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MONTEREY AT THE LAS VEGAS
COUNTRY CLUB HOMEOWNERS'
ASSOCIATION

EUGENE BURGER MANAGEMENT
CORP

The attached document(s) were filed with the Nevada Secretary of State, Commercial Recordings Division. The filing date and time have been affixed to each document, indicating the date and time of filing. A filing number is also affixed and can be used to reference this document in the future.

Respectfully,

A handwritten signature in cursive script that reads "Dean Heller".

DEAN HELLER
Secretary of State

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**ARTICLES OF INCORPORATION
OF
MONTEREY AT THE LAS VEGAS COUNTRY CLUB
HOMEOWNERS' ASSOCIATION**
(Attached to the Nevada Secretary of State Required Form)

The undersigned incorporator, desiring to form a nonprofit corporation pursuant to Chapter 82 of the Nevada Revised Statutes, adopts the following Articles of Incorporation.

**ARTICLE I
NAME**

The name of the corporation is and shall be: MONTEREY AT THE LAS VEGAS COUNTRY CLUB HOMEOWNERS' ASSOCIATION (the "Association").

**ARTICLE II
RESIDENT AGENT**

The name and address of the corporation's initial resident agent is:

Lionel Sawyer & Collins
1700 Bank of America Plaza
300 South Fourth Street
Las Vegas, Nevada 89101

**ARTICLE III
PURPOSE AND POWERS**

The corporation is a nonprofit corporation organized for those purposes that qualify it as an exempt organization under the Internal Revenue Service Code of 1986, as amended (the "Code"), and to operate as an association pursuant to Nevada Revised Statutes Chapter 116. The objective of the corporation is to provide for management, administration, maintenance, and architectural control of the common interest ownership community referred to as Monterey At The Las Vegas Country Club, located on the real property described in the Declaration of Covenants, Conditions and Restrictions and Grant and Reservation of Easements for Monterey At The Las Vegas Country Club to be recorded in the Official Records, Clark County, Nevada (the "Declaration"). Except as provided below, the corporation may engage in any lawful activities incident to such purposes and objectives. Capitalized terms used herein, unless otherwise defined, shall have the meanings ascribed to such terms in the Declaration.

**ARTICLE IV
INITIAL BOARD OF DIRECTORS**

The corporation shall be governed by a board of directors consisting of at least three (3) persons. The initial board of directors shall consist of three (3) directors, and the names and addresses of the persons who shall serve as directors until the first annual meeting of members or until their successors are elected and qualified are:

<u>Name</u>	<u>Address</u>
David J. Moon	3017 Douglas Blvd. # 300 Roseville, CA 95661
Thomas J. Rielly	160 Newport Center Drive #240 Newport Beach, CA 92660
Walter Eeds	341 Bayside Drive, Suite 7 Newport Beach, CA 92660

**ARTICLE V
LIMITATION OF POWER AND AUTHORITY**

NOTWITHSTANDING ANYTHING HEREIN CONTAINED, INCLUDING, WITHOUT LIMITATION, THE CODE OF BYLAWS, DECLARATION, OR RULES OF THE ASSOCIATION, TO THE CONTRARY, ANY DETERMINATION TO COMMENCE OR OTHERWISE BRING OR PURSUE LEGAL OR EQUITABLE ACTION AND/OR PROCEEDINGS, OR TO CONSULT WITH OR RETAIN AN ATTORNEY FOR THE PURPOSES OF DISCUSSING THE COMMENCEMENT OF ANY SUCH ACTION AND/OR PROCEEDING, OF ANY NATURE AGAINST, OR WHICH MAY DIRECTLY OR INDIRECTLY IMPOSE LIABILITY ON, THE DECLARANT (INCLUDING ITS PARTNERS, PARENTS, SUBSIDIARIES, AFFILIATES OR MEMBERS, AND ITS AND THEIR SHAREHOLDERS, OFFICERS, MANAGERS, DIRECTORS, EMPLOYEES, AGENTS AND ATTORNEYS, AND ITS AND THEIR SUCCESSORS AND ASSIGNS), MUST FIRST BE APPROVED BY AN AFFIRMATIVE VOTE OF A MAJORITY OF THE MEMBERS OF THE

BOARD OF DIRECTORS AND BY AN AFFIRMATIVE VOTE OF NOT LESS THAN 67% OF THE VOTES OF ALL OWNERS, AND NO SUCH ACTION OR PROCEEDING SHALL BE COMMENCED UNTIL OBTAINING SUCH VOTES.

**ARTICLE VI
AMENDMENT**

Any amendment of these Articles of Incorporation shall require the approval of the Board, the consent of sixty-seven percent (67%) of the Members entitled to vote, and such other requirements as set forth in the Declaration.

**ARTICLE VII
INCORPORATORS**

The name and address of the incorporator is:

Elaine Shaddock
Lionel Sawyer & Collins
1700 Bank of America Plaza
300 South Fourth Street
Las Vegas, Nevada 89101

All powers, duties, and responsibilities of the incorporator shall cease upon the filing of these Articles of Incorporation with the Secretary of State of Nevada.

Dated this 27th day of August, 2004.



CODE OF BYLAWS

FOR

MONTEREY AT THE LAS VEGAS COUNTRY CLUB
HOMEOWNERS' ASSOCIATION

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CODE OF BYLAWS FOR
MONTEREY AT THE LAS VEGAS COUNTRY CLUB HOMEOWNERS' ASSOCIATION

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CODE OF BYLAWS

FOR

MONTEREY AT THE LAS VEGAS COUNTRY CLUB HOMEOWNERS' ASSOCIATION

ARTICLE I PLAN OF UNIT OWNERSHIP

1.1 Name. The name of the corporation is MONTEREY AT THE LAS VEGAS COUNTRY CLUB HOMEOWNERS' ASSOCIATION (the "Association"). The principal office of the Association shall be located in Clark County, Nevada.

1.2 Application. The provisions of these Bylaws are applicable to the common-interest community project known as Monterey at the Las Vegas Country Club, located in Clark County, Nevada (the "Property"). All present and future Owners and their tenants, future tenants, employees, and any other person who might use the Property in any manner, are subject to the regulations set forth in these Bylaws and in the Declaration of Covenants, Conditions and Restrictions and Grant and Reservation of Easements for Monterey at the Las Vegas Country Club (the "Declaration") recorded or to be recorded in Official Records, Clark County, Nevada and applicable to the Property. The mere acquisition or rental of any Unit in the Property or the mere act of occupancy of any Unit will signify that these Bylaws are accepted, ratified, and will be complied with by the Owner or occupant thereof.

1.3 Meaning of Terms. Unless otherwise specifically provided herein, the capitalized terms in these Bylaws shall have the same meanings ascribed to such terms in the Declaration.

ARTICLE II VOTING BY ASSOCIATION MEMBERSHIP

2.1 Voting Rights. Members of the Association shall have voting rights as described in the Declaration. All voting rights shall be subject to the restrictions and limitations provided in the Declaration and in the Articles and these Bylaws. Only votes cast in person, by secret ballot, or by proxy may be counted.

2.2 Majority of Quorum. Unless otherwise expressly provided in the Articles, these Bylaws or the Declaration, any action which may be taken by the Association may be taken by a majority of a quorum of the Members of the Association.

2.3 Quorum. Except as otherwise provided in these Bylaws, the Articles or the Declaration, the presence in person, by secret ballot or by proxy of at least twenty percent (20%) of the voting power of the Membership of the Association shall constitute a quorum of the Membership.

2.4 Proxies. Except as otherwise provided in this Section, votes allocated to a Unit may be cast pursuant to a written revocable proxy executed by the Owner thereof. The Board may prepare and adopt a form proxy to be used by the Members. The proxy shall identify the person or persons authorized to exercise the proxy. An Owner may give a proxy only to a member of his immediate Family, his tenant who resides in the Project, another Owner who resides in the Project, or any other person permitted by the Nevada Common Interest Ownership Act, NRS 116.001 et seq. (the "Act"). If a Unit is owned by more than one Person and one of the Owners is present at the meeting, that Owner may vote on behalf of all the Owners of the Unit. If a Unit is owned by more than one Person and more than one Owner attends the meeting, votes may be cast only in accordance with the agreement of a majority of the Owners. A vote may not be cast pursuant to a proxy for the election of members of the Board. A proxy shall be void if: (a) it is not dated; (b) it purports to be revocable without notice; (c) it does not designate the meeting for which it is executed; (d) it does not designate the agenda item or items for which the Owner has executed the proxy, except that this requirement shall not apply if the proxy is to be used solely for establishing whether a quorum is present for the meeting; or (e) the holder of the proxy does not disclose at the beginning of the meeting for which the proxy is executed, the number of proxies pursuant to which he will be casting votes and the voting instructions received for each proxy. Every proxy shall terminate immediately after the conclusion of the meeting for which it was executed. An Owner may revoke a proxy only by actual notice of revocation to the person presiding over a meeting of the Association.

ARTICLE III ADMINISTRATION

3.1 Association Responsibilities. In accordance with the provisions of the Declaration, the Association shall have the responsibility of administering the Property, preparing the Budget, establishing and collecting all assessments authorized under the Declaration, and arranging for overall architectural control of the Property.

3.2 Place of Meetings of Members. Meetings of the Members shall be held at such location in convenient proximity to the Property, as may be designated from time to time by the Board of Directors.

June 3.3 Regular Meetings of Members. The Association shall hold a regular annual meeting of the Members. The first annual meeting of Members shall be held on or about the first anniversary of the Close of Escrow for the sale of the first Unit in the Association. Thereafter, the annual meeting of the Members shall be held on or about one (1) year after the date of the last annual meeting. If the Members have not held a meeting for one (1) year, a meeting of the Members must be held in accordance with the Act. The Association may also hold such regular meetings other than the annual meeting as the Association shall deem appropriate. The requirements set forth below in Sections 3.5 and 3.7 of these Bylaws concerning notice, agenda, and an Owner's right to speak at Association meetings apply to both regular and special meetings of the Members. Each Eligible Mortgagee and Eligible Insurer of a Unit in the Project may designate a representative to attend all annual meetings of the Members.

3.4 Special Meetings of Members. It shall be the duty of the Board to call a special meeting of the Members, as directed by resolution of a majority of the Board, by request of the President of the Association or upon receipt by the Secretary of a petition signed by Members representing at least ten percent (10%) of the total voting power of the Association stating the purpose of the special meeting. The notice, agenda, and Owner comment requirements set forth below in Sections 3.5 and 3.7 of these Bylaws, apply to both regular and special meetings of the Members. Each Eligible Mortgagee and Eligible Insurer of a Unit in the Project may designate a representative to attend all special meetings of the Members.

3.5 Notice; Record Dates. Not less than ten (10) nor more than sixty (60) days in advance of each meeting of the Members, the Secretary shall cause notice of the meeting to be hand-delivered or sent prepaid by United States mail to the mailing address of each Unit or to any other mailing address designated in writing by the Unit Owner and to each Eligible Mortgagee and Eligible Insurer of a Unit that has previously filed a written request for notice with the Secretary. The notice of the meeting must state the time and place of the meeting and include a copy of the agenda for the meeting. The notice must also include notification of the right of an Owner to: (a) have a copy of the minutes or a summary of the minutes of the meeting distributed to the Owner upon request and, if required by the Board, upon payment to the Association of the cost of making the distribution; and (b) speak to the Association. The notice requirements of this Section apply to both regular and special meetings of the Members.

The Board of Directors may fix a date in the future as a record date for the determination of the Members entitled to notice of any meeting of Members. If the Board does not fix a record date for notice to Members, the record date for notice shall be the close of business on the business day preceding the day on which notice is given. In addition, the Board of Directors may fix a date in the future as a record date for the determination of the Members entitled to vote at any meeting of Members. If the Board does not fix a record date for determining Members entitled to vote, Members on the day of the meeting who are otherwise eligible to vote are entitled to vote at the meeting.

3.6 Adjourned Meetings. If any meeting of Members cannot be organized because a quorum is not present, a majority of the Members who are present, either in person or by proxy, may adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the time the original meeting was called, at which meeting the quorum requirement shall be the presence in person or by proxy of the Members holding at least ten percent (10%) of the voting power of the Association. Such an adjourned meeting may be held without meeting the notice requirements set forth in Section 3.5 above provided that notice is given by announcement at the meeting at which such adjournment is taken.

3.7 Conduct of Business. The Board of Directors may adopt any order of business for the meetings of the Members as the Board of Directors deems just and proper. The agenda for each meeting of the Owners must consist of: (a) a clear and complete statement of the topics scheduled to be considered during the meeting, including, without limitation, any proposed amendment to the Declaration or Bylaws, any fees or assessments to be imposed or increased by the Association, any budgetary changes, and any proposal to remove an officer or member of the Board; (b) a list describing the items on which action may be taken and clearly denoting that

action may be taken on those items; and (c) a period devoted to comments by Owners and discussion of those comments. In an Emergency (as hereinafter defined), the Owners may take action on an item which is not listed on the agenda. The agenda and Owner comment requirements of this Section apply to both regular and special meetings of the Members.

As used in these Bylaws, "Emergency" means any occurrence or combination of occurrences that: (aa) could not have been reasonably foreseen; (bb) affects the health, welfare, and safety of the Owners; (cc) requires the immediate attention of, and possible action by, the Board; and (dd) makes it impracticable to comply with the notice provisions otherwise required by these Bylaws or the Act.

3.8 Action Without Meeting. Any action, which may be taken at a meeting of the Members (including the election of Directors) may be taken without a meeting by written ballot of the Members. Ballots shall be solicited in the same manner as provided in Section 3.5 for the giving of notice of meetings of Members. Such solicitations shall specify: (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall set forth each proposed action or candidate, shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the Member specifies a choice, the vote shall be cast in accordance therewith. Receipt within the time period specified in the solicitation of a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting and a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting shall constitute approval by written ballot.

3.9 Consent of Absentees. The transactions of any meeting of Members, either annual or special, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the Members not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the Meeting.

3.10 Minutes, Presumption of Notice. Minutes or a similar record of the proceedings of meetings of Members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes executed by the Secretary that notice of the meeting was properly given shall be prima facie evidence that such notice was given. Not more than thirty (30) days after any meeting of the Members, the Secretary shall cause the minutes or a summary of the minutes of the meeting to be made available to the Members. A copy of the minutes or a summary of the minutes must be provided to any Member who pays the Association the cost of providing the copy.

ARTICLE IV
BOARD OF DIRECTORS

4.1 Number and Qualification. The property, business and affairs of the Association shall be governed and managed by a Board of Directors. Initially, there shall be a period of Declarant's control of the Association during which Declarant, or Persons designated by Declarant, may appoint and remove the officers and members of the Board of the Association, subject to the limitations set forth in the Declaration. The Board of Directors must consist of at least three (3) members during the period of Declarant's control. Upon the termination of the period of Declarant's control, the Owners shall elect a Board of Directors consisting of at least three (3) members, at least a majority of whom shall be Owners other than Declarant; provided, however, that the authorized number of Directors may be changed by a duly adopted amendment to these Bylaws.

An officer, employee, agent, director, trustee, designated beneficiary, partner, member, or other representative of an Owner, including a fiduciary of an estate that owns a Unit, may be a member of the Board. In all events where the person serving or offering to serve as a member of the Board is not the record Owner, he or she shall file proof in the records of the Association that: (a) states that he or she is associated with the Owner; and (b) identifies the Unit(s) owned by the Owner.

Directors shall not receive any salary or compensation for their services as Directors unless such compensation is first approved by the vote or written consent of Members representing at least a majority of the voting power of the Association; provided, however, that nothing herein contained shall be construed to preclude any Director from serving the Association in some other capacity and receiving compensation therefor, and any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

4.2 Powers and Duties. The Board of Directors has the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done exclusively by the Members.

4.3 Special Powers and Duties. Without limiting the generality of the foregoing powers and duties and such powers and duties as are set forth in the Declaration, the Board of Directors is vested with, and responsible for, the following powers and duties:

(a) Subject to the provisions of the Declaration concerning Declarant's rights to appoint the officers of the Association, the power and duty to select, appoint, and remove all officers, agents and employees of the Association; to prescribe such powers and duties for them as may be consistent with law, the Articles, the Declaration and these Bylaws; to fix their compensation; and to require from them security for faithful service when deemed advisable by the Board;

(b) The power and duty to conduct, manage and control the affairs and business of the Association, and to make and enforce such rules and regulations therefor

consistent with law, the Articles, the Declaration and these Bylaws, as the Board may deem necessary or advisable;

(c) The power but not the duty to change the principal office for the transaction of the business of the Association from one location to another within the County in which the Property is located; to designate any place within said County for the holding of any annual or special meeting or meetings of Members consistent with the provisions of Section 3.2 hereof; and to adopt and use a corporate seal and to alter the form of such seal from time to time, as the Board, in its sole judgment, may deem best, provided that such seal shall at all times comply with the provisions of law;

(d) With the approval of Members representing at least two-thirds (2/3rds) of the voting power of the Association, the power, but not the duty, to borrow money and to incur indebtedness for the purposes of the Association, and to cause to be executed and delivered therefor, in the Association's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefor; provided, however, that the Common Elements may not be subjected to a mortgage unless the requirements set forth in the Declaration and the Act are first satisfied;

(e) The power and duty to fix and levy from time to time assessments upon Members, as provided in the Declaration; to determine and fix the due date for the payment of such assessments and the date upon which the same shall become delinquent; provided, however, that such assessments shall be fixed and levied only to provide for the payment of the Common Expenses of the Association and of taxes and assessments upon real or personal property owned, leased, controlled or occupied by the Association, or for the payment of expenses for labor rendered or materials or supplies used and consumed, or equipment and appliances furnished for the maintenance, improvement or development of such Property or for the payment of any and all obligations in relation thereto, or in performing or causing to be performed any of the purposes of the Association for the general benefit and welfare of its Members, in accordance with the provisions of the Declaration. Subject to any limitations imposed by the Declaration and these Bylaws, the Board of Directors shall have the power and duty to incur any and all such expenditures for any of the foregoing purposes and to provide, or cause to be provided, adequate reserves for replacements as it shall deem to be necessary or advisable in the interest of the Association or welfare of its Members. The funds collected by the Board of Directors from the Members, attributable to replacement reserves, for maintenance recurring less frequently than annually, and for capital improvements, shall at all times be held in trust for the Members. Disbursements from such trust reserve fund shall be made only in accordance with the provisions of the Declaration. Such assessments shall be fixed in accordance with the provisions of the Declaration. Should any Member fail to pay such assessments before delinquency, the Board of Directors in its discretion is authorized to enforce the payment of such delinquent assessments as provided in the Declaration;

(f) The power and duty to enforce the provisions of the Declaration, these Bylaws or other agreements of the Association;

(g) The power and duty to contract and pay for insurance coverage as provided in the Declaration, insuring the Members, the Association, the Board of Directors and other interested parties, in accordance with the provisions of the Declaration, covering and protecting against such damages or injuries as the Board deems advisable (which may include, without limitation, medical expenses of persons injured on the Common Elements). The Board shall review, not less frequently than annually, all insurance policies and bonds obtained by the Board on behalf of the Association;

(h) The power and duty to contract and pay for maintenance, gardening, and common utilities services, and for materials and supplies and other Common Expenses relating to the Common Elements, and relating to the Units only to the extent not separately metered or charged, and to employ personnel necessary for the operation of the Property, including legal (subject to Article XIII of these Bylaws) and accounting services, and to contract and pay for Improvements on the Common Elements;

(i) The power, but not the duty, to delegate its powers according to law to adopt these Bylaws;

(j) The power, but not the duty, to grant or quitclaim easements, licenses or rights of way in, on, or over the Common Elements for purposes not inconsistent with the intended use of the Property as a residential project;

(k) The power and duty to adopt such Rules as the Board may deem necessary for the management of the Property, which Rules shall become effective and binding after: (i) they are adopted by a majority of the Board at a meeting called for that purpose, or by the written consent of the Board in accordance with Section 4.16 hereof; and (ii) they are distributed to the Members. The Rules may be enforced by the assessment of a fine only if the Person alleged to have violated the Rules has received notice of the alleged violation that informs him of his opportunity to a hearing on the alleged violation and at least thirty (30) days before the alleged violation, said Person was given written notice of the rule or regulation (or any amendment to the rule or regulation) that the Person allegedly violated. Such Rules may concern, without limitation, use of the Common Elements, signs, parking restrictions, collection and disposal of refuse, minimum standards of property maintenance consistent with the Declaration and the procedures for architectural review, and any other matter within the jurisdiction of the Association as provided in the Declaration; provided, however, that such Rules shall be enforceable only to the extent that they are consistent with the Declaration, the Articles and these Bylaws; and

(l) The power and duty to keep, or cause to be kept, a complete record of all acts and corporate affairs of the Association.

4.4 Management Agent. The Board of Directors may engage a professional Manager for the Association at a compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 4.3 hereof. Except as otherwise provided in the Act, any manager must hold either a permit to engage in property management pursuant to NRS Chapter 645 or a certificate issued by the

Commission for Common Interest Communities. The maximum term of any management contract ("Management Contract") shall be one (1) year, unless a longer term is approved either by vote or written consent of a majority of the voting power of the Association or by VA or HUD, in which case the maximum term of the Management Contract shall be three (3) years. The maximum term of any contract providing for Declarant's services to the Association or the Project shall also be three (3) years. Each such contract for Declarant's services and each Management Contract shall provide for its termination by either party thereto with cause upon no more than thirty (30) days written notice to the other party, and without cause and without payment of a termination fee upon no more than ninety (90) days written notice to the other party.

4.5 Election and Term of Office.

(a) Subject to the right of Declarant to appoint the Association's Directors during the period of Declarant's control as provided in the Declaration, new Directors shall be elected annually by the Members by secret written ballot. After termination of the period of Declarant's control, the month for the election of members of the Board shall be set each year within approximately twelve (12) months of the previous election, provided that meeting space is available and quorum requirements are met.

(b) All positions on the Board of Directors vacated as a result of the expiration of Declarant's appointment right during the period of Declarant's control or due to the expiration of the past Directors' terms shall be filled at the first election following the expiration of Declarant's control. Each Director shall hold office until his successor has been elected or until his death, resignation, removal or judicial adjudication of mental incompetence. The term of office of the two (2) Directors receiving the highest number of votes at the first election following the expiration of the period of Declarant's control shall be two (2) years, and the term of office of the Director receiving the next highest number of votes at such meeting shall be one (1) year. The terms of office shall be staggered in such a manner that, to the extent possible, an equal number of members of the Board are elected for each election; provided, that this shall not apply with respect to any Board members appointed for a term of one (1) year or less.

(c) At each annual election thereafter, new Directors shall be elected to fill vacancies created by the removal or expiration of the terms of past Directors. The term of office of each Director elected to fill a vacancy created by the expiration of the term of office of the respective past Director shall be two (2) years. The term of office of each Director elected or appointed to fill a vacancy created by the resignation, death or removal of his predecessor shall be the balance of the unserved term of his predecessor. The term of office of members of the Board may not exceed two (2) years. However, any person serving as a Director may be reelected, and there shall be no limitation on the number of terms during which he may serve.

(d) Cumulative voting may be used in the election of Directors for any election in which two (2) or more Directors are to be selected. If a Member cumulates his votes, such Member may cast a number of votes equal to the Member's share of the voting power multiplied by the number of Directors to be elected.

(e) Not less than thirty (30) days before the preparation of any ballot for the election of any member of the Board, the Secretary of the Association shall cause notice to be given to each Owner of his or her eligibility to serve as a member of the Board. Each Owner who is qualified to serve as a member of the Board may have his or her name placed on the ballot along with the names of the nominees selected by the members of the Board or by the nominating committee established by the Association.

(f) The Secretary of the Association shall cause to be sent prepaid by United States mail to the mailing address of each Unit within the Project or to any other mailing address designated in writing by the Unit Owner, a secret ballot and a return envelope. The date by which the ballots must be returned to the Association shall be no less than fifteen (15) days after the date the secret ballot is mailed to the Unit Owner. A vote may not be cast pursuant to a proxy for the election of any Board member. A quorum is not required for the election of any member of the Board. Votes cast for the election of a member of the Board must be opened and counted in public at a meeting of the Association. A quorum is not required to be present when the ballots are opened and counted. No incumbent member of the Board or anyone named on the ballot as a candidate for a member of the Board shall be permitted to possess, have access to or participate in the initial opening or counting of the ballots.

(g) Each person whose name is placed on the ballot as a candidate for a member of the Board shall make a good faith effort to disclose any financial, professional, or personal relationship or interest that would result in or would appear to a reasonable person to result in a potential conflict of interest for the candidate if the candidate were to be elected to serve as a Board member. The candidate must make the disclosure in writing to each Member of the Association by means of: (i) posting one copy of the written disclosure in a conspicuous place within the Association, at least fifteen (15) days prior to the election; and (ii) providing one copy of the written disclosure to each Owner to each Unit by United States mail, postage prepaid, or by leaving a copy at each door, at least fifteen (15) days prior to the election.

(h) Except for any member of the Board appointed by the Declarant, a person may not be a member of the Board or an officer of the Association if that person, his or her spouse, parent, or child, by blood, marriage, or adoption, performs the duties of a community manager for the Association.

(i) Each member of the Board shall, within ninety (90) days after his or her appointment or election, certify in writing that he or she has read and understands the Declaration, any other governing documents of the Association, and the provisions of the Act to the best of his or her ability.

4.6 Budget; Transfer of Association Records and Property.

(a) The Board shall distribute the proposed Budget it adopts in accordance with the Declaration.

(b) Within thirty (30) days after Owners other than Declarant may elect a majority of the Board, Declarant shall deliver to the Association all property of the Owners and of the Association held or controlled by Declarant, including, but not limited to, the following:

(i) The original or a certified copy of the recorded Declaration, as amended, the Association's Articles if the Association is incorporated, the Bylaws, the minute books and other books and records of the Association and any Rules which may have been adopted;

(ii) An accounting for money of the Association and financial statements from the date the Association received money to the date the period of the Declarant's control ends. The financial statements must fairly and accurately report the Association's financial condition prepared in accordance with generally accepted accounting principles;

(iii) A complete study of the reserves of the Association, conducted by a person qualified by training and experience to conduct such a study and a reserve account that contains Declarant's share of the amounts then due. At the time the period of Declarant's control ends, Declarant shall disclose in writing the amount by which Declarant has subsidized the Association's dues on a per Unit basis;

(iv) The Association's money or control thereof;

(v) All of the Declarant's tangible personal property that has been represented by the Declarant as property of the Association or, unless the Declarant has disclosed in the public offering statement that all such personal property used in the Project will remain the Declarant's property, all of the Declarant's tangible personal property that is necessary for, and has been used exclusively in, the operation and enjoyment of the Common Elements, and inventories of these properties;

(vi) A copy of any plans and specifications used in the construction of the Improvements in the Property which were completed within two (2) years before the Declaration was recorded;

(vii) All insurance policies then in force, in which the Owners, the Association, or its directors and officers are named as insured persons;

(viii) Copies of any certificates of occupancy that may have been issued with respect to any Improvements comprising the Association other than Dwelling Units in the Project;

(ix) Any permits and approvals issued by governmental bodies applicable to the Property which are in force and any other permits and approvals so issued and applicable which are required by law to be kept on the premises of the Property;

(x) Written warranties of the contractor, subcontractors, suppliers and manufacturers that are still effective;

(xi) A roster of Owners and mortgagees of Units and their addresses and telephone numbers, if known, as shown on the Declarant's records;

(xii) Contracts of employment in which the Association is a contracting party; and

(xiii) Any contract for service in which the Association is a contracting party or in which the Association or the Owners have any obligation to pay a fee to the persons performing the services.

4.7 Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by Declarant shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Any vacancy caused by the removal of a Director by Declarant shall be filled by Declarant. A Director may resign at any time by giving notice to the President, the Secretary or the Board. Except for those Directors appointed by Declarant during the period of Declarant's control who need not be Owners, any Director who ceases to be an Owner shall be deemed to have resigned from the Board. A vacancy or vacancies shall be deemed to exist in case of death, resignation, removal or judicial adjudication of mental incompetence of any Director, or in case the Members fail to elect the full number of authorized Directors at any meeting at which such election is to take place. Any vacancy not filled by the Directors may be filled by vote of the Members at the next annual meeting of the Members or at a special meeting of the Members called for such purpose.

4.8 Removal of Directors. At any regular or special meeting of the Members duly called, any individual Director or the entire Board (other than Directors appointed by Declarant) may be removed prior to the expiration of their terms of office with or without cause by a two-thirds vote of all Members entitled to vote at any meeting of the Members at which a quorum is present. The removal of any member of the Board must be conducted by secret written ballot. With respect to any removal by secret ballot: (i) the Secretary of the Association shall cause a secret ballot and a return envelope to be sent, postage prepaid by United States Mail, to the mailing address of each Unit within the Association or to any other address specified by the Owner; (ii) each Owner shall be provided with at least fifteen (15) days after the date the ballot is mailed to return the ballot to the Association; (iii) only the ballots that are returned to the Association may be counted to determine the outcome; (iv) the ballots must be opened and counted at a meeting of the Association; and (v) the incumbent members of the Board, including, without limitation, the Board member who is subject to removal, may not possess, be given access to or participate in the initial opening or counting of the ballots. A quorum is not required to be present at the meeting when the ballots are opened and counted.

4.9 Organization Meeting of Board. The first regular meeting of a newly elected Board of Directors shall be held within thirty (30) days of the annual election of the Board, at such place as shall be fixed and announced by the Directors at the meeting at which such Directors were elected, for the purpose of organization, election of officers and the transaction of other business.

4.10 Regular Meetings of Board. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a resolution adopted by a majority of a quorum of the Directors; provided, however, that such meetings shall be held no less frequently than once every ninety (90) days. The requirements set forth below in Sections 4.11, 4.13 and 4.13 concerning notice, agenda, and an Owner's right to speak at Board meetings apply to both regular and special meetings of the Board.

4.11 Special Meetings of Board. Special meetings of the Board may be called by the President or by any two (2) Directors. The requirements set forth below in Sections 4.13, 4.13 and 4.15 concerning notice, agenda, and an Owner's right to speak at Board meetings apply to both regular and special meetings of the Board.

4.12 Notice to Board Members; Waiver of Notice. Notice of the time and place of regular meetings of the Board shall be given to each Director, personally or by mail, telephone or facsimile transmission, at least four (4) days prior to the date named for such meeting. Before or at any meeting of the Board of Directors, any Director may, in writing, waive personal notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice to such Director. Attendance by a Director at any meeting of the Board shall be a waiver by him of personal notice of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice to Directors shall be required and any business may be transacted at such meeting. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though performed at a meeting duly held after regular call and notice, provided that a quorum is present and, either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the records of the Association or made a part of the minutes of the meeting.

4.13 Notice to Members. Except in an Emergency (as hereinafter defined), the Secretary of the Association shall, not less than ten (10) days before the date of each meeting of the Board, cause notice of the meeting to be given to the Owners. Such notice must be either sent prepaid by United States mail to the mailing address of each Unit within the Project or to any other mailing address designated in writing by the Unit Owner or published in a newsletter or other similar publication that is circulated to each Owner. In an Emergency, the Secretary shall, if practicable, cause notice of the meeting to be sent prepaid by United States mail to the mailing address of each Unit within the Project. If delivery of the notice in this manner is impracticable, then notice must be hand-delivered to each Unit within the Project or posted in a prominent place or places within the Common Elements. The notice of a meeting of the Board must state the time and place of the meeting and include a copy of the agenda for the meeting or the date on which and the locations where copies of the agenda may be conveniently obtained by the Owners. The notice must include notification of the right of an Owner to: (a) have a copy of the minutes or a summary of the minutes of the meeting distributed to him upon request and, if required by the Board, upon payment to the Association of the cost of making said distribution; and (b) speak to the Board, unless the Board is meeting in closed executive session. The notice requirements of this Section apply to both regular and special meetings of the Board.

4.14 Conduct of Business. The agenda for every meeting of the Board must consist of: (a) a clear and complete statement of the topics scheduled to be considered during the meeting, including, without limitation, any proposed amendment to the Declaration or Bylaws, any fees or assessments to be imposed or increased by the Association, any budgetary changes, and any proposal to remove an officer or member of the Board; (b) a list describing the items on which action may be taken and clearly denoting that action may be taken on those items; and (c) a period devoted to comments by Owners and discussion of those comments. Owners may have items placed on the agenda pursuant to NRS 116.31087. The period required to be devoted to comments by Owners and discussion of those comments must be scheduled for the beginning of the meeting. In an Emergency (as defined in Section 4.12 above), the Board may take action on an item which is not listed on the agenda. The agenda and Owner comments requirements of this Section apply to both regular and special meetings of the Board.

At least once every ninety (90) days, the Board shall review at one of its meetings: (aa) a current reconciliation of the operating accounts of the Association; (bb) a current reconciliation of the reserve accounts of the Association; (cc) the actual revenues and expenses for the reserve accounts, compared to the budget for those accounts for the current year; (dd) the latest account statements prepared by the financial institutions in which the accounts of the Association are maintained; (ee) an income and expense statement, prepared on at least a quarterly basis, for the operating and reserve accounts of the Association; and (ff) the current status of any civil action or claim submitted to arbitration or mediation in which the Association is a party.

4.15 Open Meetings; Executive Sessions. Except as otherwise specifically provided in the Declaration or these Bylaws, an Owner may attend any meeting of the Board and speak at any such meeting. The Board may establish reasonable limitations on the time an Owner may speak at such a meeting. The Board may meet in closed executive session to: (a) consult with an attorney for the Association on matters relating to proposed or pending litigation if the contents of the discussion would otherwise be governed by the attorney-client privilege or to enter into, renew, modify, terminate, or take any other action regarding a contract between the Board and the attorney; (b) discuss the character, alleged misconduct, professional competence, or physical or mental health of a community manager or any employee of the Association; (c) discuss a violation of the Restrictions or other governing documents of the Association alleged to have been committed by an Owner, including, without limitation, the failure to pay an assessment (except as otherwise provided in the Declaration or these Bylaws), unless the person who may be sanctioned requests that the matter be heard at an open meeting; (d) discuss any alleged failure of an Owner to adhere to any required construction schedule, unless the person who may be sanctioned requests that the matter be heard at an open meeting. The person who may be sanctioned is entitled to attend the hearing and testify, but may be excluded from any other portions of the meeting, including deliberation. Upon request by the person who may be sanctioned, the Board shall provide a copy of the minutes of the executive session to that person or his designated representative.

4.16 Action Without Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting, if a majority of the Directors individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the

minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a majority vote of such Directors.

4.17 Quorum and Adjournment. Except as otherwise expressly provided herein, at all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting to another time. If a quorum is present at any such reconvened meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice as set forth in Section 4.11 above provided that notice is given by announcement at the meeting at which such adjournment is taken.

The Board of Directors may, with the approval of a majority of the Directors present at a meeting at which a quorum has been established, adjourn a meeting and reconvene in executive session as permitted under Section 4.14 of these Bylaws. The nature of any and all business to be considered in executive session shall first be announced in open session, and shall be generally noted in the minutes of the Board.

4.18 Committees. The Board of Directors, by resolution, may from time to time designate such advisory and other committees as it shall desire, and may establish the purposes and powers of each such committee created. The resolution designating and establishing the committee shall provide for the appointment of its members (at least one of which must be a Director), as well as a chairman, shall state the purposes of the committee, and shall provide for reports, termination, and other administrative matters as deemed appropriate by the Board. No such committee may: (a) amend, alter or repeal these Bylaws; (b) elect, appoint or remove any member of any such committee or any Director or officer of the Association; (c) amend or repeal the Articles; (d) adopt a plan of merger or a plan of consolidation with another corporation; (e) authorize the sale, lease or exchange of all of the property and assets of the Association; (f) authorize the voluntary dissolution of the Association or revoke proceedings therefor; (g) adopt a plan for the distribution of the assets of the Association; or (h) amend, alter or repeal any resolution of the Board unless it provides by its terms that it may be amended, altered or repealed by a committee.

4.19 Minutes. Not more than thirty (30) days after each meeting of the Board, the Secretary shall cause the minutes or a summary of the minutes of the meeting to be made available to the Owners. A copy of the minutes or a summary of the minutes must be provided to any Owner who pays the Association the cost of providing the copy to him.

ARTICLE V OFFICERS

5.1 Designation. The principal officers of the Association shall be a President, a Secretary, and a Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint a Vice President, an Assistant Treasurer and an Assistant Secretary, and such other officers as in their judgment may be necessary. Officers other than the President need

not be Directors. Any person may hold more than one office. An officer, employee, agent, director, trustee, designated beneficiary, partner, member, or other representative of an Owner, including a fiduciary of an estate that owns a Unit, may be an officer. In all events where the person serving as an officer is not the record Owner, he or she shall file proof in the records of the Association that (a) states that he or she is associated with the Owner and (b) identifies the Unit(s) owned by the Owner.

5.2 Election of Officers. Subject to the right of Declarant to appoint the officers of the Association during a period of Declarant's control, the officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board of Directors, and each officer shall hold his office at the pleasure of the Board of Directors, until he shall resign or be removed or otherwise disqualified to serve or his successor shall be elected and qualified to serve.

5.3 Removal of Officers. Subject to the right of Declarant to appoint the officers of the Association during a period of Declarant's control, upon an affirmative vote of a majority of the entire Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose. Any officer may resign at any time by giving written notice to the Board or to the President or Secretary of the Association. Any such resignation shall take effect at the date of receipt of such notice or at any later time specified therein, and unless otherwise specified in said notice, acceptance of such resignation by the Board shall not be necessary to make it effective.

5.4 Vacancies. A vacancy in any office may be filled by an appointment by the Board. If the vacancy occurs during the period of Declarant's control, the vacancy shall be filled by an appointment by the Declarant. The officer appointed to fill such vacancy shall serve for the remainder of the term of the Officer so replaced.

5.5 Compensation. Officers, agents and employees of the Association shall receive such reasonable compensation for their services as may be authorized or ratified by the Board; provided, however, that no officer shall receive any compensation for services performed in the conduct of the Association's business unless such compensation is approved by the vote or written consent of Members representing at least a majority of the voting power of the Association; and provided further, that (a) nothing herein contained shall be construed to preclude any officer from serving the Association in some other capacity and receiving compensation therefor, and (b) any officer may be reimbursed for his actual expenses incurred in the performance of his duties. Appointment of any officer, agent or employee shall not of itself create contractual rights of compensation for services performed by such officer, agent, or employee. Notwithstanding the foregoing, no officer, employee or director of Declarant or any affiliate of Declarant may receive any compensation for services performed in the conduct of the Association's business.

5.6 President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. The President shall, subject to the control of the Board of Directors, have general supervision, direction and

control of the business of the Association. The President shall sign all leases, mortgages, deeds and other instruments, and shall co-sign all checks and promissory notes; provided, however, that the President need not do so if persons other than the President are authorized by the Board to do so in accordance with Sections 11.1 or 11.2 hereof. The President shall cause to be prepared, executed, certified and recorded, all properly adopted amendments to the Declaration on behalf of the Association. The President shall be ex officio a member of all standing committees, and he shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

5.7 Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or disabled or whenever the President refuses or is unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or these Bylaws.

5.8 Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association at the principal office of the Association or at such other place as the Board of Directors may order. The Secretary shall keep the seal of the Association in safe custody and shall have charge of such books and papers as the Board of Directors may direct, and, in general, shall perform all of the duties incident to the office of Secretary. The Secretary shall give, or cause to be given, notices of meetings of the Members of the Association and of the Board of Directors required by these Bylaws or by law to be given. The Secretary shall maintain a record book of Members, listing the names, mailing addresses and telephone numbers of Members, as furnished to the Association ("Membership Register"). Termination or transfer of ownership by any Member shall be recorded in the Membership Register by the Secretary, together with the date of the transfer, in accordance with the provisions of the Declaration. The Secretary shall perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

5.9 Treasurer. The Treasurer shall be the chief financial officer of the Association and shall have responsibility for Association funds and securities and shall be responsible for keeping, or causing to be kept, full and accurate accounts, tax records and business transactions of the Association, including accounts of all assets, liabilities, receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall disburse the funds of the Association as may be ordered by the Board of Directors in accordance with the Declaration, shall render to the President and Directors, upon request, an account of all of his transactions as Treasurer and of the financial conditions of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws. The Treasurer shall sign all checks and promissory notes; provided, however, that the Treasurer need not do so if persons other than the Treasurer are authorized by the Board to do so in accordance with Sections 11.1 or 11.2 hereof.

ARTICLE VI
OBLIGATIONS OF THE MEMBERS

6.1 Assessments.

(a) All Members are obligated to pay, in accordance with the provisions of the Declaration, all assessments imposed by the Association.

(b) All delinquent assessments shall be enforced, collected or foreclosed in the manner provided in the Declaration.

6.2 Maintenance and Repair.

(a) Every Member must perform promptly, at his sole cost and expense, such maintenance and repair work within his own Dwelling Unit, as required under the provisions of the Declaration. As further provided in the Declaration, all plans for alterations of Units must receive the prior written consent of the Architectural Review Committee in accordance with the procedures set forth in the Declaration.

(b) As further provided in the Declaration, each Member shall reimburse the Association for any expenditures incurred in repairing or replacing any portion of the Common Elements that is damaged through the fault of such Member or his family or guests. Such expenditures shall include all court costs and reasonable attorneys' fees incurred in enforcing any provision of these Bylaws or the Declaration.

ARTICLE VII
AMENDMENTS TO BYLAWS

These Bylaws may be amended by the Association by the vote or written consent of Members representing at least sixty-seven percent (67%) the voting power of the Association; provided, however, that the specified percentage of the Members necessary to amend a specific Section or provision of these Bylaws shall not be less than the percentage of affirmative votes prescribed for action to be taken under that Section or provision; provided further, that these Bylaws may be amended by a majority of the entire Board at any time prior to the Close of Escrow for the sale of the first Unit. In addition to the foregoing, any amendment to these Bylaws which materially affects matters delineated in Article 17 of the Declaration must be approved by the beneficiaries of that percentage of Eligible Mortgagee and Eligible Insurers which is specified in Article 17 of the Declaration. So long as Declarant is entitled to cast votes representing a majority of the voting power of the Association, any amendment of these Bylaws shall require the approval of VA and HUD. A draft of the proposed amendment shall be submitted to VA and HUD for approval prior to its approval by the Membership of the Association.

If any change is made to these Bylaws or any of the other governing documents of the Association, the Secretary of the Association shall, within thirty (30) days after the change is made, prepare and cause to be hand-delivered or sent prepaid by United States mail to the

mailing address of each Unit or to any other mailing address designated in writing by the Unit Owner, a copy of the change that was made.

ARTICLE VIII MORTGAGEES

8.1 Notice to Association. Upon request by the Association, a Member who mortgages his Unit shall notify the Association through the Manager, or through the Secretary in the event there is no Manager, of the name and address of his Mortgagee, and the Association shall maintain such information in the Association records. Upon request, any such Member shall likewise notify the Association as to the release or discharge of any such Mortgage.

8.2 Notice of Unpaid Assessments. The Board of Directors of the Association shall, at the request of a mortgagee of a Unit, report any unpaid assessments due from the Owner of such Unit, in accordance with the provisions of the Declaration.

ARTICLE IX CONFLICTING PROVISIONS

In case any provision of these Bylaws conflicts with any provisions of the laws of the State of Nevada, such conflicting provision of these Bylaws shall be null and void upon final court determination to such effect, but all other Bylaws shall remain in full force and effect. In case of any conflict between the Articles and these Bylaws, the Articles shall control. In case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE X INDEMNIFICATION OF DIRECTORS AND OFFICERS

10.1 Indemnification. The Association shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he or she is or was a director, officer, employee, servant, or agent of the Association against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by it in connection with such action, suit, or proceeding until and unless it is proved that he or she acted with willful or wanton misfeasance or with gross negligence and provided he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association, and with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the Person did not act in good faith or in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association, or with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Board members are not liable to the victims of crimes that may occur on the Property. Punitive damages may not be recovered against the Association but may be recovered only from Persons whose intentional activities are proved to have resulted in damages.

10.2 Determination. Any indemnification that the Association has elected to provide under this Article X (unless ordered by a court) shall be made by the Association only as authorized in the specific case by a determination that indemnification of the officer, director, employee, servant, or agent is proper in the circumstances because it has met the applicable standard of conduct set forth in Section 10.1. Such determination shall be made: (a) by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit, or proceeding; or (b) if such a quorum is not obtainable, or even if obtainable and a quorum of disinterested directors so directs, by independent legal counsel in a written opinion; provided, however, that if a director, officer, employee, servant, or agent of the Association has been successful on the merits or otherwise in the defense of any action, suit, or proceeding referred to in Section 10.1, or in defense of any claim, issue, or matter therein, then to the extent that the Association has elected to provide indemnification, he or she shall automatically be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith without the necessity of any such determination that he or she has met the applicable standard of conduct set forth in Section 10.1.

10.3 Payment in Advance. Expenses incurred in defending a civil or criminal action, suit, or proceeding may, upon action by the Board in accordance with Section 10.2, be paid by the Association in advance of the final disposition of such action, suit, or proceeding upon receipt of an undertaking by or on behalf of the director, officer, employee, servant, or agent to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Association as authorized in this Article X.

10.4 Insurance. The Board may purchase and maintain insurance on behalf of any Person who is or was a director, officer, employee, servant, or agent of the Association against any liability asserted against him or her or incurred by him or her in any such capacity or arising out of its status as such, whether or not the Association would have the power to indemnify him or her against such liability hereunder or otherwise.

10.5 Other Coverage. The indemnification provided by this Article X shall not be deemed exclusive of any other rights to which anyone seeking indemnification may be entitled under the Declaration, any agreement, vote of the Members, vote of disinterested directors, Nevada law, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and may continue as to a Person who has ceased to be a director, officer, employee, servant, or agent and may inure to the benefit of the heirs and personal representatives of such a Person.

ARTICLE XI MISCELLANEOUS

11.1 Checks, Drafts and Documents. All checks, drafts, orders for payment of money, notes and other evidences of indebtedness issued in the name of or payable to the Association

shall be signed or endorsed in the manner and by the person or persons as the Board shall determine by resolution.

11.2 Execution of Documents. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no officer, agent, committee member or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

11.3 Availability of Association Documents. In addition to the rights afforded by the Declaration to Eligible Mortgagees and Eligible Insurers with regard to inspection of the Association's management documents, the Board shall, upon the request of a Member, make available for review at the business office of the Association or other suitable location during the regular working hours of the Association, the books, records, Rules, and other papers of the Association, including, without limitation: (a) the financial statement of the Association; (b) the budgets of the Association; and (c) the study of the reserves of the Association required to be conducted pursuant to the Declaration. The Board shall provide a copy of any of the foregoing records to a Member within fourteen (14) days after receiving a written request therefor. The Board may charge a fee to cover the actual costs of preparing a copy, but not to exceed twenty-five cents (\$.25) per page or such higher amount as may be provided by applicable statute. The provisions of this Section do not apply to the personnel records of the employees of the Association and the records of the Association relating to another Owner.

11.4 Fiscal Year. The Fiscal Year of the Association shall be the calendar year unless otherwise determined by the Board of Directors.

ARTICLE XII NOTICE AND HEARING PROCEDURE

In the event of an alleged violation of the Declaration, these Bylaws or the Rules and Regulations of the Association, and after written notice of such alleged failure is delivered personally or mailed to the Member or any agent of the Member ("Respondent") alleged to be in default in the manner herein provided, by first-class mail or by certified mail return receipt requested, or both, the Board of Directors shall have the right, to take any one (1) or more of the following actions: (a) levy a fine or Special Assessment as provided in the Declaration; (b) suspend said Member's voting privileges as a Member, as further provided in the Declaration; (c) enter upon a Unit to make necessary repairs or to perform maintenance which, according to the Declaration, is the responsibility of the Owner of such Unit; (d) record a notice of noncompliance encumbering the Unit of the Respondent; or (e) suspend or condition the right of said Member to use any recreational facilities in the Property.

Prior to the imposition of a fine or other sanction against Respondent: (a) Respondent must have been provided with thirty (30) days written notice of the applicable provisions of the Declaration, these Bylaws or the Rules and Regulations of the Association that form the basis of the violation; and (b) within a reasonable time after discovery of the violation, Respondent must

be provided with: (i) written notice specifying the details of the violation, the amount of the fine, and the date, time and location for a hearing on the violation; and (ii) a reasonable opportunity to contest the violation at the hearing.

The Board or a committee formed by the Board to conduct hearings on violations and to impose fines or other sanctions must schedule the date, time and location for the hearing on the violation so that the person against whom the fine will be imposed is provided with a reasonable opportunity to prepare for the hearing and to be present at the hearing. A hearing must be held prior to the imposition of a fine or other sanction unless Respondent: (a) pays the fine; (b) executes a written waiver of the right to the hearing; or (c) fails to appear at the hearing after being provided with proper notice of the hearing.

Any suspension of rights shall be for a period of not more than thirty (30) days for any noncontinuing infraction, but in the case of a continuing infraction (including nonpayment of any assessment after the same becomes delinquent) may be imposed for so long as the violation continues. The failure of the Board to enforce the Rules of the Association, these Bylaws or the Declaration shall not constitute a waiver of the right to enforce the same thereafter. The remedies set forth above and otherwise provided by these Bylaws shall be cumulative and none shall be exclusive. However, any individual Member must exhaust all available internal remedies of the Association prescribed by these Bylaws, or by the Rules of the Association, before that Member may resort to a court of law for relief with respect to any alleged violation of the Declaration, these Bylaws or the Rules of the Association by another Member; provided, however, that the foregoing limitation pertaining to exhausting administrative remedies shall not apply to the Board or to any Member where the alleged violation is for nonpayment of Common Assessments, Special Assessments, Reconstruction Assessments or Capital Improvement Assessments.

ARTICLE XIII LIMITATION ON POWER AND AUTHORITY

NOTWITHSTANDING ANYTHING HEREIN CONTAINED, INCLUDING, WITHOUT LIMITATION, SECTION 4.3(h), OR IN THE ARTICLES OF INCORPORATION, DECLARATION, OR RULES OF THE ASSOCIATION, TO THE CONTRARY, ANY DETERMINATION TO COMMENCE OR OTHERWISE BRING OR PURSUE LEGAL OR EQUITABLE ACTION AND/OR PROCEEDINGS, OR TO CONSULT WITH OR RETAIN AN ATTORNEY FOR THE PURPOSES OF DISCUSSING THE COMMENCEMENT OF ANY SUCH ACTION AND/OR PROCEEDING, OF ANY NATURE AGAINST, OR WHICH MAY DIRECTLY OR INDIRECTLY IMPOSE LIABILITY ON, THE DECLARANT (INCLUDING ITS PARTNERS, PARENTS, SUBSIDIARIES, AFFILIATES OR MEMBERS, AND ITS AND THEIR SHAREHOLDERS, OFFICERS, MANAGERS, DIRECTORS, EMPLOYEES, AGENTS AND ATTORNEYS, AND ITS AND THEIR SUCCESSORS AND ASSIGNS), MUST FIRST BE APPROVED BY AN AFFIRMATIVE VOTE OF A MAJORITY OF THE MEMBERS OF THE BOARD OF DIRECTORS AND BY AN AFFIRMATIVE VOTE OF NOT LESS THAN 67% OF THE VOTES OF ALL OWNERS, AND NO SUCH ACTION OR PROCEEDING SHALL BE COMMENCED UNTIL OBTAINING SUCH VOTES.

Any amendment to these Bylaws purporting to modify or amend this Article XIII requires the affirmative vote of not less than sixty-seven percent (67%) of the votes of all Owners.

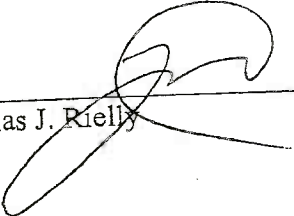
CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that:

1. I am the duly elected and acting Secretary of Monterey at the Las Vegas Country Club Homeowners' Association, a Nevada nonprofit corporation ("Association"); and

2. The foregoing Bylaws comprising 23 pages, including this page, constitute the Bylaws of the Association duly adopted by the Board of the Association by written consent in lieu of a meeting dated March 23, 2005.

IN WITNESS WHEREOF, I have hereunto subscribed my hand this 23 day of March, 2005.



Thomas J. Rielly

Receipt/Conformed

Requestor:
LIONEL SAWYER & COLLINS
02/04/2005 15:21:05 T200506
Book/Instr: 20050204-0003560
Restrictio Page Count: 64
Fees: \$77.00 N/C Fee: \$0.00

Assessor's Parcel Numbers:

162-10-211-001
162-10-211-002
162-10-211-003

64

When Recorded Mail To:
LIONEL SAWYER & COLLINS
1700 BANK OF AMERICA PLAZA
300 SOUTH FOURTH STREET
LAS VEGAS, NV 89101
ATTN: E. CARGILL

Frances Deane
Clark County Recorder

DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS
AND GRANT AND RESERVATION OF EASEMENTS FOR
MONTEREY AT THE LAS VEGAS COUNTRY CLUB

RECORDER'S MEMO
POSSIBLE POOR RECORD DUE TO
QUALITY OF ORIGINAL DOCUMENT

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DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
AND GRANT AND RESERVATION OF EASEMENTS FOR
MONTEREY AT THE LAS VEGAS COUNTRY CLUB

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND GRANT AND RESERVATION OF EASEMENTS FOR MONTEREY AT THE LAS VEGAS COUNTRY CLUB (the "Declaration") is made as of this ____ day of _____, 200__, by TR Village Green, LLC, a Delaware limited liability company (the "Declarant") for the purpose of submitting the Property (defined below) to the provisions of the Act (defined below), as updated, as a condominium common interest community. Declarant is presently the owner of all of the Units (defined below) comprising the Property.

RECITALS

A. The Property is within the Las Vegas Country Club Estates and is therefore subject to a master set of covenants, conditions and restrictions affecting the Property (the "Master CC&Rs") as follows:

Declaration of Easements, Rights, Conditions and Restrictions recorded April 7, 1969 in Book No. 941 as Document No. 755353, of Official Records, as affected by Amendment to Declaration of Easements, Rights, Conditions and Restrictions recorded February 11, 1971 in Book No. 101 as Document No. 80157, of Official Records, as affected by Amendment to Declaration of Easements, Rights, Conditions and Restrictions recorded June 7, 1973 in Book No. 335 as Document No. 294260 of Official Records, as affected by Amendment to Covenants, Conditions and Restrictions of Las Vegas International Country Club Estates recorded August 27, 1999 in Book No. 990827 as Document No. 01743 of Official Records, as affected by Amendment to Covenants, Conditions and Restrictions of Las Vegas International Country Club Estates recorded August 27, 1999 in Book No. 990827 as Document No. 01744, of Official Records, as affected by Amendment to Covenants, Conditions and Restrictions of Las Vegas International Country Club Estates recorded August 27, 1999 in Book No. 990827 as Document No. 01745 of Official Records, as affected by Amendment to Declaration of Restrictions of Las Vegas International Country Club Estates and to Declaration of Easements, Rights, Conditions and Restrictions of Las Vegas International Country Club Estates recorded September 20, 1999 in Book No. 990920 as Document No. 01979, of Official Records, as

affected by Amendment to Notice of Community Association Charges of Las Vegas International Country Club Estates Owners Association, Inc. (originally recorded in Book 20000705, Instrument No. 00001), recorded August 12, 2003 in Book No. 20030812 as Document No. 01467, of Official Records.

And the Declaration of Restrictions recorded April 7, 1969 in Book No. 941 as Document No. 755358 of Official Records, as affected by an instrument recorded August 7, 1970 in Book No. 53 as Document No. 42326, of Official Records, as affected by Amendment of Declaration of Restrictions recorded February 11, 1971 in Book No. 101 as Document No. 80158 of Official Records, as affected by Amendment to Covenants, Conditions and Restrictions of Las Vegas International Country Club Estates recorded August 27, 1999 in Book 990827 as Document No. 01743, of Official Records, as affected by Amendment to Covenants, Conditions and Restrictions of Las Vegas International Country Club Estates recorded August 27, 1999 in Book No. 990827 as Document No. 01744, of Official Records, as affected by Amendment to Covenants, Conditions and Restrictions of Las Vegas International Country Club Estates recorded August 27, 1999 in Book No. 990827 as Document No. 01745, of Official Records, as affected by Amendment to Declaration of Restrictions of Las Vegas International Country Club Estates and to Declaration of Easements, Rights, Conditions and Restrictions of Las Vegas International Country Club Estates recorded September 20, 1999, in Book No. 990920 as Document No. 01979, of Official Records, as affected by Las Vegas International Club Homeowners Association, Inc. Rules & Regulations recorded January 5, 2001 in Book No. 20010105 as Document No. 01174, of Official Records, as affected by Amendment to Notice of Community Association Charges of Las Vegas International Country Club Estates Owners Association, Inc. (originally recorded in Book 20000705, Instrument No. 00001) recorded on August 12, 2003 in Book No. 20030812 as Document No. 01467, of Official Records.

Rules and Regulations recorded on February 17, 1994 in Book No. 940217 as Document No. 00887, of Official Records.

Architectural Committee Standards for New Homes and Improvements to Existing Homes recorded on December 19, 1989 in Book No. 891219 as Document No. 00826.

B. Declarant intends to convey the Property, including, without limitation, the Units, subject to certain protective covenants, conditions, restrictions, reservations, easements, equitable servitudes, liens and charges, all running with the Property as hereinafter set forth.

C. It is anticipated that the Property shall contain 551 Units initially, with the Declarant reserving the right to increase the total number of Units to 1125. Each Unit shall have appurtenant to it a membership in the Association (defined below).

D. Before selling or conveying any interest in the Property, Declarant desires to subject the Property to the covenants, conditions, and restrictions contained herein, for the benefit of Declarant and any and all present and future owners of the Property, or any portion thereof.

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 Property and shall be binding on all parties having any right, title, or interest in the Property or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I DEFINITIONS

"Act" shall mean and refer to the Uniform Common Interest Ownership Act, NRS Chapter 116, as it may be amended from time to time, or any portion thereof.

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

"Architectural Committee" shall mean the architectural committee created pursuant to Section 12.1 of this Declaration.

"Architectural Committee Rules" shall mean the rules adopted by the Architectural Committee pursuant to Section 12.3 of this Declaration.

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

"Assessment Unit" shall mean that portion of the total of any given assessment from which the liability to a particular Owner and Unit is determined. Each Dwelling Unit in the Project shall represent one (1) Assessment Unit.

"Association" shall mean Monterey at the Las Vegas Country Club Homeowners' Association, a nonprofit corporation organized under NRS Chapter 82 organized as the Association of Owners pursuant to the Act.

"Board of Directors" shall mean the board of directors of the Association.

"Bylaws" shall mean the Code of Bylaws adopted by the Association, as such Bylaws may be amended from time to time.

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

"Common Elements" shall mean all that portion of the Property described below:

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

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

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

(d) In general, all other parts of the Property designated by Declarant as Common Elements or Limited Common Elements and existing for the use of one or more of the Owners, including pools, pool areas, work-out areas, storage facilities, and club houses, now existing or to be built by Declarant.

Except to the extent that they constitute Limited Common Elements, in which case the particular terms, conditions and rules of the Declaration pertaining to Limited Common Elements shall apply, the Common Elements shall be owned by the Owners of the Units, each Owner of a Unit having an undivided interest in the Common Elements as provided in this Declaration.

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

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

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

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

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

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

(f) Expenses, fees, and other charges imposed upon the Association by any governmental entity because the Project is a common interest community pursuant to the Act.

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

“Declarant” shall mean the persons and entities described in the opening paragraph of this Declaration, or its and their successors, as defined in the Act.

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

“Declaration” shall mean this document, including all amendments thereto and all declarations of annexation pertaining thereto, if any.

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

“Director” shall mean and refer to a member of the Board of Directors.

"Documents" shall mean the Declaration, the Articles, the Plat and Plans, the Bylaws and the Rules of the Association, as each may be amended from time to time. Any exhibit, schedule or certification accompanying a Document shall be deemed to be a part of that Document.

"Dwelling Unit" shall mean an individual dwelling unit as shown on the Plat and Plans, the boundaries of each of which shall be determined by reference to Section 4.2 of this Declaration.

"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 include a request that the Eligible Insurer be given the notices and other rights described in Article XVII.

"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 include a request that the Eligible Mortgagee be given the notices and other rights described in Article XVII. Eligible Mortgagee includes, without limitation, Corus Bank, N.A. ("Corus"), the lender under that certain Construction Loan Agreement between Corus, as lender, and Declarant, as borrower, dated July 29, 2004, until the Construction Loan is paid in full, or Corus is no longer a lender to Declarant.

"FNMA" shall mean the Federal National Mortgage Association.

"FHLMC" shall mean the Federal Home Loan Mortgage Corporation.

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

"Improvements" shall mean any construction, structure, fixture or facilities existing or to be constructed on the real property which is included in the Project, including, but not limited to: buildings, pools, pool areas, club houses, work-out areas, utility or telecommunication wires or cables, pipes, light poles, walls, and trees and shrubbery planted by the Declarant or the Association.

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

"Limited Common Elements" shall mean the portion of the Common Elements allocated for the exclusive use of fewer than all Owners under the Declaration or the Act and are described in Article V of this Declaration.

"Majority of Owners" or "Majority of Members" shall mean the Owners (including, as applicable, Declarant) of more than fifty percent (50%) of the total number of Units contained in the Project.

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

"Master CC&Rs" has that meaning ascribed to it in Recital A.

"Member" shall mean a Person entitled to membership in the Association as provided in the Documents. A "Member in Good Standing" shall mean a Member whose voting rights have not been suspended in accordance with Article XII of the Bylaws.

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

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

"NRS" shall mean the Nevada Revised Statutes, as it may be amended from time to time. Any reference to any particular section of the NRS shall be deemed to include that section of the NRS, as well as any amendment thereto from time to time and any successor statute.

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

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

"Plat and Plans" means the Final Map of Village Green Condominiums, recorded December 30, 2004, on file in Book 121, Page 60 of Plats, in Official Records of the County Recorder, Clark County, Nevada, together with such other diagrammatic plans and information regarding the Property as may be required by the Act or other applicable law, or as may be included in the discretion of Declarant, as each such survey may be amended and supplemented from time to time, and all as recorded in the Office of the County Recorder, Clark County, Nevada, together with any diagrams, maps, or legal descriptions attached to and made a part of this Declaration or any amendment hereto. A site map of the Project is attached hereto at Exhibit "A."

"Project" shall refer to the Property as a whole, including the Units and Common Areas, as restricted by and marketed and sold to third parties in accordance with this Declaration.

"Property" shall mean the real property located in Clark County, Nevada and more specifically described in Exhibit "B" attached hereto and incorporated herein by reference, and all Improvements, easements, rights, appurtenances and additional property which have been or are hereafter submitted to the provisions of the Act by this Declaration.

"Public Offering Statement" shall mean the public offering document pertaining to the Project prepared pursuant to the Act, as the same may be amended from time to time, and provided to purchasers prior to the time of execution of a binding purchase agreement for the purchase of a Unit.

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

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

"Security Interest" shall mean an 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 on a Unit 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, or any other consensual lien or title retention contract intended as security for any obligation.

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

"Special Declarant Rights" shall mean those rights reserved for the benefit of Declarant to: (a) complete improvements indicated on the Plat and Plans; (b) exercise any Development Right; (c) maintain sales offices, management offices, advertisement signs and models within the Property for the benefit of the Property and any other real property owned by Declarant; (d) use easements through the Common Elements for the purpose of making improvements within the Property, and any other real property owned by Declarant; or (e) appoint or remove an officer of

the Association or a master association or any Board of Directors member during the Declarant Control Period.

“Subsidy Agreement” shall mean an agreement between Declarant and the Association of the type described in Section 18.14 of this Declaration.

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

“Unit” shall mean the fee simple interest in and to a single Dwelling Unit as depicted on the Plat and Plans designated for separate ownership and occupancy the boundaries of which are described in Section 4.2 of this Declaration, together with an undivided interest (in common with all other Units being served thereby) in the Limited Common Elements (to the extent appurtenant to any given Unit) and the Common Elements, including without limitation, any additional units or dwelling units up to a maximum of 1125 as described in Section 4.1 of this Declaration.

“VA” shall mean and refer to the U.S. Department of Veterans Affairs.

ARTICLE II PROJECT AND ASSOCIATION

Section 2.1 Project. The name of the Project is Monterey at the Las Vegas Country Club Condominiums. Monterey at the Las Vegas Country Club Condominiums is a condominium common interest community under the Act.

Section 2.2 Association. The name of the Association is Monterey at the Las Vegas Country Club Homeowners' Association. The Association is charged with the duties and vested with the powers prescribed by law and set forth in the Articles, Bylaws, and this Declaration. Neither the Articles nor Bylaws shall, for any reason, be amended or otherwise changed so as to be inconsistent with this Declaration. If there should exist any ambiguity in any provision of the Articles or Bylaws, then such provision shall be consistent with the provisions of this Declaration.

Section 2.3 Master Association. The Project is subject to all of the terms, conditions, rules and regulations promulgated under the Master CC&Rs, including, without limitation, any use requirements or restrictions thereon, voting privileges, and all other terms, conditions, covenants and easements stated therein. Any conflict between the Documents or the Public Offering Statement and the Master CC&Rs or any instrument referenced therein shall be resolved in favor of the Master CC&Rs or the document referenced therein.

ARTICLE III
DESCRIPTION OF PROPERTY

The Property is situated in Clark County, Nevada, and is more particularly described on Exhibit "B" attached hereto.

ARTICLE IV
UNIT AND BOUNDARY DESCRIPTIONS

Section 4.1 Maximum Number of Units. The Project shall include a maximum total of 1125 Dwelling Units, provided, however, that Declarant shall not have the right to exceed 551 Dwelling Units without prior written consent of Corus.

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

(a) Upper and Lower Boundaries. The upper and lower boundaries of the Unit shall be the following boundaries extended to their planar intersections with the perimetrical boundaries:

(i) Upper Boundaries. The horizontal plane of the unfinished lower surface of the ceiling (which will be deemed to be the ceiling of the upper story if the Unit is a multi-story Unit, provided that in multi-story Units where the lower boundary extends beyond the upper boundary, the upper boundary shall include that portion of the unfinished ceiling of the lower floor for which there is no corresponding ceiling on the upper floor directly above such bottom floor ceiling).

(ii) Lower Boundaries. The horizontal plane of the unfinished upper surface of the floor of the Unit (which will be deemed to be the floor of the first story if the Unit is a multi-story Unit, provided that in multi-story Units where the upper boundary extends beyond the lower boundary, the lower boundary shall include that portion of the floor of the upper floor for which there is no corresponding floor on the lower floor directly below the floor of such top floor).

(iii) Interior Divisions. Except as provided in subsections 4.2(a)(i) (ii) above, no part of the floor of the top floor, ceiling of the bottom floor, stairwell adjoining the multi-floors, in all cases of a multi-story Unit, if any, or nonstructural interior walls shall be considered a boundary of the Unit.

(b) Perimetrical Boundaries. Except as provided herein, the perimetrical boundaries of the Unit shall be the vertical planes of the unfinished interior surfaces of the walls bounding the Unit extended to their planar intersections with each other and with the upper and lower

boundaries. Where, however, the perimetrical walls consist of sheetrock, the perimetrical boundaries of that portion of the Unit shall be the vertical planes of the unfinished exterior surface of the sheet-rock bounding the Unit (such that the Unit extends up to, but does not include, the face of any support studs in the walls) extended to their planar intersections with each other and with the upper and lower boundaries.

(c) Apertures. Where there are apertures in any boundary, including, but not limited to, windows, doors, bay windows and skylights, such boundaries shall be extended to include the windows, doors and other fixtures located in such apertures, including all frameworks, window casings and weather stripping thereof.

(d) Inclusions. Each Dwelling 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 Dwelling Unit exclusively. The surface of the foregoing items will be the boundaries of that Dwelling Unit, whether or not those items are contiguous to the unit.

(e) Exclusions. Except when specifically included by other provisions of this Section 4.2, the following are excluded from each Dwelling 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 Dwelling Units and Common Elements or both.

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

ARTICLE V LIMITED COMMON ELEMENTS

Section 5.1 Assigned Limited Common Elements. The following portions of the Common Elements are Limited Common Elements assigned to the Dwelling 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 Dwelling Unit, the portion serving one or more Dwelling Units is a Limited Common Element, allocated solely

to the Dwelling Units served thereby, the use of which is limited to those Dwelling Units, and any portion serving more than those Dwelling Units constitutes a part of the Common Elements.

(b) To the extent any hot water heater or tank and any of its related equipment, pipes or conduit, lies partially within and partially outside the designated boundaries of a Dwelling Unit, to the extent that it serves one or more Dwelling Units, it shall be a Limited Common Element, allocated solely to the Dwelling Units served thereby, the use of which is limited to those Dwelling Units, and any portion serving more than those Dwelling Units constitutes a part of the Common Elements.

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

(d) Entry areas, stairs, stoops, steps and walls above door openings at the entrances to each building providing access to less than all Dwelling Units constitute Limited Common Elements allocated exclusively to the Dwelling Units served thereby and the use of such Limited Common Elements is limited to such Dwelling Units.

(e) Exterior surfaces, trim, siding, doors and windows will be Limited Common Elements allocated to the Dwelling Units sheltered or served thereby.

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

(g) Any porch or balcony appurtenant to a Dwelling Unit shall be a Limited Common Element of the Unit(s) to which it is adjacent and accessible. The Association shall be responsible for the maintenance of the structural and mechanical elements of any such Limited Common Elements, except to the extent arising from or necessitated by the negligence, misuse or neglect of a specific Unit Owner, in which case such cost and expense shall be paid solely by such Unit Owner, with the owner of the Unit to which they are appurtenant responsible for the costs of same and, directly, for the general cleaning, plant care and the upkeep of the appearance of the area(s).

(h) Developer hereby reserves the exclusive right to assign, with or without consideration, the exclusive right to use any parking space located within the Common Elements of the Dwelling Unit to one or more Units, whereupon the space so assigned shall be deemed a Limited Common Element of the Unit(s) to which it is assigned. Each Unit shall be assigned not less than one (1) parking space as an appurtenance to the Unit. As to any Limited Common Element parking space which was originally assigned by the Developer, the Developer reserves

the right, at any time provided that the Developer owns a Unit, to reassign such parking space provided that at all times, each Unit shall have one (1) Limited Common Element parking space. The maintenance of any parking space so assigned shall be the responsibility of the Association.

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

ARTICLE VI MAINTENANCE

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

Section 6.2 Units. Each Owner shall maintain, repair and replace, at its own expense, all portions of the Owner's Unit, including without limitation, any pipes, lines or other equipment related or appurtenant to the fixtures and equipment servicing any Dwelling Unit, any air conditioning apparatus serving such Owner's Dwelling Unit exclusively, except the portions of the Unit specifically required by this Declaration or the Act to be maintained, repaired or replaced by the Association.

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

(a) Common Expenses associated with the maintenance, repair or replacement of components and elements attached to, planted on, or a part of yards, patios, balconies, exterior surfaces, trim, siding, doors, and windows will be assessed against the Unit or Units to which the Limited Common Element is assigned. No additional component or element may be attached without consent of the Board of Directors in accordance with Article XII. In the event any additional component or element becomes deteriorated or unsightly, or is inconsistent with conditions of installation, it may be removed or repaired at the Owner's expense as a Common Expense Assessment under this Section 6.3, after Notice and Hearing.

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

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

Section 6.4 Right of Access. Any Person authorized by the Board of Directors shall have the right of access to all portions of the Project for the purpose of performing emergency repairs or to do other work reasonably necessary for the proper maintenance of the Project, for the purpose of performing installations, alterations or repairs, and for the purpose of reading, repairing and replacing utility meters and related pipes, valves, wires and equipment, provided that requests for entry are made in advance and that any entry is at a time reasonably convenient to the affected Owner. In case of an emergency, no request or notice is required and the right of entry shall be immediate, and with as much force as is reasonably necessary to gain entrance, whether or not the Owner is present at the time. An emergency shall mean a situation or occurrence that affects the health, welfare, and safety of the Owners and the circumstances of which make it impracticable to request advance notice.

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

Section 6.6 Professional Management. The Board of Directors, on behalf of the Association, may contract with one or more professional management companies for the performance of maintenance and repair and for conducting other activities on behalf of the Association, as may be determined by the Board of Directors. Each such management contract shall provide for its termination by the Association without cause and without payment of a termination fee upon no more than ninety (90) days' written notice to the other party. Any management company employed by the Association must hold all pertinent licenses and approvals to engage in management work on the Association's behalf, including, as applicable, a permit or a certificate as required by NRS 116.700 and NRS 116.705, as may be amended from time to time. Any management company must maintain a fidelity insurance policy if it handles funds for the Association.

ARTICLE VII DEVELOPMENT RIGHTS AND OTHER SPECIAL DECLARANT RIGHTS

Section 7.1 Reservation of Development Rights. Declarant reserves the following Development Rights with respect to the Project:

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

(b) The right, but not the obligation, to construct buildings or other Improvements on the Common Elements.

(c) The right, but not the obligation, to create Units to the maximum number as set forth in Section 4.1 of this Declaration.

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

(e) The right, but not the obligation, to unilaterally amend this Declaration at any time prior to the close of the first sale of a Unit and to further amend thereafter pursuant to this Declaration; provided that such amendment shall not be done in a manner inconsistent with the regulations and rules of FNMA, FHLMC, VA, and HUD.

(f) Developmental rights may be exercised with respect to different portions of the Project at different times. No assurances are made with respect to the boundaries or order in which portions of the Project may be subject to developmental rights. A developmental right exercised in one portion of the Project does not require the developmental right to be exercised in all or any other portion of the Project

Section 7.2 Special Declarant Rights. Declarant reserves the following Special Declarant Rights, to the maximum extent permitted by law, which may be exercised, where applicable, anywhere within the Project:

(a) To complete any Improvements indicated on Plat and Plans;

(b) To exercise any Development Right reserved in this Declaration or as may be allowed by law;

(c) To maintain sales offices, management offices, signs advertising the Project and models necessary to market the Units or any other real property owned by Declarant regardless of whether such real property is part of the Project;

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

(e) To appoint or remove any officer of the Association or a Board of Directors member during the Declarant Control Period; and

(f) To allow potential purchasers to use up to twelve (12) designated parking stalls located in the common areas near any sales office or management office during the Declarant Control Period.

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

Section 7.4 Signs and Marketing. Except as otherwise restricted by the Rules and Regulations of the Master Association, for so long as Declarant is an Owner, Declarant reserves the right to post signs and displays in the Common Elements in order to promote sales of Units. Declarant also reserves the right to conduct general sales activities in a manner which will not unreasonably disturb the rights of Owners.

Section 7.5 Declarant's Personal Property. Declarant reserves the right to retain all personal property and equipment used in the sales, management, construction and maintenance of the Project that has not been represented in this Declaration as becoming property of the Association. Declarant reserves the right to remove from the Project (promptly after the sale and close of escrow of the last Unit) any and all such goods and improvements used in development, marketing and construction, whether or not they have become fixtures.

Section 7.6 Declarant Control of the Association.

(a) Subject to subsection 7.6(b), there shall be a Declarant Control Period during which the Declarant, or Persons designated by Declarant, may appoint and remove the officers and members of the Board of Directors. The Declarant Control Period terminates no later than the earlier of:

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

(ii) Five (5) years after Declarant has first conveyed a Unit to an Owner other than Declarant or a successor to Declarant.

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

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

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

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

Section 7.7 Limitations on Special Declarant Rights. Unless terminated earlier by an amendment to this Declaration executed by Declarant, and subject to applicable law, any Special Declarant Right, including any exercise of a Development Right, may be exercised by Declarant so long as any of the following conditions are satisfied: (a) Declarant holds a Development Right to create additional Units or Common Elements; (b) Declarant owns any Unit; (c) Declarant holds any Security Interest in any Unit; or (d) no more than fifteen (15) years have elapsed after recording of this Declaration.

Section 7.8 Interference with Special Declarant Rights. Neither the Association nor any Owner may take any action or adopt any rule that will interfere with or diminish any Special Declarant Right without the prior written consent of Declarant.

Section 7.9 Lender Protection. During the Declarant Control Period, the following actions will require the prior approval of the FNMA, FHLMC, VA, or HUD to the extent necessary to meet any FNMA, FHLMC, VA, or HUD requirements which are applicable to the Project: any merger or consolidation of the Association, any special assessment, mortgaging of the Common Elements, dedication of the Common Elements, any amendment of the Declaration, any amendment to the Bylaws, and the removal of any portion of the Common Elements. Additional limitations on the right of Declarant to exercise Development Rights may be found in Article XV of this Declaration.

Section 7.10 Priority of Declarant's Rights and Reservations. Declarant shall have, and hereby retains and reserves, certain rights as set forth in this Declaration with respect to the Association and the Project. The rights and reservations of Declarant set forth in this Declaration shall be deemed excepted and reserved in each recorded supplemental declaration or annexation amendment, in each conveyance of property by Declarant to the Association and in each deed or other instrument by which any property encumbered hereby is conveyed by Declarant, whether or not specifically stated therein. The rights, reservations and easements of Declarant set forth in this Declaration shall be prior and superior to any other provisions of this Declaration and may not, without Declarant's prior written consent, be modified, amended, rescinded or affected by any amendment of this Declaration, including any amendment of this Section 7.10. Declarant's consent to any one such amendment shall not be construed as consent to any other or subsequent amendment.

Section 7.11 Assignment of Declarant's Rights and Duties. Any and all of the rights, powers and reservations of Declarant herein contained may be assigned by Declarant to any Person, corporation or association which will assume any or all of the duties of Declarant hereunder, and upon any such Person, corporation or association evidencing its consent in writing to accept such assignment, said assignee shall, to the extent of such assignment, assume Declarant's duties hereunder, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by Declarant herein. Upon such assignment, and to the extent thereof, Declarant shall be relieved from all liabilities, obligations, and duties hereunder. The foregoing shall be subject to NRS 116.31043(4).

ARTICLE VIII ALLOCATED INTERESTS

Section 8.1 Formulas for the Allocation of Interests. The interests allocated to each Unit shall be calculated by the following formulas:

(a) Undivided Interest in the Common Elements. The percentage of the undivided interest in the Common Elements allocated to each Unit is based on one share for each Unit compared with the total shares allocated to all the Units in the Project.

(b) Liability for Common Expenses. The percentage of Liability for Common Expenses allocated to each Unit (except as otherwise set forth herein) will be equal to one (1) Assessment Unit for each Dwelling Unit. Cost per Assessment Unit shall be determined by a formula consisting of a fraction, the numerator of which shall be the total expense to be assessed and the denominator shall be the total assessments represented by the Units subject to such expense. Nothing contained in this Subsection shall prohibit certain Common Expenses from being apportioned to particular Units under this Declaration.

(c) Votes. Each Unit in the Project shall have one (1) equal vote. Any specified percentage, portion or fraction of Owners, unless otherwise stated in the Documents, means the specified percentage, portion or fraction of all of the eligible votes.

(d) Addition or Withdrawal of Units. Upon addition or withdrawal of Units, the Interest in the Common Elements and Liability for Common Expenses will be re-allocated pursuant to the formula set forth in Sections 8.1(a) and (b) of this Declaration. Each Unit in the Project will continue to have one (1) equal vote pursuant to 8.1(c).

Section 8.2 Assignment of Allocated Interests Pursuant to Exercise of Development Rights. The effective date for assigning Allocated Interests to Units created pursuant to Section 7.1(a) of this Declaration shall be the date on which the amendment creating the Units is recorded in the Recorder's Office for Clark County, Nevada.

ARTICLE IX RESTRICTION ON USE, ALIENATION AND OCCUPANCY

Section 9.1 Use Restrictions. Subject to the Special Declarant Rights reserved under Article VII, 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, provided, however, that if the Master Association purchases a Unit from Declarant, then the Master Association may maintain an office for purposes of conducting the Master Association's own business of running its association, but for no other purposes and the Master Association is prohibited from assigning this right to any other person or entity.

(b) No immoral, improper, offensive or unlawful use may be made of the Property or any portion thereof; Owners shall comply with and conform to all applicable laws and regulations of the United States and of the State of Nevada and all applicable county or city ordinances, rules and regulations. The violating Owner shall hold harmless the Association and other Owners from all fines, penalties, costs and prosecutions for any violation or noncompliance.

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

(a) No electrical device creating overloading of standard circuits may be used without permission from the Board of Directors. Misuse or abuse of appliances or fixtures within a Unit which affects other Units or the Common Elements is prohibited. Any damage resulting from such misuse shall be the responsibility of the Owner who caused such damage. Total electrical

usage in any Unit shall not exceed the capacity of the circuits as labeled on the circuit breaker boxes.

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

(c) Except for visitors from time-to-time, no Owner may regularly park more than 2 cars at the Property.

(d) Any parking spaces which are designated as visitor parking by the Board of Directors are for the sole use of visitors and guests only and may not be used by Owners. Such parking spaces may be used only for vehicles, but specifically excluding oversized trucks, commercial vehicles, motor homes, boats, personal watercrafts, campers and trailers. Furthermore, no motor homes, boats, personal watercrafts, campers or trailers may be parked in any parking space within the Project, regardless of whether the parking space is designated for use by visitors or residents. Notwithstanding the foregoing, such vehicles may be parked within the Property for the limited purpose of loading and unloading passengers and personal property. No inoperable vehicles or unregistered vehicles of any kind may be parked anywhere within the Property.

(e) 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 Owners or occupants of Units. No Owner or occupant of a Unit shall make or permit any disturbing noises nor do or permit anything to be done by others that will interfere with the rights, comforts or convenience of other Owners or Unit occupants.

(f) Subject to any rules and regulations of the Association, up to two (2) pets may be maintained in a Unit provided such pets are: (a) permitted to be so kept by applicable laws and regulations, (b) do not weigh more than 30 pounds each; (c) not left unattended on any porches or balconies, (d) generally, not a nuisance to residents of other Units; (e) not a barnyard or exotic animal, arachnid, reptile; pit bull or other breed considered to be dangerous by the Board of Directors; or (f) not kept for any commercial purpose, provided that neither the Board nor the Association shall be liable for any personal injury, death or property damage resulting from a violation of the foregoing and any occupant of a Unit committing such a violation shall fully indemnify and hold harmless the Board of Directors, the Developer, each Unit Owner and the Association in such regard. Seeing eye dogs and hearing ear dogs will be permitted for those persons holding certificates of necessity. No pet shall be permitted outside of their owner's Unit unless attended by an adult and on a leash not more than six (6) feet long. Said pets shall only be walked or taken upon those portions of the Common Elements designated by the Association

from time to time for such purposes. In no event shall said pet ever be allowed to be walked or taken on or about any recreational facilities contained within the Property. Unit owners shall pick up all solid wastes from their pets and dispose of same appropriately. Without limiting the generality of this Article IX, a violation of the provisions of this Section 9.2(f) shall entitle the Association to all of its rights and remedies, including, but not limited to, the right to fine Unit Owners and/or to require any pet to be permanently removed from the Property.

(g) No signs, window displays or advertising visible from outside a Unit. All draperies which can be seen from the outside of the Unit must have a white or off-white backing. No aluminum foil, sheets or blankets or any other unsightly material may be used as window coverings in any Unit.

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

(i) No Owner shall install tile or hardwood flooring in any Unit.

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

1. Affording vehicular passage and pedestrian movement within the Project, including the right of access to the Units, and affirmative rights of ingress and egress across the Common Elements shall be and are hereby granted to each Owner for the purpose of access to each Owner's Unit;

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

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

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

5. The following uses are hereby expressly prohibited:

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

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

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

(k) The foregoing restrictions shall be in addition to, cumulative with, and not in derogation of those set forth in the Master CC&Rs.

Section 9.3 Laws and Insurance Requirements. Nothing shall be done to or kept on any Unit or improvement thereon that might increase the rate of, or cause the cancellation of, insurance for the Project, or any portion of the Project, without the prior written consent of the Association. No Owner shall permit anything to be done or kept in his or her Unit or any improvement thereon that violates any of the restrictions contained in this Declaration or any law, ordinance, statute, rule, or regulation of any local, county, state or federal body, including, without limitation, local ordinances relating to zoning and building codes.

Section 9.4 Restrictions on Alienation. A Unit may not be conveyed pursuant to a time-sharing plan. A Unit may not be leased or rented for an initial term of less than thirty (30) days. All leases and rental agreements shall be in writing and subject to the requirements of the Documents and the Association. Prior to entering into any lease of a Unit, the Owner shall submit the lease for approval by the Board of Directors. No more than thirty percent (30%) of the Units within the Property shall be leased or rented at any given time, as determined by the Board of Directors in its discretion. The Board of Directors may deny approval of a lease based on any restriction imposed on such lease as set forth herein, including without limitation, the restriction that no more than thirty percent (30%) of the Units within the Property may be leased at any given time.

All leases of a Unit shall include a provision that the tenant will recognize and attom 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 Owner notice of its intent to so enforce and a reasonable opportunity to cure the violation directly, prior to the commencement of an enforcement action. Notwithstanding the foregoing, the Owner shall be responsible for the actions of any tenant, guest, invitee, contractor, employee, or any other Person on the Property at the Owner's request or for the Owner's benefit.

Despite any language appearing in this Declaration to the contrary, no right of first refusal to purchase a Unit in favor of any party or similar restriction on the ability of an Owner to

sell the Owner's Unit shall be deemed to exist solely as a result of this Declaration or the inclusion of any Unit in the Project.

ARTICLE X EASEMENTS AND LICENSES

Section 10.1 Easements of Record. The Project is presently subject to all easements and licenses of record, including those shown on the Plat and Plans or otherwise contained herein. In addition, the Project may be subject to other easements or licenses granted by Declarant pursuant to its powers under Article VII of this Declaration, liens created under Article XVIII of this Declaration, and easements granted by the Association pursuant to its powers under Article XXIV of this Declaration.

Section 10.2 Association Easement. The Association shall have an easement over the Common Elements for performing its duties and exercising its powers described in this Declaration. In addition, the Association shall have an easement over each Unit for the purpose of maintaining or repairing the Common Elements, including any portion of the Common Elements that may encroach upon a Unit.

Section 10.3 Member's Easement in Common Elements. Subject to the provisions of this Declaration, every Owner shall have a non-exclusive easement of access, ingress, egress, use and enjoyment of, in and to the Common Elements, only as to those portions of the Common Elements which lay in the unenclosed portion of Units, and such easements shall be appurtenant to and shall pass with title to every Unit.

Section 10.4 Extent of Member's Easements. The rights and easements of use and enjoyment of the Common Elements created by this Declaration shall be subject to the Documents, which include, without limitation, the following:

(a) The right of the Board of Directors to consent to or otherwise cause the construction of additional Improvements on the Common Elements and to consent to or otherwise cause the alteration or removal of any existing Improvements on the Common Elements for the benefit of the Owners.

(b) The right of the Association acting through the Board of Directors and pursuant to an agreement executed by Owners to whom a majority of the Association's voting power is allocated, including a majority of the voting power not allocated to Declarant, which agreement must be recorded and which must specify a date after which the agreement will be void unless recorded, to convey the Common Elements or to subject the Common Elements to a Security Interest;

(c) The right of the Board of Directors to grant easements, leases, licenses and concessions through or over the Common Elements.

(d) The right of the Board of Directors to reasonably restrict access to easements for which the Association is responsible for maintenance.

(e) The right of the Board of Directors to establish uniform rules and regulations for the use of the Common Elements; and

(f) The rights and reservations of Declarant as set forth in this Declaration.

ARTICLE XI ALLOCATION OF LIMITED COMMON ELEMENTS

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

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

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

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

ARTICLE XII ADDITIONS, ALTERATIONS AND IMPROVEMENTS

Section 12.1 Requisite Approvals and Procedures for Owner Alteration. No Owner may make or commence any structural addition, alteration or Improvement in the Project, including without limitation, any awning, solar or other screens, satellite or other telecommunication device or dish, the alteration or construction of a building, fence, wall or structure or the placement, erection or alteration of any Limited Common Element without the prior written consent of the Board of Directors or an architectural committee appointed by the Board of Directors composed of three members ("Architectural Committee"). Owner must also

obtain the prior written consent of the Master Declarant. Owner should obtain approval from the Association prior to submission of an application to the Master Association. Approval by the Association does not guarantee approval by the Master Association.

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

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

(i) May make any improvements or alterations to the interior of such Owner's Dwelling Unit that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Project.

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

(iii) Subject to Section 13.1 of this Declaration, after acquiring an adjoining Dwelling Unit, may remove or alter any intervening partition between such Owner's Units, or create apertures therein, even if the partition in whole or in part is a Common Element, if those acts do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Project. Removal of partitions or creation of apertures under this subsection is not an alteration of boundaries. If a part of an adjoining Unit is acquired, boundaries will be relocated in accordance with Article XIII.

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

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

built in compliance with the plans and specifications approved by the Board of Directors or the Architectural Committee.

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

Section 12.2 Limitation on Liability of Architectural Committee. Provided that the Architectural Committee or a particular member of the Architectural Committee has acted in good faith on the basis of the information as may be possessed by the Architectural Committee or the member, as the case may be, then neither the Architectural Committee nor any member thereof shall be liable to the Association, to any Owner, or any other Person for any damage, loss, or prejudice suffered or claimed on account of: (a) the approval or disapproval of any plans, drawings, and specifications, whether or not defective; (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications; or (c) the development of any property subject to this Declaration. Without limiting the generality of the foregoing, the Architectural Committee and any member thereof may, but it is not required to, consult with knowledgeable third parties with respect to any plans, drawings, specifications, or any other proposal submitted to the Architectural Committee.

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

Section 12.4 Board of Directors and Architectural Committee Discretion. Except as may be expressly provided in this Declaration, any consent or approval of the Board of Directors, Architectural Committee, or Association that is required under the provisions hereof may be granted or withheld in the sole and absolute discretion of the Board of Directors, Architectural Committee, or Association, as applicable. In that regard, the granting or withholding of such consent or approval shall not be subject to any objective standards of "reasonableness" or otherwise; provided, however, that the decision of the Board of Directors, Architectural Committee, or Association shall be consistent with such Architectural Committee Rules, Association Rules, this Declaration, and other Association Documents, as may be in effect at the time of such granting or withholding of consent or approval. Further, the approval of or consent to any matter shall not be deemed to be a waiver of the right to disapprove the same or similar matters in subsequent requests for consents or approvals from the same or other parties.

Section 12.5 No Applicability to Construction by Declarant or its Predecessors. The provisions of this Article XII shall not apply to construction, remodeling, maintenance or other work done by or at the request of, Declarant or its predecessors in the Project, and neither the Board of Directors nor any Architectural Committee appointed by the Board of Directors shall have any authority or right to approve or disapprove or take any other action in connection with regard to any previous or future construction by Declarant or its predecessors in the Project.

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

ARTICLE XIII BOUNDARIES

Section 13.1 Application and Amendment. The boundaries between adjoining Units may not be relocated without the approval of the Board of Directors or the Architectural Committee under Article XII. In addition to the plans and specifications required for approval under Section 12.1 of this Declaration, a request for a boundary adjustment must be accompanied by the written consent of all Owners of the Units affected by the relocation. Units "affected by the relocation" shall be only the actual Units to have a boundary adjustment. If the Owners of the adjoining Units have specified a reallocation between their Units of their Allocated Interests, the application shall state the proposed reallocation. In the event that the Board of Directors or the Architectural Committee approves the request for boundary adjustment, the Association shall prepare an amendment to this Declaration that identifies the Units involved, states the reallocations and indicates the Association's consent. The amendment need only be executed by those Unit Owners affected by the relocation and contain words of conveyance between them. The approval of all holders of Security Interests in the affected Units shall be included in the conveyance. On recordation, the amendment shall be indexed in the name of the grantor and the grantee, and in the grantee's index in the name of the Association.

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

ARTICLE XIV AMENDMENTS TO DECLARATION

Section 14.1 In General. Except in cases of amendments that may be executed: (a) by Declarant under Section 27.8 of this Declaration and otherwise in the exercise of its Development Rights; (b) by the Association under Article XI of this Declaration, NRS 116.1107,

NRS 116.2106(4), NRS 116.2112(1), and NRS 116.2113; (c) by certain Owners under Article XIII and Section 13.1 of this Declaration, Section 27.9 of this Declaration, NRS 116.2113(2), and NRS 116.2118, and except as limited by Section 14.4 and Article XVII of this Declaration; or (d) as set forth in Section 24.4, this Declaration, including the Plat and Plans, may be amended only by vote or agreement of a Majority of Owners. The procedure for amendment must follow the procedures set forth in NRS 116.2117.

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

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

Section 14.4 Unanimous Consent. Except to the extent expressly permitted or required by other provisions of this Declaration or the Act, an amendment may not create or increase Special Declarant Rights, increase the number of Units, change the boundaries of any Unit, change the Allocated Interests of a Unit or change the uses to which any Unit is restricted, except by unanimous consent of the Owners "affected" and the consent of a Majority of Owners. For purposes of this Section 14.4, an Owner is "affected" if an amendment changes the boundaries of that Owner's Unit, changes the Allocated Interests of that Unit, or changes the uses to which that Unit is restricted.

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

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

Section 14.7 Consent of Holders of Security Interests. Amendments are subject to the consent requirements of Article XVII, and, to the extent that any Security Interests are held by or insured by FNMA, FHLMC, VA, or HUD, such amendments shall be in accordance with applicable rules and regulations of FNMA, FHLMC, VA, or HUD.

Section 14.8 Amendments To Create Units. Declarant must record an amendment to this Declaration to create additional Units within the Project. Declarant shall also record new Plat and Plans to the extent as necessary to conform to the requirements of NRS 116.2109(1), (2) and (4).

ARTICLE XV
AMENDMENTS TO BYLAWS

The Bylaws may be amended or repealed by the affirmative vote or written consent of not less than sixty-seven percent (67%) of the Owners and in accordance with Article VII of the Bylaws. Furthermore, any amendment of the Bylaws during the Declarant Control Period shall require the prior approval of the FNMA, FHLMC, VA and HUD to the extent necessary to meet any FNMA, FHLMC, VA and/or HUD requirements applicable to the Project.

ARTICLE XVI
TERMINATION

Termination of the Project may be accomplished only upon the approval of the Owners of eighty percent (80%) of the total number of Units within the Project, and then in accordance with the provisions of the Act.

ARTICLE XVII
MORTGAGEE PROTECTION

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

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

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

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

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

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

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

Section 17.4 Consent and Notice Required.

(a) Document Changes. Notwithstanding any requirement permitted by this Declaration or the Act, no amendment of any material provision of the Documents by the Association or Owners described in this Section 17.4 may be effective without notice to all Eligible Mortgagees and Eligible Insurers, as required by Section 17.3 of this Declaration, without the vote of at least sixty-seven percent (67%) of the Owners (or any greater Owner vote required in this Declaration or the Act) and without approval by at least fifty-one percent (51%) of the Eligible Mortgagees (or any greater Eligible Mortgagee approval required by this Declaration). The foregoing approval requirements do not apply to amendments effected by the exercise of any Development Right. A change to or attempted addition of any of the following would be considered material:

(i) Any provision of this Declaration pertaining to voting rights;

(ii) Any provision of this Declaration pertaining to assessments, assessment liens or priority of assessment liens;

(iii) Any provision of this Declaration pertaining to reserves for maintenance, repair and replacement of Common Elements;

(iv) Any provision of this Declaration pertaining to responsibility for maintenance and repairs;

(v) Any provision of this Declaration pertaining to expansion or contraction of the Project, the addition, annexation or withdrawal of property to or from the Project, or the allocation of interests in the Project;

(vi) Any provision of this Declaration pertaining to insurance or fidelity bonds;

(vii) Any provision of this Declaration pertaining to leasing of Units;

(viii) Any provision of this Declaration pertaining to rights to use the Common Elements;

(ix) Any provision of this Declaration that expressly benefits holders, insurers or guarantors of Security Interests;

(x) Any provision of this Declaration pertaining to the convertibility of Units into Common Elements or Common Elements into Units;

(xi) Any provision of this Declaration pertaining to the imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey the Owner's Unit;

(xii) Any provision of this Declaration pertaining to the establishment of self-management where professional management has previously been required;

(xiii) Any changes to the boundaries of any Unit;

(xiv) Any provision pertaining to the allocation of Allocated Interests;

(xv) Any provision of this Declaration pertaining to the restoration or repair of the Project;

(xvi) Any provision regarding the termination of the Project;

(xvii) Any provision requiring a holder of a Security Interest who acquires a Unit through foreclosure to pay more than its proportionate share of any unpaid assessments accruing after foreclosure;

(xviii) Any provision which could result in a mortgage being canceled by forfeiture or in a Unit not being assessed separately for tax purposes;

(xix) Any provision which could result in a partition or subdivision in a manner not consistent with this Declaration; or

(xx) Any provision purporting to amend or modify Section 24.4 of this Declaration.

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

(i) Any restoration or repair of any part of the Project after partial condemnation or damage due to an insurable hazard in a manner not in substantial compliance with this Declaration and the original Plat and Plans;

(ii) Any election to terminate the Project after occurrence of substantial destruction or condemnation;

(iii) Any reallocation of Allocated Interests resulting from partial destruction or condemnation; or

(iv) The termination of the Project, for which approval of at least sixty-seven percent (67%) of Eligible Mortgagees is required.

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

(d) FNMA, FHLMC, VA, or HUD Approval. The prior approval of the FNMA, FHLMC, VA and HUD shall be required during the Declarant Control Period for those Association actions set forth in Section 7.9 of this Declaration to the extent necessary to meet any FNMA, FHLMC, VA, or HUD requirements that are applicable to the Project.

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

Section 17.5 Development Rights. No Development Rights may be exercised, voluntarily abandoned, or terminated by Declarant unless all Persons holding Security Interests in the Property that would be the subject of exercise of such Development Rights consent to the exercise, abandonment, or termination.

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

Section 17.7 Financial Statements. The Association shall provide any Eligible Mortgagee or Eligible Insurer with a copy of an audited financial statement for the preceding fiscal year, upon written request, within a reasonable amount of time.

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

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

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

ARTICLE XVIII ASSESSMENT AND COLLECTION OF COMMON EXPENSES

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

Section 18.2 Common Expenses Attributable to Fewer than all Units:

(a) Any Common Expense associated with any Limited Common Elements, including, without limitation, hot water heaters/tanks, the maintenance, repair or replacement of components and elements attached to, planted on, or a part of yards, patios, balconies, entries, exterior surfaces, trim, siding, doors, and windows shall be assessed against the Unit or Units to which the Limited Common Element is assigned. If any such Limited Common Element is assigned to more than one Unit, the Common Expenses attributable to the Limited Common Element shall be assessed equally among the Units to which it is assigned.

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

(c) The costs of insurance and utilities shall be assessed in proportion to the Liability for Common Expenses.

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

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

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

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

Section 18.3 Lien:

(a) The Association has a lien on a Unit for an assessment levied against the Unit or fines imposed against its Owner from the time the assessment or fine becomes due. Fees, charges, late charges, fines, attorneys' fees, and interest charged pursuant to the Act and the Documents are enforceable as assessments under this Section 18.3; provided, however, that unless otherwise permitted by law, the Association may not foreclose upon a lien for unpaid assessments which is comprised solely of fines levied against an Owner for violation of the Documents unless the violation is of a type that threatens the health and welfare of the residents of the Project. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment becomes due.

(b) Except to the extent permitted under the Act, a lien under this Section 18.3 is prior to all other liens and encumbrances on a Unit except. (1) liens and encumbrances recorded before the recordation of this Declaration; (2) a first Security Interest on the Unit recorded before the date on which the assessment sought to be enforced became delinquent (except as otherwise provided in NRS 116.3116(2)(c)); and (3) liens for real estate taxes and other governmental assessments or charges against the Unit. 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 18.3 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 18.3 files a petition for relief under the United States Bankruptcy Code ("Bankruptcy Code"), the time period for instituting proceedings to enforce the Association's lien shall be tolled until the later of the time period allowed hereunder or thirty (30) days after the automatic stay of proceedings under Section 362 of the Bankruptcy Code is lifted.

(e) This Section 18.3 does not prohibit an action to recover sums for which Subsection (a) of this Section 18.3 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 18.3 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 through NRS 116.31168.

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

(i) If a holder of a first Security Interest in a Unit forecloses that Security Interest, the purchaser at the foreclosure sale is not liable for any unpaid assessments against that Unit which became due before the sale, other than the assessments which are prior to that Security Interest under Subsection (b) of this Section 18.3 of this Declaration and as provided in NRS 116.3116(2)(c). Any unpaid assessments not satisfied from the proceeds of sale become Common Expenses collectible from all the Owners, including the purchaser.

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

(k) In accordance with NRS 116.31162 through NRS 116.31168, the Association shall provide notice of its intent to foreclose a lien pursuant to NRS 116.31162 through NRS 116.31168 to each lien holder of the affected Unit known to the Association.

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

Section 18.4 Budget Adoption and Ratification. Unless otherwise determined by the Board of Directors, the Fiscal Year of the Association shall be the calendar year. Prior to the commencement of each Fiscal Year, the Board of Directors shall determine the Budget for the Association for such Fiscal Year in the following manner:

(a) The Board of Directors shall, not less than thirty (30) days or more than sixty (60) days before the beginning of each Fiscal Year of the Association, prepare and distribute to each Owner a copy of the budget for the daily operation of the Association (the "Operating Budget"). The Operating Budget must include, without limitation, the estimated revenue and expenditures

of the Association for the coming year and any contributions to be made to the reserve fund established by this Article 18. In lieu of distributing copies of the Operating Budget, the Board of Directors may distribute summaries of the budget, accompanied by a written notice that the budget is available for review at the business office of the Association or other suitable location and that copies of the budget will be provided upon request.

(b) The Association shall also establish adequate reserves, funded upon a reasonable basis, for the repair, replacement, and restoration of the major components of the Common Elements. The reserve funds may be used only for those purposes and not for daily maintenance. Money in the reserve accounts may not be withdrawn without the signatures of at least two (2) members of the Board of Directors or the signatures of at least one (1) member of the Board of Directors and one (1) officer of the Association who is not a member of the Board of Directors.

The Board of Directors shall, not less than thirty (30) days or more than sixty (60) days before the beginning of the Fiscal Year of the Association prepare and distribute to each Owner a copy of the reserve budget (the "Reserve Budget"). In lieu of distributing copies of the Reserve Budget, the Board of Directors may distribute summaries of the budget, accompanied by a written notice that the budget is available for review at the business office of the Association or other suitable location and that copies of the budget will be provided upon request.

The Reserve Budget must include, without limitation: (a) the current estimated replacement cost, estimated remaining life, and estimated useful life of each major component of the Common Elements; (b) as of the end of the Fiscal Year for which the budget is prepared, the current estimate of the amount of cash reserves that are necessary, and the current amount of accumulated cash reserves that are set aside, to repair, replace, or restore the major components of the Common Elements; (c) a general statement describing the procedures used for said estimation and accumulation of cash reserves, including, without limitation, the qualifications of the person responsible for the preparation of the reserve studies required under this Section 18.4; and (d) a statement as to whether the Board of Directors has determined or anticipates that the levy of one or more Special Assessments will be required to repair, replace, or restore any major component of the Common Elements or to provide adequate reserves for that purpose.

The Board of Directors shall cause to be conducted at least once every five (5) years, a study of the reserves required to be maintained by this Section, review the results of that study at least annually to determine if those reserves are sufficient, and make any adjustments it deems necessary to maintain the required reserves. The study must be conducted by a person qualified by training and experience to conduct such a study (as determined pursuant to the Act), including a member of the Board of Directors, an Owner, or the Manager of the Association who is so qualified. The study must include, without limitation: (aa) a summary of an inspection of the major components of the Common Elements that the Association is obligated to repair, replace, or restore; (bb) an identification of the major components of the Common Elements that the Association is obligated to repair, replace, or restore which have a remaining useful life of less than thirty (30) years; (cc) an estimate of the remaining useful life of each major component so

identified; (dd) an estimate of the cost of repair, replacement, or restoration of each major component so identified; and (ee) an estimate of the total Common Assessments that may be required to cover the cost of repair, replacement, or restoration of the major components so identified after subtracting the reserves of the Association as of the date of the study.

(c) Upon determination of the budget for a Fiscal Year, the Board of Directors shall furnish a copy of the budget to each Owner as herein provided (which budget shall separately identify amounts attributable to the Operating Budget and the Reserve Budget) together with a written statement of the amount of the Common Assessment to be assessed against the Owner's Unit for the applicable Fiscal Year. The Board of Directors shall set a date for a meeting of the Owners to consider ratification of the budget not less than fourteen (14) nor more than thirty (30) days after the mailing of the budget. Unless at that meeting a majority of all Owners reject the budget, the budget is ratified, whether or not a quorum is present. If the proposed budget is rejected, the periodic budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget proposed by the Board of Directors.

(d) The amount to be raised by Common Assessments during a Fiscal Year shall be equal to (a) the Operating Budget for such period, plus (b) the Reserve Budget to be set aside for said period, less the amount attributable to the Operating Budget collected but not disbursed in the immediately preceding Fiscal Year or partial Fiscal Year; provided, however, that in lieu of such subtraction the Board of Directors may elect to refund said surplus to the Owners.

If the Board of Directors fails to determine or cause to be determined the total amount to be raised by Common Assessments in any Fiscal Year and/or fails to notify the Owners of the amount of such Common Assessments for any Fiscal Year, then the amounts of Common Assessments shall be deemed to be the amounts assessed in the previous Fiscal Year.

Except as emergencies may require, the Association shall make no commitments or expenditures in excess of the funds reasonably expected to be available to the Association.

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

Section 18.6 Certificate of Payment of Common Expense Assessments. The Association, upon written request, shall furnish an Owner with a statement, in recordable form, setting out the amount of unpaid assessments against the Unit. The statement must be furnished

within 10 business days after receipt of the request and is binding on the Association, the Board of Directors and each Owner.

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

Section 18.8 Acceleration of Common Expense Assessments and Late Fee. In the event of default in which any Owner does not make the payment of any Common Expense Assessment levied against his or her Unit within 10 days after the date due, the Board of Directors shall have the right, after Notice and Hearing, to declare all unpaid assessments for the pertinent fiscal year immediately due and payable. The Association may impose a late fee in an amount deemed appropriate by the Board of Directors for any untimely payment of assessments.

Section 18.9 Commencement of Common Expense Assessments. The Common Expense Assessments provided for herein shall begin as to all Units of the Project (other than unsold Units owned by Declarant if a Subsidy Agreement is in effect) on the first day of the month following the first conveyance of a Unit to an Owner other than Declarant. The first assessment shall be adjusted according to the number of months remaining in the calendar year. If a Subsidy Agreement is in effect, regular assessments as to all unsold Units owned by Declarant shall commence upon termination or expiration of the Subsidy Agreement.

Section 18.10 No Waiver of Liability for Common Expenses. No Owner may become exempt from liability for payment of the Common Expense Assessments by waiver of the use or enjoyment of the Common Elements or by abandonment of the Unit against which the assessments are made.

Section 18.11 Personal Liability of Owners. The Owner of a Unit, at the time a Common Expense Assessment or portion of the assessment is due and payable, is personally liable for the assessment. Additionally, the Owner of a Unit, by acceptance of a deed or other conveyance therefor, whether or not it shall be so expressed in such deed or such other instrument, is deemed to covenant and agree to pay to the Association: annual Common Expense Assessments; Capital Improvement Assessments; Special Assessments; and Reconstruction Assessments; such assessments to be established and collected as herein provided. All Assessments, together with interest, costs, and reasonable attorneys' fees for the collection thereof, shall be a charge on the land and shall be a continuing lien upon the Unit against which such assessment is made.

(a) No Owner may exempt himself from the personal liability for assessments levied by the Association, nor release the Unit owned by him from the liens and charges thereof by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his/her Unit.

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

Section 18.12 Capitalization of Association. A working capital fund is to be established in the amount of two (2) months regularly budgeted initial Common Expense Assessments for all Units in proportion to their respective Allocated Interests in Common Expenses. This amount shall be collected from the purchaser of each Unit upon the time of sale of that Unit. Any amounts paid into this fund shall NOT be considered as advance payment of assessments and may be used for any purpose by the Declarant related to the Project. Each Unit's share of the working capital fund may be collected and then contributed to the Association by Declarant at the time the sale of the Unit is closed or at the termination of the Declarant Control Period, if earlier. Until paid to the Association, the contribution to the working capital shall be considered an unpaid Common Expense Assessment, with a lien on Declarant's unsold Units pursuant to the Act. Until termination of Declarant control of the Board of Directors, the working capital fund shall be deposited without interest in a segregated fund. While Declarant is in control of the Board of Directors, Declarant cannot use any of the working capital funds to defray its expenses, reserve contributions, or construction costs or to make up budget deficits.

Section 18.13 Subsidy Agreements. The Association is specifically authorized and empowered to enter into a Subsidy Agreement or other similar agreement with the Declarant whereby assessments otherwise payable by the Declarant on Units owned by the Declarant are suspended in exchange for the payment by the Declarant of shortfalls in the Association's operating expenses or the provision of maintenance of the Common Elements and/or the performance of certain other services which are Common Expenses of the Association. Any such agreement shall provide that it may be terminated upon the vote of the Owners of sixty-seven percent (67%) of the total number of Units in the Project, other than those Units owned by Declarant, in which event, after the date of such termination, all Owners, including Declarant shall be liable for the full amount of the regular assessments which would otherwise be payable in accordance with this Article XVIII.

Section 18.14 Master Association Assessments. Each Unit Owner shall be responsible for the payment of its Master Association due, fees, costs and any other charges assessed by the Master Association for such Unit Owner's membership therein directly to the Master Association. In the event any Unit Owner does not make such payment in a timely manner, the Declarant may, but shall not be required to do so, pay said late assessment and charge Unit Owner for such amount, and demand such payment from the Unit Owner pursuant to the terms of this Declaration and with all of the rights to collect said amount from the Unit Owner.

ARTICLE XIX
RIGHT TO ASSIGN FUTURE INCOME

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

ARTICLE XX
PERSONS AND UNITS SUBJECT TO DOCUMENTS

Section 20.1 Membership in the Association. Every Owner of a Unit shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a Unit. Membership in the Association shall not be transferred, pledged, or alienated in any way, except upon the sale of a Unit to which it is appurtenant, and then only to the purchaser of such Unit. Any attempt to make a prohibited transfer is void. In the event the Owner of any Unit should fail or refuse to transfer the membership registered in his or her name to the purchaser of his or her Unit, the Association shall have the right to record the transfer upon its books and thereupon the old membership outstanding in the name of the seller shall be null and void.

Section 20.2 Compliance with Documents. All Owners, tenants, mortgagees and occupants of Units shall comply with the Documents. The acceptance of a deed or the exercise of any incident of ownership or the entering into of a lease or the occupancy of a Unit constitutes agreement that the provisions of the Documents are accepted and ratified by that Owner, tenant, mortgagee or occupant. All provisions of the Documents recorded in the Clark County Recorder's Office are covenants running with the land and shall bind any Persons having at any time any interest or estate in any Unit. Owners are responsible for any violations of this Declaration or any other Document committed by any tenant, occupant of the Owner's Unit, invitee, employee, family member, agent, or any other Person on the Property at the request or for the benefit of Owner (collectively, "Owner's Invitees"). An Owner may be assessed fines for violations of the Documents committed by Owner's Invitees, as if the Owner committed the violation.

Section 20.3 Adoption of Rules. The Board of Directors may adopt, amend, modify and otherwise repeal any Rules regarding the Common Elements, 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; provided, however, that during the Declarant Control Period, no Notice and Comment is required before the Board of Directors adopts any such rules.

ARTICLE XXI
INSURANCE

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

Section 21.2 Property Insurance Coverage:

(a) Coverage. Property insurance will cover:

(i) The facilities of the Project including all buildings on the Property, for example, the Units and all fixtures, equipment and any improvements and betterments whether part of a Unit or a Common Element, and such personal property of Owners as is normally insured under building coverage, but excluding land, excavations, portions of foundations below the undersurface of the lowest basement floors, underground pilings, piers, pipes, flues and drains and other items normally excluded from property policies; and

(ii) All personal property owned by the Association.

(b) Amounts. The insurance will be for an amount (after application of any deductions) equal to one hundred percent (100%) of the actual replacement value of the covered items at the time the insurance is purchased and at each renewal date, excluding the cost of land, foundations, or excavations.

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

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

(d) Other Provisions. Insurance policies required by this Section 21.2 of this Declaration shall provide that:

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

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

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

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

(v) Losses must be adjusted with the Association.

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

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

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

Monterey at the Las Vegas Country Club Homeowners' Association for the use and benefit of the individual Owners.

(ix) Such policy of insurance shall contain a standard mortgage clause, or equivalent endorsement (without contribution), which is commonly accepted by private institutional mortgage investors in the area in which the Project is located, and which appropriately names FNMA and FHLMC as an insured if FNMA and FHLMC is a holder or insurer of first mortgages on Units within the Project.

(x) If FNMA or FHLMC is a holder or insurer of first mortgages on Units within the Project, such policy of insurance shall be unacceptable where: (a) under the terms of the insurance carrier's charter, by-laws, or policy, contributions or assessments may be made against borrowers, FNMA, FHLMC, or the designee of FNMA or FHLMC; (b) by the terms of the carrier's charter, loss payments are contingent on action by the carrier's board of directors, policy holders, or members; or (c) the policy includes any limiting clauses (other than insurance conditions) that could prevent FNMA, FHLMC or the borrowers from collecting insurance proceeds.

(xi) If FNMA or FHLMC is a holder or insurer of first mortgages on Units within the Project, such policy of insurance shall include "agreed amount endorsements" and, if available, an "inflation guard endorsement."

(xii) If HUD, VA, FNMA, or FHLMC is a holder or insurer of first mortgages on Units within the Project, such policy of insurance shall include coverage for losses or perils by fire or other perils covered by the standard extended coverage endorsement.

(xiii) If FNMA or FHLMC is a holder or insurer of first mortgages on Units within the Project, such policy of insurance shall contain such additional coverage protection customarily covered with respect to condominiums similar in construction, location, and use.

(xiv) If FNMA or FHLMC is a holder or insurer of first mortgages on Units within the Project, the maximum deductible under any policy of insurance regarding Association property shall be the lesser of \$10,000 or one percent (1%) of the face amount of policy coverage; provided, however, that for individual Units covered by a blanket policy of insurance, the deductible should be the higher of \$1,000 or one percent (1%) of the replacement cost of the Unit.

Section 21.3 Flood Insurance. If HUD, FNMA, or FHLMC is a holder or insurer of first mortgages on Units within the Project, and if the Project or portions thereof are identified as being within a flood hazard area and if flood hazard insurance is available under the National Flood Insurance Program, the Association shall be required to acquire such insurance, as a Common Expense, in an amount not less than: (a) the maximum coverage available; or (b) one hundred percent (100%) of the replacement costs of all buildings and other property. The maximum deductible allowed with such policy shall be the lesser of \$5,000 or one percent (1%) of the face amount of coverage.

Section 21.4 Liability Insurance. Liability insurance, including medical payments insurance, will be maintained as determined by the Board of Directors, but for at least so long as HUD, VA, FHLMC or FNMA is the holder or insurer of a first mortgage on any Unit, the minimum amount of insurance coverage per occurrence shall be \$1,000,000. This insurance shall cover all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements and the activities of the Association.

Insurance policies carried pursuant to this Section 21.4 of this Declaration shall provide that:

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

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

(iii) An act or omission by an Owner or the Association will not void the policy or be a condition to recovery under the policy.

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

(v) Losses must be adjusted with the Association.

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

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

Section 21.5 Fidelity Bonds. A blanket fidelity bond shall be provided for anyone who either handles or is responsible for funds held or administered by the Association, whether or not they receive compensation for their services. The bond shall name the Association as obligee and shall cover the maximum funds that will be in the custody of the Association or the Manager at any time while the bond is in force. In no event shall the bond be for an amount less than the sum of three months' assessments plus reserve funds. The bond shall include a provision that calls for 10 days' written notice to the Association, each holder of a Security Interest in a Unit, each servicer that services an FNMA or FHLMC-owned mortgage on a Unit and the insurance trustee, if any, before the bond can be canceled or substantially modified for any reason. The bond shall be in an amount equal to the maximum amount of funds in the custody and control of the Association when the bond is in effect. When either: (a) separate bank accounts for working funds and reserves are maintained and monthly checks are sent directly to the Association; (b) a management company maintains separate records and bank accounts for each reserve account of the Association; or (c) two Directors must sign any check written on the reserve account, then the fidelity bond may be in an amount equal to three months Common Expense Assessments on all Units.

Section 21.6 Owner Policies. An insurance policy issued to the Association does not preclude Owners from obtaining insurance for their own benefit.

Section 21.7 Workers' Compensation Insurance. If necessary, the Board of Directors shall obtain and maintain Workers' Compensation Insurance to meet the requirements of the laws of the State of Nevada.

Section 21.8 Directors' and Officers' Liability Insurance. The Board of Directors shall obtain and maintain directors' and officers' liability insurance, if available, covering all of the directors and officers (including without limitation the members of the Architectural Committee) of the Association. This insurance will have limits determined by the Board of Directors.

Section 21.9 Other Insurance. The Association may carry other insurance which the Board of Directors considers appropriate to protect the Association and/or the Owners.

Section 21.10 Premiums. Insurance premiums for insurance carried or to be carried by the Association shall be a Common Expense.

Section 21.11 Insurer Ratings: For so long as FNMA or FHLMC is the holder or guarantor of any Security Instrument, the following insurance ratings shall apply. With regard to any insurance policy for the Common Elements or any master or blanket insurance coverage described hereunder, an insurer shall have a "B" or better general policyholder's rating or a "6" or better financial performance index rating in Best's Insurance Reports, an "A" or better general policyholder's rating and a financial size category of "VIII" or better in Best's Insurance Reports, International Edition, an "A" or better rating in Demotech, Inc's Hazard Insurance Stability Ratings, a "BBBq" quality rating in Standard and Poor's Insurer Solvency Review, or a "BBB" or better claims-paying ability rating in Standard and Poor's International Confidential Rating Service.

ARTICLE XXII DAMAGE TO OR DESTRUCTION OF PROPERTY

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

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

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

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

Section 22.4 Replacement of Less Than Entire Property:

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

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

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

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

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

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

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

(a) Whether or not damaged or destroyed Property is to be repaired or restored; and

(b) The amount or amounts to be paid for repairs or restoration and the names and addresses of the parties to whom such amounts are to be paid.

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

ARTICLE XXIII
NOTICE AND HEARING

Section 23.1 Right to Notice and Comment. Before the Board of Directors amends the Bylaws or the Rules, whenever the Documents require that an action be taken after "Notice and Comment," and at any other time the Board of Directors determines, the Owners have the right to receive notice of the proposed action and the right to comment orally or in writing. Notice of the proposed action either shall be given to each Owner in writing, delivered personally or by mail to all Owners at such address as appears in the records of the Association, or it shall be published in a newsletter or similar publication which is routinely circulated to all Owners. The notice shall be given not less than ten days before nor more than thirty days in advance of the proposed action being taken. It shall invite comment to the Board of Directors orally or in writing before the scheduled time of the meeting.

Section 23.2 Right to Notice and Hearing. Whenever the Documents require that an action be taken after "Notice and Hearing," the following procedure shall be observed: The party proposing to take the action (e.g., the Board of Directors, a committee, an officer, the Manager, etc.) shall give written notice of the proposed action to all Owners or occupants of Units whose interest would be significantly affected by the proposed action. The notice shall include a general statement of the proposed action and the date, time and place of the hearing, and if the notice relates to a proposed violation of the Documents, a statement of the alleged violation. 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. No fine for a violation of the Documents may be imposed until after a hearing before the Board of Directors or committee authorized by the Board of Directors, and the requirements of the Act are followed. The Board of Directors or committee authorized by the Board of Directors may impose an initial fine for the violation of the Documents in the amount of \$100, or such other minimum amount as allowed by the Act, and may impose additional fines in accordance with the Act. If a violation goes uncured, the Board of Directors or the committee may consider the violation a continuing violation and proceed with fines of \$100 for each seven-day period the violation remains uncured. After the initial Notice and Hearing, no further notice or hearings are required for the Board of Directors or the committee to assess additional fines for the continuing violation. In all actions by the Board of Directors or by a committee authorized by the Board of Directors to enforce the provisions of the Documents the minimum standards set forth in the Act, as amended, shall be followed.

Section 23.3 Appeals. Any Person having a right to Notice and Hearing shall have the right to appeal to the Board of Directors from a decision of Persons other than the Board of Directors by filing a written notice of appeal with the Board of Directors within 10 days after being notified of the decision. The Board of Directors shall conduct a hearing within 30 days,

giving the same notice and observing the same procedures as were required for the original meeting.

ARTICLE XXIV BOARD OF DIRECTORS

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

Section 24.2 Powers and Duties. The Board of Directors may act in all instances on behalf of the Association, except as provided in this Declaration, the Bylaws or the Act. The Board of Directors shall have, subject to the limitations contained in this Declaration and the Act, the powers and duties necessary for the administration of the affairs of the Association and of the Project, which shall include, but not be limited to, the power to grant utility easements under, through and over the common elements, which are reasonably necessary to the ongoing development and operation of the Project, and the powers set forth in the Bylaws.

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

Section 24.4 Acts of Association / Legal Proceedings.

(a) Unless the approval or action of Unit Owners, and/or a certain specific percentage of the Board of Directors of the Association, is specifically required by the Act or in the Documents, all approvals or actions required or permitted to be given or taken by the Association shall be given or taken by the Board of Directors, without the consent of Unit Owners, and the Board may so approve and act through the proper officers of the Association without a specific resolution. When an approval or action of the Association is permitted to be given or taken hereunder or thereunder, such action or approval may be conditioned in any manner the Association deems appropriate or the Association may refuse to take or give such action or approval without the necessity of establishing the reasonableness of such conditions or refusal.

(b) NOTWITHSTANDING ANYTHING HEREIN CONTAINED OR IN THE ARTICLES OF INCORPORATION, CODE OF BYLAWS, OTHER DOCUMENTS OR RULES OF THE ASSOCIATION, TO THE CONTRARY, ANY DETERMINATION TO

COMMENCE OR OTHERWISE BRING OR PURSUE LEGAL OR EQUITABLE ACTION AND/OR PROCEEDINGS, OR TO CONSULT WITH OR RETAIN AN ATTORNEY FOR THE PURPOSES OF DISCUSSING THE COMMENCEMENT OF ANY SUCH ACTION AND/OR PROCEEDING, OF ANY NATURE AGAINST, OR WHICH MAY DIRECTLY OR INDIRECTLY IMPOSE LIABILITY ON, THE DECLARANT (INCLUDING ITS PARTNERS, PARENTS, SUBSIDIARIES, AFFILIATES OR MEMBERS, AND ITS AND THEIR SHAREHOLDERS, OFFICERS, MANAGERS, DIRECTORS, EMPLOYEES, AGENTS AND ATTORNEYS, AND ITS AND THEIR SUCCESSORS AND ASSIGNS), MUST FIRST BE APPROVED BY AN AFFIRMATIVE VOTE OF A MAJORITY OF THE MEMBERS OF THE BOARD OF DIRECTORS AND BY AN AFFIRMATIVE VOTE OF NOT LESS THAN 67% OF THE VOTES OF ALL OWNERS, AND NO SUCH ACTION OR PROCEEDING SHALL BE COMMENCED UNTIL OBTAINING SUCH VOTES.

(c) Any amendment to this declaration purporting to modify or amend this section 24.4 requires the affirmative vote of not less than sixty-seven percent (67%) of the votes of all owners.

ARTICLE XXV OPEN MEETINGS

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

Section 25.2 Executive Sessions. Meetings of the Board of Directors may be held in executive session, without giving notice and without the requirement that they be open to Owners, only if the action taken at the executive session involves: (a) consultation with the Association's attorney regarding proposed or pending litigation which consultation involves privileged attorney-client information; (b) discussions regarding the character, alleged misconduct, professional competence, or physical or mental health of a community manager or an employee of the association; (c) discussions regarding a violation of the governing documents, including, without limitation, the failure to pay an assessment; or (d) any other matter permitted by law to be discussed in an executive session.

Section 25.3 Notwithstanding the foregoing provisions of Section 25.2, an executive board shall meet in executive session to hold a hearing on an alleged violation of the governing documents unless the person who may be sanctioned for the alleged violation requests in writing that the hearing be conducted by the executive board at an open meeting. The person who may be sanctioned for the alleged violation is entitled to attend the hearing and testify concerning the alleged violation, but the person may be excluded by the executive board from any other portion of the hearing, including, without limitation, the deliberations of the executive board.

ARTICLE XXVI
CONDEMNATION

If part or all of the Project is taken by any Person or entity having the authority of eminent domain, all compensation and damages for and on account of the taking shall be payable in accordance with the Act. The Association shall represent the Owners in any such proceeding or negotiations, settlements and agreements with the condemning authority for acquisition of the Common Elements, or part thereof, by the condemning authority. Each Owner appoints the Association as attorney-in-fact for such purpose. The Association may appoint a trustee to act on behalf of the Association to carry out the Associations functions under this Article XXVI. Except as otherwise provided herein, in the event of a taking or acquisition of part or all of the common elements by a condemning authority, the award or proceeds of settlement shall be payable to the Association, or any trustee, to be held in trust for the Owners and their first mortgage holders, as their interests may appear.

ARTICLE XXVII
MISCELLANEOUS PROVISIONS

Section 27.1 Enforcement:

(a) The Association and any Owner shall have the right to enforce by any proceedings at law or in equity, each covenant, condition, restriction and reservation now or hereafter imposed by the provisions of this Declaration or any Document. Each Owner shall have a right of action against the Association for any failure by the Association to comply with the provisions of the Documents. Failure by the Association or any Owner to enforce any covenant, condition, restriction or reservation contained herein shall not be deemed a waiver or the right to do so thereafter.

(b) In the event the Association, Declarant, or any Owner shall commence litigation or arbitration to enforce any of the covenants, conditions, restrictions or reservations herein contained or in any other Document, the prevailing party in such litigation or arbitration 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.

(c) In the event, the Association does not institute litigation or arbitration proceedings for the enforcement of the Documents, any attorneys' fees incurred by the Association for such enforcement shall be paid for by the Person responsible for the violation of the Documents.

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

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

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

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

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

Section 27.7 Notices. Unless otherwise specified in this Declaration, any notice permitted or required to be given under the provisions of this Declaration shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered on the third day (other than a Sunday or a legal holiday) after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to the Person at the address given by such Person to the Association for the purpose of service of notices, or to the residence of such Person if no address has been given to the Association. Such address may be changed from time to time by notice in writing given by such Person to the Association.

Section 27.8 Unilateral Amendment By Declarant. Declarant may unilaterally amend this Declaration if such amendment is: (a) necessary to bring any provision into compliance with any applicable governmental statutes, rule, regulation or judicial determination; (b) necessary to enable any reputable title insurance company to issue title insurance coverage on the Units; (c) required by an institutional or governmental lender or purchaser of mortgage loans, to enable such lender or purchaser to make or purchase mortgage loans on the Units; (d) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Units; or (e) otherwise necessary to satisfy the requirements of any governmental agency. Notwithstanding the foregoing, to the extent that FNMA, FHLMC, HUD, and/or VA are holders or insurers of any mortgage, no unilateral amendment shall be permitted unless it is done in accordance with the rules and regulations of FNMA, FHLMC, HUD and/or VA. No such amendment shall adversely affect the title to any Unit unless the Owner shall consent thereto in writing. So long as Declarant still owns property described as Common Elements for

development as part of the Project, it may unilaterally amend this Declaration for any other purpose without meeting the requirements herein, provided the amendment has no material adverse effect upon right of any Owner.

Section 27.9 Term. This Declaration, including all of the covenants, conditions and restrictions hereof, shall run with and bind the Property for a term of 30 years from the date this Declaration is recorded. After such time, the covenants, conditions and restrictions contained herein, shall be automatically extended for successive periods of 10 years, unless an instrument is signed by the Owner(s) of at least eighty percent (80%) of the total number of Units in the Project and recorded in the Clark County, Nevada Recorder's Office within the year preceding the beginning of each successive period of 10 years, agreeing to change the terms of this Declaration, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated as specified therein.

Section 27.10 Statutory References. Any references to any chapter or statute in NRS shall be to such section or clause as existed as of the date this Declaration was recorded, and in the event that any such section changes or is modified or repealed or replaced, the effect shall be to follow the superceding or modified or amended statute. If any such statute is repealed and not replaced, and if not otherwise prohibited by statute, the language of the statute referenced herein as of the date this Declaration was recorded shall be deemed to be a part of this Declaration.

ARTICLE XXVIII NO SECURITY

EACH OWNER ACKNOWLEDGES, UNDERSTANDS, AND COVENANTS TO INFORM ALL RESIDENTS OF ITS UNIT, AND THEIR RESPECTIVE FAMILIES AND INVITEES, THAT NEITHER THE ASSOCIATION, THE BOARD, COMMITTEES, MASTER ASSOCIATION, NOR ALL OTHER PERSONS INVOLVED WITH THE GOVERNANCE, MAINTENANCE, AND MANAGEMENT OF THE PROJECT, INCLUDING DECLARANT, ARE INSURERS OF SAFETY OR SECURITY WITHIN THE PROJECT. ALL OWNERS AND RESIDENTS, AND THEIR RESPECTIVE FAMILIES AND INVITEES, ASSUME ALL RISKS OF PERSONAL INJURY AND LOSS OR DAMAGE TO PERSONS, UNITS, AND THE CONTENTS OF UNITS, AND FURTHER ACKNOWLEDGE THAT NEITHER THE ASSOCIATION, ITS BOARD AND COMMITTEES, THE MANAGEMENT COMPANY OF THE ASSOCIATION, ANY NEIGHBORHOOD ASSOCIATION, MASTER ASSOCIATION, NOR DECLARANT HAVE MADE ANY REPRESENTATIONS OR WARRANTIES REGARDING ANY ENTRY GATE, PATROLLING OF THE PROPERTIES, ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM, OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROJECT. ALL OWNERS AND RESIDENTS, AND THEIR RESPECTIVE FAMILIES AND INVITEES, FURTHER ACKNOWLEDGE THAT THEY

HAVE NOT RELIED UPON ANY SUCH REPRESENTATIONS OR WARRANTIES,
EXPRESS OR IMPLIED.

[SIGNATURE PAGE FOLLOWS]

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

DECLARANT

TR Village Green, LLC, a Delaware limited liability company

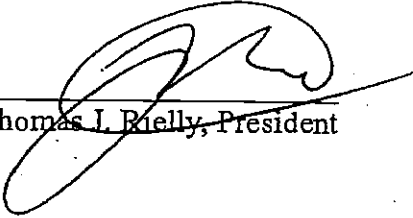
By: TR Coleraine Village Green, LLC, a California limited liability company

Its: Manager

By: TR CO., a California corporation

Its: Managing Member

By:


Thomas J. Rielly, President

STATE OF CALIFORNIA

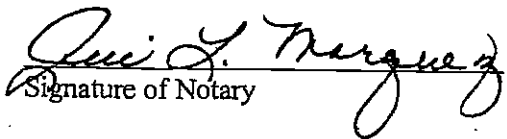
}

COUNTY OF Orange

} ss.

On February 3, 2005 before me, Jill L. Marquez a Notary Public in and for said County and State, personally appeared THOMAS RIELLY personally known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.


Signature of Notary

Date My Commission Expires 10-25-05

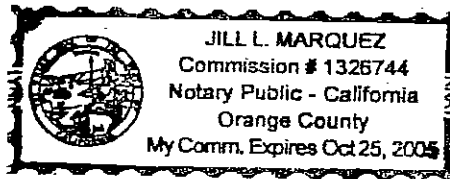
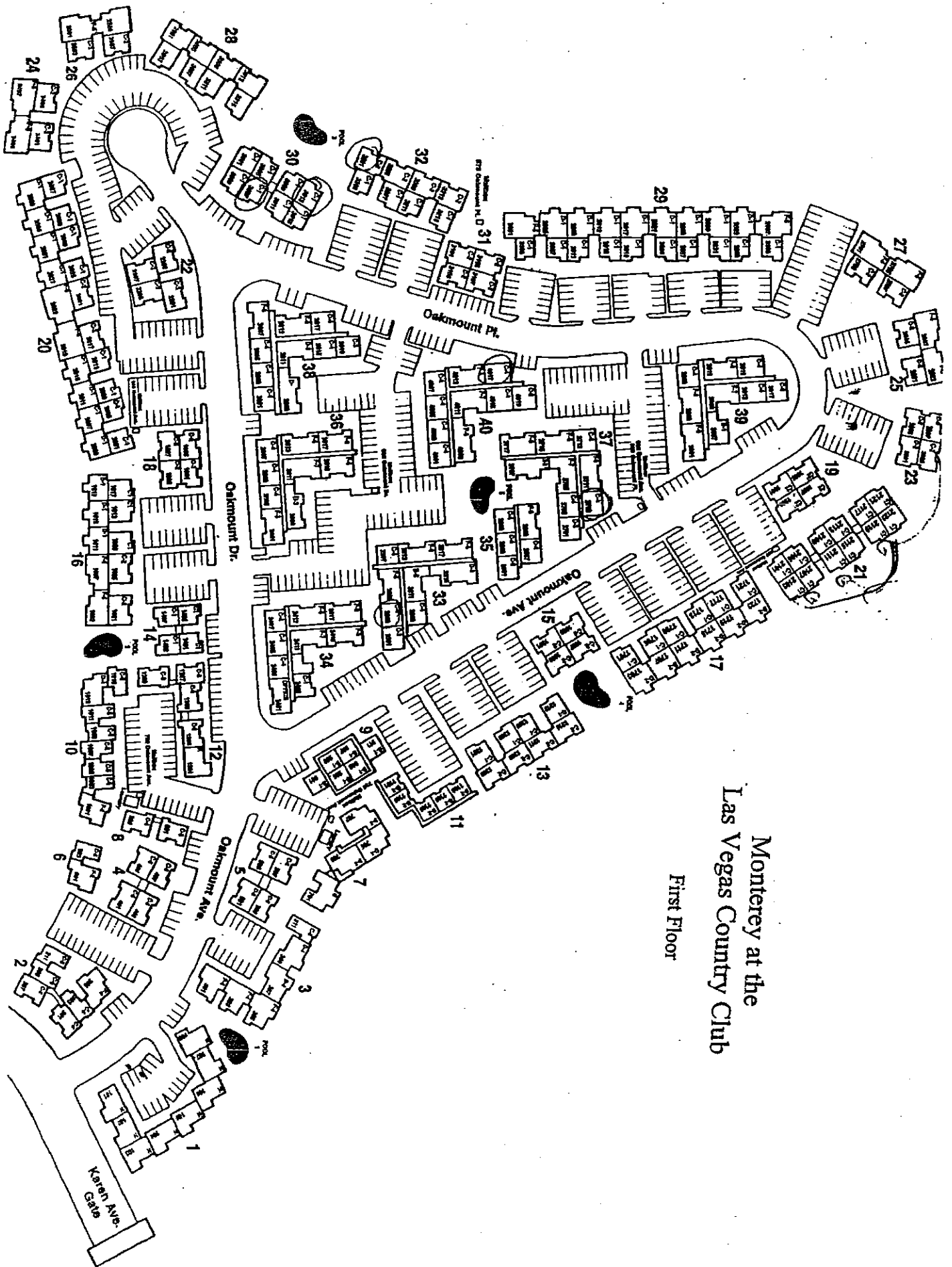


EXHIBIT "A"

SITE MAP



Monterey at the
Las Vegas Country Club

First Floor

Monterey at the
Las Vegas Country Club

Second Floor

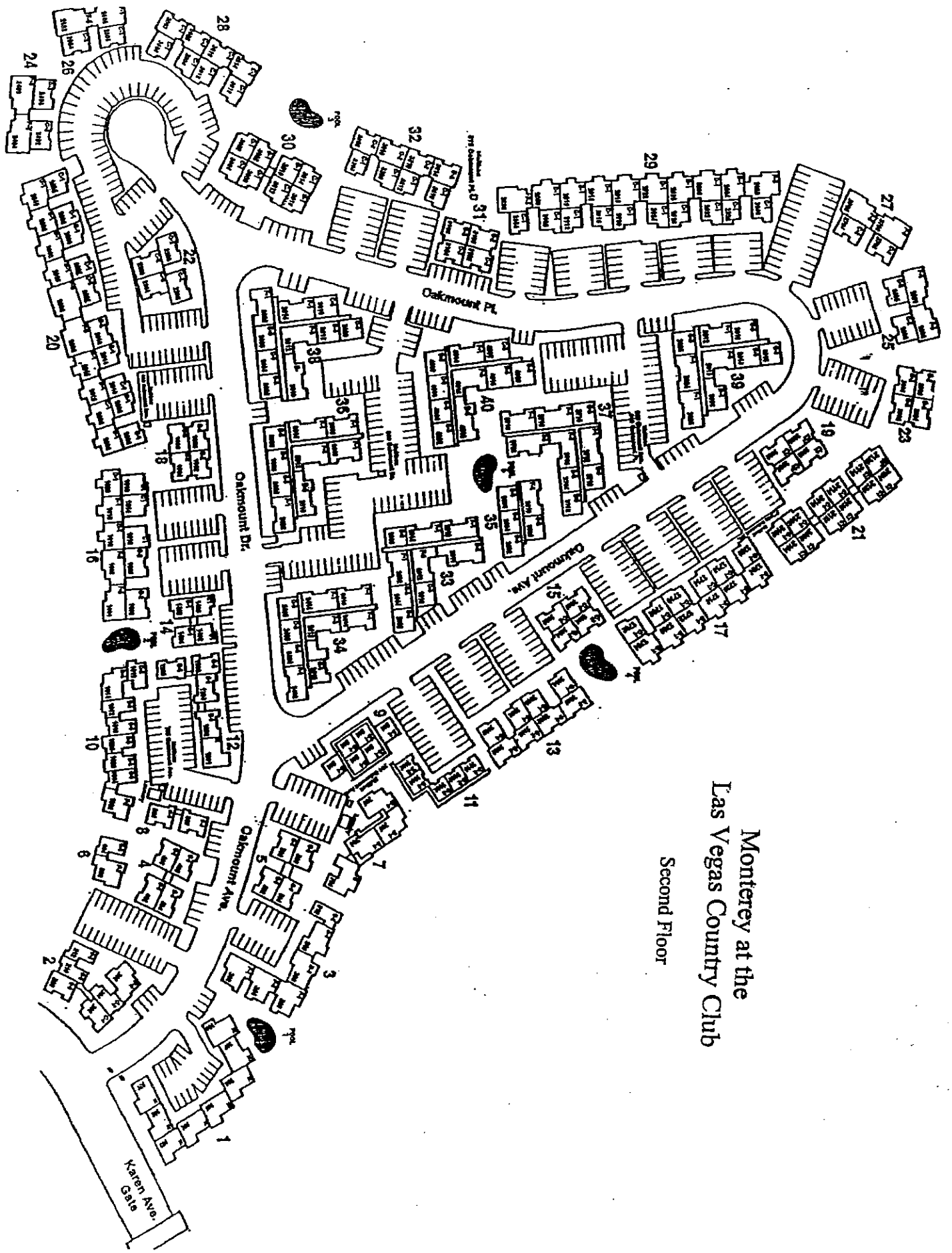


EXHIBIT "B"

LEGAL DESCRIPTION OF THE PROPERTY

PARCEL NO. I:

LOT ONE HUNDRED SEVENTY-TWO (172) THROUGH TWO HUNDRED TWENTY-ONE (221) INCLUSIVE, OF LAS VEGAS INTERNATIONAL COUNTRY CLUB ESTATES, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 10 OF PLATS, PAGE 87, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

PARCEL NO. II:

ALL OF THE PRIVATE STREETS KNOWN AS OAKMONT AVENUE, OAKMONT DRIVE AND OAKMONT PLACE ADJOINING THE LOTS DESCRIBED IN PARCEL I ABOVE, AND AS SHOWN ON SAID MAP OF LAS VEGAS INTERNATIONAL COUNTRY CLUB ESTATES IN BOOK 10 OF PLATS, PAGE 87, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

PARCEL NO. III:

AN EASEMENT FOR INGRESS AND EGRESS TO AND FROM PARCELS I AND II OVER VEGAS VALLEY DRIVE, AS SHOWN ON THE MAP OF LAS VEGAS INTERNATIONAL COUNTRY CLUB ESTATES, AS PROVIDED FOR IN THAT CERTAIN DECLARATION OF RESTRICTIONS RECORDED APRIL 7, 1969 IN BOOK 941, AS DOCUMENT NO. 755358, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.



MONTEREY

AT THE LAS VEGAS COUNTRY CLUB

ARCHITECTURAL GUIDELINES

ADOPTED BY THE BOARD OF DIRECTORS ON

JULY 13, 2010

REVISED/UPDATED

JULY 12, 2011

INTRODUCTION:

The Monterey Architectural Review Committee (ARC) is responsible for the establishment of architectural guidelines for our community. Our primary purpose is to protect our property values and to provide a pleasing appearance to our living environment by maintaining the architectural style within reasonable standards.

The continuity of design is a prominent consideration. We do not, however, want the appearance of a rental housing project nor do we wish to stifle reasonable creativity of our homeowners. One of the responsibilities of ARC is to make that distinction. Our community is residential in nature and that will take precedence over any commercially oriented endeavor.

The committee shall develop and distribute the ARC guidelines to all homeowners after review by Management and approval by the Board of Directors. Our guidelines are intended to be a supplement to the Monterey CC&R's. If there are conflicts, the CC&R's will apply.

The committee shall consist of at least (3) members and will meet as often as necessary to review and approve or deny homeowners requests for any architectural and/or structural changes to their property

GENERAL GUIDELINES:

- Architectural changes to the existing structure, limited Common Elements or Common Areas must be approved by the ARC. Any deviation from the guidelines contained herein must be approved by the ARC.
- No additions or alterations shall interfere with the safety or well being of other homeowners.
- Any application for additions or alterations that require ARC approval must include the necessary drawings and detailed description of work to be done and materials used where applicable.
- The cost of all approved work will be the responsibility of the homeowner. This also applies to the removal of such additions or alterations.
- Only licensed and insured contractors will be permitted to perform work in the community. Where necessary the Association must be named as additional insured on the contractor's insurance.

SPECIFIC GUIDELINES:

WINDOWS:

The ARC Committee has evaluated the products of several of the leading suppliers of window replacements, (including double pane windows) and has developed the following basic standards:

- 1) Window tinting is permitted as long as it meets the following criteria:
 - (a) the window film has a visible light transmittance greater than or equal to 50%
 - (b) the window film is applied by a professionally licensed company, and approved by the Monterey Architectural Review Committee (ARC)
 - (c) the film is guaranteed by the approved installing company not to crack or bubble
- 2) Outside window flanges or frames must be shades of white or off-white and blend with the color and texture of the outside stucco and other frame work of the building.
- 3) No "GRIDS" or unusual window designs will be permitted.
- 4) The distance between the glass edge and the outside frame or flange edge should not exceed 3½ inches and must be flush with the outside stucco. (In some cases variations to this standard may be approved depending on window placements.)
- 5) Glass French Doors are permitted.

Brochures and window samples of prominent replacement suppliers are available at the HOA Office. Members of the ARC Committee will be available to discuss your window replacement and consider for approval any specific requirements of your particular installation.

WINDOW TREATMENTS:

All units have been furnished with acceptable window blinds.

- 6) Window treatments are permitted and include blinds, drapes, curtains, shutters, etc. providing that the vision from the outside is not intrusive to the overall architectural appearance of our community. * **No Rolling Shutters are permitted.** (See Attached)
- 7) No unusual window coverings are permitted (i.e. foil, blankets, cardboard, newspaper, etc.)
- 8) Window coverings that are visible from the outside must be of a white, off-white, or light neutral color.
- 9) Treatments that might be obtrusive or not in keeping with our Community's overall architectural appearance must be approved by the ARC Committee.

SATELLITE DISHES:

Homeowners have the option of using either a satellite dish or any cable provider. We live in a concentrated community and our property values are dependent on architectural design. As noted in the covenants, conditions and restrictions (CC&R's) that govern the Monterey community, no resident may make any changes to the common area, including the installation of a satellite dish without **prior written permission from the Monterey Architectural Review Committee (ARC).**

Satellite dish placements are governed (as of July 13, 2011) by the following guidelines:

- 1) Satellite dishes must be placed on a tripod on the patios or balconies.
- 2) The dish may not exceed one meter in diameter but may be placed in any direction to obtain the best possible signal.
- 3) If the homeowner cannot receive a signal from their patio or balcony, then a request can be made to place the dish on the roof fascia board, in an inconspicuous location of the building (Note: Members of the ARC will be available to answer questions about any particular placement of satellite dishes). The following are the necessary steps to be accomplished prior to dish installation:

A. Approval Requirements:

- i. Homeowners must fill out a ARC Satellite Request Form that can be obtained from the Monterey Homeowners Association (HOA) office (Unit 3401).
- ii. Attach the following documentation to the ARC Satellite Request Form:
 - (a) Copy of the satellite installer's contractor license for the State of Nevada.
 - (b) Proof from the satellite installer that reception is not available from a tripod located on the patio or balcony.
 - (c) Proposed diagram of dish and wire placement from the homeowners unit to the roof fascia board.
- iii. After submitting the paperwork described above, the homeowner must wait for approval from the ARC before proceeding with the installation requirements outlined in section B below.

B. Installation Requirements:

- i. All wiring from the homeowners unit to the roof fascia board must be covered with metal channel & conduit coverings that are the same color of the building and roof easement/fascia board.
- ii. On the day of installation, the satellite installer must contact the Monterey HOA office and coordinate with the Monterey Maintenance Supervisor. The Supervisor will oversee the installation of the dish and wiring to ensure that it is in accordance with the ARC Guidelines and the submitted Satellite Request Form.

C. Deposit/Repairs:

- i. A \$200 deposit (either a money order or a cashier's check payable to: **Monterey HOA**) will be required before installation of the dish.
- ii. It will be the homeowners responsibility to make any and all repairs caused from the removal of the dish and wiring upon vacating premises/cancellation of satellite service.
- iii. Upon approval of the Monterey HOA Management that all repairs to roof easement/fascia board and building have been satisfactorily completed, the homeowner will receive a refund of their deposit.

PATIOS AND BALCONIES:

- 1) Normal patio furniture (i.e. tables, chairs, umbrellas, planters, etc.) are permitted on the patios and balconies.
- 2) Outside bamboo shades will not be permitted.
- 3) Hanging plants, bird feeders, wind chimes, etc. are allowed if they are placed on a stand on the patio or balcony. Because of the likelihood of structural damage these items may not be affixed to the bottoms of the overhangs. Such items must be properly maintained and not interfere with the well being of homeowners in neighboring units.
- 4) No items, such as towels or clothing will be permitted over the fence or balcony enclosures at any time.
- 5) Exercise equipment, if seen from the outside is not permissible.
- 6) No clotheslines are allowed.
- 7) No trash or storage items may be placed on balconies or patios where they can be seen.
- 8) No changes to existing floor covering of any type on balconies or patios will be permitted without ARC approval. Primary consideration will be:
 - a) The possibility of damage to the structural integrity of the building.
 - b) The continuity of design on units with exposed patios.

BARBECUE USAGE:

- 1) No barbecue equipment which uses open flames (including wood, charcoal and butane gas) will be permitted or stored in patios, balconies, or any common areas.
- 2) Barbecues are available for all homeowners at all pool areas.

OUTDOOR LIGHTING:

- 1) Any outdoor lighting in addition to that which is a part of the community lighting must be approved by the ARC.
- 2) Holiday lighting is permitted if set up no more than 10 days prior to the holiday and completely removed within 10 days after.

FENCING AND WALKWAYS:

- 1) Alterations to existing fencing must be approved by the ARC and must be of the same design and materials as the existing fencing.
- 2) In the interest of safety, walkways must not be obstructed by any additions or alterations to the common areas.
- 3) Railings, handicap ramps and devices of this nature are permitted with the approval of the ARC. The cost of all approved work will be the responsibility of the homeowner and only licensed and insured contractors are permitted with approval of the HOA office.

SCREENS:

Solar screens will be permitted only if approved by the ARC.

LANDSCAPING:

There will be no additions or alterations to the existing landscape design unless approved by the ARC in coordination with the Landscape Committee. This applies to all common areas.

FLOORING:

No floor coverings other than carpet will be allowed in upstairs Units except for the existing tile areas in the kitchen, bathrooms, and entrance ways.

CAR COVERS:

Car covers are permitted if:

- 1) The rear license plate is visible
- 2) The cover is in good condition and of a neutral color and must be securely covered.
- 3) The homeowner obtains a car cover permit from the HOA office.
- 4) A permit is obtained from the Las Vegas County Club Masters Association if the car cover will be in place for over 30 consecutive days.

PROCEDURES FOR APPLICATIONS AND APPROVAL OF ADDITIONS OR ALTERATIONS

Homeowners may obtain a form for their intended property addition or alterations from the HOA Management Office. The completed forms will be forwarded from the management office to the ARC Chairperson or designated committee member for review. The chairperson will advise the homeowner if additional information is required. The final application will be presented to the ARC committee for approval or denial. The ARC Chairperson will notify the homeowner of their decision in writing within 45 days from the receipt of the final application. If an applicant does not receive a reply within 45 days this is not deemed as permission to proceed with the requested project.

Any application that appears to violate the intent of the Master's CC&R's will be forwarded to the Masters for review prior to approval.

**MONTEREY @ LAS VEGAS COUNTRY CLUB HOMEOWNERS ASSOCIATION
ARCHITECTURAL REVIEW COMMITTEE (ARC)
APPLICATION FOR IMPROVEMENTS**

THIS FORM MUST BE COMPLETED AND APPROVED BEFORE ANY CHANGES ARE MADE.

This is YOUR neighborhood. It is the Board of Directors' goal to: "maintain, protect, and enhance the value of our neighborhood."

(Please print clearly and copy for your records)

OWNER: _____ DATE: _____

ADDRESS: _____ PHONE: _____

START/FINISH DATES: _____

DESCRIPTION OF PROPOSED IMPROVEMENT (ATTACH SKETCHES):

I assume the responsibility for any work under the above-proposed improvement that my licensed contractor or I accomplish which may, in the future, adversely affect the common area. I assume responsibility for all future maintenance of this addition or improvement.

Homeowners Signature

For courtesy and to prevent future disagreements the undersigned adjacent (front, sides, and rear) owners are aware that there will be work crews, deliveries, and etc. in the neighborhood and have no objections to the proposed improvements:

Name: _____ Address: _____

Name: _____ Address: _____

Name: _____ Address: _____

Name: _____ Address: _____

For ARC and Management Company Only

Received on _____ Submitted to ARC on _____ by _____

Board: Approval/Denial Date: _____ Signed: _____

Comments:

Return to:

Monterey @ Las Vegas Country Club Owners Association ARC
723 Oakmont Ave, Office Unit #3401
Las Vegas, NV 89109
Phone: (702) 735-3143 ❖ Fax: (702) 735-5185

SATELLITE REQUEST FORM

THIS FORM MUST BE COMPLETED AND APPROVED BEFORE SATELLITE DISH INSTALLATION
(Please print clearly and copy for your records)

OWNER: _____ DATE: _____
ADDRESS: _____ PHONE: _____
_____ CELL: _____

Check one of the two choices for request of satellite dish placement:

- A. On a tripod on the Patio or Balcony
- B. On the Roof Fascia Board (Deposit required after approval and before installation)

If B is chosen, please submit the following with this form:

- (a) Copy of the satellite installer's contractor license for the State of Nevada.
- (b) Proof from the satellite installer that reception is not available from a tripod located on the patio or balcony.
- (c) Proposed diagram of dish and wire placement from the homeowners unit to the roof fascia board.
- (d) A deposit (money order or a cashier's check) in the amount of \$200.00 payable to: **Monterey HOA** (refer to ARC Guidelines)

Any questions, please contact the Monterey HOA office at (702) 735-3143.

Homeowners Signature

For ARC and HOA Management Only

Received on _____ Submitted to ARC on _____ by _____
Committee: Approved / Denied Date: _____ Signed _____

Comments:

Return to:

Monterey Homeowners Association Office
723 Oakmont Avenue, Unit #3401
Las Vegas, NV 89109
Phone: (702) 735-3143 ❖ Fax: (702) 735-5185

UNANIMOUS WRITTEN CONSENT
OF THE BOARD OF DIRECTORS OF

Pursuant to Nevada Revised Statutes ("NRS") 82, the undersigned being all members of the Board of Directors of *Monterey HOA* (the "Association") hereby consent to and adopt the following as the Association's policy with respect to SB 216 and the right of the owner to attach shutters or similar items to the Association's common areas adjacent to such owner's units.

WHEREAS, the *Monterey* Homeowners Association (the "Association") is a Nevada non-profit corporation duly formed and governed by the laws of the State of Nevada, including NRS Chapter 116, which governs common-interest communities in Nevada.

WHEREAS, NRS 116.3102(1) provides that "subject to the provisions of the declaration, the association may do any or all of the following:

(a) Adopt and amend bylaws, rules and regulations;

...

(f) Regulate the use, maintenance, repair, replacement and modification of common elements;

...

(r) Exercise all other powers that may be exercised in this State by legal entities of the same type of the same type as the association.

...

(t) Exercise any other powers necessary and proper for the governance and operation of the association.

WHEREAS, the 2009 Session of the Nevada Legislature recently concluded and the Legislature adopted into law Senate Bill 216 ("SB 216"), which amends NRS 116.2111.

WHEREAS, SB 216 grants to individual unit owners the right to install shutters on windows, doors and walls which are not part of the owners' unit and are part of the common elements or limited common elements.

WHEREAS, SB 216 provides that an association may have a policy establishing the standard by which an owner may install, add or attach shutters to the common areas so long as said policy does not unreasonably restrict the addition or installation of shutters and is in existence on July 1, 2009.


NOW, THEREFORE, BE IT RESOLVED that no owner, occupant or resident may install or add any shutters or other similar items to the common areas within the common-interest community without first complying with each and all of the following conditions:

Association's governing documents, before installing shutters or other similar items in the Association's common areas.

2. The shutters or other items must be installed to the maximum extent practicable to be in compatible with the style of the common-interest community. This will require, at a minimum, that the shutter or other similar item added to the common area be the same color as the building.
3. The owner must engage a licensed Nevada contractor to perform the work who has at least One Million Dollars (\$1,000,000.00) in liability insurance.
4. The contractor must maintain the liability insurance throughout the pendency of the installation of the shutters or other similar items and agree to maintain said liability insurance for at two (2) years thereafter.
5. Prior to the commencement of the work, the contractor must name the Association as an additional insured and provide the Association with an original certificate which evidences the Association being named as an additional insured.
6. The contract between the owners and the contractor must:
 - (a) Expressly provide that the Association shall have the right, but not the duty, to pursue the contractor for any property damage caused by the contractor to the Association's common areas and any resulting property damage or personal injury; and
 - (b) Require the contractor to indemnify, defend and hold harmless the Association, its officers, directors, employees and agents and each from them from any and all claims, liabilities, damages, or causes of action of any kind arising out of or in connection with the contractor's work on or relating the Association's common areas.
7. The owner must represent and warrant to the Association that the owner is fully capable of and will make payment in full to the contractor pursuant to any contract entered into by and between the owner and the contractor regarding the work to be performed in the Association's common areas.
8. The owner of the unit must agree to indemnify, defend and hold harmless the Association, its officers, directors, employees and agents and each of them from any all claims, liabilities, damages, or causes of action of any kind arising out of or in connection with the owner's maintenance, repair, restoration, replacement or modification of the shutters or other similar items. The owner's duty to indemnify, defend and hold harmless the Association shall extend to any mechanic's lien that may be recorded by the contractor for the owner's non-payment or other failure to perform under the contract and shall include any legal fees and costs incurred by the Association to defend against any action initiated or any claim made against the Association related to the installation of the shutter or other item in the common areas.

9. The owner must execute a declaration in the form prepared by the Association which shall be recorded against the unit where the work is performed. The declaration shall expressly provide that the covenants, conditions and restrictions set forth therein shall run with the land and shall provide that the owner and/or owner's assigns and successors-in-interest, including anyone who subsequently purchases the owner's unit, shall be solely responsible for any and all damages caused to the common areas of the Association as a result of the installation and continued maintenance, repair, replacement, restoration or modification of the shutters or other similar items.
10. If, for any reason, the current owner of the unit removes the shutters or other similar items from the unit, then the owner is responsible for returning the common areas to its original state and condition.
11. The owner must agree to maintain, repair, replace, restore or modify the shutters or other similar items within thirty (30) days after receipt of written notice from the Association that the shutters or other similar items are in need of maintenance and/or repair.
12. If the current owner of the unit fails or refuses to maintain, repair, replace, restore or modify the shutters or other similar items upon receipt of written notice of the Association, as more fully set forth above, then the Association may make the necessary repairs and levy a special assessment against the owner of the unit, consistent with the provisions set forth in the Association's governing documents, in the full amount of the costs incurred by the Association, including any costs or attorneys' fees which were incurred by the Association. It is understood that non-payment of these amounts may result in a lien on the unit and foreclosure of said unit.
13. The Board's enforcement remedies are cumulative in nature. Therefore, the officers and directors of the Association may take any and all necessary steps to enforce the above-referenced resolution which contains the Association's policy with respect to the installation of shutters or other similar items on the common areas by individual members of the Association pursuant to SB 216.


IN WITNESS THEREOF, this Board resolution is executed on this 30 day of June, 2009, by the undersigned Board members,

By: 

Its: President

By: _____

Its: Vice-President

By: 

Its: Secretary

By: David Bonnesan

Its: Treasurer

By: _____

Its: Director

Unit: _____

MONTEREY CC&R ACKNOWLEDGMENT

The following rules and regulations are an extract of the Monterey Home Owners' Association (the "Association") Covenants, Conditions and Restrictions (CC&Rs). This extract emphasizes those rules and regulations most pertinent to your situation but does not provide relief from your responsibility to read and comply with the entire CC&R and other association documents.

Your signature at the end of this document indicates that you have read these rules and regulations and understand there may be consequences for non-compliance.

RULES AND REGULATIONS

- _____
Initials
- (a) **SINGLE FAMILY:** The use of each Unit is restricted to that of a single-family residence.
- _____
Initials
- (b) **USAGE:** No immoral, improper, offensive or unlawful use may be made of the Property and tenant shall comply with and conform to all applicable laws and regulations of the United States and of the State of Nevada and all applicable county or city ordinances, rules and regulations.
- _____
Initials
- (c) **ELECTRICAL DEVICES:** No electrical device creating overloading of standard circuits may be used without permission from the Board of Directors. Misuse or abuse of appliances or fixtures within a Unit which affects other Units or the Common Elements is prohibited. Total electrical use in any Unit shall not exceed the capacity of the circuits as labeled on the circuit breaker boxes.
- _____
Initials
- (d) **MAINTENANCE:** All tenants 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 bicycles, refrigerators, boxes, refuse or debris or other items which may be deemed storage items may be placed on balconies or patio areas where they can be seen and laundry may not be placed to dry on balcony or patio areas. No clotheslines of any kind shall be allowed.
- _____
Initials
- (e) **PARKING SPACES:** Any parking spaces designated as "visitor parking" by the Board of Directors are for the sole use of visitors and guests and may not be used by tenants. ALL parking spaces may only be used for operating and registered vehicles. This excludes oversized trucks, commercial vehicles, motor homes, boats, personal watercrafts, campers and trailers. No tenant may regularly park more than two cars regularly on Property without the express written consent of the Board of Directors. NOTE: Commercial vehicles may be parked on the Property for the limited purpose of loading and unloading passengers and personal property.
- _____
Initials
- (f) **NOISE AND ODORS:** No noxious, offensive, dangers and/or unsafe activity shall be conducted in any Unit, nor shall anything be done, either willfully or negligently, which may be or become and annoyance or nuisance to the other occupants of

Unit: _____

Units. No tenant 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 occupants.

- _____ Initials (g) **PETS:** Up to two (2) pets may be maintained in a Unit provided such pets are:
1. Permitted to be kept by applicable laws and regulations
 2. Do not weigh more than thirty (30) pounds each;
 3. Are not left unattended on any porches or balconies;
 4. Generally, not a nuisance to residents of other Units;
 5. Not a barnyard or exotic animal, arachnid, reptile, pit bull or other breed considered to be dangerous;
 6. Not kept for any commercial purpose

Seeing eye dogs and hearing dogs will be permitted for those persons holding certificates of necessity. No pet shall be permitted outside of their owner's Unit unless attended by an adult and on a leash not more than six (6) feet long. Said pets shall only be walked or taken upon those portions of the Common Elements designated by the Association from time to time for such purposes. In no event shall said pet ever be allowed to be walked or taken on or about any recreational facilities contained within the Property. Tenant shall pick up all solid wastes from their pets and dispose of same appropriately.

- _____ Initials (h) **EXTERIORS:** No changes may be made to the appearance of any Unit. No signs, window displays or advertising may be visible from outside a Unit. All draperies that can be seen from the outside of the Unit must have a white or off-white backing. No aluminum foil, sheets or blankets or any other unsightly material may be used as window coverings in any Unit.

- _____ Initials (i) **INSURANCE:** Nothing shall be done or kept on any Unit or improvement thereon that might increase the rate of, or cause the cancellation of, insurance for the Project or any portion of the Project. Tenant will obtain applicable insurance for liability and contents.

The undersigned has read these rules and regulations and understand that failure to comply with any of the following may result in disciplinary action according to the provisions of NRS 116 and the Association's Compliance Policy.

Tenant #1 Signature: _____ Date Signed: _____

Tenant #1 Name: _____

Tenant #2 Signature: _____ Date Signed: _____

Tenant #2 Name: _____

Landlord Name: _____

MONTEREY HOMEOWNERS ASSOCIATION

BOARD OF DIRECTORS RESOLUTION REGARDING REPAIRS

The Monterey Homeowners Association at the Las Vegas County Club is a Nevada Corporation duly organized and existing under the laws of the State of Nevada; NRS 116.3102 (1) (a) gives the Board rule making authority and authorizes the Board to adopt rules, regulations and guidelines;

WHEREAS, the Board has concluded that it is in the best interest of all Members of the Association for the Board to clarify Section 6.1 ("Common Elements") , Section 6.2 ("Units") and Section 6.5 of the Declaration ("Repairs Resulting From Negligence"), regarding how reimbursements for repairs required by the Declaration or as a result of damage to the Common Elements will be handled;"

Current Declaration Requirements:

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

Section 6.2 of the Declaration, Units. Each Owner shall maintain, repair and replace, at its own expense, all portions of the Owner's Unit, including without limitation, any pipes, lines or other equipment related or appurtenant to the fixtures and equipment servicing any Dwelling Unit, any air conditioning apparatus serving such Owner's Dwelling Unit exclusively, except the portions of the Unit specifically required by this Declaration or the Act to be maintained, repaired or replaced by the Association.

AND

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

WHEREAS the Board acknowledges that the responsibility and cost of maintaining, replacing and repairing items as outlined above may be shared by more than one unit; and the Board wishes to ensure that each repair or replacement is done by a licensed and insured contractor. Additionally, the Board wishes to address damages caused to the Common Elements area by negligence, vandalism, and absentee Owners not checking their Units in a timely manner to prevent leaks and further damage, accidents and other actions which may result in damage. It is the responsibility of off site Owners to have a local property manager or someone to check their Unit as frequently as the Owner deems necessary to confirm that there are no interior water leaks or other damages to the Unit, but not less than once a per month.

WHEREAS, it is a majority decision of the Board to approve this resolution;

NOW THEREFORE, BE IT RESOLVED, the Board adopts the following resolution, which becomes effective 30 days after notice has been mailed via U.S. Postal Service to all owners of record:

All Owners, Tenants and Residents are responsible to report damages to the Association in writing as soon as possible after occurrence or discovery. It is the responsibility of off site Owners to have a local property manager or someone to check their Unit as frequently as the Owner deems necessary to confirm that there are no interior water leaks or other damages to the Unit, but not less than once a per month.

- (a) If a water leak or water damage originates in or from a component, system or improvement that is the maintenance responsibility of an Owner, then the Owner is responsible for making any and all repairs to his Unit.
- (b) Upon completion of the repairs to the Unit, the Owner must provide the Association with proof of completion of the repairs and a mold clearance certification confirming that there are no dangerous or inappropriate levels of mold in the Unit.
- (c) If the water leak or water damage spreads to an adjacent Unit, then the Owner of the adjacent Unit is responsible for making any and all repairs to his Unit, but may have a claim against the Owner of the Unit where the water leak originated for any damages incurred including reimbursement of the cost of repair and the mold clearance certification.
- (d) Upon completion of the repairs to the adjacent Unit, the Owner of the adjacent Unit must provide the Association with proof of completion of the repairs to the adjacent Unit and a mold certification confirming that there are no dangerous or inappropriate levels of mold in the adjacent Unit.
- (e) If the water leak or water damage spreads to a portion of the Community that is defined as Common Elements or is otherwise the maintenance responsibility of the Association then the Association is responsible for making any and all repairs to the Common Elements, but may have a claim against the Owner of the Unit where the water leak originated for any damages incurred, including reimbursement of the cost of repair and the mold clearance certification. These damages may be recovered by the Association by imposing a Special Assessment consistent with the Declaration.
- (f) If an Owner fails or refuses to complete the necessary repairs or provide the Association with the required mold clearance certification, then the Owner, after notice and a hearing, as required by the Association's governing documents and Nevada law, may impose a fine for violating the Association's Declaration.
- (g) If the violation for failing to make the necessary repairs and provide the mold clearance certification is not remedied within fourteen (14) days after notice of the violation and imposition of the initial fine, then the violation will be deemed to be continuing in nature and additional fines may be imposed without notice and a hearing, until such time as the violation is remedied. See NRS 116.31031(6).

It is the Owners' responsibility to maintain, repair and/or replace the items as outlined in the Declaration. This includes, but is not limited to, plumbing, patios, balconies, landings and stairways. If an item, such as a stairway or a landing, is the joint responsibility of more than one Unit then both Units shall be required to coordinate the repairs and share in the payment for the repairs.

Plumbing leaks must be repaired immediately upon discovery so as to prevent further damage and mold.

It is the responsibility of each Unit Owner to stop the flow of water as soon as the problem is discovered. If the cause of the leak is not easily determined then the Owner or resident must call a plumber to find the source of the leak immediately. It is not the Association's obligation to determine the source of water leaks. Any damages caused by the water leak are the responsibility of the Owner who bears responsibility for the source of the leak.

Any damage caused to the Common Elements, including any Limited Common Elements such as the roofs and walls will be the responsibility of the Owner who caused the damage or hired the contractor that caused the damage.

If a repair is not attended to immediately and poses a health or safety hazard (as determined by the Board) then the Board may choose to have the repairs done or mitigate the damage and assess the Owners' accounts for the cost of repairs.

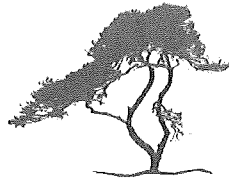
The Association shall not be liable for any personal possessions of an Owner, tenant, and resident or guest whether those possessions are located inside the Unit or outside.

This resolution is made a part of the minutes of the 1-11-2011, Board of Directors meeting and becomes a part of the official Rules and Regulations of the Monterey Homeowners Association at the Las Vegas County Club.

Date: Jan 11, 2011

W J Harney
Signature

President
Title



MONTEREY

AT THE LAS VEGAS COUNTRY CLUB

HOMEOWNERS ASSOCIATION BOARD OF DIRECTORS RESOLUTION #07-01

IMPLEMENTATION OF LEASE RESTRICTION ADOPTED BY THE BOARD OF DIRECTORS ON DECEMBER 4, 2007 REVISED/UPDATED SEPTEMBER 7, 2011

WHEREAS, the Monterey at the Las Vegas Country Club Homeowners Association (the "Association") is a Nevada non-profit corporation, governed by the laws of the State of Nevada, including Nevada Revised Statutes ("NRS"), Chapter 116, which governs common-interest communities in Nevada; and

WHEREAS, NRS 116.335 provides that "[e]xcept as otherwise provided in the declaration, an association may not require a unit's owner to secure or obtain any approval from the association in order to rent or lease his unit."

WHEREAS, the Declaration of Covenants, Conditions and Restrictions and Grant and Reservation of Easements for Monterey at the Las Vegas Country Club (the "Declaration") reads, in pertinent part, as follows:

All leases and rental agreements shall be in writing and subject to the requirements of the Documents and the Association. Prior to entering into any lease of a Unit, the Owner shall Submit the lease for approval by the Board of Directors. No more than thirty percent (30%) of the Units within the Property shall be leased or rented at any given time, as determined by the Board of Directors in its discretion. The Board of Directors may deny approval of a lease based on any restriction imposed on such lease as set forth herein, including without limitation, the restriction that no more than thirty percent (30%) of the Units within the Property may be leased at any given time.

WHEREAS, the aforementioned provision establishes a lease restriction within Monterey at the Las Vegas Country Club (the "Community") such that at no time shall more than thirty percent (30%) of the total Units in the Community be leased; and

NOW, THEREFORE, it is hereby resolved that the Board of Directors ("Board") of the Association hereby adopts the following policy and procedure for implementation of the lease restriction within the Community:

Monterey at the Las Vegas Country Club Homeowners Association
Rental Restrictions Resolution Revised 9/7/2011
Page 1 of 4

Monterey Homeowners Association

1. For purposes of determining whether a Unit is being rented, the following uses shall NOT be deemed to be of a Unit:
 - a) The Unit is being used as a second home by the Owner and the Unit is not Otherwise occupied during the Owner's absence from the Unit;
 - b) The Unit is vacant;
 - c) The Unit is occupied by family members. For the purpose of this provision, "family member" is defined to be either a parent, sibling or child of the owner;
 - d) Other exceptions subsequently adopted by the Board of Directors.
2. The Association shall maintain a record of the Units that are being leased (the "Rental Pool") The Rental Pool shall be available for review and inspection at the community association management office which is currently located at 723 Oakmont Ave., #3401, Las Vegas, Nevada 89109 (702-735-3143) (the "Community Association Management Office"). The Rental Pool will only include Unit Numbers.
3. In order to determine whether a Unit is eligible to be leased, the Owner must contact the Association at the Community Association Management Office.
4. If at the time the Owner contacts the Association and at least thirty percent (30%) of the Units within the Community are already leased, then the inquiring Owner's Unit is not eligible for lease. The Association shall maintain a list of Unit Owners that desire to lease their Units ("Rental Waiting List"). Names will be added to the Rental Waiting List based solely on the date/time that the community association manager receives a written request from an Owner of the Unit to place his or her Unit on the Rental Waiting List.
5. When a Unit is added to the Rental Waiting list, the Unit will be assigned a record number. There is no charge for placing a Unit on the Rental Waiting List.
6. Units that are already rented may not be placed on the Rental Waiting List. Units will be removed from the Rental Waiting List upon: (a) sale of the Unit, (b) a written request from the Owners, or (c) the Unit is added to the Rental Pool. The purchaser of a Unit that is included on the Rental Waiting List must submit a written request, consistent with Paragraph 4 above for the Unit to remain on the Rental Waiting List. The Unit will be at the bottom of the Rental Waiting List.
7. The Rental Waiting List, which shall only include the record number assigned to the Unit and the Unit's position on the Rental Waiting List, shall be available for review and inspection at the Community Association Management Office.

8. If the number of leased Units within the Community drops below thirty percent (30%), then the Association shall notify, in writing, the first person on the Rental Waiting List that his or her Unit is eligible to be leased. The Owner shall have sixty (60) days from the date of the written notice of Unit eligibility to lease the Unit and to submit a written lease agreement. If a written lease agreement is not received within sixty (60) days from the date of the letter issued by the Association, then the Owner's name will be placed at the bottom of the Rental Waiting List and the next Unit Owner in order shall be notified that his or her Unit is eligible to be leased.
9. The Owner of a Unit in the Rental pool shall immediately notify the Association, by contacting the Community Association Management Office, when the Unit is vacant. If a Unit is leased consistent with the rental restriction set forth in the Declaration of this Resolution but subsequently becomes vacant for any reason, then the Owner of the Unit shall have 60 days from the date that the Unit became vacant to re-lease the Unit and provide the Association with a copy of the new lease. If the Unit is not leased and a copy of the new lease is not provided to the Association within 60 days after the Unit became vacant, then the Unit is no longer eligible to be leased. Upon receipt of a written request by the Owner of the Unit, the Unit will be placed at the bottom of the Rental Waiting List, as set forth in Paragraph (4) above.
10. The Board is empowered with the right to enforce the lease restriction set forth in the Declaration. Any Owner who fails to obtain prior written authorization to offer a Unit for lease, as set forth in subparagraph (8) above, or to provide the Association with a copy of the lease on a Unit, shall be subject to a reasonable fine as determined by the Board and consistent with Nevada Law.

Any Owner who fails to disclose the existence of a lease on a Unit is subject to the percentage lease restriction at the time of disclosure or discovery of the lease. Thus, if the lease was actually executed and entered at a time when less than thirty percent (30%) of the Units are leased, but not disclosed to or discovered by the Association until more than thirty percent (30%) of the Units are leased, then the Owner will be in violation of the lease restriction set forth in the Declaration. Any Owner that leases his Unit in violation of the lease restriction set forth in the Declaration shall be subject to a reasonable fine as determined by the Board, and any other lawful penalty, sanction or legal action, including, but not limited to, declaratory and injunctive relief issued by the Eighth Judicial District Court.

Similarly, if the Owner of a Unit in the Rental Pools fails to notify the Association that the Unit is vacant, within ten (10) days after the Unit became vacant, then the Unit shall be deemed to be ineligible to be leased. If the Owner leases his or her Unit more than ten (10) days after the Unit became vacant, without notifying the Association of the vacancy, as set forth in Paragraph (9), then the Owner is deemed to be in violation of the lease restriction set forth in the Declaration and shall be subject to a reasonable fine as determined by the Board, and any other lawful penalty, sanction or legal action, including, but not limited to declaratory and injunctive relief issued by the Eighth Judicial District Court.

11. If the Association has reason to believe that a Unit is being leased in violation of the Declaration, then the Board may request that the Owner sign an affidavit confirming that the Unit is not being leased. A copy of the proposed affidavit is attached hereto. The Board reserves the right to amend the affidavit from time to time.

12. Notwithstanding anything in this Resolution to the contrary, any Owner of a Unit may apply to the Board for an exemption from the lease restriction set forth in the Declaration upon a showing of hardship. A hearing before the Board on this matter shall be consistent with the Board's standards for providing notice and a hearing, as set forth in the Association's governing documents and consistent with Nevada law, as may be amended.

13. This Resolution will go into effect thirty (30) days from the date of mailing of this Resolution to the Owners within the Community.

DATED this 4th of December, 2007.

MONTEREY AT THE LAS VEGAS
COUNTRY CLUB HOMEOWNERS
ASSOCIATION

By: [Signature]
Its: President

9/13/2011

By: David Bonnesa, Treasurer
Its: Vice-President / Treasurer

By: _____
Its: Secretary