1

322	1/24	1/24	1
323	1/24	1/24	1
324	1/24	1/24	1
411	1/24	1/24	1
412	1/24	1/24	1
421	1/24	1/24	1
422	1/24	1/24	1
423	1/24	1/24	1
424	1/24	1/24	1

950117.00791

EXHIBIT "D"
Condominium Plan

General Schematic of Condominium Project

Attached

p:\users\jms\sticble\condo7.ecr
011295 1425

45

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

JONES JONES ET AL

01-17-95 OFFICIAL RECORDS 52

BOOK: 950117 00791

FEE: 58.00 RPT:

00

20010227
01300

PUEBLO @ SANTA FE CONDOMINIUM ASSOCIATION, INC.
AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS

Originally Recorded January 17, 1995

Book # 950117

Inst: 00791

ARTICLE XVI - Add as second paragraph: Any change to the governing documents must be either hand-delivered or mailed to each Member within thirty (30) days after the change has been made. Any changes to the Association's governing documents to include but not limited to, the Covenants, Conditions and Restrictions, the Bylaws, and the Rules and Regulations mandated by either the local, state or federal governments shall be incorporated within the appropriate governing document of the Association without the approval of the Membership.

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the President of Pueblo @ Santa Fe Condominium Association, Inc., a Nevada nonprofit cooperative corporation; and

THAT the foregoing Amendment to the Declaration of Covenants, Conditions and Restrictions, comprising 1 page, constitutes a change to the original Declaration of Covenants, Conditions and Restrictions of the Association, as duly adopted by written consent of the Declarant January 12, 1995.

IN WITNESS WHEREOF, I have hereunto subscribed my name on this 6th day of February, 2001.


JOHN SWANSON, PRESIDENT

Attest:


ROXANNA POWELL, SECRETARY / TREASURER

20010227
01300

**PUEBLO @ SANTA FE CONDOMINIUM ASSOCIATION, INC.
AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND
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JOHN SWANSON, PRESIDENT

Attest:


ROXANNA POWELL, SECRETARY / TREASURER