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WHEN RECORDED RETURN TO:

KB Home Nevada Inc.
5795 W. Badura Ave, Suite 180
Las Vegas, NV 89118

**VILLAGE DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
AND RESERVATION OF EASEMENTS
FOR
VILLAGES AT TULE SPRINGS, SOUTHWEST VILLAGE 3**

AFFIRMATION STATEMENT:

As required by NRS 239B.030, by execution of this Declaration, the undersigned Declarant hereby affirms that the attached Declaration, including any exhibits, hereby submitted for recording does not contain the social security number of any person or persons.

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- EXHIBIT "A" - Land Initially Submitted
- EXHIBIT "B" - Land Constituting a Portion of the Initial Common Elements
- EXHIBIT "C" - Land Subject to Annexation
- EXHIBIT "D" - Real Property that may be Conveyed to Association

**VILLAGE DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND
RESERVATION OF EASEMENTS
FOR VILLAGES AT TULE SPRINGS,
SOUTHWEST VILLAGE 3**

THIS VILLAGE DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATION OF EASEMENTS FOR VILLAGES AT TULE SPRINGS, SOUTHWEST VILLAGE 3 ("Declaration"), is made this 31st day of January, 2018, by KB Home LV Villages at Tule Springs, LLC, a Delaware limited liability company ("KB Home"), Pardee Homes of Nevada, a Nevada corporation ("Pardee"), and Standard Pacific of Las Vegas, Inc., a Delaware corporation ("Standard Pacific", and together with KB Home and Pardee, "collectively, "Declarant"). Capitalized terms used herein shall have the meaning set forth in Article 2.

PART ONE: INTRODUCTION TO THE COMMUNITY

Declarant has established this Declaration to provide a governance structure and a flexible system of standards and procedures for the overall development, administration, maintenance and preservation of Villages at Tule Springs, Southwest Village 3.

**Article 1.
Creation of the Community**

1.1 Purpose and Intent. The real property described in Exhibit "A" is currently part of the planned community known Tule Springs pursuant to the Master Declaration. In accordance with the Master Declaration, Declarant as the designated Village Developer with respect to the real property described in Exhibit "A," intends by Recording this Declaration to create a general plan of development for the planned community known as Villages at Tule Springs, Southwest Village 3 because of the unique aspects of concern to Owners of Dwellings within the Property, and to create a subassociation of Owners with rights and powers reasonably necessary to control the operation and maintenance of the Area of Common Responsibility, including, without limitation, the right to assess Owners for the cost of such operation and maintenance. Villages at Tule Springs, Southwest Village 3 is a "Village" as such term is used in the Master Declaration, this Declaration is a "Village Declaration" as such term is used in the Master Declaration and the Association is a "Village Association" as such term is used in the Master Declaration.

This Declaration provides a flexible and reasonable procedure for the future expansion of Villages at Tule Springs, Southwest Village 3 to include additional real property as Declarant deems appropriate and provides for the overall development, administration, maintenance, and preservation of the real property now and hereafter comprising Villages at Tule Springs, Southwest Village 3.

1.2 Association. An integral part of the development plan is the creation of Villages at Tule Springs, Southwest Village 3 Community Association, an association comprised of all owners of real property in Villages at Tule Springs, Southwest Village 3, to own, operate, and maintain various common areas and community improvements, and to administer and enforce this Declaration and the other Governing Documents referred to in this Declaration.

1.3 Neighborhoods. Declarant intends that Villages at Tule Springs, Southwest Village 3 may consist of a number of separate subdivisions which may be built by different homebuilders. Each of these separate subdivisions is referred to in this Declaration as a Neighborhood. A Neighborhood may or may not be governed by a separate Neighborhood Association, and may or may not have Neighborhood Common Elements or be provided special services. The intent of this Declaration is to provide for communications between the Association and the Owners through the Neighborhoods and the Neighborhood Associations, if any, and that, with certain exceptions, each Neighborhood Association be responsible for enforcement of (i) the Rules and Regulations and (ii) the Use Restrictions within its jurisdiction.

1.4 The Act. This document is prepared pursuant to the Nevada Common-Interest Ownership Act, NRS 116.1101, et seq., and establishes a "planned community" as defined therein.

1.5 Binding Effect. All property described in Exhibit "A," and any additional property which is made a part of Villages at Tule Springs, Southwest Village 3 in the future by Recording one or more Supplemental Declarations, shall be owned, conveyed, and used subject to all of the provisions of this Declaration, which shall run with the title to such property. This Declaration shall be binding upon all Persons having any right, title, or interest in any portion of the Property, their heirs, successors, successors-in-title, and assigns.

1.6 Governing Documents; Conflicts. The Governing Documents create a general plan of development for Villages at Tule Springs, Southwest Village 3 which may be supplemented by additional covenants, restrictions and easements applicable to particular Lots. The Governing Documents shall be construed to be consistent with one another to the extent possible. If there exists any irreconcilable conflicts or inconsistencies among the Governing Documents, then the terms and provisions of this Declaration shall prevail (unless and to the extent only that any provision of the Declaration fails to comply with any applicable provisions of the Act), and thereafter the Articles shall prevail over the Bylaws and the Rules.

The Governing Documents shall be enforceable by Declarant, any Builder, the Association, the Master Association, any Owner, and their respective legal representatives, heirs, successors, and assigns, by any means available at law or in equity, subject to the provisions of Article 13, if applicable, and subject to the provisions of the Governing Documents that describe or limit how the Governing Documents may be enforced.

Furthermore, each Neighborhood Association will be responsible for enforcing the Rules and Regulations and the Use Restrictions with respect to its Neighborhood (including this Declaration), unless the Association reasonably determines that the Neighborhood has allowed a condition to exist within its Neighborhood which is adverse to the interests of the Association or its Members or is inconsistent with the Villages at Tule Springs, Southwest Village 3 Community-Wide Standard.

1.7 Master Association. Pursuant to the terms of the Master Declaration, the Master Association has been established for the purposes set forth in the Master Declaration. Each Owner is subject to the Master Declaration.

This Declaration will supplement the terms, conditions, restrictions, reservations and covenants contained in the Master Declaration. If there is any inconsistency between the provisions of this Declaration and the provisions of the Master Declaration, the Master Declaration shall control unless the most restrictive provisions will control; provided, however, that nothing in this Section shall preclude or prevent the enforcement of any additional restrictions or provisions that are more restrictive than those contained in the Master Declaration.

Article 2. Concepts and Definitions

The capitalized terms used in the Governing Documents shall be defined as set forth below. Other terms used in the Governing Documents shall generally be given their natural, commonly accepted definitions unless otherwise defined in the Act.

2.1 "Act": The Nevada Common-Interest Ownership Act set forth in NRS Chapter 116, as it may be amended from time to time.

2.2 "Area of Common Responsibility": The Common Elements, together with such other areas, if any, for which the Association has or assumes responsibility pursuant to the terms of this Declaration, any Supplemental Declaration or other applicable covenants, contracts, or agreements. The Area of Common Responsibility shall include Phase I of the Regional Park until such time as Phase I of the Regional Park is conveyed to the City pursuant to the terms of the Phase I Regional Park Maintenance Agreement.

2.3 "Articles": The Articles of Incorporation of Villages at Tule Springs, Southwest Village 3 Association, as filed with the Nevada Secretary of State.

2.4 "Assessment": Each and all of the Base Assessments, Special Assessments, and Specific Assessments, as applicable.

2.5 "Association": Villages at Tule Springs, Southwest Village 3 Community Association, a Nevada nonprofit corporation, its successors or assigns. The Association is a "Village Association" as defined in the Master Declaration.

2.6 "Base Assessment": Assessments levied on all Lots subject to assessment under Article 8 to fund Common Expenses for the general benefit of Villages at Tule Springs, Southwest Village 3. Each and all of the Assessments, Neighborhood Assessments, Special Assessments, and Specific Assessments, as applicable, are in addition to Base Assessments.

2.7 "Board of Directors" or "Board": The body responsible for administration of the Association, selected as provided in the Bylaws and generally serving the same role as the board of directors under Nevada corporate law and as the executive board under the Act.

2.8 "Builder": Any Person now or hereafter designated by Declarant, who purchases one or more Lots for the purpose of constructing Improvements for later sale to consumers, or who purchases

one or more parcels of land within the Property for further subdivision, development, and/or resale in the ordinary course of such Person's business.

2.9 "Bylaws": The Bylaws of Villages at Tule Springs, Southwest Village 3 Community Association, as may be amended from time to time.

2.10 "City": The City of North Las Vegas.

2.11 "Collection Policy": The policy for the Association concerning the collection of fees, fines, assessments, or costs imposed against Owners adopted by the Board of Directors in compliance with NRS 116.31151(4), as such policy may be amended from time to time.

2.12 "Commercial Vehicles": As use herein, Commercial Vehicles shall mean (i) a truck of greater than one (1) ton capacity; (ii) a bus; or (iii) any other vehicle as may be classified by the Board as a Commercial Vehicle in the Rules. A Commercial Vehicle may be defined as such even if the vehicle does not have a commercial license plate.

2.13 "Common Elements": All (i) real property, other than Lots, owned or leased by the Association, which may include the community recreation center, sidewalks, landscaping areas, streets, drives, and open space areas; (ii) real property over which the Association holds an easement for the use and enjoyment of the Owners, which may include easements designated on the Subdivision Maps as access and ingress/egress easements, as landscape easements, as public utility easements, as drainage and/or municipal utility easements, and any other such easements; (iii) any personal property owned by the Association for the use and enjoyment of the Owners; and (iv) any other property owned or held by the Association for the use and enjoyment of the Owners. The Common Elements shall initially consist of (a) the real property described on Exhibit "B" attached hereto and incorporated herein by this reference; and (b) the Improvements now or hereafter constructed on the real property described on Exhibit "B".

2.14 "Common Expenses": The actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of the Owners, including: (a) the cost (amortized over such reasonable period as the Board of Directors shall determine together with interest on the unamortized balance at one percent (1%) per annum over the Prime Rate as hereinafter defined) of any capital improvements that reduce other operating expenses or costs, that are required under any governmental law or regulation, or that are otherwise approved by the Board of Directors and to the extent expressly required under this Declaration, the consent of the Owners; (b) the funding of adequate reserves for repairs, replacements or additions to the Common Elements and other Areas of Common Responsibility; (c) use and consumption fees for services and facilities contracted for by the Association pursuant to Section 7.9 of this Declaration, including without limitation, the Regional Park; (d) all expenses, fees and other charges imposed upon the Association by any governmental entity because Villages at Tule Springs, Southwest Village 3 is a common interest community pursuant to the Act; (e) all Master Association Assessments and any other charges levied against the Association, the Lots or the Property under the Master Declaration for the expenses incurred or anticipated to be incurred by Master Association in exercising its rights, duties and obligations under the Master Declaration, including without limitation, the costs and expenses of administration, insurance, operation, maintenance, repair, replacement and funding reserves, as may be applicable, together with any and all costs, liabilities and expenses incurred by the Association under and/or complying with the Master Declaration; (f) all

expenses, fees and other charges incurred by the Association in connection with the dissemination of news and/or information to the Owners and/or such other community building activities; and (g) such other expenses as the Board may find necessary and appropriate pursuant to the Governing Documents.

2.15 "Declarant": Collectively, KB Home, Pardee and Standard Pacific, or any successor or assign of each who takes title to any portion of the property described in Exhibit "A" or "C" for the purpose of development and/or sale and who is designated as Declarant in a Recorded assignment executed by the immediately preceding Declarant (but excluding any "purchaser" as defined under the Act).

2.16 "Declarant Advance": Funds advances by Declarant to the Association of the type described in Section 8.12(b) of this Declaration.

2.17 "Declarant Control Period": The period of time during which Declarant is entitled to appoint and remove one or more members of the Board of Directors under NRS Chapter 116. The Declarant Control Period shall terminate sixty (60) days following the last day of the Declarant Rights Period, or such earlier date as may be require by operation of NRS Chapter 116. Nothing in this Section shall preclude Declarant, in its sole discretion, from voluntarily relinquishing control of the Board earlier than required by this Section, and in such event, Declarant reserves the right to veto actions of the Association as provided in the Bylaws until such time as the Declarant Control Period would have otherwise expired under this Section.

2.18 "Declarant Rights Period": The period of time during which Declarant (or any one of the Declarants) owns or has the right to acquire any part of the property subject to this Declaration or which may be added to this Declaration by annexation in accordance with Section 9.1, and during which period of time, Declarant has reserved certain rights as set forth in this Declaration.

2.19 "Director": A duly appointed or elected and current member of the Board of Directors.

2.20 "Developer Owners Agreement": The Owners Agreement for The Villages at Tule Springs by and among KBS SOR Park Highlands, LLC, KBS SOR Park Highlands II, LLC, KBS SOR Tule Springs Owner TRS, LLC, Standard Pacific and Master Declarant, as Recorded on May 1, 2017 in Book 20170501 as Instrument Number 0003017, as may be amended from time to time pursuant to the terms thereof.

2.21 "Development Agreement": The Second Amended and Restated Development Agreement dated June 3, 2015, and recorded in the Official Records on January 27, 2016 as Document No. 20160127-0003578, entered into by the City of North Las Vegas, Crescent Bay Development Services, LLC, KBS SOR Park Highlands, LLC, a Delaware limited liability company, KBS SOR Park Highlands II, LLC, a Delaware limited liability company, Standard Pacific of Las Vegas, Inc., a Delaware corporation, and Highlands Park Holdings, LLC, a Delaware limited liability company, including all addenda and exhibits referenced or incorporated by reference therein and all amendments and modifications (including, without limitation, Minor Modifications and Material Modifications, as defined therein) from time to time respectively thereto, together with all Village Supplements as defined in the Development Agreement and as may be applicable to the Property.

2.22 "Developmental Rights": Any right or combination of rights reserved by the Declarant in this Declaration to exercise any "Developmental Right" as such term is defined in the Act.

2.23 "Dwelling": A building or structure or portion of a building or structure situated on a Lot (or, in a condominium, a Condominium Unit) and which is designed and intended for use and Occupancy as an attached or detached residence by a single family, but specifically excluding "manufactured housing" or mobile homes, neither of which shall be permitted as Dwellings.

2.24 "Emergency Services Vehicle": A vehicle owned by a governmental agency or political subdivision of the State of Nevada and identified by the entity which owns the vehicle as a vehicle used to provide emergency services.

2.25 "Governing Documents": A collective term referring to this Declaration and any applicable Supplemental Declaration, the Articles, the Bylaws, the Rules and Regulations, and the Master Declaration and other documents governing the administration and operation of the Association and Master Association, as they may be amended.

2.26 "Improvement": Any structure or appurtenance thereto of every type and kind, whether above or below the land surface, placed in the Property, including, but not limited to, Dwellings and other buildings, walkways, sprinkler or drain pipes, swimming pools, spas and other recreational facilities, carports, garages, roads, driveways, parking areas, hardscape, streetlights, curbs, gutters, walls, perimeter walls, fences, screening walls, block walls, retaining walls, stairs, decks, landscaping, antennae, hedges, windbreaks, patio covers, railings, plantings, planted trees and shrubs, poles, signs, exterior air conditioning and water softener fixtures or equipment.

2.27 "Invitees": Each and all of the following: the tenants, guests, agents, contractors, employees, licensees and other invitees of an Owner or Occupant.

2.28 "KB Home Property": That portion of the Property described on Exhibit "A" as the "KB Home Property".

2.29 "Law Enforcement Vehicle": A vehicle owned by any governmental agency or political subdivision of the State of Nevada and identified by the entity which owns the vehicle as a vehicle used to provide law enforcement services.

2.30 "Lot": A portion of the Property, whether improved or unimproved (other than Common Elements, Area of Common Responsibility or any property dedicated to the public), which may be independently owned and is intended for development, use, and Occupancy as a Dwelling for a single Family (as shown and separately identified on a Subdivision Map). The term shall mean all interests defined as a "unit" under the Act. The term shall refer to the land, if any, which is part of the Lot as well as any Improvements thereon. The boundaries of each Lot shall be delineated on the Subdivision Map which creates the Lot. Each "Lot" is a "Parcel" under the Master Declaration. In the case of a building within a condominium, each Dwelling shall be deemed to be a separate lot.

2.31 "Manager": The Person, if any, whether an employee or independent contractor, appointed by the Association, acting through the Board, and delegated the authority to implement certain duties, powers or functions of the Association as provided in this Declaration.

2.32 "Majority": The Owners of 51% or more of the total aggregate voting power of the Association.

2.33 "Master Association": The Villages at Tule Springs Owners Association, a Nevada nonprofit corporation, and its successors or assigns.

2.34 "Master Association Assessment": Assessments levied by the Master Association under the Master Declaration.

2.35 "Master Declarant". KBS SOR Park Highlands TRS, LLC, a Delaware limited liability company.

2.36 "Master Declaration": The Master Declaration of Covenants, Conditions and Restrictions for The Villages at Tule Springs Recorded by Master Declarant on May 1, 2017 in Book 20170501 as Instrument Number 0003018, as may be amended from time to time.

2.37 "Master Development Plan": As used herein the term Master Development Plan shall collectively mean the "Master Development Plan" and the "Villages at Tule Springs Entitlements" as each is defined in the Master Declaration.

2.38 "Master DRC": The Master Design Review Committee, created pursuant to the Master Declaration.

2.39 "Maximum Number of Lots": The maximum number of Lots approved for development within Villages at Tule Springs, Southwest Village 3 under the Master Development Plan, as amended from time to time; provided, that nothing in this Declaration shall be construed to require Declarant to develop the maximum number of Lots approved. The Maximum Number of Lots is 1,103 Lots.

2.40 "Member": An Owner subject to membership in the Association pursuant to Section 6.2. A "Member in Good Standing" refers to a Member whose voting rights have not been suspended in accordance with Section 7.4(a)(2) of this Declaration, who does not have outstanding any fines or assessments more than 30 days past due, or who is not otherwise subject to a sanction by the Board for an unresolved violation of the Governing Documents under Section 7.4.

2.41 "Mortgage": A mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Lot. A "Mortgagee" shall refer to a beneficiary or holder of a Mortgage.

2.42 "Neighborhood": Any residential area within the Property designated by Declarant as a separate Neighborhood, whether or not governed by a Neighborhood Association, as more particularly described in Section 6.4, created for the purpose of sharing Neighborhood Common Elements, or receiving other benefits or services from the Association which are not generally provided to or for the benefit of all Lots within Villages at Tule Springs, Southwest Village 3. A Neighborhood may be comprised of more than one housing type and may include noncontiguous parcels of property. If the Association provides benefits or services to less than all Lots within a particular Neighborhood, then the benefited Lots shall be subject to an additional Specific Assessment for such benefits or services.

Where the context permits or requires, the term Neighborhood shall also refer to the Neighborhood Committee (established in accordance with the Bylaws) or Neighborhood Association, if any, having concurrent jurisdiction over the property within the Neighborhood. Neighborhood boundaries may be established and modified as provided in Section 6.4.

2.43 "Neighborhood Assessments": Assessments levied by the Association (or a Neighborhood Association, if applicable) uniformly against the Lots in a particular Neighborhood to pay for the Neighborhood Expenses within such Neighborhood, as described in Section 8.3. Neighborhood Assessments are additional to each and all Base Assessments, Special Assessments, and Specific Assessments, as applicable.

2.44 "Neighborhood Association": An owners association, created by a Supplemental Declaration, having subordinate, concurrent jurisdiction with the Association over any Neighborhood. Nothing in this Declaration shall require the creation of a Neighborhood Association for any Neighborhood.

2.45 "Neighborhood Common Elements": A portion of the Common Elements which shall constitute "limited common elements" under the Act, allocated for the primary or exclusive use and benefit of one or more designated Neighborhoods (but less than the all of Villages at Tule Springs, Southwest Village 3), as more particularly described in Article 12; and/or the common elements unique to a Neighborhood which itself is a Neighborhood Association.

2.46 "Neighborhood Expenses": The actual and estimated expenses which the Association incurs or expects to incur for the benefit of Owners of Lots within a particular Neighborhood, which shall include a reserve for repairs, replacements or additions to the Neighborhood Common Elements shared by such Neighborhood and which may include a reasonable administrative charge, as may be authorized pursuant to this Declaration or under a Supplemental Declaration.

2.47 "Neighborhood Governing Documents": A collective term referring to the Supplemental Declaration which creates a Neighborhood Association, together with the Neighborhood Association's articles, bylaws, rules and regulations (if any), and any other documents governing the administration and operation of the Neighborhood Association, as they may be amended.

2.48 "Notice and Hearing": Written notice and an opportunity for a hearing before the Board, at which the Owner concerned shall have the opportunity to be heard in person, or by counsel at the Owner's expense, in the manner further provided in the Bylaws.

2.49 "Occupy", "Occupies", or "Occupancy": Unless otherwise specified in the Governing Documents, staying overnight in a particular Dwelling for at least 90 days in the subject calendar year. The term "Occupant" shall refer to an individual who Occupies a Dwelling.

2.50 "Officer": A duly elected or appointed and current officer of the Association.

2.51 "Owner": One or more Persons (including Declarant and any Builder) who hold the record title to any Lot, but excluding in all cases any party holding an interest merely as security for the

performance of an obligation. The term shall include sellers under executory contracts of sale but shall exclude Mortgagees.

2.52 "Pardee Property": That portion of the Property described on Exhibit "A" as the "Pardee Property".

2.53 "Person": A natural person, a corporation, a partnership, a trustee, a governmental entity, or any other legal entity.

2.54 "Phase I of the Regional Park": That portion of the Regional Park to be constructed by Master Declarant as the first phase of the Regional Park. Phase I of the Regional Park, once constructed, shall be operated and maintained by the Association as part of the in accordance with the obligations relating to the Regional Park set forth in the Parks and Trails Agreement until such time as Phase I of the Regional Park is dedicated to and accepted by the City pursuant to the terms of the Phase I Regional Park Maintenance Agreement. Phase I of the Regional Park may itself be constructed in phases, but each such phase shall still be part of the Phase I of the Regional Park as defined herein.

2.55 "Phase I Regional Park Maintenance Agreement": As used herein, Phase I Regional Park Maintenance Agreement shall have the meaning set forth in the Master Declaration.

2.56 "Prime Rate": The per annum rate of interest equal to the "reference rate" publicly announced from time to time by Bank of America National Trust and Savings Association, San Francisco, California (or, in the event of the discontinuance of such rate, a reasonable replacement reference rate determined from time to time by the Association).

2.57 "Property": The real property described in Exhibit "A," together with such additional property as is subjected to this Declaration in accordance with Article 9.

2.58 "Purchaser": A Person, other than Declarant or a Builder, who by means of a voluntary transfer acquires a legal or equitable interest in a Lot other than a leasehold interest (including options to renew) of less than 20 years, or as security for an obligation.

2.59 "Record," "Recording," "Recordation," or "Recorded": To file, filing, or filed of record in the Official Records of the County Recorder. The date of Recording shall refer to that time at which a document, map, or plat is Recorded.

2.60 "Recreational Vehicle": As used herein, Recreational Vehicle shall mean any motorhome, bus, trailer coach, trailer, off-road vehicle, boat or other watercraft, aircraft, camper or any other vehicle classified by the Board as a Recreational Vehicle in the Rules.

2.61 "Regional Park": That certain thirty-five (35) acres of land planned for a Regional Park, as more particularly defined in the Development Agreement. The Regional Park is intended to be constructed in two (2) phases by Master Declarant in accordance with the terms of the Development Agreement, the Developer Owners Agreement and the Phase I Regional Park Maintenance Agreement (as may be applicable).

2.62 "Requisite Membership Percentage": The Owners of 67% or more of the total aggregate voting power of the Association.

2.63 "Requisite Neighborhood Percentage": The Owners of 67% or more of the Lots in a Neighborhood.

2.64 "Rules and Regulations": The restrictions relating to an Owner's use of his or her Lot and conduct of Persons on the Property, as more specifically authorized and provided for in Article 3 and the Act. The Rules and Regulations shall also include the Collection Policy.

2.65 "Special Assessment": Assessments levied in accordance with Section 8.5. Special Assessments are additional to each and all of Base Assessments, Neighborhood Assessments, and Specific Assessments, as applicable.

2.66 "Special Declarant Rights": Any right or combination of rights reserved by the Declarant in this Declaration to exercise any "Special Declarant's Right" as such term is defined in the Act.

2.67 "Specific Assessment": Assessments levied against a particular Lot or Lots for expenses incurred or to be incurred by the Association in accordance with Section 8.6. Specific Assessments are additional to each and all of Base Assessments, Neighborhood Assessments, and Special Assessments, as applicable.

2.68 "Standard Pacific Property": That portion of the Property described on Exhibit "A" as the "Standard Pacific Property".

2.69 "Subdivision Map": Each final subdivision map or parcel map of portions of the Property, as Recorded from time to time, as may be amended and supplemented from time to time of Record.

2.70 "Subsidy Agreement": An agreement of the type described in Section 8.12(a) of this Declaration.

2.71 "Super Majority": The Owners of 80% or more of the total aggregate voting power of the Association.

2.72 "Supplemental Declaration": An instrument Recorded pursuant to Article 9 which subjects additional property to this Declaration, and/or imposes, expressly or by reference, additional restrictions and obligations on the land described in such instrument.

2.73 "Use Restrictions": The use restrictions set forth in Section 3.5 of this Declaration.

2.74 "Utility Services Vehicle": Any motor vehicle used in the furtherance of repairing, maintaining or operating any structure or any other physical facility necessary for the delivery of public utility services as contemplated in NRS 116.350, including the furnishing of electricity, gas, water, sanitary sewer, telephone, cable or community antenna service and, except for any emergency use, operated primarily within the service area of a utility's subscribers or consumers, without regard to whether the motor vehicle is owned by or leased or rented to the utility.

2.75 "Villages at Tule Springs, Southwest Village 3": The residential common-interest community established pursuant to this Declaration under the Act.

2.76 "Villages at Tule Springs, Southwest Village 3 Community-Wide Standard": The standard of conduct, maintenance, or other activity generally prevailing throughout Villages at Tule Springs, Southwest Village 3. Such standards may contain both objective and subjective elements and are initially established to be the minimum standards set forth in this Declaration, the Villages at Tule Springs, Southwest Village 3 Design Guidelines, and/or the Rules and Regulations applicable to Villages at Tule Springs, Southwest Village 3. The Villages at Tule Springs, Southwest Village 3 Community-Wide Standard may evolve as development progresses and as the needs and demands of Villages at Tule Springs, Southwest Village 3 change.

2.77 "Villages at Tule Springs, Southwest Village 3 Design Guidelines": The architectural, design and construction guidelines applicable to Villages at Tule Springs, Southwest Village 3 as may be adopted pursuant to Section 4.3 of this Declaration.

2.78 "Voting Delegate": Each Person designated pursuant to Section 7.11(b) to serve as the Association's voting delegates to the Master Association.

2.79 Additional Defined Terms: The following terms are defined elsewhere in this Declaration:

- (a) "Alleged Defect" in Section 14.2(a);
- (b) "Assessment Share" in Section 8.1;
- (c) "CAS" in Section 14.4(b);
- (d) "Claimant" in Section 14.2(a);
- (e) "Constructed Improvements" in Section 14.2;
- (f) "Construction Defect Act" in Section 14.4(b);
- (g) "Designated Co-Owner" in Section 6.3(c);
- (h) "Developing Party" in Section 14.4(a)(2);
- (i) "Developing Party's Agents" in Section 14.2(a);
- (j) "Dispute" in Section 14.4(a)(3);
- (k) "Electrical Facilities" in Section 19.2(h);
- (l) "Eligible Holder" in Section 15.1;
- (m) "Emergency Situation" in Section 8.2;

- (n) "EMF" in Section 19.2(h)(1);
- (o) "Final Village Developer Agreement" in Section 7.1(f);
- (p) "Improved Property" in Section 14.4(a)(4);
- (q) "Limited Warranty" in Section 14.3;
- (r) "National Monument" in Section 19.2(a);
- (s) "Neighborhood Budget" in Section 8.3;
- (t) "Notice of Alleged Defect" in Section 14.2(b);
- (u) "Plans" in Section 4.3(b)
- (v) "Reviewer" in Section 4.2(c);
- (w) "Sight Visibility Zones" in Section 3.5(z);
- (x) "Villages at Tule Springs, Southwest Village 3 DRC" in Section 4.2(a)
- (y) "Work" in Section 4.2(a);

PART TWO: CREATION AND MAINTENANCE OF COMMUNITY STANDARDS

The standards for use and conduct, maintenance and architecture within Villages at Tule Springs, Southwest Village 3 are what give the community its identity and make it a place that people want to call "home." This Declaration establishes procedures for rulemaking as a dynamic process which allows the community standards to evolve as Villages at Tule Springs, Southwest Village 3 changes and grows over time.

**Article 3.
Use and Conduct**

3.1 Framework for Regulation. The Governing Documents establish, as part of the general plan of development for the Property, a framework of affirmative and negative covenants, easements and restrictions which govern the Property, subject to the provisions of the Master Declaration. Within that framework, the Board and the Members must have the ability to respond to unforeseen problems and changes in circumstances, conditions, needs, desires, trends and technologies which inevitably will affect Villages at Tule Springs, Southwest Village 3, its Owners and Occupants.

3.2 Rule Making Authority.

(a) Authority of Board. Subject to the Governing Documents, the Act and the Board's duty to exercise business judgment and reasonableness on behalf of the Association and its

Members, the Board may modify, cancel, limit, create exceptions to, or expand the Rules and Regulations. The Board shall send notice to all Owners concerning any proposed action on Rules and Regulations at least ten (10) business days prior to the Board meeting at which such action is to be considered. Such notice shall be sent in the manner provided for in subsection (b) below. Members shall have a reasonable opportunity to be heard at a Board meeting prior to such action being taken. Such action shall become effective, after compliance with subsection (b), unless disapproved by the Requisite Membership Percentage or Declarant (during Declarant Rights Period). The Board shall have no obligation to call a meeting of the Members to consider disapproval except upon receipt of a petition signed by Members representing at least 10% of the total votes of the Association as required for special meetings in the Bylaws. Upon such petition of the Members prior to the effective date of any Board action under this Section, the proposed action shall not become effective until after such meeting is held, and then shall be subject to the outcome of such meeting.

(b) Notice. The Board shall provide a copy of any proposed new Rule or Regulation or explanation of any modifications to the existing Rules and Regulations to each Owner, with the agenda for each Board meeting at which such action is to be considered or notify the Owners of the location where the new, proposed and/or summary may be obtained or reviewed, and each Owner shall be provided an opportunity to be heard at such Board meeting prior to such action being taken subject to reasonable Board imposed restrictions in accordance with the Bylaws and the Act.

3.3 Owners' Acknowledgment and Notice to Purchasers. All Owners are given notice that use of their Lots and the Common Elements is limited by the Villages at Tule Springs, Southwest Village 3 Design Guidelines and the Rules and Regulations as they may be amended, expanded and otherwise modified hereunder. Each Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of his or her Lot can be affected by this provision and that the Villages at Tule Springs, Southwest Village 3 Design Guidelines and the Rules and Regulations may change from time to time. All Purchasers are on notice that changes may have been adopted by the Association. Copies of the Rules and Regulations may be obtained upon written request from the Association.

3.4 Protection of Owners and Others. Rules and Regulations shall be subject to and consistent with the Master Declaration, the Villages at Tule Springs Design Guidelines, the Villages at Tule Springs, Southwest Village 3 Design Guidelines, applicable federal and state laws, applicable health codes and other ordinances, the Declaration, Bylaws, and must be adopted without intent to circumvent or evade the requirements and provisions of any of the foregoing. Additionally, no Rule or Regulation, or any other action by the Association or Board shall unreasonably hinder or impede the rights of Declarant and/or Builders to develop Villages at Tule Springs, Southwest Village 3 in accordance with the rights reserved to the Declarant or any other party in this Declaration, the Master Declaration and/or the Act. The Rules and Regulations shall be binding upon all Owners, Occupants and Invitees, if any, until and unless overruled, canceled or modified in a regular or special meeting of the Association by the vote or written consent of the Requisite Membership Percentage and by the Declarant (during the Declarant Control Period). The Rules shall be uniformly enforced.

3.5 Use Restrictions. The Property shall be used only for residential, recreational and related purposes (which may include, without limitation, offices for any community manager retained by the Association or business offices for Declarant or the Association or any Builder) consistent with this Declaration, any Supplemental Declaration and amendments to either. Any Supplemental Declaration imposed on property within any Neighborhood may impose stricter standards than those contained in this

Article. The use restrictions contained in this Declaration are in addition to, and not in limitation of, those restrictions set forth in the Master Declaration.

(a) Residential and Related Uses. Except as provided in the Declaration with respect to Declarant, each Dwelling shall be used only for private, single-family residence purposes exclusively. No part of the Project shall be used or caused, allowed or authorized to be used in any way whatsoever, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending or other non-residential purpose, without the prior written consent of the Board. In deciding whether or not to permit an otherwise nonconforming use hereunder, the Board shall consider the potential effect upon traffic in the Project and interference with or annoyance of neighbors; notwithstanding the foregoing, a nonconforming use shall never be permitted unless such use is incidental to the residential use of the Parcel and is permitted by applicable law. This Section shall not operate to prohibit a professional or administrative occupation, provided that there is no external evidence of any such occupation; for so long as such occupation is conducted in conformance with all applicable laws and such occupation is merely incidental to the use of the Dwelling as a residential home. In addition, any commercial activity that directly advances the residential and recreational character of the Property may be authorized by Declarant or the Association, unless prohibited by the Governing Documents. Any Village Declaration or any additional Recorded covenants may impose stricter standards than those contained in this Article and the Association shall have standing and the power to enforce such standards.

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

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

(d) Laws and Insurance Requirements: Nothing shall be done to or kept on any Lot or Improvement thereon or in the Common Elements that might increase the rate of, or cause the cancellation of, insurance for the Villages at Tule Springs, Southwest Village 3, or any portion of the Villages at Tule Springs, Southwest Village 3, without the prior written consent of the Association. No

Owner shall permit anything to be done or kept in his or her Lot 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.

(e) Antennae; Satellite Dishes: Except as otherwise expressly permitted by law, no antennae, satellite dish, or other device for the transmission or reception of television or radio signals or any other form of electromagnetic radiation, including, but not limited to, a dish or other device capable of transmitting or receiving signals for cable, satellite or pay-television systems, as well as any other pole or tower, shall be erected, used or maintained outdoors above ground within the Villages at Tule Springs, Southwest Village 3 whether attached to a building or otherwise, unless such antenna or device (a) is in compliance with all applicable rules of the Design Review Committee as may be adopted from time to time by the Design Review Committee pursuant to Article 4 hereof, or (b) shall have been approved by the Design Review Committee.

(f) Landscaping:

(1) Installation. If Declarant has not provided a ground cover for a Lot, then the Owner of that Lot shall have installed thereon a ground cover acceptable to the Design Review Committee (1) covering the front yard of a Lot within six (6) months following the recordation of a deed conveying title to the Lot to the Owner from Declarant or the date of occupancy thereof, whichever occurs first, and (2) covering the rear yard of a Lot within twelve (12) months following the recordation of a deed conveying title to the Lot to the Owner from Declarant or the date of occupancy thereof, whichever occurs first. Nothing herein shall operate to permit the Association or Design Review Committee to prevent or unreasonably discourage the use of drought-tolerant landscaping, as defined in the Act.

(2) Restrictions. Plants selected for landscaping should be light weight, deep rooted types which require little water and are capable of surviving the prevailing climate. Only the amount of irrigation necessary to sustain plant life should be provided. Over watering the landscape areas could adversely affect the Improvements on or near the Lot, and is therefore prohibited. No artificial grass or plants (including without limitation, trees, shrubs and flowers) shall be permitted on any Lot.

(g) Maintenance of Lots: No rubbish, brush, weeds, undergrowth, debris of any kind or character shall ever be placed or permitted to accumulate upon any Lot, or any portion thereof, so as to render it a fire hazard, unsanitary, unsightly, offensive or detrimental to the Common Elements, any other Lot in the Villages at Tule Springs, Southwest Village 3 or to any Occupants in the Villages at Tule Springs, Southwest Village 3. The Owner of each Lot shall (a) care for, water, cultivate, prune and maintain in good condition any and all trees, shrubs and other landscaping (including without limitation acceptable desert or water-efficient landscaping) growing on his or her Lot and (b) provide only the amount of irrigation necessary to sustain plant life on the Lot because overwatering the landscape areas could adversely affect the Improvements on or near the Lot and is therefore prohibited. Furthermore the Owner of each Lot shall maintain any and all trees, shrubs, and other landscaping growing on the Owner's Lot in a manner consistent with the restrictions set forth in this Declaration and the standards originally established by Declarant or the Design Review Committee for the Property. The Association may assume all or any portion of the landscaping duties set forth in this Section but the Association shall in no event be obligated to undertake such work, except with respect to Common Elements. Should an Owner fail to

perform his or her obligations under this Section or 3.5(f) above, or fail to keep his or her Lot free from rubbish, brush, weeds, dead or dying shrubbery, overgrown landscaping, undergrowth or debris of any character, the Association may, at any time, (i) initiate legal proceedings to enforce compliance with either of such Sections or (ii) upon thirty (30) days' written notice to such Owner of its intention to do so, enter upon that Lot and (A) remove such rubbish, brush, weeds, dead or dying shrubbery, overgrown landscaping, undergrowth or debris or (B) cause any required ground cover acceptable to the Association, together with any necessary sprinklers and irrigation facilities to be completed and, in either event, assess that Owner for the cost thereof. The Association shall notify the Owner in writing of the cost thereof, and in the event that Owner fails to reimburse the Association for its costs and expenses, such charges shall constitute a lien on that Owner's Lot, which may be enforced by the Association in accordance with the provisions of this Declaration. Without limiting the foregoing, the Board shall have the right but not the obligation to maintain the exterior of Lots or abate public nuisances on Lots to the extent permitted in NRS 116.310312.

(h) Exterior Lighting: Each Owner shall maintain in good and operable condition the exterior lighting installed on the exterior of his or her Dwelling or otherwise located on his/her Lot, to provide lighting of the same character and quality (including light bulb wattage) as was initially installed in the Villages at Tule Springs, Southwest Village 3 by Declarant. Such maintenance shall include, but not be limited to, maintaining photocells in optimal operable condition, the replacement of light bulbs, the provision of electrical power to such lights, the maintenance of fixtures, and the payment for electrical service. If any Owner shall fail to maintain such exterior lighting, or permit the lighting to fall into disrepair, the Association shall have the right to correct such condition, and to assess such Owner for the cost thereof. The Association shall notify the Owner in writing of the cost thereof, and in the event that Owner fails to reimburse the Association for its costs and expenses, such charges shall constitute a lien on that Owner's Lot, which may be enforced by the Association in accordance with the provisions of this Declaration. Further rules regarding exterior lighting may be promulgated by the Board.

(i) Nuisances: No odors shall be permitted to arise from any Lot so as to render any Lot unsanitary, unsightly, offensive or detrimental to the Common Elements or any other Lot; and no nuisance shall be permitted to exist or operate upon any Lot so as to be offensive or detrimental to any other Lot or to the Owner thereof. Without limiting the generality of the foregoing provision, no horns, whistles, bells or other sound devices, except devices used exclusively for security purposes, shall be located, used or placed upon any Lot; no Owner shall permit any thing or condition to exist upon any Lot which shall induce, breed or harbor infectious plant diseases or noxious insects, and no noxious or offensive trade or activity shall be carried on upon any Lot, nor shall anything be done thereon which is or may become an annoyance or nuisance to the Villages at Tule Springs, Southwest Village 3.

(j) Repair of Improvement: No Improvement to a Lot (including, but not limited to, dwelling units, garages, carports, driveways, walls and fences) shall be permitted to fall into disrepair and all Improvements shall be kept at all times in good condition and repair and, if appropriate, painted or otherwise finished. Any and all repairs, redecorations, modifications or additions, interior or exterior, shall fully comply with all applicable building code and other governmental requirements; the Documents and, for exterior repairs, redecorations, modifications or additions only, shall comply with all applicable rules of the Design Review Committee as may be adopted from time to time by the Design Review Committee pursuant to Article 4 hereof.

(k) Signs:

(1) Generally. Except with respect to the Special Declarant Rights reserved to Declarant in this Declaration, no billboards, signs, flags, banners, or advertising of any kind, shall be posted, erected or maintained upon any Lot without the prior written consent of the Design Review Committee; provided, however, that the following signs may be posted on a Lot without the prior written consent of the Design Review Committee (a) one (1) standard "for sale" sign or one (1) standard "for rent" sign and (b) one or more political signs no larger than twenty-four inches (24") by thirty-six inches (36"), but only in the manner and to the extent that the Act and other applicable laws provide for the right of Persons to display such political signs. Notwithstanding the foregoing, except as may be erected by Declarant within the Villages at Tule Springs, Southwest Village 3, no billboards, signs, flags, banner's, or advertising of any kind (including without limitations any "for sale" or "for rent" signs), shall be posted, erected or maintained upon any Lot, or wall or other fence in the Villages at Tule Springs, Southwest Village 3.

(2) Flag of United States. Notwithstanding any provision of the Documents to the contrary, an Owner is entitled to display the flag of the United States, provided that the location, size, pole or staff, and display is consistent with all applicable Rules and/or any applicable rules of the Design Review Committee as may be adopted from time to time by the Design Review Committee pursuant to Article 4 hereof, and the provisions of the Act.

(3) Flag of State of Nevada. Notwithstanding any provision of the Governing Documents to the contrary, an Owner is entitled to display the flag of the State of Nevada, provided that the location, size, pole or staff, and display is consistent with all applicable Rules and/or any applicable rules of the Design Review Committee as may be adopted from time to time by the Design Review Committee pursuant to Article 4 hereof, and the provisions of the Act.

(l) Animals: No animals or fowl, other than commonly recognized household pets, shall be kept or maintained on a Lot or any portion thereof; no animal shall be kept, bred or maintained for any commercial purpose; and no animals or fowl, including household pets, which, after Notice and Hearing are determined by the Board of Directors to be dangerous, may be kept or maintained anywhere within the Villages at Tule Springs, Southwest Village 3. At any one time the total number of household pets shall not exceed four (4) unless otherwise approved by the Board of Directors. If an animal is not confined within the Lot, the animal must be leashed and under direct control of the Owner. It shall be the absolute duty and responsibility of each Owner or tenant to clean up any animal waste after such animals which have used any portion of the Property or any public property in the vicinity of the Property. No pet shall be permitted to be kept within any portion of the Property if it makes excessive noise or is otherwise determined to be a nuisance. If a pet is determined to be a nuisance, the Board of Directors may, after Notice and Hearing, order the removal of the pet.

(m) Easements:

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

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

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

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

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

(1) Meeting with its representative as requested; and

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

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

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

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

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

(3) If an Owner fails to comply with this Section, the cost of any damage or repair to an underground line shall be borne by such Owner, and, in addition to any other right or remedy permitted by law or this Declaration, the Association shall have the right, but not the obligation, after reasonable notice, but not less than five (5) days, to enter upon a Lot to repair damage to an underground line (and an easement in favor of the Association is hereby reserved) and to assess the Owner for the cost of such damage or repair, together with any costs or expenses incurred by the Association in connection therewith. The Association shall notify the Owner in writing of the cost thereof, and in the event that Owner fails to reimburse the Association for its costs and expenses, such charges shall constitute a lien on that Owner's Lot, which may be enforced by the Association in accordance with the provisions of this Declaration.

(n) Unightly Articles; Garbage Cans; Exterior Fires: No unsightly articles shall be permitted to remain on any Lot so as to be visible from any street within or adjacent to the Villages at Tule Springs, Southwest Village 3 or from any other Lot.

(1) Without limiting the generality of the foregoing, refuse, garbage and trash shall be kept at all times in covered, sanitary containers, or enclosed areas designed for such purpose. Such containers shall be exposed to the view of neighboring Lots only when set out for a reasonable period of time (not to exceed twelve (12) hours before scheduled trash collection and twelve (12) hours after scheduled trash collection hours by a trash disposal company). To the fullest extent permitted by the Act, the Association may adopt Rules governing the manner in which garbage cans or other containers for the collection of solid waste or recyclable materials may be stored and/or placed for collection on each Lot. All rubbish, trash and garbage shall be stored in appropriate containers in accordance with the applicable Rules, shall regularly be removed from the Property, and shall not be allowed to accumulate.

(2) There shall be no exterior fires whatsoever, except barbecue fires contained within receptacles commercially designed therefor such that they do not create a fire hazard, and except as specifically authorized in writing by the Association (and subject to applicable ordinances and fire regulations).

(o) Solar Equipment; Wind Energy Systems:

(1) Solar. No solar equipment, including, but not limited to, solar collectors and solar panels, shall be installed unless such equipment (1) is in compliance with all applicable rules of the Design Review Committee as may be adopted from time to time by the Design Review Committee pursuant to Article 4 hereof, or (2) shall have been approved by the Design Review Committee as to (i) the type of solar equipment to be installed and (ii) the compliance of such equipment with the rules of the Design Review Committee as may be adopted from time to time by the Design Review Committee pursuant to Article 4 hereof. The foregoing provision is not intended to prohibit the use of a system for obtaining solar energy on any Lot for use by the Occupants of the Lot (including without limitation, the installation of any such system on the roof of any Dwelling), but rather allow the Association to impose reasonable restrictions on the installation, of such equipment on a Lot.

(2) Wind. Except to the extent otherwise prohibited by applicable law, no wind power systems, wind energy systems, or other structures or systems that use wind energy may be installed on any Lot.

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

(q) Restricted Access: Certain Lots have prohibitions or restrictions on access to adjoining public streets from the rear or side yards of each Lot as set forth in the Subdivision Map (as applicable). No Owner shall at any time permit access, ingress or egress to or from his or her Lot in violation of any prohibitions or restrictions on access set forth on the Subdivision Map (as applicable); nor in any other manner shall an Owner otherwise cause or permit his or her Lot to be in violation of the restrictions set forth in the Subdivision Map (as applicable).

Furthermore, certain Common Element(s) and Lots may have prohibitions or restrictions on direct vehicle access to adjoining public streets over the Common Element(s) from the private streets (if any) and/or Lots in the Villages at Tule Springs, Southwest Village 3 as set forth on the Subdivision Map (as applicable). No access, ingress or egress over any such restricted Common Element(s) and/or Lots shall be permitted at any time except for emergency vehicles. Notwithstanding the foregoing, Declarant shall have the right to all such restricted Common Elements for temporary access throughout the development, construction, marketing and sales of Lots.

(r) Clotheslines: No clotheslines shall be placed, nor shall any clothes be hung in any manner whatsoever, on any Lot in a location, including, but not limited to, the garage door, visible from any street within the Villages at Tule Springs, Southwest Village 3 or the Common Elements.

(s) Post-Construction Entry Rights: In addition to, and not in limitation of any Special Declarant Rights provided for in this Declaration, Declarant or its designee shall have the right to enter upon each Lot in the Villages at Tule Springs, Southwest Village 3 for the purpose of planting and maintaining any slope or drainage control areas. The right of entry under this Section shall exist for a period not to exceed ninety (90) days after the completion of the construction of all residential structures in the Villages at Tule Springs, Southwest Village 3, at which time the right of entry and maintenance under this Section shall terminate as to the Villages at Tule Springs, Southwest Village 3.

(t) Construction of Walls: Without limiting the provisions of this Declaration requiring prior Design Review Committee approval, no fence, wall, hedge, construction, or obstruction shall be installed upon any Lot in the Villages at Tule Springs, Southwest Village 3 except the residence, garage or other improvement permitted to be erected under the provisions of this Declaration, unless approved as required herein or unless such fence, hedge, wall, construction or obstruction was originally constructed by Declarant.

(u) Restrictions on Alienation; Leasing:

- (1) A Lot may not be conveyed pursuant to a time-sharing plan.
- (2) All leases shall be subject to the following restrictions and provisions:
 - (i) No Lot may be leased or subleased for transient or hotel purposes or for an initial term of less than ninety (90) days;
 - (ii) All leases and rental agreements shall be in writing and subject to the requirements of the Documents and the Association;
 - (iii) Lots may be leased only in their entirety;
 - (iv) No subleasing or assignment of leases are permitted except with the prior approval of the Board or in accordance with the rules adopted by the Board applicable to leases and subleases;

(v) The Owner must make available to the tenant copies of the Documents;

(vi) All leases shall include provisions to the effect that (1) each tenant or subtenant shall be bound by the Restrictions and a breach of any Restriction shall constitute a default under the lease or sublease, and (2) the tenant will recognize (or attorn to) the Association as landlord, solely for the purpose of having the power to enforce a violation of the Restrictions against the tenant, provided the Association gives the Owner notice of the Association's intent to so enforce and a reasonable opportunity to cure the violation directly, prior to the commencement of an enforcement action; and

(vii) A copy of any lease, or lease renewal, together with such additional information as may be required by the Association shall be given to the Association within ten (10) days of the commencement of the lease term.

(3) Any Owner who violates this Section may be subject to fines, liens and court action. Furthermore, a violation of this Section that is not cured within fourteen (14) days after an initial fine has been levied, shall be deemed to be a "continuing violation" and shall be subject to the imposition of additional fines until cured.

(4) The provisions of this Section shall not apply to an Eligible Mortgagee who is in possession of a Lot following a default in such Security Interest, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure; and shall not restrict the exercise of any Special Declarant Rights.

(v) Parking Restrictions: The parking limitations set forth in this Section shall apply to all vehicles within the Villages at Tule Springs, Southwest Village 3, including but not limited to, automobiles, vans, motorcycles, trucks, Commercial Vehicles, and Recreational Vehicles to the fullest extent not prohibited by the Act.

(1) No Commercial Vehicle or Recreational Vehicle may be parked on any Lot or within the Villages at Tule Springs, Southwest Village 3 (including but not limited to the private streets (if any) and the streets within or adjacent to the Villages at Tule Springs, Southwest Village 3, to the fullest extent permitted under the Act) unless the entire vehicle is wholly located on a Lot and is within a garage or otherwise adequately screened from view except as permitted by operation of (i) or (ii) below.

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

(ii) Recreational Vehicles owned by an Owner or occupant of a Lot may be parked on the driveway of the Lot or street unless expressly prohibited where marked by painted curbs and/or signs, while the Recreational Vehicle is being loaded or unloaded, for a period not to exceed forty-eight (48) hours unless expressly prohibited where marked by painted curbs and/or signs.

(2) No vehicle, including, but not limited to, automobiles, vans, motorcycles, trucks, Commercial Vehicles, and Recreational Vehicles, or any other equipment may be dismantled, repaired or serviced on: (i) any Lot visible from adjoining property or any private or public street; or (ii) any part of the Villages at Tule Springs, Southwest Village 3 (including but not limited to the streets within or adjacent to the Villages at Tule Springs, Southwest Village 3, to the fullest extent permitted under the Act).

(3) No person shall park, store or keep anywhere in the Villages at Tule Springs, Southwest Village 3 an unregistered or inoperable vehicle, except only within a fully enclosed garage.

(4) No vehicle, including, but not limited to, automobiles, vans, motorcycles, trucks, and, subject to the limitations set forth in subsection (a), above, Commercial Vehicle or Recreational Vehicle, may be parked in the front yard, side yard or any other portion of a Lot except in the garage or driveway of the Lot. Furthermore, any vehicle parked on any driveway must be parked wholly within the driveway and may not extend beyond the driveway onto any other portion of a Lot or onto any street or Common Element, including without limitation the sidewalk, curb, street, or any area between the street and sidewalk.

(5) Parking on the private streets (if any) within the Villages at Tule Springs, Southwest Village 3 is expressly prohibited where marked by painted curbs and/or signs.

(6) Nothing in this Section 9.23 shall prohibit a person from (1) parking a Utility Service Vehicle that has a gross vehicle weight rating of 20,000 pounds or less (i) in an area designated for parking for visitors, in a designated parking area or common parking area, or on the driveway of a Lot of a subscriber or consumer while the person is engaged in any activity relating to the delivery of public utility services to subscribers or consumers or (ii) in an area designated for parking for visitors, in a designated parking area or common parking area, or on the driveway of his or her Lot if the person is an Owner or a tenant of an Owner and brings the vehicle to the Lot pursuant to such person's employment with the entity which owns the vehicle for the purpose of responding to emergency requests for public utility service; or (2) parking a Law Enforcement Vehicle or Emergency Services Vehicle (i) in an area designated for parking for visitors, in a designated parking area or common parking area, or on the driveway of a Lot of a person to whom law enforcement or emergency services are being provided, while such person is engaged in his or her official duties or (ii) in an area designated for parking for visitors, in a designated parking area or common parking area, or on the driveway of his or her Lot if the person is an Owner or a tenant of an Owner and brings the vehicle to the Lot pursuant to such person's employment with the entity which owns the vehicle for the purpose of responding to emergency requests for law enforcement or emergency services. The Association may require that a person parking a Utility Service Vehicle, Law Enforcement Vehicle or Emergency Services Vehicle pursuant to this Subsection provide written confirmation from such person's employer that the person is qualified to park such vehicle in the manner set forth herein.

(7) Except as may otherwise be permitted by operation of the Rules and Regulations, or by the provisions of the Neighborhood Governing Documents applicable to a Lot, (a) each Owner and/or Occupant shall maintain his or her garage in a manner which ensures that the garage is capable of regularly and normally accommodating as many vehicles as it was originally

designed to accommodate; and (b) garage doors shall be kept closed at all times, except as reasonably required for ingress thereto and egress therefrom.

(w) Declarant's Rights: As long as Declarant (or any of its affiliates) owns or leases any Lot or any part of the Annexable Property, Declarant and its duly authorized agents, representatives and employees may maintain any Lot owned or leased by Declarant (or any of its affiliates) or any portion of the Common Elements, as model units or sales offices. Declarant may also maintain management offices and signs and displays advertising the Villages at Tule Springs, Southwest Village 3.

(x) Declarant's Approval of Conveyances or Changes in Use of Villages at Tule Springs, Southwest Village 3: As long as Declarant (or any of its affiliates) owns or leases any Lot or any part of the Annexable Property, the Association shall not, without first obtaining the prior written consent of Declarant, convey, change or alter the use of the Villages at Tule Springs, Southwest Village 3, mortgage all or any portion of the Villages at Tule Springs, Southwest Village 3 or use all or any portion of the Villages at Tule Springs, Southwest Village 3 other than solely for the benefit of Owners.

(y) Board of Directors and Design Review Committee Discretion: Except as may be expressly provided in this Declaration, any consent or approval of the Board of Directors, Design Review 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, Design Review Committee, or Association, as applicable. In that regard, the granting or withholding of such consent or approval shall not be subject to any objective standards of "reasonableness" or otherwise. Further, the approval of or consent to any matter shall not be deemed to be a waiver of the right to disapprove the same or similar matters in subsequent requests for consents or approvals from the same or other parties.

(z) Sight Visibility Zones: Certain sight visibility zones ("Sight Visibility Zones") may have been created and/or establish as set forth in the Subdivision Map (as applicable) to prevent obstructions of sightlines of the roadways within the Villages at Tule Springs, Southwest Village 3. No fence, wall, hedge, tree, shrub planting or other Improvement shall be placed or permitted to remain on any Lot within the Sight Visibility Zone which is higher than any applicable height limitation set forth in the Subdivision Map (as applicable).

(aa) Slopes: Each Owner of a Lot agrees that he will permit free access by Owners of adjacent or adjoining Lots to slopes or drainage ways located on his Lot, which affect said adjacent or adjoining Lots, when such access is reasonably necessary for the maintenance or permanent stabilization of said slopes, or maintenance of the drainage facilities for the protection and use of property other than the Lot on which the slope or drainage way is located.

(bb) Drainage: Each Owner of a Lot agrees that he will accept the burden of, and not in any way interfere with, the established drainage pattern over his Lot or from adjoining or other Lots over his Lot, or in the event it is necessary to change the established drainage, that he will make adequate provisions for proper drainage over his Lot. No structure or other material, including a wall or fence, shall be placed or permitted to remain which may damage, interfere with, obstruct, or retard the flow of water through drainage channels, or which may change the direction of flow of such channels. Without limiting the foregoing, each Owner shall use his reasonable efforts to prevent surface drainage on his Lot from accumulating behind a wall or fence in order to prevent or minimize the penetration of such water through or under the wall or fence and any staining of such wall or fence. For the purposes of this

Declaration, "established" drainage is defined as the drainage which occurred at the time the overall grading of the Property, including, if applicable, the landscaping of each Lot within the Property, was completed by Declarant.

(1) If water drains toward the house or ponds against a residence, there is a possibility for damage to the structure. Each Owner shall be responsible to maintain all grading, landscaping, and hardscaping in such a manner as to keep water away from the foundation of the Owner's residence.

(2) Each Owner of a Lot agrees, as a part of the acceptance of the burden of the established drainage pattern over his Lot from adjoining or other Lots, to maintain any yard drain inlet and all other drainage features and improvements located on his Lot in a clean and fully functioning state, unblocked and free of silt and debris.

(3) Each Owner of a Lot agrees that in the event any slopes located on his Lot have been planted for stabilization of said slope or slopes and/or to comply with jurisdictional agencies' requirements, Owner shall adequately water and continuously maintain said slope or slopes.

(4) Each Owner of a Lot agrees that in the event that any slopes or other area(s) located on said Owner's Lot or elsewhere in the Property have had rip-rap, ground cover, or any other stabilization technique installed for the purpose of stabilization of slopes and/or as part of the drainage system for the Property, the Owner shall take no action that will remove, dislocate, wash out, cover up, or in any other way disturb or interfere with the proper functioning or installation of such material. This provision includes the installation, and/or maintenance of block walls and/or wood fences, including all retaining walls. Further, Owner agrees to restore said material to its condition when originally installed if any material is damaged, dislocated, or has its functioning impaired in any other way.

(5) In the event that an Owner of a Lot alters the grading of his Lot within five feet (5') of its property line, and this alteration results in a slope steeper than one foot (1') vertically to three feet (3') horizontal, that slope must be stabilized mechanically in order to protect the adjoining Lot. However, nothing in this Section shall be construed to prevent any such alteration in any manner, with or without retaining walls, by the Declarant, in carrying out the development and improvement of the Property.

(6) Each Owner agrees to comply with and assume responsibility for anything done or required to be done in compliance with the plans filed by Declarant with respect to the National Pollutant Discharge Elimination System (NPDES) and Declarant's Storm Water Pollution Prevention Plan (SWPPP). Each Owner shall assume all responsibility and liability relating to the prevention of pollutant discharge, including soil materials, from such Owner's Lot.

3.6 Occupants Bound. All of the use restrictions set forth in Section 3.5 shall apply to all Occupants, guests, and invitees of all Dwellings (as applicable). Every Owner shall cause all Occupants, guests, and invitees of his or her Dwelling to comply with the Governing Documents and shall be responsible for all violations and losses to the Areas of Common Responsibility caused by such Persons, notwithstanding the fact that such Persons also are fully liable and may be sanctioned for any violation.

3.7 Declarant Exemption. Each Dwelling owned by either Declarant shall be exempt from provisions set forth in Section 3.5, until such time as title to the Dwelling is transferred to an Owner. The activities of Declarant that are reasonably related to the development, construction and marketing of the Property, shall be exempt from the provisions set forth in Section 3.5 and the Rules. This Section 3.7 may not be amended without Declarant's prior consent, and any purported amendment in violation of this provision shall be null and void.

Article 4. Architecture and Landscaping

Subject to the rights and exemptions of Declarant as set forth in this Declaration, but in addition to and without limiting the covenants, conditions and restrictions imposed by the Master Declaration, the following covenants, conditions and restrictions of this Article 4 shall apply to Villages at Tule Springs, Southwest Village 3 and the Owners and the Occupants and their guests, families, tenants and invitees. Such provisions shall supplement, and shall not supersede, the provisions of the Master Declaration, and in the event of a conflict, the terms and provisions of the Master Declaration shall control; provided, however, that the terms and provisions of this Declaration and the Governing Documents may be more restrictive than those of the Master Declaration and in such event, the terms and provisions of this Declaration and/or the applicable provision of the Governing Document shall control. Nothing herein contained shall be construed to relieve any Owner or Parcel within the Villages at Tule Springs, Southwest Village 3 from the conditions, covenants, and restrictions contained in the Master Declaration, or as limiting or preventing any rights of enforcement granted or available to the Master Association or by virtue thereof.

4.1 General. No structure shall be placed, erected, or installed upon any part of the Property and no Improvements or other work (including staking, clearing, excavation, grading and other site work, exterior alterations of existing Improvements, painting the exterior of any structure, or planting or removal of landscaping) shall take place within the Property, except in compliance with the provisions of this Article 4 and the provisions of the Master Declaration, including without limitations the provisions of Article 4 of the Master Declaration.

No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme. Any Owner may remodel, paint or redecorate the interior of his or her Dwelling without the need for any approval under this Article 4, subject, however, to any approvals required pursuant to a Supplemental Declaration if the Lot is part of a Neighborhood Association. However, exterior modifications to a Dwelling or other Improvements on a Lot, and modifications to the interior of screened porches, patios, windows, and similar portions of a Dwelling that are visible from outside the structure shall be subject to the approval process set forth in this Article 4.

All Dwellings constructed on any portion of the Property shall be designed by and built in accordance with the drawings and specifications of a licensed architect or a licensed building designer unless otherwise approved by Declarant or its designee in its sole discretion.

Article 4 shall not apply to (i) the Association after the Declarant Control Period, or (ii) the Declarant at any time, or (iii) a Builder who has obtained Declarant's approval of drawings and specifications for original construction.

4.2 Architectural Review.

(a) By Declarant. Each Owner, by accepting a deed or other instrument conveying any interest in any portion of Villages at Tule Springs, Southwest Village 3, acknowledges that Declarant has a substantial interest in ensuring that the Improvements within the Property enhance Declarant's reputation as a community developer and do not impair Declarant's ability to market, sell, or lease its property. Therefore, each Owner agrees that no activity within the scope of this Article ("Work") shall be commenced on such Owner's Lot unless and until Declarant or its designee has given its prior written approval for such Work, which approval may be granted or withheld in the sole discretion of Declarant or its designee.

In reviewing and acting upon any request for approval, Declarant or its designee shall act solely in Declarant's interest and shall owe no duty to any Person other than Declarant. The rights reserved to Declarant under this Article shall continue so long as Declarant (or any of its affiliates) owns or has the right to acquire any part of the real property described in Exhibits "A" or "C", unless earlier terminated in a written instrument executed and Recorded by Declarant.

Declarant may, in its sole discretion, designate one or more Persons from time to time to act on its behalf in reviewing applications hereunder.

Declarant may from time to time, but shall not be obligated to, delegate all or a portion of the architectural review rights under this Article 4 and/or its reserved rights under this Article to (i) a design review committee appointed by the Association's Board of Directors (the "Villages at Tule Springs, Southwest Village 3 DRC"), and/or (ii) a committee comprised of architects, engineers or other persons who may or may not be Members of the Association, and/or (iii) the Neighborhood Association established pursuant to a Supplemental Declaration for a Neighborhood (or the architectural review committee or design review committee established pursuant to the Supplemental Declaration for such Neighborhood) with respect to any Neighborhood. Any such delegation shall be in writing, specifying the scope of responsibilities delegated, and shall be subject to (i) Declarant's right to revoke such delegation at any time and resume jurisdiction over the matters previously delegated; and (ii) Declarant's right to veto any decision which Declarant determines, in its sole discretion, to be inappropriate or inadvisable for any reason. So long as Declarant has any rights under this Article, jurisdiction of the foregoing entities shall be limited to such matters as are specifically delegated to it by Declarant.

(b) Design Review Committee. Upon Declarant's delegation to the Association's Board of Directors, or upon expiration or termination of Declarant's rights under this Article, the Association, acting through the Villages at Tule Springs, Southwest Village 3 DRC, shall assume jurisdiction over all architectural matters hereunder. The Villages at Tule Springs, Southwest Village 3 DRC may, in the Board's direction, be divided into one or more committees, each of which shall have the sole responsibility for performance of those Villages at Tule Springs, Southwest Village 3 DRC responsibilities as may be designated by the Board. The members of the Villages at Tule Springs, Southwest Village 3 DRC need not be Members of the Association or representatives of Members, and may, but need not, include Architects, engineers, or similar professionals, who may be compensated in such manner and amount as the Board may establish.

Unless and until such time as Declarant delegates all or a portion of its reserved rights to the Villages at Tule Springs, Southwest Village 3 DRC or Declarant's rights under this Article terminate, the Association shall have no jurisdiction over architectural and landscaping matters.

(c) Fees; Assistance. During the time that Declarant is performing the architectural review functions hereunder, Declarant may establish and charge reasonable fees for review of applications under this Article and may require such fees to be paid in full prior to review of any application. Once the Villages at Tule Springs, Southwest Village 3 DRC is established, the Villages at Tule Springs, Southwest Village 3 DRC with the consent of the Board may establish and charge reasonable fees for review of applications and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers, or other professionals. Declarant and/or the Association may employ architects, engineers, or other persons as deemed necessary to perform the review. The Board may include the compensation of such persons (including Declarant) in the Association's annual operating budget. As used in the Article, the term "Reviewer" shall mean Declarant for so long as it is performing architectural review functions hereunder, and thereafter the term shall mean the Villages at Tule Springs, Southwest Village 3 DRC.

4.3 Guidelines and Procedures.

(a) Design Guidelines. Declarant may prepare the initial Villages at Tule Springs, Southwest Village 3 Design Guidelines, which contain general provisions applicable to all of Villages at Tule Springs, Southwest Village 3 and may contain specific provisions which vary from Neighborhood to Neighborhood. The Villages at Tule Springs, Southwest Village 3 Design Guidelines are intended to provide guidance to Owners and Builders regarding matters of particular concern to the Reviewer in considering applications hereunder. The Villages at Tule Springs, Southwest Village 3 Design Guidelines are not the exclusive basis for decisions of the Reviewer and compliance with the Villages at Tule Springs, Southwest Village 3 Design Guidelines does not guarantee approval of any application.

Declarant shall have sole and full authority to amend the Villages at Tule Springs, Southwest Village 3 Design Guidelines for so long as it (or its affiliates) owns or has the right to acquire any portion of the Property or any real property adjacent to the Property, or has a right to expand Villages at Tule Springs, Southwest Village 3 pursuant to Section 9.1, notwithstanding a delegation of reviewing authority to the Villages at Tule Springs, Southwest Village 3 DRC, unless Declarant also delegates the power to amend the Villages at Tule Springs, Southwest Village 3 Design Guidelines to the Villages at Tule Springs, Southwest Village 3 DRC. Upon termination or delegation of Declarant's right to amend, the Villages at Tule Springs, Southwest Village 3 DRC shall have the authority to amend the Villages at Tule Springs, Southwest Village 3 Design Guidelines with the consent of the Board. Any amendments to the Villages at Tule Springs, Southwest Village 3 Design Guidelines shall be prospective only. There shall be no limitation on the scope of amendments to the Villages at Tule Springs, Southwest Village 3 Design Guidelines, and such amendments may remove requirements previously imposed or otherwise make the Villages at Tule Springs, Southwest Village 3 Design Guidelines less restrictive.

(b) Procedures. No Work shall commence on any portion of the Property until an application for approval has been submitted to and approved by the Reviewer. Such application shall include drawings and specifications ("Plans") showing site layout, structural design, exterior elevations, exterior materials and colors, landscaping, drainage, exterior lighting, irrigation, and other features of

proposed construction, as applicable. The Villages at Tule Springs, Southwest Village 3 Design Guidelines and the Reviewer may require the submission of such additional information as may be reasonably necessary to consider any application.

In reviewing each submission, the Reviewer may consider any factors it deems relevant, including, without limitation, harmony of external design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that determinations as to such matters are purely subjective and opinions may vary as to the desirability and/or attractiveness of particular Improvements.

The Reviewer shall, within 30 days after receipt of a completed application and all required information, respond in writing to the applicant at the address specified in the application. The response may (i) approve the application, with or without conditions; (ii) approve a portion of the application and disapprove other portions; or (iii) disapprove the application. The Reviewer may, but shall not be obligated to, specify the reasons for any objections and/or offer suggestions for curing any objections. If the Reviewer fails to respond within 30 days after receipt of a completed application, approval shall be deemed to have been denied.

Until expiration of Declarant's rights under this Article, the Villages at Tule Springs, Southwest Village 3 DRC shall notify Declarant in writing within ten (10) business days after the Villages at Tule Springs, Southwest Village 3 DRC has approved any application relating to proposed Work within the scope of matters delegated to the Villages at Tule Springs, Southwest Village 3 DRC by Declarant. The notice shall be accompanied by a copy of the application and any additional information which Declarant may require. Declarant shall have ten (10) days after receipt of such notice to veto any such action, in its sole discretion, by written notice to the Villages at Tule Springs, Southwest Village 3 DRC and the applicant.

If construction does not commence on a project for which Plans have been approved within one year after the date of approval, such approval shall be deemed withdrawn, and it shall be necessary for the Owner to reapply for approval before commencing the proposed Work. Once construction is commenced, it shall be diligently pursued to completion. All Work shall be completed within one hundred eighty (180) days of commencement unless otherwise specified in the notice of approval or unless the Reviewer grants an extension in writing, which it shall not be obligated to do. If approved Work is not completed within the required time, it shall be considered nonconforming and shall be subject to enforcement action by the Association, Declarant or any aggrieved Owner.

The Reviewer may, by resolution, exempt certain activities from the application and approval requirements of this Article, provided such activities are undertaken in strict compliance with the requirements of such resolution.

4.4 No Waiver of Future Approvals. Each Owner acknowledges that the persons reviewing applications under this Article will change from time to time and that opinions on aesthetic matters, as well as interpretation and application of the Villages at Tule Springs, Southwest Village 3 Design Guidelines, may vary accordingly. In addition, each Owner acknowledges that it may not always be possible to identify objectionable features of proposed Work until the Work is completed, in which case it may be unreasonable to require changes to the Improvements involved, but the Reviewer may refuse to approve similar proposals in the future. Approval of applications or Plans for any Work done or

proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar applications, Plans, or other matters subsequently or additionally submitted for approval.

4.5 Limitation of Liability. The standards and procedures established by this Article are intended as a mechanism for maintaining and enhancing the overall aesthetics of Villages at Tule Springs, Southwest Village 3; they do not create any duty to any Person. Review and approval of any application pursuant to this Article is to be made on the basis of aesthetic considerations only and the Reviewer shall not bear any responsibility for ensuring (a) structural integrity or soundness of approved construction or modifications, (b) compliance with building codes and other governmental requirements, or (c) conformity of quality, value, size, or design with other Dwellings. Neither (1) Declarant nor (2) the Association, the Board, the Villages at Tule Springs, Southwest Village 3 DRC or any Neighborhood or its board or any committee or member of the foregoing, nor (3) any employee, agent or representative of those listed in (1) or (2) shall be held liable for (x) any claim whatsoever arising out of construction on or modifications to any Lot, (y) soil conditions, drainage or other general site work, any defects in plans revised or approved hereunder, or (z) any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Lot. In all such matters, the Persons protected under this Section 4.5 shall be defended and indemnified by the Association as provided in Section 7.6.

4.6 Certificate of Compliance. Any Owner may request that the Reviewer issue a certificate of architectural compliance certifying that there are no known violations of this Article 4 or the Villages at Tule Springs, Southwest Village 3 Design Guidelines. The Reviewer shall either grant or deny such request within 30 days after receipt of a written request and may charge a reasonable administrative fee for issuing such certificates. Issuance of such a certificate shall estop the Association from taking enforcement action with respect to any condition as to which the Association had notice as of the date of such certificate.

4.7 Cure of Nonconforming Work; Enforcement. Any construction, alteration, or other Work done in violation of this Article 4 shall be deemed to be nonconforming. Upon written request from Declarant, the Association, or Reviewer, Owners shall, at their own cost and expense and within such reasonable time frame as set forth in such written notice, cure such nonconformance to the satisfaction of the requester or restore the Lot to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, Declarant, the Association, or their designees shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. All costs, together with interest at the rate established by the Board (not to exceed the maximum rate then allowed by applicable law), may be assessed against the benefited Lot and collected as a Specific Assessment unless otherwise prohibited in this Declaration or the Act.

All approvals granted hereunder shall be deemed conditioned upon completion of all elements of the approved Work and all Work previously approved with respect to the same Lot, unless approval to modify any application has been obtained. In the event that any Person fails to commence and diligently pursue to completion all approved Work by the deadline set forth in the approval, Declarant or the Association shall be authorized, after notice to the Owner of the Lot and an opportunity to be heard in accordance with the Bylaws, to enter upon the Lot and remove or complete any incomplete Work and to assess all costs incurred against the benefited Lot and the Owner thereof as a Specific Assessment unless otherwise prohibited in this Declaration.

All acts by any contractor, subcontractor, agent, employee, or invitee of an Owner shall be deemed as an act done by or on behalf of such Owner. The Association and/or Declarant shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article 4 and the decisions of the Reviewer.

Article 5. Maintenance and Repair

5.1 Maintenance of Lots. Each Owner shall maintain his or her Lot and all landscaping and Improvements comprising the Lot in a manner consistent with the Governing Documents, the Villages at Tule Springs, Southwest Village 3 Community-Wide Standard and all applicable covenants, unless such maintenance responsibility is otherwise assumed by or assigned to the Association or a Neighborhood pursuant to this Declaration, any Supplemental Declaration or any other declaration of covenants applicable to such Lot. If an Owner fails to maintain its Lot in conformance with the Governing Documents or if the condition of the Lot is otherwise in violation of the Governing Documents, then in addition to the authority granted under Section 7.2(d) of this Declaration, the Board shall have the right to either (i) after 30 days' written notice, seek any remedies at law or in equity which it may have; or (ii) after reasonable notice (unless there exists an unsafe or dangerous condition, in which case, the right shall be immediate, and no notice shall be required), to correct such condition and to enter upon such Owner's Lot for the purpose of so doing, and such Owner shall promptly reimburse the Association for the cost thereof, as a Specific Assessment enforceable in the manner set forth in the Declaration. Without limiting the foregoing, the Board shall have the right but not the obligation to maintain the exterior of Lots or abate public nuisances on Lots to the extent permitted in NRS 116.310312.

5.2 Maintenance of Neighborhood Property.

(a) Maintenance by Neighborhood Association. Each Neighborhood Association shall maintain its common property and any other property for which it has maintenance responsibility in a manner consistent with the Governing Documents, the Villages at Tule Springs, Southwest Village 3 Community-Wide Standard and all applicable covenants.

(b) Maintenance by the Association. The Owners within each Neighborhood that is not governed by a Neighborhood Association shall be responsible for paying, through Neighborhood Assessments, the costs of operating, maintaining and insuring certain portions of the Area of Common Responsibility within or adjacent to such Neighborhood. This may include, without limitation, the costs of maintaining any signage, entry features, right-of-way and greenspace between the Neighborhood and adjacent public roads, private streets within the Neighborhood, and lakes or ponds within the Neighborhood, regardless of ownership and regardless of the fact that such maintenance may be performed by the Association; provided, however, all Neighborhoods which are similarly situated shall be treated the same.

(c) Right of Association to Maintain Property in Neighborhood. The Association may assume maintenance responsibility for property within any Neighborhood, in addition to that designated by any Supplemental Declaration, either by agreement with the Neighborhood or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the Villages at Tule Springs, Southwest Village 3 Community-Wide Standard. All costs of maintenance

pursuant to this paragraph shall be assessed as a Neighborhood Assessment only against the Lots within the Neighborhood to which the services are provided.

5.3 Responsibility for Repair and Replacement. Unless otherwise specifically provided in the Governing Documents or in other instruments creating and assigning maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement, as necessary to maintain the property to a level consistent with the Villages at Tule Springs, Southwest Village 3 Community-Wide Standard.

By virtue of taking title to a Lot, each Owner covenants and agrees with all other Owners and with the Association to carry property insurance for the full replacement cost of all insurable Improvements on his or her Lot, less a reasonable deductible, unless either the Neighborhood Association (if any) for the Neighborhood in which the Lot is located or the Association carries such insurance (which they may, but are not obligated to do hereunder). If the Association assumes responsibility for obtaining any insurance coverage on behalf of Owners, the premiums for such insurance shall be levied as a Specific Assessment against the benefited Lot and the Owner.

Each Owner further covenants and agrees that in the event of damage to or destruction of structures on or comprising his or her Lot, the Owner shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other drawings and specifications as are approved in accordance with Article 4. Alternatively, the Owner shall clear the Lot and maintain it in a neat and attractive, landscaped condition consistent with the Villages at Tule Springs, Southwest Village 3 Community-Wide Standard and as approved by the Villages at Tule Springs, Southwest Village 3 DRC. The Owner shall pay any costs which are not covered by insurance proceeds.

The requirements of this Section shall apply to any Neighborhood Association responsible for common property within the Neighborhood in the same manner as if the Neighborhood Association were an Owner and the common property were a Lot. Additional Recorded covenants applicable to any Neighborhood may establish more stringent requirements for insurance and more stringent standards for rebuilding or reconstructing structures on the Lots within such Neighborhood and for clearing and maintaining the Lots in the event the structures are not rebuilt or reconstructed.

PART THREE: COMMUNITY GOVERNANCE AND ADMINISTRATION

The success of Villages at Tule Springs, Southwest Village 3 is dependent upon the support and participation of every Owner in its governance and administration. The Declaration establishes the Association as the mechanism by which each Owner is able to provide that support and participation. While many powers and responsibilities are vested in the Association's Board of Directors, some decisions are reserved for the Association's membership -- the Owners of property in Villages at Tule Springs, Southwest Village 3.

**Article 6.
The Association and its Members**

6.1 Function of The Association. The Association is the entity responsible for management, maintenance, operation and control of the Area of Common Responsibility. The Association also is the

primary entity responsible for enforcement of the Governing Documents. The Association shall perform its functions in accordance with the Governing Documents and applicable laws.

6.2 Membership. Every Owner shall be a Member of the Association. There shall be only one membership per Lot. If a Lot is owned by more than one Person, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in the Governing Documents, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner which is not a natural person may be exercised by any officer, director, partner or trustee, or by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association.

6.3 Membership Classes and Voting Rights. The Association shall have one (1) class of membership composed of all of the Owners as set forth in this Section 6.3.

(a) One Class. Each Owner shall have one (1) equal vote for each Lot in which it holds the interest required for membership under Section 6.2, except that there shall be only one (1) vote per Lot. Accordingly, the total number of votes for the Association shall equal the total number of Lots subject to this Declaration, from time to time.

(b) Special Declarant Rights. Special Declarant Rights, including the right to approve, or withhold approval of, actions proposed under the Governing Documents during the Declarant Control Period, are specified in the relevant Sections of the Governing Documents. Declarant may appoint a majority of the Board of Directors during the Declarant Control Period.

(c) Co-Owners. Where a Lot is owned jointly by co-owners, only one (1) such co-owner ("Designated Co-Owner"), designated from time to time by all of the co-owners in a written instrument provided to the Secretary of the Association, shall be entitled to exercise the one (1) vote to which the Lot is entitled. Where no Designated Co-Owner has been designated, or if such designation has been revoked, the vote for such Lot shall be exercised as the majority of the co-owners of the Lot mutually agree. Fractional votes shall not be allowed. No vote shall be cast for any Lot where the co-owners present in person or by proxy owning the majority interests in such Lot cannot agree to said vote or other action. Absent such advice and in the event that more than one such co-owner casts a vote, the Lot's vote shall be suspended and shall not be included in the final vote tally on the matter being voted upon.

6.4 Neighborhoods. Every Lot shall be located within a Neighborhood. A Multi-Family Lot may be classified as a single Neighborhood. Unless and until additional Neighborhoods are established, Villages at Tule Springs, Southwest Village 3 shall consist of a single Neighborhood. Lots within a particular Neighborhood may be subject to additional covenants. In addition, if required by law or otherwise approved by Declarant, Owners within the Neighborhood may be members of a Neighborhood Association in addition to the Association. Owners within a Neighborhood also may, but shall not be required to, elect a Neighborhood Committee to represent their interests. Neighborhood Committees may be elected as provided for in the Bylaws.

Exhibit "C" to this Declaration, and each Supplemental Declaration submitting additional property to this Declaration, shall initially assign the property submitted thereby to a specific Neighborhood (by name or other identifying designation), which Neighborhood may be then existing or

newly created. So long as it has the right to subject additional property to this Declaration pursuant to Section 9.1, Declarant may unilaterally amend this Declaration or any Supplemental Declaration to redesignate Neighborhood boundaries; provided, however, Declarant shall not combine two or more Neighborhoods if any Lots in the affected Neighborhoods have been transferred to a Purchaser unless the proposed action is approved by the Board and ratified by the Owners of Lots in the affected Neighborhoods as set forth below in this paragraph. The Board shall have the right to redesignate Neighborhood boundaries if the proposed action is: (a) approved by the Declarant, for so long as it has the right to subject additional property to this Declaration pursuant to Section 9.1, (b) approved by the Board, and (c) ratified by the Owners of Lots in the affected Neighborhoods as set forth below in this paragraph. Any ratification by the Owners of Lots in the affected Neighborhoods required under this paragraph must occur as follows: (i) the Board gives notice of the proposed action and notice of a ratification meeting to each Owner of Lots in the affected Neighborhoods; (ii) the ratification meeting must be not less than 14 or more than 30 days after the mailing of such notice to the Owners of Lots in the affected Neighborhoods; and (iii) unless at that ratification meeting Owners of 51% or more of the Lots in the affected Neighborhoods reject the proposed action, the proposed action is ratified, whether or not a quorum is present.

Any Neighborhood may request that the Association provide a higher level of service than that which the Association generally provides to all Neighborhoods or may request that the Association provide special services for the benefit of Lots in such Neighborhood. Upon the affirmative vote, written consent, or a combination thereof, of Owners of 51% or more of the Lots within the Neighborhood, the Association may, in the Board's discretion, provide the requested services. The cost of services requested by a Neighborhood and provided by the Association, which may include a reasonable administrative charge in such amount as the Board deems appropriate (provided, any such administrative charge shall apply at a uniform rate per Lot to all Neighborhoods receiving the same service), shall be assessed against the Lots within such Neighborhood as a Neighborhood Assessment.

6.5 Declarant Reservation of Right to Notice and Participate. Declarant hereby reserves for itself, the rights set forth in this Section 6.5, to the fullest extent permitted under the Act, from the date of this Declaration and continuing until January 1, 2042.

(a) Notice. Declarant shall be given written notice of all meetings and proposed actions to be approved at meetings (or by written consent in lieu of a meeting) or any correspondence pertaining to any meetings or actions of the Association, the Board, or any committee, including but not limited to all correspondence and notices of all meetings of the Members or the Board. Such notice shall be given to Declarant either personally or by sending a copy of the notice through the mail or by telecopy to the address of Declarant appearing on the books of the Association or supplied in writing by Declarant to the Association for purpose of notice. Such notice shall be given in the same manner and be of the same content as required to be given to Members in accordance with the requirements contained in the Governing Documents and as required by the Act. Any representative of Declarant may attend any meeting at which a Member may attend. This Section may not be amended without the prior written consent of Declarant.

(b) Participation. Declarant shall be given the opportunity at any meeting of the Association, including Board and committee meetings, to join in or to have its representatives, or agents join in discussion from the floor of any prospective action, policy, or program. Declarant and its representatives, or agents may make its concerns, thoughts, and suggestions known to the Board and/or

members of the subject committee, either during or outside of the meeting. This Section may not be amended without the prior written consent of Declarant.

Article 7.
Association Powers and Responsibilities

7.1 Acceptance and Control of The Association Property.

(a) To further its functions as set forth above, the Association, through action of its Board, may acquire, hold, improve, remodel, and dispose of tangible and intangible personal and real property. The Association may enter into leases, licenses, or operating agreements for portions of the Area of Common Responsibility, to permit use of such portions of the Area of Common Responsibility by community organizations and by others, whether nonprofit or for profit, or for the provision of goods or services for the general benefit or convenience of Owners and Occupants of Villages at Tule Springs, Southwest Village 3.

(b) Within 30 days after Owners other than Declarant are entitled to elect a majority of the Directors pursuant to Section 2.21 and in accordance with the procedures set forth in NRS 116.31038, the Declarant shall deliver to the Association all personal property of the Owners and the Association which Declarant holds or controls including such items as are specifically required to be delivered under the Act.

(c) Declarant and its designees may convey to the Association personal property and fee title, leasehold, or other property interests in any real property, improved or unimproved, described in Exhibits "A" or "C", including without limitation a community recreation center. The Association shall accept and maintain such property at its expense for the benefit of its Members, subject to any restrictions set forth in the deed or other instrument transferring such property to the Association. Upon written request of Declarant, the Association shall reconvey to Declarant any property originally conveyed by Declarant to the Association for no consideration, to the extent conveyed by Declarant in error or needed by Declarant to make adjustments in property lines.

(d) Phase I of the Regional Park, once improved by Master Declarant, shall remain a part of the Area of Common Responsibility and be maintained by the Association pursuant to the terms of the Phase I Regional Park Maintenance Agreement until such time as the such Phase I of the Regional Park can be conveyed to the City, and dedicated for general recreational use by all occupants of the City pursuant to the Development Agreement.

(e) Master Declarant, the Master Association and/or their respective designees may convey to the Association personal property and fee title, leasehold, or other property interests in any real property, improved or unimproved, described in Exhibit "D", including without limitation parks and trail areas hereafter constructed. The Association shall accept and maintain such property at its expense for the benefit of its Members, subject to any restrictions set forth in the deed or other instrument transferring such property to the Association.

(f) The Association shall be responsible for management, operation, and control of the Area of Common Responsibility, subject to any covenants and restrictions set forth in the deed or

other instrument transferring such property to the Association. The Board may adopt such reasonable rules regulating use of the Area of Common Responsibility as it deems appropriate.

7.2 Maintenance of Area of Common Responsibility; Maintenance of Exterior of Dwellings.

(a) Generally. Subject to the provisions of the Master Declaration, the Association shall maintain, in accordance with the Villages at Tule Springs, Southwest Village 3 Community-Wide Standard, the Area of Common Responsibility, which may include, but need not be limited to:

(1) All portions of and structures situated on the Common Elements, including without limitation, entrance monumentation.

(2) Landscaping within or adjacent to public rights-of-way within or abutting the Property.

(3) Such portions of any additional property included within the Area of Common Responsibility as may be dictated by this Declaration, any Supplemental Declaration, any covenant to share costs, or any contract or agreement for maintenance thereof entered into by the Association.

(4) Any property and facilities owned by Declarant and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members, such property and facilities to be identified by written notice from Declarant to the Association and to remain a part of the Area of Common Responsibility and be maintained by the Association until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Association.

(5) All perimeter walls or fences Declarant constructs surrounding the Property (including those walls or fences which separate a Lot from any real property that is not included in the Property) that is not maintained by the Master Association, or which separate a Lot from Area of Common Responsibility (regardless of whether such wall or fence is located on the Area of Common Responsibility or on a Lot) and all perimeter walls or fences (except to the extent that the Master Association is required to maintain the exterior of any such wall or fence) initially constructed by Declarant which separate any Common Element or Lot from any real property that is not included in the Property but which directly abuts such Common Element or Lot (regardless of whether such wall or fence is located on the Common Element, Lot or the Commercial Component). Except for that portion of the perimeter walls or fences consisting of wrought iron for which the Association shall have complete maintenance responsibility, an Owner shall be responsible for maintaining the interior surface of perimeter walls or fences located on such Owner's Lot. A perimeter wall or fence shall not be a party wall or party fence as set forth in Article 12. With respect to any wall or fence that is required to be maintained by the Association, no Owner may undertake or permit anything to occur on the Owner's Lot that causes any damage or increases the Association's maintenance costs therefor, including without limitation, the installation or placement any object on or against such wall or fence and the over-watering or over-spray of irrigation adjacent to the wall or fence.

(6) The maintenance, repair, and replacement of any irrigation lines or equipment within or serving the Project to the boundary of any Lot. Except as may otherwise be provided

in a Supplement, any irrigation lines installed by an Owner and lines lying solely within or serving a single Lot shall be the responsibility of the Lot's Owner.

The Association may maintain other property which it does not own, including, without limitation, property dedicated to the public or otherwise open to the public, if the Board of Directors determines that such maintenance is necessary or desirable for the enjoyment of the Members or to maintain the Villages at Tule Springs, Southwest Village 3 Community-Wide Standard.

The Association shall not be liable for any damage or injury occurring on, or arising out of the condition of, property which it does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities.

(b) Continuous Operation. The Association shall maintain the facilities and equipment within the Area of Common Responsibility in continuous operation, except for any periods necessary, as determined in the sole discretion of the Board, to perform required maintenance or repairs, unless the Requisite Membership Percentage or Declarant (during the Declarant Rights Period) agree in writing to discontinue such operation. Notwithstanding the foregoing, the Board shall have the right to establish hours of operation, grant the right to lease, license or use specific areas designated as Common Elements, for exclusive use by one or more but not all Owners, provided that limited hours, lease, license or grant does not operate to deprive the remaining Owners from all useful enjoyment of the specific Common Element affected. The Area of Common Responsibility shall not be reduced during the Declarant Rights Period by amendment of this Declaration or any other means except with Declarant's prior written approval.

(c) Maintenance as Common Expenses. Costs associated with maintenance, repair and replacement of the Area of Common Responsibility shall be a Common Expense; provided, the Association may seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the Area of Common Responsibility pursuant to this Declaration, other Recorded covenants, or agreements with the owner(s) thereof. Maintenance, repair and replacement of Neighborhood Common Elements shall be a Neighborhood Expense assessed to the Neighborhood(s) to which the Neighborhood Common Elements are assigned, notwithstanding that the Association may be responsible for performing such maintenance hereunder.

(d) Exterior Maintenance. Notwithstanding any other provision to the contrary contained herein, if the holder of a Mortgage on a Lot (i) has filed an action for the recovery of the debt or enforcement of any right secured or evidenced by the Mortgage, or (ii) has recorded a notice of breach and election to sell the Lot, then, to the extent permitted under the Act, then the Association after Notice and Hearing shall have the right (but not the obligation) to maintain the exterior of the Dwelling and/or remove or abate a public nuisance on the exterior of the Lot for which the Lot Owner would otherwise be responsible, if the Lot's Owner refuses or fails to do so. The Association shall notify the Owner in writing of the cost thereof, and in the event that Owner fails to reimburse the Association for its costs and expenses, such charges shall constitute a lien on that Owner's Lot, which may be enforced by the Association in accordance with the provisions of Article 8 of this Declaration and any such lien shall have the priority specified in Section 8.9.

7.3 Insurance.

(a) Required Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(i) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable Improvements on the Common Elements and within the Area of Common Responsibility to the extent that the Association has assumed responsibility in the event of a casualty, regardless of ownership. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of the insured Improvements under current building ordinances and codes.

(ii) Commercial general liability insurance on the Area of Common Responsibility, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, such coverage (including primary and any umbrella coverage) shall have a limit of at least \$2,000,000.00 per occurrence with respect to bodily injury, personal injury, and property damage; provided, should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits.

(iii) Workers compensation insurance and employers liability insurance, if and to the extent required by law.

(iv) Directors and officers liability coverage.

(v) Commercial crime insurance, including fidelity insurance covering all Persons responsible for handling the funds of the Association in an amount determined in the Board's business judgment but not less than an amount equal to one-fourth (1/4) of the annual Base Assessments on all Lots plus reserves on hand; provided, there shall be no requirement that the Association maintain fidelity insurance during the Declarant Control Period. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation.

(vi) Such additional insurance as the Board, in its business judgment, determines is advisable.

In addition, the Association shall, if so specified in a Supplemental Declaration applicable to any Neighborhood, obtain and maintain property insurance on the insurable Improvements within such Neighborhood which insurance shall comply with the requirements of Section 7.3(a)(i). Any such policies shall provide for a certificate of insurance to be furnished upon request to the Owner of each Lot insured.

Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses, except that (i) premiums for property insurance on Lots within a Neighborhood shall be a Neighborhood Expense; and (ii) premiums for insurance on Neighborhood Common Elements may be included in the Neighborhood Expenses of the Neighborhood(s) to which such Neighborhood Common Elements are assigned unless the Board reasonably determines that other treatment of the premiums is more appropriate.

(b) All Association policies shall provide for a certificate of insurance to be furnished to the Association and, upon request, to each Member insured. The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 7.3(a). In the event of an insured loss, the deductible shall be treated as a Common Expense or a Neighborhood Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the Bylaws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their Occupants or Invitees, then the Board may assess the full amount of such deductible against such Owner(s) and their Lots as a Specific Assessment.

All insurance coverage obtained by the Board shall:

(i) be written by a reputable insurance company or companies qualified to do business in the State of Nevada and having an AM Best rating of not less than a B vii (to the extent available at commercially reasonable rates);

(ii) be written with a company authorized to do business in Nevada which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(iii) be written in the name of the Association as trustee for the benefited parties, and policies on the Common Elements shall be for the benefit of the Association and its Members but policies secured on behalf of a Neighborhood shall be for the benefit of the Owners within the Neighborhood and their Mortgagees, as their interests may appear;

(iv) not be brought into contribution with insurance purchased by Owners, Occupants, or their Mortgagees individually;

(v) contain an inflation guard endorsement;

(vi) include an agreed amount endorsement, if the policy contains a co-insurance clause;

(vii) provide that each Owner is an insured person under the policy with respect to liability arising out of such Owner's interest in the Common Elements as a Member in the Association (provided, this provision shall not be construed as giving an Owner any interest in the Common Elements other than that of a Member);

(viii) provide a waiver of subrogation under the policy against any Owner or household member of an Owner;

(ix) include an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure; and

(x) include an endorsement precluding cancellation, invalidation, or condition to recovery under the policy on account of any act or omission of any one or more individual Owners, unless such Owner is acting within the scope of its authority on behalf of the Association.

In addition, the Board shall use reasonable efforts to secure insurance policies which list the Owners as additional insureds and provide:

(i) a waiver of subrogation as to any claims against the Association's Board, officers, employees, and its manager, the Owners and their tenants, servants, agents, and guests;

(ii) a waiver of the insurer's rights to repair and reconstruct instead of paying cash;

(iii) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;

(iv) an endorsement requiring at least 30 days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal;

(v) a cross liability provision; and

(vi) a provision vesting in the Board exclusive authority to adjust losses; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

(c) Restoring Damaged Improvements. In the event of damage to or destruction of Common Elements or other property which the Association is obligated to insure, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or Improvements necessitated by changes in applicable building codes.

Damaged Improvements on the Common Elements shall be repaired or reconstructed unless the Owners representing the Requisite Membership Percentage and Declarant (if during the Declarant Control Period), decide within 120 days after the loss not to repair or reconstruct. If either the insurance proceeds or estimates of the loss, or both, are not available to the Association within such 120-day period, then the period shall be extended until such funds or information are available. No Mortgagee shall have the right

to participate in the determination of whether the damage or destruction to the Common Elements shall be repaired or reconstructed.

If a decision is made not to restore the damaged Improvements, and no alternative Improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Villages at Tule Springs, Southwest Village 3 Community-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by the Association for the benefit of its Members or the Owners of Lots within the insured Neighborhood, as appropriate, and placed in a capital improvements account. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Lot.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board may levy Special Assessments to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage under Section 7.3(a).

7.4 Compliance and Enforcement.

(a) Every Owner and Occupant of a Lot shall comply with the Governing Documents. The Board may impose sanctions for violation of the Governing Documents after Notice and Hearing. The Board shall establish a range of penalties for such violations, with violations of the Declaration, unsafe conduct, harassment, or intentionally malicious conduct treated more severely than other violations. To the fullest extent not prohibited by the Act, such sanctions may include, without limitation:

(1) imposing reasonable monetary fines which shall, to the fullest extent permitted under the Act, constitute a lien upon the Lot owned or Occupied by the Person deemed to be in violation of the Governing Documents. The amount of each such fine must be commensurate with the severity of the violation and shall in no event exceed the maximum permitted by the Act. If a fine is imposed pursuant to this Section 7.4(a)(1) and the violation is not cured within fourteen days or such longer cure period as the Board establishes, then the violation shall be deemed a continuing violation and the Board may thereafter impose an additional fine for the violation for each seven day period or portion thereof that the violation is not cured. Any additional fine may be imposed without Notice and Hearing. In the event that any Occupant or Invitee of an Owner or Occupant violates the Governing Documents and a fine is imposed, the fine shall first be assessed against the Person found to have been in violation; provided, however, if the fine is not paid by the violator within the time period set by the Board, the Owner shall pay the fine upon the written demand of the Board to the fullest extent not prohibited by the Act;

(2) suspending an Owner's right to vote;

(3) suspending any Person's right to use any recreational facilities within the Common Elements; provided, however, nothing herein shall authorize the Board to limit ingress or egress to or from a Lot;

(4) suspending any services provided by the Association to an Owner or the Owner's Lot if the Owner is more than 30 days delinquent in paying any assessment or other charge owed to the Association;

(5) entering a Lot and, if necessary, a Dwelling, and exercising self-help or taking action to abate any violation of the Governing Documents in a non-emergency situation;

(6) requiring an Owner, at its own expense, to remove any structure or Improvement on such Owner's Lot in violation of Article 4 and/or the Master Declaration, and to restore the Lot to its previous condition and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass;

(7) without liability to any Person, precluding any contractor, subcontractor, agent, employee or other Invitee of an Owner or Occupant who fails to comply with the terms and provisions of Article 4, and/or the Villages at Tule Springs, Southwest Village 3 Design Guidelines from continuing or performing any further activities in Villages at Tule Springs, Southwest Village 3; and

(8) levying Specific Assessments to cover costs incurred by the Association to bring a Lot into compliance with the Governing Documents.

(9) In addition, the Board may take the following enforcement procedures to ensure compliance with the Governing Documents without the necessity of compliance with the procedures set forth in the Bylaws:

(A) exercising self-help in any emergency situation (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations); and

(B) bringing suit at law or in equity to enjoin any violation or to recover monetary damages or both.

(10) In addition to any other enforcement rights, if an Owner fails properly to perform his or her maintenance responsibility, the Association may Record a notice of violation or perform such maintenance responsibilities and assess all costs incurred by the Association against the Lot and the Owner as a Specific Assessment. If a Neighborhood Association fails to perform its maintenance responsibilities, the Association may perform such maintenance and assess the costs as a Specific Assessment against all Lots within such Neighborhood. Except in an emergency situation, the Association shall provide the Owner or Neighborhood Association reasonable notice and an opportunity to cure the problem prior to taking such enforcement action.

All remedies set forth in the Governing Documents shall be cumulative of any remedies available at law or in equity. In any action to enforce the Governing Documents, the prevailing party shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, reasonably incurred in such action.

The Association shall not be obligated to take any action if the Board reasonably determines that, under the facts and circumstances presented: (a) Association's legal position does not justify taking any or further enforcement action; (b) the covenant, restriction or rule being enforced is, or is likely to be construed as, inconsistent with current law; (c) although a violation may exist or may have occurred, it is not so material as to be objectionable to a reasonable person or to justify expending the Association's resources; or (d) it is not in the Association's best interests to pursue an enforcement action. Such a decision shall not be construed a waiver of the right of the Association to enforce such provision at a later time under other circumstances or estop the Association from enforcing any other covenant, restriction or rule.

7.5 Implied Rights; Board Authority. The Association, by contract or other agreement, shall have the right but not the obligation to enforce applicable ordinances of the City within Villages at Tule Springs, Southwest Village 3 for the benefit of the Association and its Members. Furthermore, the Association may permit the City access for the enforcement of such ordinances within Villages at Tule Springs, Southwest Village 3.

7.6 Indemnification of Officers, Directors and Others.

(a) Indemnification. The Association shall indemnify every officer, director, and committee member against all damages and expenses, including counsel fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member, except that such obligation to indemnify shall be limited to those actions for which liability may be permitted under the Governing Documents or applicable Nevada law.

(b) Claims Related to Breach of Duty. The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful or wanton misfeasance, or gross negligence. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association).

The Association shall indemnify and forever hold each such officer, director and committee member harmless from any and all liability to others on account of any such contract, commitment or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled.

(c) Adequate Insurance. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

7.7 Security. The Association may, but shall not be obligated to, maintain or support certain activities within Villages at Tule Springs, Southwest Village 3 designed to make Villages at Tule Springs, Southwest Village 3 safer than it otherwise might be. Neither the Association nor Declarant shall in any way be considered insurers or guarantors of security within Villages at Tule Springs, Southwest Village 3, nor shall either be held liable for any loss or damage by reason of failure to provide adequate security or

ineffectiveness of security measures undertaken. No representation or warranty is made that any systems or measures, including any mechanism or system for limiting access to the Planned Community or Villages at Tule Springs, Southwest Village 3, cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform its Occupants of its Lot that the Association, its Board and committees, and Declarant are not insurers and that each Person using Villages at Tule Springs, Southwest Village 3 assumes all risks of personal injury and loss or damage to property, including Lots and the contents of Lots, resulting from acts of third parties.

7.8 Powers of the Association Relating to Neighborhood Associations. The Association shall have the power to veto any action taken or contemplated to be taken by any Neighborhood Association which the Board reasonably determines to be adverse to the interests of the Association or its Members or inconsistent with the Villages at Tule Springs, Southwest Village 3 Community-Wide Standard. The Association also shall have the power to require specific action to be taken by any Neighborhood Association in connection with its obligations and responsibilities, such as requiring specific maintenance or repairs or aesthetic changes to be effectuated and requiring that a proposed budget include certain items and that expenditures be made therefor.

A Neighborhood Association shall take appropriate action required by the Association in a written notice within the reasonable time frame set by the Association in the notice; provided, however, that such time frame shall be formulated by the Association on a case-by-case basis so as to provide the Neighborhood Association with a reasonably sufficient amount of time to undertake and complete the action required the Association. If the Neighborhood Association fails to comply, the Association shall have the right to effect such action on behalf of the Neighborhood Association and levy Specific Assessments to cover the costs, as well as an administrative charge and sanctions.

7.9 Provision of Services and Facilities. The Association may provide or contract to provide for other services and facilities for the benefit of all Owners and their Occupants and Invitees, and shall be authorized to enter into contracts or agreements with other entities, including Declarant and the Master Association, to provide such services and facilities, which charges and fees shall be Common Expenses. The Board may charge use and consumption fees for such services and facilities. By way of example, some services and facilities which might be offered include landscape maintenance, pest control service, cable television service, internet service, security, caretaker, transportation, fire protection, utilities, and similar services and facilities. Nothing herein shall be construed as a representation by Declarant or the Association as to what, if any, services shall be provided. In addition, the Board shall be permitted to modify, cancel or terminate existing services, in its discretion, unless (i) otherwise required by the Governing Documents or (ii) otherwise prohibited by the terms of any applicable contract or applicable law.

7.10 View Impairment. **DECLARANT, THE ASSOCIATION, AND THE MASTER ASSOCIATION DO NOT GUARANTEE OR REPRESENT THAT ANY VIEW OVER AND ACROSS LOTS OR THE OPEN SPACE FROM ADJACENT LOTS WILL BE PRESERVED WITHOUT IMPAIRMENT. DECLARANT, THE ASSOCIATION, AND THE MASTER ASSOCIATION SHALL NOT HAVE THE OBLIGATION TO RELOCATE, PRUNE, OR THIN TREES OR OTHER LANDSCAPING. TREES AND OTHER LANDSCAPING MAY BE ADDED TO LOTS AND TO THE OPEN SPACE FROM TIME TO TIME SUBJECT TO APPLICABLE**

LAW AND THE GOVERNING DOCUMENTS. FURTHERMORE, THE CONSTRUCTION OR INSTALLATION OF IMPROVEMENTS BY DECLARANT, THE ASSOCIATION, THE MASTER ASSOCIATION, BUILDERS, OTHER OWNERS, OR THIRD PARTIES MAY IMPAIR OR ELIMINATE THE VIEW, IF ANY, OF OR FROM LOTS AND/OR COMMON ELEMENTS. ANY EXPRESS OR IMPLIED EASEMENTS FOR VIEW PURPOSES OR FOR THE PASSAGE OF LIGHT AND AIR ARE HEREBY EXPRESSLY DISCLAIMED.

7.11 Relationship With Master Association.

(a) Master Association. The Property is and shall remain a part of the scheme of development for The Villages at Tule Springs. In order to preserve and enhance the scheme of development and promote interaction within The Villages at Tule Springs, the Master Declaration has been Recorded to allocate certain rights, maintenance responsibilities, and obligations to contribute to the financial burdens of preserving, promoting, and protecting The Villages at Tule Springs. The rights, responsibilities, and obligations set forth in the Master Declaration shall constitute covenants running with the land on the Property as well as all other property subject to the Master Declaration. The Master Association shall be empowered by the Master Declaration, to administer, manage, and promulgate these rights, responsibilities, and obligations. The Master Association is also empowered to exercise any rights granted to it by this Declaration or by any other Recorded covenant or easement.

(b) Selection of Delegates to Master Association.

(1) Delegate System. The Property has been designated as a Village under the Master Declaration for purposes of the exercise by the Owners of their rights as Members (as such term is defined in the Master Declaration) of the Master Association. In accordance with the terms of the Master Declaration, one Voting Delegate and one alternate Voting Delegate shall be annually elected to serve as the representatives of the Owners to the Master Association. The voting power of the Voting Delegates, shall be determined as set forth in the Master Declaration.

(2) Manner of Election. At the annual meeting of the Members of the Association each year, the Members of the Association shall elect the Voting Delegate and alternate Voting Delegate.

(3) Voting Procedure. The Voting Delegate and alternate Voting Delegate shall be elected by a vote of the majority of the Members present at the Meeting.

(4) Qualifications and Terms of Voting Delegate. Each Voting Delegate and alternate Voting Delegate must be an Owner of a Lot within Villages at Tule Springs, Southwest Village 3. If the Owner is a corporation, partnership or other such entity, the authorized agent of such corporation, partnership or other entity shall be eligible for election as a Voting Delegate or alternate Voting Delegate. Each Voting Delegate and alternate Voting Delegate shall serve a term of one (1) year from the date of election. The Voting Delegates shall attend all meetings of the Voting Delegates as provided in the Master Declaration.

(5) Additional Duties of Board. The Board shall establish such rules and regulations it deems appropriate in connection with Voting Delegate elections. The President and Secretary of the Association shall certify in writing to the Board of Directors of the Master Association

the following: (i) the name and address of each Voting Delegate and alternate Voting Delegate elected, (ii) the time and place of the meeting at which the election occurred; and (iii) that such Voting Delegate and alternate Voting Delegate represent the Association. The Board shall further perform such other administrative duties as it deems necessary or advisable in connection with the elections to be conducted by it pursuant to this Section 7.11(b) or as may be required to effectuate the voting rights of the Voting Delegate and alternate Voting Delegate for the Association, and to ensure the representation of the Owners in the Master Association. The Board shall conduct any other elections it deems appropriate or required in connection with this Declaration, the Master Declaration or Villages at Tule Springs, Southwest Village 3.

(c) Absolute Obligation to Pay Master Assessments. The Village Association shall have the absolute obligation to pay all Master Association Assessments levied against the Association under the Master Declaration regardless of whether or when an individual Owner (including any Neighborhood Association) has paid the amounts allocable to such Owner to the Association.

(d) Consistency With Master Declaration. It is the intent of Declarant that this Declaration shall be in all respects consistent with the applicable provisions of the Master Declaration regarding the selection of Voting Delegates to the Master Association. If any provision of this Section 7.11(b) is found to irreconcilably conflict with or violate any such applicable provision of the Master Declaration, such conflicting Section 7.11(b) provision shall be deemed automatically modified or severed herefrom to the minimum extent necessary to remove the irreconcilable conflict or violation of the applicable provision of the Master Declaration. Furthermore, if any provision of the Master Declaration should, in the future, be amended in a manner that results in any provision of this Section 7.11(b) being irreconcilably in conflict with or in violation of the Master Declaration, then this Section 7.11(b) shall automatically be deemed to have been amended to the minimum extent necessary to remove the irreconcilable conflict or violation of the applicable provision of the Master Declaration.

Article 8. Association Finances

8.1 Levy and Allocation of Base Assessments. Upon determining the total amount of income required to be generated through the levy of Base Assessments, the Association shall allocate such amount as a Base Assessment among all Lots subject to assessment based upon the assessment shares set forth in this Section 8.1 ("Assessment Share"). The amount allocated to each Lot shall be then levied as a Base Assessment.

Subject to the provisions of this Section 8.1(a) below, each Lot shall be assessed one Assessment Share.

(a) Unmapped Lots. With respect to any portion of the Property that is owned by a Builder but which has not yet been subdivided into Lots pursuant to a Subdivision Map, the Base Assessments shall be calculated with respect to such parcels based on one (1) Assessment Share for each of the maximum number of Lots which are permitted to be created on such parcel pursuant to the terms of any declaration of restrictions Recorded by Declarant affecting such parcel until such time as the parcel has been so subdivided, or if no designation is made by Declarant, the maximum number of permissible Lots applicable to the parcels as designated on the "Owner's Matrix" attached to the Developer Owners Agreement.

8.2 Budgeting and Allocating Common Expenses. At least 60 days before the beginning of each fiscal year, the Board shall prepare a budget of the estimated Common Expenses for the coming year in compliance with the Act, which shall include the budget for the daily operation of the Association and an adequate reserve for the repair, replacement and restoration of the major components of the Common Elements and other Areas of Common Responsibility that the Association is obligated to maintain, repair, replace or restore pursuant to Section 8.4. The budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Lots, and the amount to be generated through the levy of Base Assessments and Special Assessments against the Lots, as authorized in Section 8.5. In determining the Base Assessment rate per Lot, the Board may consider any assessment income expected to be generated from any additional Lots reasonably anticipated to become subject to assessment during the fiscal year.

The Board shall send a copy of the final budget or a summary thereof, together with notice of the amount of the Base Assessment to be levied pursuant to such budget and a copy of the Collection Policy, to each Owner within 60 days after the adoption of the budget and the Board shall set a date for a meeting of the Owners to consider ratification of the budget. The meeting shall be not less than 14 or more than 30 days after mailing of the budget or summary. Unless at that meeting a Majority reject the budget, the budget is ratified, whether or not a quorum is present.

If any proposed budget is rejected, the periodic budget last ratified by the Owners continues until the Owners ratify a subsequent budget proposed by the Board.

The Board may revise the budget and adjust the Base Assessment from time to time during the year, subject to the notice requirements and the right of the Owners to disapprove the revised budget as set forth above.

Notwithstanding the foregoing, to the fullest extent not prohibited by the Act, the Board shall have the power to increase the Base Assessments above the amount set forth in the budget adopted pursuant to the provisions of this Section 8.2, in the situations set forth below in this Section 8.2.

(a) Reserves. The Board shall have the power to increase the Base Assessments above the amount set forth in the budget adopted pursuant to the provisions of Section 8.2 above, if prior to the imposition or collection of an Base Assessment increase pursuant to this Subsection 8.2(a), the Board passes a resolution containing written findings that (1) the increase is necessary and reasonable to establish and/or carry out a funding plan for adequate reserves for the repair, replacement and restoration of the major components of the Common Elements and other Areas of Common Responsibility that the Association is obligated to maintain, repair, replace or restore, and (2) the increase is based on a reserve study prepared in accordance with NRS 116.31152. The resolution shall be distributed to the Members with a notice of Base Assessment increase not less than 30 nor more than 60 days prior to the increased Base Assessment becoming due.

(b) Emergency Situations. The Board shall also have the power to increase the Base Assessments above the amount set forth in the budget adopted pursuant to the provisions of Section 8.2 above, if prior to the imposition or collection of an Base Assessment increase pursuant to this Subsection 8.2(b), the Board passes a resolution containing written findings that the increase is necessary due to any

Emergency Situation (as defined below). The resolution shall be distributed to the Members with a notice of Base Assessment increase not less than 30 nor more than 60 days prior to the increased Base Assessment becoming due. As used in this Subsection 8.2(b) "Emergency Situation" shall mean the occurrence of any one of the following: (i) an extraordinary expense required by an order of a court; (ii) an extraordinary expense necessary to repair or maintain Villages at Tule Springs, Southwest Village 3 or any portion thereof for which the Association is responsible when a threat to personal safety on the Property or Villages at Tule Springs, Southwest Village 3 is discovered; and (iii) an extraordinary expense necessary to repair or maintain the Property, Villages at Tule Springs, Southwest Village 3, or any portion thereof for which the Association is responsible that could not have been reasonably foreseen by the Board when preparing the budget pursuant to Section 8.2 hereof.

8.3 Budgeting and Allocating Neighborhood Expenses. At least 60 days before the beginning of each fiscal year, the Board shall prepare a separate budget covering the estimated Neighborhood Expenses for each Neighborhood on whose behalf Neighborhood Expenses are expected to be incurred during the coming year ("Neighborhood Budget"). Each such Neighborhood Budget shall be prepared in compliance with the Act, and shall include any costs for additional services or a higher level of services which the Owners in such Neighborhood have ratified pursuant to Section 6.4(a) and an adequate reserve for the repair, replacement and restoration of the major components of the Neighborhood Common Elements attributable to the Neighborhood pursuant to Section 8.4. The Neighborhood Budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Lots, and the amount required to be generated through the levy of Neighborhood and Special Assessments against the Lots in such Neighborhood.

The Association is hereby authorized to levy Neighborhood Assessments equally against all Lots in the Neighborhood which are subject to assessment under Section 8.7 to fund Neighborhood Expenses; provided, if so specified in the applicable Supplemental Declaration or if so directed by petition signed by the Owners of 51% or more of the Lots in that Neighborhood, any portion of the assessment intended for exterior maintenance of structures, insurance on structures, or replacement reserves which pertain to particular structures shall be levied on each of the benefited Lots in proportion to the benefit received.

When applicable, the Board shall send a copy of the final Neighborhood Budget or a summary thereof, together with notice of the amount of the Neighborhood Assessment to be levied pursuant to such Neighborhood Budget, to each Owner within 60 days after the adoption of the Neighborhood Budget and the Board shall set a date for a meeting of the Owners in that Neighborhood to consider ratification of the budget. The meeting shall be not less than 14 or more than 30 days after mailing of the Neighborhood Budget or summary. Unless at that meeting the Owners of 51% or more of the Lots in that Neighborhood reject the budget the Neighborhood Budget is ratified, whether or not a quorum is present.

If any proposed Neighborhood Budget is rejected, the periodic budget last ratified by the applicable Owners in that Neighborhood shall continue in effect until the Owners ratify a subsequent Neighborhood Budget proposed by the Board of Directors.

The Board may revise the Neighborhood Budget for any Neighborhood and the amount of any Neighborhood Assessment from time to time during the year, subject to the notice requirements and the right of the Owners of Lots in the affected Neighborhood to disapprove the revised Neighborhood Budget as set forth above.

8.4 Budgeting for Reserves. The Board shall establish and maintain a separate reserve account for the repair, replacement and restoration of the major components of the Common Elements and other Areas of Common Responsibility that the Association is obligated to maintain, repair, replace or restore based upon the age, remaining life and the quantity and replacement cost of major components of the Common Elements, in accordance with the provisions of this Declaration and the Bylaws. While the reserve account of the Association may be combined with the applicable reserve funds of any Neighborhood, in no event may any reserve funds be used for the daily maintenance expenses of Villages at Tule Springs, Southwest Village 3. The Board shall additionally cause to be conducted at least once every 5 years, or more often as may be required by the Act, a study of the reserves required for the repair, replacement and restoration of the major components of the Common Elements. Such reserve study shall be prepared in compliance with the Act and shall be reviewed at least annually (during the preparation of the Association budget) to determine if those reserves are sufficient in order to make any adjustments as may be necessary to maintain adequate reserves.

8.5 Special Assessments. In addition to other authorized assessments, the Association may levy Special Assessments to cover capital improvements, to cover unbudgeted expenses or to cover expenses in excess of those budgeted. Any such Special Assessment shall be levied against the entire membership, if such Special Assessment is for Common Expenses, or against the Lots within any Neighborhood if such Special Assessment is for Neighborhood Expenses. Except as otherwise specifically provided in this Declaration, any Special Assessment shall require the affirmative vote or written consent of the Requisite Membership Percentage (if Common Expense) or the Requisite Neighborhood Percentage (if Neighborhood Expense), and the written Consent of Declarant if during the Declarant Rights Period. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

8.6 Specific Assessments. The Association shall have the power to levy Specific Assessments against a particular Lot as follows:

(a) to cover the costs, including overhead and administrative costs, of providing services to Lots upon request of an Owner pursuant to any menu of special services which may be offered by the Association (which might include the items identified in Section 7.9). Specific Assessments for special services may be levied in advance of the provision of the requested service;

(b) to cover costs incurred in bringing the Lot into compliance with the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or Occupants of the Lot, and their Invitees; provided, the Board shall give the Lot Owner prior written notice and an opportunity for a hearing, in accordance with the Bylaws, before levying any Specific Assessment under this subsection (b); and

(c) the Association may also levy a Specific Assessment against the Lots within any Neighborhood to reimburse the Association for costs incurred in bringing the Neighborhood into compliance with the provisions of the Governing Documents, subject to Notice and Hearing with respect to such Owners in the Neighborhood before levying any such assessment.

8.7 Authority To Assess Owners; Time of Payment. Declarant hereby establishes and the Association is hereby authorized to levy assessments as provided for in this Article and elsewhere in the Governing Documents. The obligation to pay assessments shall commence as to each Lot on the first day of the month following: (a) the month in which the Lot is made subject to this Declaration, or (b) the month in which the Board first determines a budget and levies assessments pursuant to this Article, whichever is later.

The first annual Base Assessment and Neighborhood Assessment, if any, levied on each Lot shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Lot. Notwithstanding the foregoing, if a Subsidy Agreement is in effect, Assessments as to all unsold Lots owned by Declarant shall commence upon termination or expiration of the Subsidy Agreement.

Assessments shall be paid in such manner and on such dates as the Board may establish. The Board may require advance payment of assessments at closing of the transfer of title to a Lot and impose special requirements for Owners with a history of delinquent payment. Unless the Board otherwise provides, the Base Assessment and any Neighborhood Assessment shall be due and payable in monthly installments due on the first day of each month. If any Owner is delinquent in paying any assessments or other charges levied on his Lot, the Board may require the outstanding balance on all assessments to be paid in full immediately.

8.8 Personal Obligation for Assessments. Each Owner, by accepting a deed or entering into a Recorded contract of sale for any portion of the Property, is deemed to covenant and agree to pay all Assessments authorized in the Governing Documents. All Assessments, together with interest at the rate established by the Board (not to exceed the maximum rate then allowed by applicable law), late charges as determined by Board resolution, costs, and reasonable attorneys' fees, shall be the personal obligation of each Owner and a lien upon each Lot until paid in full. Upon a transfer of title to a Lot, the grantee shall be jointly and severally liable for any Assessments and other charges due at the time of conveyance.

Failure of the Board to fix Assessment amounts or rates or to deliver or mail each Owner an Assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay Assessments. In such event, each Owner shall continue to pay Base Assessments and any Neighborhood Assessments on the same basis as during the last year for which an Assessment was made, if any, until a new Assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

No Owner may exempt himself from liability for Assessments by non-use of the Common Elements, abandonment of his or her Lot, or any other means. The obligation to pay Assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of Assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or Improvements, or from any other action it takes.

Upon written request, the Association shall furnish to any Owner liable for any type of Assessment a certificate in writing signed by an Association officer setting forth whether such Assessment has been paid. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

8.9 Lien for Assessments. The Association shall have a lien against each Lot to secure payment of delinquent Assessments, as well as interest, late charges (subject to the limitations of Nevada law), and costs of collection (including attorneys' fees). Such lien shall be superior to all other liens which are Recorded after the Recordation of this Declaration, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (b) the lien or charge of any Recorded first Mortgage (meaning any Recorded Mortgage with first priority over other Mortgages) made in good faith and for value. Such lien, when delinquent, may be enforced by suit, judgment, and judicial or nonjudicial foreclosure. A lien under this Section is also prior to all first Mortgages described in (b) above to the extent that the Assessments are based on the periodic budget adopted by the Association in accordance with the provisions of this Declaration and would have become due in the absence of acceleration, during the nine months immediately preceding institution of an action to enforce the Association's lien, or such shorter period as may be applicable by operation of the last paragraph of NRS 116.3116(2). Furthermore, notwithstanding the foregoing provisions of this Section 8.9, except as otherwise applicable by operation of the Act, the Association's lien for the costs and charges (including interest thereon to the extent permitted under the Act) incurred in accordance with the provisions of Section 7.2(d) of this Declaration, is prior to all other liens and encumbrances on a Lot except: (y) liens and encumbrances Recorded before Recordation of this Declaration; and (z) liens for real estate taxes and other governmental assessments or charges against the Lot. 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.

Fees, charges, late charges, fines and interest charged pursuant to the Act and the Governing Documents are enforceable as Assessments under this Section and, unless otherwise prohibited by the Act, the Association may foreclose upon a lien for unpaid Assessments regardless of whether the Assessment is comprised solely of fines levied against an Owner for violation of the Governing Documents.

The Association's lien may be foreclosed in the manner set forth in the Act or any other manner permitted by law; provided, however, that to the extent prohibited by the Act, the Association may not proceed to foreclose a lien hereunder if: (i) the Lot is "owner-occupied housing" (as defined in NRS 107.089) encumbered by a deed of trust; (ii) the beneficiary (or its successor beneficiary) under the deed of trust or the trustee under the deed of trust has recorded a notice of default and election to sell with respect to the Lot pursuant to NRS 107.080(2); and (iii) the trustee of Record under the deed of trust has not recorded the certificate provide to the trustee pursuant to NRS 107.086(d)(1) or (2).

The Association may bid for the Lot at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Lot. While a Lot is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no Assessment shall be levied on it; and (c) each other Lot shall be charged, in addition to its usual Assessment, its pro rata share of the Assessment that would have been charged such Lot had it not been acquired by the Association. The Association may sue for unpaid Assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

Sale or transfer of any Lot shall not affect the Assessment lien or relieve such Lot from the lien for any subsequent Assessments. However, the sale or transfer of any Lot pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any installments of such Assessments due prior to the

Mortgagee's foreclosure except to the extent that any such Assessments have priority over the lien of the first Mortgage under clause (b) of the first paragraph of this Section 8.9. The subsequent Owner of the foreclosed Lot shall not be personally liable for Assessments on such Lot due prior to such acquisition of title. Such unpaid Assessments shall be deemed to be Common Expenses collectible from Owners of all Lots subject to Assessment under Section 8.7, including such acquirer, its successors and assigns. The lien rights created in this Declaration shall be for the benefit of the Association.

8.10 Exempt Property. The following property shall be exempt from payment of Base Assessments, Neighborhood Assessments, Special Assessments and Specific Assessments:

(a) All Common Elements and such portions of the property owned by Declarant as are included in the Area of Common Responsibility;

(b) All property within Villages at Tule Springs, Southwest Village 3 owned or maintained by the Association or by another residential association, and any other property not subject to this Declaration;

(c) Any property dedicated to and accepted by the City, any governmental authority or public utility;

(d) Property owned by any Neighborhood Association for the common use and enjoyment of its members, or owned by the members of a Neighborhood Association as tenants-in-common; and

(e) Any Lot that is exempt from taxation pursuant to NRS 361.125, but only to the extent that the Lot is exempt from any such assessments, charges and/or liens by operation of NRS 116.3102(3).

8.11 Capitalization of Association. Upon acquisition of record title to a Lot by the first Purchaser, the purchasing Owner shall make a contribution to the working capital of the Association in an amount established by the Board from time to time not to exceed \$600.00. Thereafter, in connection with each resale of a Lot, upon acquisition of record title to a Lot the purchasing Owner shall make a contribution to the working capital of the Association in an amount established by the Board from time to time not to exceed one-sixth (1/6) of the annual Base Assessment per Lot for that year. Capital contributions made under this Section 8.11 shall be in addition to, not in lieu of, the annual Base Assessment and shall not be considered an advance payment of such assessment. Each Lot's share of the working capital fund shall be collected and then contributed to the Association at the time the sale of the Lot is closed. The amounts received by the Association pursuant to this Section shall be deposited in the accounts of the Association and shall be allocated between (a) the accounts for the daily operation of the Association, (b) the reserve account(s) of the Association, and (c) anticipated operational expenses relating to the maintenance of Phase I of the Regional Park until such time as Phase I of the Regional Park is conveyed to the City. Such allocations shall be established by the Declarant for so long as Declarant owns any Lot or any part of the Annexable Area, and thereafter such allocations shall be established by the Board. While Declarant is in control of the Board, Declarant cannot use any of the working capital funds to defray the Declarant's own development expenses or construction costs.

8.12 Subsidy Agreements and Declarant Advances.

(a) Subsidy Agreements. The Association is specifically authorized to enter into an agreement (a "Subsidy Agreement") with the Declarant under which such party agrees to subsidize, directly or indirectly, the operating costs of the Association in exchange for a temporary suspension of Assessments which would otherwise be payable by Declarant with respect to Lots owned by Declarant and/or those Lots owned by any Declarant affiliate, holding company, finance company or other third party, while the Lot is used by Declarant as a model home and/or sales office.

(b) Declarant Advances. During the Declarant Control Period, Declarant shall have the right, but not the obligation, to advance funds and/or make loan(s) to the Association ("Declarant Advances") from time to time for the sole purpose of paying Common Expenses in excess of Association funds then reasonably available to pay Common Expenses. The aggregate amount of any Declarant Advances outstanding from time to time, together with interest at a reasonable rate established by Declarant, shall be repaid by the Association to Declarant as soon funds are reasonably available therefore (or, at Declarant's sole and absolute discretion, may be set off and applied by Declarant from time to time against any and all past, current, or future Common Expense Assessments and/or contributions to reserve accounts, to such extent, if any, Declarant is obligated to pay any such amounts under this Declaration, any Subsidy Agreement, or under applicable Nevada law).

8.13 Administrative Transfer Fee. Upon the transfer of record title to a Lot by each Owner (including Declarant), the transferee of such Lot shall pay to the Association an administrative transfer fee in such amount as may be reasonably determined by the Board from time to time to reimburse the Association for the administrative cost of transferring the membership in the Association to the new Owner on the records of the Association. The amount of the administrative transfer fees imposed under this Section shall be additionally subject to the limitations set forth in the Act.

8.14 Statement of Demand. The Association, upon written request, shall furnish an Owner or its authorized agent or Mortgagee, with a statement of demand to the Person who may request such a statement, in the form and content as may be required by the Act and for the fees and within the time frames as may be required by the Act. The statement is binding on the Association to the extent set forth in the Act.

PART FOUR: COMMUNITY DEVELOPMENT

The Declaration reserves various rights to the Declarant in order to facilitate the smooth and orderly development of Villages at Tule Springs, Southwest Village 3 and to accommodate changes in the Master Development Plan which inevitably occur as a community the size of Villages at Tule Springs, Southwest Village 3 grows and matures.

**Article 9.
Expansion of the Community**

9.1 Expansion by Declarant. Subject to the provisions of Section 10.12 of this Declaration, each Declarant, from time to time, shall make subject to the provisions of this Declaration all of the property described in Exhibit "C," owned by such Declarant, by Recording a Supplemental Declaration which describes the additional property to be subjected and which otherwise complies with the Act and

the provisions of this Section 9.1. Declarant shall have the right hereunder to create up to the Maximum Number of Lots in Villages at Tule Springs, Southwest Village 3, subject to the applicable provisions of the Developer Owners Agreement. A Supplemental Declaration Recorded pursuant to this Section shall not require the consent of any Person except the owner of such property, if other than Declarant. Declarant's right to expand Villages at Tule Springs, Southwest Village 3 includes the right to create Lots, Common Elements, Neighborhoods and Neighborhood Common Elements with respect to such annexed property.

Declarant's rights pursuant to this Section shall expire 20 years after this Declaration is Recorded. Until then, Declarant may transfer or assign this right to any Person who is the developer of at least a portion of the real property described in Exhibits "A" or "C." Any such transfer shall be memorialized in a written, Recorded instrument executed by Declarant.

Nothing in this Declaration shall be construed to require Declarant or any of its respective successors to subject additional property to this Declaration or to develop any of the property described in Exhibit "C" in any manner whatsoever.

Each Supplemental Declaration which subjects real property to the Declaration shall contain the following information, as applicable:

- (a) A legal description of the real property to be annexed;
- (b) The number of Lots;
- (c) A designation of the Neighborhood or Neighborhoods to which the Lots contained within the real property to be annexed are to be included within;
- (d) A legal description of the Common Elements included therein, if any;
- (e) If any part of the Common Elements is designated as Neighborhood Common Elements then the Supplemental Declaration shall identify the Neighborhood Common Elements and the Lots or Neighborhood to which such Neighborhood Common Elements are assigned;
- (f) If the real property being annexed is part of a Neighborhood Association, then the Supplemental Declaration shall identify the Neighborhood Association and specify the common property and any other property for which the Neighborhood Association has maintenance responsibility;
- (g) A description of any additional Areas of Common Responsibility for which the Association is to become obligated to maintain;
- (h) If a Builder has been designated by Declarant for the real property to be annexed, then the Supplemental Declaration shall include the name and address of the Builder;
- (i) State that the real property to be annexed is subjected to the covenants, conditions, and restrictions contained herein;

(j) Provide for the readjustment of voting rights and assessment allocations in accordance with the formulas provided herein;

(k) State that any such expansion shall be effective upon the Recordation of the Supplemental Declaration except as provided therein; and

(l) Contain such other information as may be necessary to comply with the applicable provisions of the Act.

9.2 Reserved.

9.3 Additional Covenants and Easements. Declarant may subject any portion of the Property to additional covenants and easements, including covenants obligating the Association to maintain and insure such property and authorizing the Association to recover its costs through Neighborhood Assessments. Such additional covenants and easements may be set forth either in a Supplemental Declaration subjecting such property to this Declaration or in a separate Supplemental Declaration referencing property previously subjected to this Declaration. If the property is owned by someone other than Declarant, then the consent of the Owner(s) shall be necessary and shall be evidenced by their execution of the Supplemental Declaration. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property.

9.4 Effect of Filing Supplemental Declaration. A Supplemental Declaration shall be effective upon Recording unless otherwise specified in such Supplemental Declaration. On the effective date of the Supplemental Declaration, any additional property subjected to this Declaration shall be assigned voting rights in the Association and assessment liability in accordance with the provisions of this Declaration.

Article 10. Additional Rights Reserved to Declarant

10.1 Reserved.

10.2 Marketing and Sales Activities. Declarant and Builders authorized by Declarant may construct and maintain upon portions of the Common Elements such facilities and activities as, in Declarant's sole opinion, may be reasonably required, convenient, or incidental to the construction or sale of Lots, including, but not limited to, business offices, sales offices, signs, flags, banners, displays, model units, and sales offices. Declarant and authorized Builders shall have easements for access to and use of such facilities.

10.3 Right To Develop. Declarant and its respective employees, agents and designees shall have a right of access and use and an easement over and upon all of the Common Elements for the purpose of making, constructing and installing Improvements to (a) the Common Elements, (b) any real property which may be added to Villages at Tule Springs, Southwest Village 3 by Declarant under Article 9, (c) any real property owned by Declarant or which Declarant has the right to acquire, and (d) any other real property adjacent to the Property.

Every Person that acquires any interest in the Property acknowledges that Villages at Tule Springs, Southwest Village 3 is a planned community that is located in a larger Master Development Planned community, the development of which is likely to extend over many years, and agrees not to protest, challenge or otherwise object to changes in uses or density of property outside Villages at Tule Springs, Southwest Village 3.

10.4 Right To Approve Additional Covenants. No Person shall Record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Property without Declarant's review and written consent. Any attempted Recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by written consent signed and Recorded by Declarant. Once approved by Declarant and Recorded, any declaration (as defined in the Act) or similar instrument affecting any portion of the Property shall be in addition to and not in limitation of, the provisions of this Declaration. In the event of any conflict between this Declaration or any other Governing Document and any declaration (as defined in the Act) or similar instrument affecting any portion of the Property which is Recorded, then the terms of the Governing Documents shall control.

10.5 Right To Approve Changes in Standards. No amendment to or modification of any Rules and Regulations or the Villages at Tule Springs, Southwest Village 3 the Design Guidelines shall be effective without prior notice to and the written approval of Declarant so long as Declarant (or any of its affiliates) owns or has rights to acquire any part of the property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1.

10.6 Reserved.

10.7 Right To Appoint and Remove Directors During Declarant Control Period. Declarant may appoint and remove the Association's officers and directors during the Declarant Control Period in accordance with the provisions of this Declaration and the Governing Documents.

10.8 Right To Designate Sites for Governmental and Public Interests. For so long as Declarant (or any of its affiliates) owns or has rights to acquire any part of the of the Property, Declarant may designate sites within or adjacent to the Property for government, education, or religious activities and interests, including without limitation, fire, police, and utility facilities, schools and educational facilities, houses of worship, parks, and other public facilities, subject to compliance with the provisions of the Development Agreement and the Master Development Plan.

10.9 Right To Transfer or Assign Declarant Rights. Any or all of Declarant's special rights and obligations set forth in this Declaration or the Bylaws may be transferred in whole or in part to other Persons; provided, the transfer shall not reduce an obligation nor enlarge a right beyond that which Declarant has under this Declaration or the Bylaws. No such transfer or assignment shall be effective unless it is in a written instrument signed and Recorded by Declarant. The foregoing sentence shall not preclude Declarant from permitting other Persons to exercise, on a one time or limited basis, any right reserved to Declarant in this Declaration where Declarant does not intend to transfer such right in its entirety, and in such case it shall not be necessary to Record any written assignment unless necessary to evidence Declarant's consent to such exercise.

10.10 Easement to Inspect and Right to Correct.

(a) Easement. Declarant reserves, for itself and such other Persons as it may designate, perpetual, non-exclusive easements throughout the Property to the extent reasonably necessary for the purposes of access, inspecting, testing, redesigning, correcting, or improving any portion of the Property, including Lots and the Area of Common Responsibility. Declarant shall have the right to redesign, correct, or improve any part of the Property, including Lots and the Area of Common Responsibility.

(b) Right of Entry. In addition to the above easement, Declarant reserves a right of entry onto a Lot upon reasonable notice to the Owner; provided, in an emergency, no such notice need be given. Entry into a Lot shall be only after Declarant notifies the Owner (or Occupant) and agrees with the Owner regarding a reasonable time to enter the Lot to perform such activities. Each Owner agrees to cooperate in a reasonable manner with Declarant in Declarant's exercise of the rights provided to it by this Section. Entry onto the Area of Common Responsibility and into any Improvements and structures thereon may be made by Declarant at any time, provided advance notice is given to the Association.

(c) Association. From and after the date that Declarant (or any of its affiliates) no longer owns or has rights to acquire any part of the property described in Exhibit "A" or "C", or such earlier date that Declarant may elect in a Recorded instrument, the Association shall have each of the easements and rights of entry set forth in Sections 10.10(a) and (b) above, but only to the extent reasonable and necessary in the performance of the Association's express obligations set forth in this Declaration.

10.11 Equal Treatment. For so long as Declarant (or any of its affiliates) or any Builder owns any part of the real property described in Exhibits "A" and/or "C", the Association shall not, without the prior consent of Declarant and/or any Builder to the extent that each may be affected, adopt any policy, rule, or procedure that:

(i) limits the access of Declarant, any Builder, and their respective successors, assigns, and affiliates or their employees, agents, representatives, and/or guests, including visitors, to the Common Elements of the Association or to any real property owned by any of them;

(ii) limits or prevents Declarant, any Builder, and their respective successors, assigns, and affiliates or their personnel from advertising, marketing, or using the Association or its Common Elements or any real property owned by any of them in promotional materials;

(iii) limits or prevents Owners from becoming members of the Association, subject to the provisions of this Declaration and the Bylaws, or enjoying full use of its Common Elements;

(iv) impacts the ability of Declarant, any Builder, and their respective successors, assigns, and affiliates, to carry out to completion its development plans and related construction activities for Villages at Tule Springs, Southwest Village 3, as such plans are expressed in the Master Development Plan, as such may be amended and updated from time to

time. Policies, rules, or procedures affecting the provisions of existing easements established by Declarant and limiting the establishment by Declarant of easements necessary to complete Villages at Tule Springs, Southwest Village 3 shall be expressly included in this provision. Easements that may be established by Declarant shall include but shall not be limited to easements for development, construction, and landscaping activities and utilities; or

(v) impacts the ability of Declarant, any Builder, and their respective successors, assigns, and affiliates to develop and conduct customer service programs and activities in a customary and reasonable manner.

Neither the Association nor any Neighborhood Association shall exercise its authority over the Common Elements to interfere with the rights of Declarant, or any Builder set forth in this Declaration or to impede access over the streets and other Common Elements within the Property to any portion of: (1) the Property, or (2) any other property that may be added to Villages at Tule Springs, Southwest Village 3 under Article 9.

10.12 Limitation on Rights of Existing Declarants.

(a) Limitations on Declarant Rights.

(i) KB Home.

(A) The rights, duties and obligations of KB Home as Declarant hereunder, including without limitation the Special Declarant Rights and Developmental Rights reserved under this Declaration, shall apply only to the Common Elements and to that portion of the Property described herein as the KB Property for so long as such property is owned by KB Home. All such rights may be exercised by KB Home unilaterally, in its sole and absolute discretion without the consent of any other Declarant.

(B) KB Home further covenants and agrees to cause all of the KB Property to be annexed into and made subject to this Declaration. The timing of such annexation(s) shall be in KB Home's sole discretion; provided, however, that each Lot within the KB Property must be so annexed prior to being conveyed to a Purchaser (as defined in NRS 116.079).

(C) KB Home further covenants and agrees to cause all Common Elements within the KB Property (if any) to be conveyed to the Association following the completion of the improvements thereon. The timing of such conveyance(s) shall be in KB Home's sole discretion; provided, however, that all Common Elements within the KB Property must be so conveyed to the Association within sixty (60) days following the conveyance of the last portion of the KB Property by KB Home to a Purchaser.

(D) KB Home shall have the right but not the obligation to record a Supplemental Declaration for the purpose of creating a Neighborhood Association with respect to the KB Home Property. If KB Home establishes a Neighborhood Association with respect to the KB Home Property, then those areas within the KB Home Property that are classified as "common elements" under the Supplemental Declaration shall not be Common Elements under

this Declaration and the provisions of Section 10.12(a)(i)(C) shall not apply to such "common elements" of the Neighborhood Association.

(ii) Pardee.

(A) The rights, duties and obligations of Pardee as Declarant hereunder, including without limitation the Special Declarant Rights and Developmental Rights reserved under this Declaration, shall apply only to the that portion of the Property described herein as the Pardee Property for so long as such property is owned by Pardee. All such rights may be exercised by Pardee unilaterally, in its sole and absolute discretion without the consent of any other Declarant.

(B) Pardee further covenants and agrees to cause all of the Pardee Property to be annexed into and made subject to this Declaration. The timing of such annexation(s) shall be in Pardee's sole discretion; provided, however, that each Lot within the Pardee Property must be so annexed prior to being conveyed to a Purchaser (as defined in NRS 116.079).

(C) Pardee further covenants and agrees to cause all Common Elements within the Pardee (if any) to be conveyed to the Association following the completion of the improvements thereon. The timing of such conveyance(s) shall be in Pardee's sole discretion; provided, however, that all Common Elements within the Pardee Property must be so conveyed to the Association within sixty (60) days following the conveyance of the last portion of the Pardee Property by Pardee to a Purchaser.

(D) Pardee shall have the right but not the obligation to record a Supplemental Declaration for the purpose of creating a Neighborhood Association with respect to the Pardee Property. If Pardee establishes a Neighborhood Association with respect to the Pardee Property, then those areas within the Pardee Property that are classified as "common elements" under the Supplemental Declaration shall not be Common Elements under this Declaration and the provisions of Section 10.12(a)(ii)(C) shall not apply to such "common elements" of the Neighborhood Association.

(iii) Standard Pacific.

(A) The rights, duties and obligations of Standard Pacific as Declarant hereunder, including without limitation the Special Declarant Rights and Developmental Rights reserved under this Declaration, shall apply only to the that portion of the Property described herein as the Standard Pacific Property for so long as such property is owned by Standard Pacific. All such rights may be exercised by Standard Pacific unilaterally, in its sole and absolute discretion without the consent of any other Declarant.

(B) Standard Pacific further covenants and agrees to cause all of the Standard Pacific Property to be annexed into and made subject to this Declaration. The timing of such annexation(s) shall be in Standard Pacific's sole discretion; provided, however, that each Lot within the Standard Pacific Property must be so annexed prior to being conveyed to a Purchaser (as defined in NRS 116.079).

(C) Standard Pacific further covenants and agrees to cause all Common Elements within the Standard Pacific Property (if any) to be conveyed to the Association following the completion of the improvements thereon. The timing of such conveyance(s) shall be in Standard Pacific's sole discretion; provided, however, that all Common Elements within the Standard Pacific Property must be so conveyed to the Association within sixty (60) days following the conveyance of the last portion of the Standard Pacific Property by Standard Pacific to a Purchaser.

(D) Standard Pacific shall have the right but not the obligation to record a Supplemental Declaration for the purpose of creating a Neighborhood Association with respect to the Standard Pacific Property. If Standard Pacific establishes a Neighborhood Association with respect to the Standard Pacific Property, then those areas within the Standard Pacific Property that are classified as "common elements" under the Supplemental Declaration shall not be Common Elements under this Declaration and the provisions of Section 10.12(a)(iii)(C) shall not apply to such "common elements" of the Neighborhood Association.

(b) Exercise of Rights to Appoint and Remove Officers and Directors. Declarant declares and agrees that for the purposes of determining the period of declarant's control under NRS 116.31032, the number of Lots owned by Declarant shall be deemed to be the total number of Lots owned collectively by the Declarants hereunder.

(c) Exercise. To the extent that any right reserved under this Declarant to for the benefit of Declarant, except as otherwise set forth in Section 10.12(a) of this Declaration, such right may be exercised by any one Declarant with the prior consent of the other Declarants, it being agreed that such consent may not be unreasonably withheld, conditioned or delayed and it being further agreed that the failure of any one Declarant to respond to a request for consent within fifteen (15) days of the request, shall be deemed to be consent by such individual Declarant.

10.13 Reserved.

10.14 Other Rights. Declarant hereby reserves all other easements, rights, powers, and authority of Declarant set forth in this Declaration.

10.15 Exemption of Declarant. Notwithstanding anything to the contrary in this Declaration, the following shall apply:

(a) Nothing in this Declaration shall limit, and no Owner or Association shall do anything to interfere with, the right of Declarant to complete excavation and grading and the construction of Improvements to and on any portion of the real property described on Exhibits "A" and "C", or to alter the foregoing and Declarant's construction plans and designs, or to construct such additional Improvements as Declarant deems advisable in the course of its development of the Planned Community.

(b) This Declaration shall in no way limit the right of Declarant to grant additional licenses, easements, reservations and rights-of-way to itself, to governmental or public authorities (including without limitation public utility companies), or to others, as from time to time may be reasonably necessary to the proper development and disposal of Lots.

(c) Prospective Purchasers and Declarant shall have the right to use all and any portion of the Common Elements for access to the sales facilities of Declarant.

10.16 Termination of Rights. The rights contained in this Article 10 shall terminate as specifically provided in NRS Chapter 116, or upon the earlier of (a) thirty (30) years from the conveyance of the first Lot to a Purchaser (provided that if Declarant or any of its affiliates still owns or has rights to acquire any of the property described in Exhibits "A" or "C" on such thirtieth (30th) anniversary date, then such rights and reservations shall continue for one successive period of twenty (20) years thereafter), or (b) Recording by Declarant of a written statement that all new Lot sales activity has ceased in Villages at Tule Springs, Southwest Village 3. (Thereafter, Declarant and Builders may continue to use the Common Elements for the purposes stated in this Article 10 only pursuant to a rental or lease agreement between Declarant and the Association which provides for rental payments based on the fair market rental value of any such portion of the Common Elements). This Article 10 shall not be amended during the Declarant Rights Period without the prior written consent of Declarant.

PART FIVE: PROPERTY RIGHTS WITHIN THE COMMUNITY

The nature of living in a planned community, with its wide array of properties and development types and its ongoing development activity, requires the creation of special property rights and provisions to address the needs and responsibilities of the Owners, Declarant, the Association, and others within or adjacent to the community.

**Article 11.
Easements**

11.1 Easements in the Common Elements. Declarant grants to each Owner a nonexclusive right and easement of use, access, and enjoyment in and to the Common Elements for the purposes for which each such Common Element is intended, subject to:

- (a) The Governing Documents and any other applicable covenants;
- (b) Any restrictions or limitations contained in any deed conveying such property to the Association;
- (c) The Board's right to:
 - (i) adopt rules regulating use and enjoyment of the Common Elements, including, without limitation, rules limiting the number of guests who may use the Common Elements;
 - (ii) suspend the right of an Owner to use recreational facilities within the Common Elements (A) for any period during which any charge against such Owner's Lot remains delinquent more than 30 days, and (B) for a reasonable period of time, as established by the Board from time to time after Notice and Hearing;

(iii) dedicate or transfer all or any part of the Common Elements, subject to such approval requirements as may be set forth in this Declaration;

(iv) impose reasonable membership requirements and charge reasonable admission or other use fees for the use of any recreational facility situated upon the Common Elements;

(v) permit use of any recreational facilities situated on the Common Elements by persons other than Owners, their families, lessees and guests with or without payment of use fees established by the Board and designate other areas and facilities within the Area of Common Responsibility as open for the use and enjoyment of the public; and

(vi) mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to the approval requirements set forth in Article 16 and subject to the Act;

(d) The rights of certain Owners to the exclusive use of those portions of the Common Elements designated "Neighborhood Common Elements," as described in Article 12;

(e) The use restrictions set forth in Section 3.5 and any other applicable covenants; and

(f) The right of the Association to rent or lease any portion of any clubhouse or other recreational facilities within the Common Elements on a short-term basis to any Person approved by the Association for the exclusive use of such Person and such Person's family and guests.

Any Owner may extend his or her right of use and enjoyment to the Occupant of that Owner's Lot, and the Family members and Invitees of that Owner or Occupant, as applicable, subject to reasonable regulation by the Board. An Owner who leases his or her Lot shall be deemed to have assigned all such rights to the lessee of such Lot for the period of the lease.

11.2 Easements of Encroachment and Maintenance.

(a) Encroachment. Declarant grants reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Lot and any adjacent portion of the Common Elements and between adjacent Lots due to the unintentional placement or settling or shifting of the Improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

(b) Maintenance. Reciprocal, non-exclusive easements are hereby granted to each Owner and each Lot, over the adjoining Lot(s), for: (1) the control, installation, maintenance and repair of any drainage facilities serving such Owner's Lot; (2) drainage of water resulting from the normal use thereof or of neighboring Lots (including without limitation, over and across the roofs, gutters and drains of adjacent Dwellings thereon) and/or Common Elements; and (3) the use, maintenance, repair and

replacement of the Owner's Lot and Dwellings to the extent reasonably necessary to perform such use, maintenance, repair and/or replacement. If any Owner exceeds the scope of any easement granted under this Section 11.2(b) and thereby causes bodily injury or damage to property, the injured or damaged Owner shall pursue any and all resultant claims against the offending party, and not against the Association, Declarant or any applicable Builder.

11.3 Easements for Utilities, Etc.

(a) Installation and Maintenance. Declarant reserves for itself, and each Builder, so long as Declarant (or any of its affiliates) owns or has the right to acquire any part of the property described in Exhibit "A" or "C" of this Declaration, and grants to the Association, the Master Association, and all utility providers, perpetual non-exclusive easements throughout the Common Elements and the Property (but not through a structure) to the extent reasonably necessary for the purpose of:

(i) installing utilities and infrastructure to serve Villages at Tule Springs, Southwest Village 3, cable and other systems for sending and receiving data and/or other electronic signals, security and similar systems, walkways, pathways and trails, drainage systems, street lights and signage on property which Declarant (or any of its affiliates) owns or within public rights-of-way or easements reserved for such purpose on Recorded plats;

(ii) inspecting, maintaining, repairing and replacing the utilities, infrastructure and other Improvements described in Section 11.3(a)(i); and

(iii) access to read utility meters.

(b) Specific Development. Declarant also reserves for itself the non-exclusive right and power to grant and Record such specific easements as may be necessary, in the sole discretion of Declarant, in connection with the orderly development of any property described in Exhibits "A" and "C." The Owner of any property to be burdened by any easement granted pursuant to this subsection (b) shall be given written notice in advance of the grant. The location of the easement shall be subject to the written approval of the Owner of the burdened property, which approval shall not unreasonably be withheld, delayed or conditioned.

(c) Minimal Interference. All work associated with the exercise of the easements described in subsections (a) and (b) of this Section shall be performed in such a manner as to minimize interference with the use and enjoyment of the property burdened by the easement. Regardless of whether such specification is made, upon completion of the work, the Person exercising the easement shall restore the property, to the extent reasonably possible, to its condition prior to the commencement of the work. The exercise of these easements shall not extend to permitting entry into the structures on any Lot, nor shall it unreasonably interfere with the use of any Lot and, except in an emergency, entry onto any Lot shall be made only after reasonable notice to the Owner or Occupant.

11.4 Easements To Serve Additional Property. Declarant hereby reserves for itself and its respective duly authorized agents, successors, assigns, and mortgagees, an easement over the Common Elements for the purposes of enjoyment, use, access, and development of the property described in Exhibit "C", whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Elements for construction of roads

and for connecting and installing utilities on such property. Declarant agrees that it and its successors or assigns shall be responsible for any damage caused to the Common Elements as a result of their actions in connection with development of such property. Declarant further agrees that if the easement is exercised for permanent access to such property and such property or any portion thereof benefiting from such easement is not made subject to this Declaration, Declarant, its successors or assigns shall enter into a reasonable agreement with the Association to share the cost of any maintenance which the Association provides to or along any roadway providing access to such Property.

11.5 Easements for Maintenance, Emergency and Enforcement. Declarant grants to the Association the right, but not the obligation, to enter upon any Lot for emergency, security, and safety reasons, to perform maintenance and to inspect for the purpose of ensuring compliance with and enforcing the Governing Documents. Such right may be exercised by any member of the Board and its duly authorized agents and assignees, and all emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner.

11.6 Easements under Master Declaration. Every Lot, the Common Elements and the Neighborhood Common Elements are burdened with the easements set forth in the Master Declaration, including without limitation the easements set forth in Article 8 of the Master Declaration.

11.7 Easement for Special Events. Declarant hereby reserves for itself and its respective successors, agents, assigns and designees, a perpetual, nonexclusive easement over the Common Elements for the purpose of sponsoring or conducting activities, events or projects of general community interest at such locations and times as Declarant, in its sole discretion, deems appropriate. Each Owner, by accepting a deed or other instrument conveying any interest in a Lot, acknowledges and agrees that the exercise of this easement may result in a temporary increase in traffic, noise, gathering of crowds, and related inconveniences, and each Owner agrees on behalf of itself and the Occupants of its Lot to take no action, legal or otherwise, which would interfere with the exercise of such easement. The Association shall take no action which would interfere with or otherwise attempt to restrict the exercise of this easement.

11.8 Easements for Cross-Drainage. Declarant hereby reserves for itself and grants to the Association easements over every Lot and the Common Elements (and other portions of the Area of Common Responsibility, to the extent practicable) for natural drainage of storm water runoff from other portions of the Property provided, no Person shall alter the natural drainage on any Lot to increase materially the drainage of storm water onto adjacent portions of the Property without the consent of the Owner(s) of the affected Property, the Board and the Declarant (during the Declarant Rights Period).

11.9 Rights to Stormwater Runoff, Effluent and Water Reclamation. Declarant hereby reserves for itself and its respective designees all rights to ground water, surface water, storm water runoff, and effluent located or produced within the Property, and each Owner agrees, by acceptance of a deed to a Lot, that Declarant shall retain all such rights. Such rights shall include the reservation of an easement over the Property for access, and for installation and maintenance of facilities and equipment to capture and transport such water, runoff, and effluent. This Section 11.9 may not be amended without the consent of Declarant or its successor, and the rights created in this Section 11.9 shall survive termination of this Declaration.

11.10 Easements for Parking; Easements for Vehicular and Pedestrian Traffic. The Association, through the Board, is hereby empowered to establish "parking" and/or "no parking" areas within the Common Elements, and to establish Rules and Regulations governing such matters, as well as to enforce such parking limitations and rules by all means lawful for such enforcement on public streets and private alleys, including the removal of any violating vehicle, by those so empowered, at the expense of the Owner of the violating vehicle. If any temporary guest or recreational parking is permitted within the Common Elements, such parking shall be permitted only within any spaces and areas clearly marked for such purpose.

11.11 Easements for Public Service Use. In addition to the foregoing easements over the Common Elements, there shall be and Declarant hereby reserves for itself, all future Owners within the Property, and all Persons owning or occupying any other portion of the real property within the Planned Community, easements for: (a) placement of any fire hydrants on portions of certain Lots and/or Common Elements, and other purposes normally related thereto; and (b) City, state and federal public services, including but not limited to, the right of postal, law enforcement, and fire protection services and their respective employees and agents, to enter upon any part of the Common Elements or any Lot, for the purpose of carrying out their official duties.

Article 12. Neighborhood Common Elements

12.1 Purpose. Certain portions of the Common Elements may be designated as Neighborhood Common Elements and reserved for the exclusive use or primary benefit of Owners and Occupants within a particular Neighborhood or Neighborhoods. By way of illustration and not limitation, Neighborhood Common Elements may include landscaped areas, cul-de-sacs and other portions of the Common Elements within a particular Neighborhood or Neighborhoods. All costs associated with maintenance, repair, replacement, and insurance of Neighborhood Common Elements shall be a Neighborhood Expense allocated among the Owners in the Neighborhood(s) to which the Neighborhood Common Elements are assigned.

12.2 Designation. Initially, any Neighborhood Common Elements shall be designated as such in the deed conveying such area to the Association or on the Subdivision Map relating to such Common Elements; provided, however, any such assignment shall not preclude Declarant from later assigning use of the same Neighborhood Common Elements to additional or different Lots and/or Neighborhoods by a Supplemental Declaration, so long as Declarant has a right to subject additional property to this Declaration pursuant to Section 9.1.

Thereafter, a portion of the Common Elements may be assigned as Neighborhood Common Elements and Neighborhood Common Elements may be reassigned upon approval of the Board and the vote or consent of the Owners constituting the Requisite Membership Percentage and the vote or consent of the Requisite Neighborhood Percentage within the Neighborhood(s) affected by the proposed assignment or reassignment. As long as Declarant (or any of its affiliates) owns or has rights to acquire any part of the property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1, any such assignment or reassignment shall also require Declarant's written consent.

12.3 Use by Others. Upon approval of the Owners of 51% or more of the Lots within the Neighborhood to which any Neighborhood Common Elements are assigned, the Association may permit Owners of Lots in other Neighborhoods to use all or a portion of such Neighborhood Common Elements upon payment of reasonable user fees, which fees shall be used to offset the Neighborhood Expenses attributable to such Neighborhood Common Elements.

Article 13.
Party Walls and Other Shared Structures

13.1 General Rules of Law to Apply. Each wall, fence, driveway or similar structure built as a part of the original construction on the Lots which serves and/or separates any two adjoining Lots shall constitute a party structure. Subject to the provisions of any applicable Condominium Declaration, to the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

13.2 Maintenance; Damage and Destruction. The cost of reasonable repair and maintenance of a party structure shall be shared equally among the Owners who make use of the party structure or benefit from.

If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the structure may restore it. If other Owners thereafter use the structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions.

13.3 Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

PART SIX: RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY

The growth and success of Villages at Tule Springs, Southwest Village 3 as a community in which people enjoy living, working, and playing requires good faith efforts to resolve disputes amicably, attention to and understanding of relationships within the community and with our neighbors, and protection of the rights of others who have an interest in the community.

Article 14.
Dispute Resolution, Limitations on Litigation, Right to Cure and Arbitration of Disputes

14.1 Consensus for Association Litigation. Except as provided in this Section, the Association shall not commence a judicial or administrative proceeding without first providing written notice of such proposed action to each Member at least twenty-one (21) days before a meeting to vote on such proposed action and obtaining the approval at such meeting of a Super Majority. This Section shall not apply, however, to (a) actions brought by the Association to enforce the payment of an assessment or an assessment lien or other lien against an Owner as provided for in this Declaration; or (b) actions brought by the Association to otherwise enforce compliance with the Governing Documents by, or to obtain other

relief from, any Owner or Occupant who has violated any provision thereof; or (c) defenses, affirmative defenses, and/or counterclaims brought by the Association in proceedings instituted against the Association; or (d) actions brought by the Association to protect against any matter which imminently and substantially threatens or effects the health, safety and welfare of not less than a Super Majority based upon a physical inspection by a third party licensed professional with expertise in the area. This Section shall not be amended unless such amendment is approved by not less than a Super Majority, pursuant to the same procedures necessary to institute proceedings as provided in this Section.

14.2 Right to Cure Alleged Defects. All improvements of every type and kind that may be installed by any "Developing Party" (as defined below in Section 14.4 (a)(2)), including, but not limited to, residences, sidewalks, driveways, streets, roads, parking areas, fences, walls, landscaping, signs, utility pipes, lines or wires, sewer and drainage systems, and grading on all of the Lots within the Improved Property (as defined below in Section 14.4(a)(4)) (collectively, the "Constructed Improvements") shall be of a quality that is consistent with construction and development practices for production housing of this type. Nevertheless, due to the complex nature of construction and the subjectivity involved in evaluating such quality, disputes may arise as to whether a defect exists and Developing Party's responsibility therefor. It is the express intention hereunder that all disputes and claims regarding "Alleged Defects" (as defined below) be resolved amicably, and without the necessity of time consuming and costly litigation. Accordingly, all Owners shall be bound by the following claim resolution procedure:

(a) Developing Party's Right To Cure. In the event that any Owner or Owners (collectively, "Claimant") claim, contend, or allege that any portion of the Lots on the Improved Property and/or any Constructed Improvements are defective or incomplete, or that a Developing Party or its agents, consultants, contractors, or subcontractors (collectively, "Developing Party's Agents") were negligent in the planning, design, engineering, grading, construction, or other development thereof (collectively, an "Alleged Defect"), Developing Party hereby reserves the right to inspect, cure, repair, and/or replace such Alleged Defect as set forth herein.

(b) Notice to Developing Party. In the event that a Claimant discovers any Alleged Defect, Claimant shall, within a reasonable time after discovery, notify Developing Party, in writing, directed to the attention of the Division President at Developing Party's general business address as reflected in the then current telephone directory for Clark County in Nevada, of the specific nature of such Alleged Defect ("Notice of Alleged Defect").

(c) Right To Enter, Inspect, Cure, Repair, and/or Replace. Immediately after the receipt by Developing Party of a Notice of Alleged Defect or the independent discovery of any Alleged Defect by Developing Party or any governmental agency, and for a reasonable time thereafter, as part of Developing Party's reservation of right, Developing Party shall have the right, upon reasonable notice to Claimant and during normal business hours, to enter onto or into, as applicable, any Parcel within the Improved Property, and/or any Constructed Improvements for the purposes of inspecting and, if deemed necessary by Developing Party, curing, repairing, and/or replacing such Alleged Defect. In conducting such inspection, cure, repairs, and/or replacement, Developing Party shall be entitled to take any actions as it shall deem reasonable and necessary under the circumstances.

(d) Legal Actions. No Claimant shall initiate any legal action, cause of action, proceeding or arbitration against Developing Party alleging damages (a) for the costs of curing, repairing, or replacing any Alleged Defect, or (b) for the diminution in value of any real or personal Improved

Property resulting from such Alleged Defect, or (c) for any consequential damages resulting from such Alleged Defect, unless and until Claimant has (i) delivered to Developing Party a Notice of Alleged Defect and (ii) Developing Party has, within one hundred twenty (120) days after its receipt of such Notice of Alleged Defect, either (1) failed to cure, repair, or replace such Alleged Defect or (2) if such Alleged Defect can not reasonably be cured, repaired, or replaced within such one hundred twenty (120) day period, failed to commence such cure, repair, or replacement of the Alleged Defect and, thereafter, failed to pursue diligently such cure, repair, or replacement to completion. During any such period while Developing Party is diligently pursuing to completion the cure, repair, or replacement of the Alleged Defect, Claimant shall not stop, restrict, hinder, interrupt, or otherwise interfere with any reasonable action or activity taken by Developing Party, its employees, agents, or independent contractors, to inspect, cure, repair, or replace any Alleged Defect, whether or not such action or activity is taken, or is proposed to be taken, on Improved Property owned by Claimant.

(e) No Additional Obligations; Irrevocability and Waiver of Right. Nothing set forth in this Article shall be construed to impose any obligation on Developing Party to inspect, cure, repair, or replace any item or Alleged Defect for which Developing Party is not otherwise obligated to do under applicable law or any limited warranty provided by Developing Party in connection with the sale of the Lots within the Improved Property and/or the Constructed Improvements constructed thereon, nor shall anything set forth in this Article constitute an express or implied representation, warranty or guarantee by Developing Party concerning any Constructed Improvements or the Improved Property. The right of Developing Party to enter, inspect, cure, repair, and/or replace reserved hereby shall be irrevocable and may not be waived and/or terminated except by a writing, in recordable form, executed and recorded by Developing Party in the Official Records of the Clark County Recorder.

(f) NRS Chapter 40. The terms, conditions and procedures set forth in this Article are in addition to the terms, conditions and procedures set forth in NRS Chapter 40, and shall, to the maximum extent permitted by law, be exercised by any Claimant prior to instituting a claim and/or commencing an action under Chapter 40 for "constructional defects" as defined in Chapter 40; provided, however, the procedures set forth in this Article shall not abrogate any of the requirements of Claimant under Chapter 40, inclusive of the requirement that Claimant, at the end of the foregoing 120 day period, notify Developing Party in writing of any alleged constructional defects that Developing Party failed to cure during that 120 day period at least 60 days prior to bringing an action under Chapter 40 (subject to the limitations contained in Section 14.2 hereof). Such notification shall be given in a format that substantially complies with the notice requirements set forth in NRS 40.645. Further, to the extent any provisions of this Article are inconsistent with the provisions of Chapter 40, the provisions of this Article shall apply to the maximum extent permitted by law and shall extend all the time periods set forth in NRS 40.6472 and 40.695 until expiration of the 120 day period set forth in this Article. It is the express intent of Developing Party to provide, by this Article, an initial 120 day period for Developing Party to investigate and cure any constructional defects alleged by Claimant before the provisions of Chapter 40 are implemented and initiated by Claimant including, without limitation, the notice of claim, inspection, offer of settlement, and repair provisions of Chapter 40. Each Owner, by accepting title to any portion of the Improved Property, as evidenced by recordation of a deed to Owner describing that land, agrees to be bound by all of the provisions of this Article.

14.3 LIMITED WARRANTIES AND DISCLAIMER OF WARRANTIES. EACH OWNER, BY ACCEPTANCE OF A DEED TO A UNIT IN THE IMPROVED PROPERTY, UNDERSTANDS, ACKNOWLEDGES AND AGREES THAT EACH UNIT MAY BE OFFERED WITH A KNOWN AS

THE "NEW HOME LIMITED WARRANTY AGREEMENT" ISSUED BY THE DEVELOPING PARTY (THE "LIMITED WARRANTY"). NOTHING HEREIN IS INTENDED, NOR SHALL BE APPLIED TO LIMIT AN OWNER'S RIGHT TO ENFORCE THE TERMS OF ANY SUCH WARRANTY. CONVERSELY, EACH OWNER SHALL BE REQUIRED TO ACT UNDER AND EXHAUST ITS RIGHTS AND OBLIGATIONS PURSUANT TO THE TERMS OF THE EACH SUCH WARRANTY PRIOR TO INITIATING ANY ACTION AGAINST DEVELOPING PARTY. AN OWNER'S FAILURE TO ACT UNDER AN APPLICABLE WARRANTY SHALL BE GROUNDS FOR DISMISSAL OF ANY ACTION FILED AGAINST DEVELOPING PARTY. EXCEPT AS MAY BE SET FORTH THEREIN, NO LIMITED WARRANTY COVERS ANY APPLIANCE, EQUIPMENT, OR OTHER ITEMS WHICH ARE "CONSUMER PRODUCTS" FOR PURPOSES OF THE MAGNUSON-MOSS WARRANTY ACT, 15 USC 2301, ET SEQ. THE ONLY WARRANTIES OF SUCH CONSUMER PRODUCTS OR GOODS ARE THOSE WHICH THE MANUFACTURER PROVIDES TO EACH OWNER. DEVELOPING PARTY DOES NOT ASSUME ANY OBLIGATION TO SERVICE OR REPAIR SUCH CONSUMER PRODUCTS OR GOODS. THEY ARE INCLUDED ON AN "AS IS" BASIS WITH EACH OWNER ASSUMING THE ENTIRE COST OF ALL NECESSARY SERVICE, REPAIR, OR REPLACEMENT IN THE EVENT OF DEFECT IN QUALITY OR PERFORMANCE. NOTWITHSTANDING ANY OTHER PROVISION HEREIN, ALL OTHER EXPRESS WARRANTIES ARE DISCLAIMED AND EXCLUDED BY DEVELOPING PARTY TO THE MAXIMUM EXTENT PERMITTED BY LAW, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, HABITABILITY AND WORKMANSHIP.

14.4 ARBITRATION OF DISPUTES. DEVELOPING PARTY AND EACH CLAIMANT, BY ACCEPTING TITLE TO OR AN INTEREST IN ANY PORTION OF THE SUBJECT PROPERTY, AGREE AS FOLLOWS:

(a) DEFINITIONS. FOR PURPOSES OF ARTICLE 14, THE FOLLOWING DEFINITIONS SHALL APPLY:

(1) "CLAIMANT" SHALL INCLUDE ALL OWNERS, THE ASSOCIATION, THE BOARD AND THEIR SUCCESSORS, HEIRS, ASSIGNS, SUBSEQUENT OWNERS, AND ANY THIRD PARTY CLAIMING ANY RIGHT OR INTEREST IN THE IMPROVED PROPERTY THROUGH THE FOREGOING.

(2) "DEVELOPING PARTY" SHALL MEAN WITH RESPECT TO EACH DWELLING, UNIT OR COMMON AREA LOT, AS APPLICABLE: (1) THE ENTITY EXECUTING AND/OR CONSENTING TO THE SUPPLEMENT (OR AMENDMENT THERETO) THAT OPERATES TO ADD THE UNIT OR COMMON AREA LOT TO THE IMPROVED PROPERTY) AS THE OWNER THEREOF, AND (2) ANY FOUNDER AFFILIATE OR ANY BUILDER THAT OWNS OR HAS OWNED AT ANY TIME ANY UNIMPROVED OR PARTIALLY IMPROVED PORTION OF THE LAND UPON WHICH THE DWELLING, UNIT AND/OR COMMON AREA LOT IS LOCATED, AND (3) AS TO EACH OF THE PARTIES DESCRIBED IN THE PRECEDING CLAUSES (1) OR (2), ITS PREDECESSORS, SUCCESSORS, SUBSIDIARIES, AND/OR AFFILIATED CORPORATIONS, PARENT COMPANIES, SISTER COMPANIES, DIVISIONS, OR OTHER ENTITIES, PARTNERS, JOINT VENTURERS, THE GENERAL CONTRACTOR FOR THE IMPROVED PROPERTY, AFFILIATES, OWNERS, OFFICERS, DIRECTORS, EMPLOYEES, SHAREHOLDERS, AGENTS, AND ASSIGNS.

(3) "DISPUTE" SHALL MEAN ANY AND ALL CLAIMS, CONTROVERSIES, BREACHES, ISSUES, OR DISPUTES BY, BETWEEN OR AMONG ANY CLAIMANT ON THE ONE HAND AND DEVELOPING PARTY AND/OR ANY OF DEVELOPING PARTY'S AGENTS ON THE OTHER HAND; PROVIDED, HOWEVER, NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, THE TERM "DISPUTE" EXPRESSLY EXCLUDES ALL CLAIMS AND DISPUTES BROUGHT BY CLAIMANT UNDER THE LIMITED WARRANTY (AS SUCH TERM IS DEFINED ABOVE).

(4) "IMPROVED PROPERTY" SHALL MEAN EACH DWELLING, UNIT AND COMMON AREA LOT, NOW OR HEREAFTER SUBJECT TO THIS SUPPLEMENT.

(b) ANY DISPUTES BY, BETWEEN OR AMONG ANY CLAIMANT ON THE ONE HAND, AND DEVELOPING PARTY AND/OR ANY OF DEVELOPING PARTY'S AGENTS ON THE OTHER HAND, ARISING OUT OF OR RELATED TO THE IMPROVED PROPERTY OR THE SALE OF ANY PORTION OF THE IMPROVED PROPERTY BY DEVELOPING PARTY, OR ANY TRANSACTION RELATED HERETO, WHETHER SUCH DISPUTE IS BASED ON CONTRACT, TORT, STATUTE, OR EQUITY, INCLUDING, WITHOUT LIMITATION, ANY DISPUTE OVER (1) THE DISPOSITION OF ANY DEPOSITS, (2) BREACH OF CONTRACT, (3) NEGLIGENT OR INTENTIONAL MISREPRESENTATION OR FRAUD, (4) NONDISCLOSURE, (5) BREACH OF ANY ALLEGED DUTY OF GOOD FAITH AND FAIR DEALING, (6) ANY CLAIM RELATED TO CONSTRUCTION OR INSTALLATION OF ANY IMPROVEMENTS ON THE IMPROVED PROPERTY, THE GRADING OF THE IMPROVED PROPERTY, OR ANY WORK OR SERVICES PERFORMED BY OR ON BEHALF OF DEVELOPING PARTY ON OR IN CONNECTION WITH THE IMPROVED PROPERTY, INCLUDING, WITHOUT LIMITATION, CLAIMS OF ANY ALLEGED DEFECT (INCLUDING, WITHOUT LIMITATION, DISPUTES SUBJECT TO THE PROVISIONS OF NRS 40.600 TO 40.695 (AS SAME MAY BE AMENDED FROM TIME TO TIME, THE "**CONSTRUCTION DEFECT ACT**"), OR (7) ANY OTHER MATTER ARISING OUT OF OR RELATED TO THE INTERPRETATION OF ANY TERM OR PROVISION HEREOF OR OF ANY AGREEMENT BY, BETWEEN OR AMONG SUCH PARTIES, OR ANY DEFENSE RELATED THERETO, INCLUDING, WITHOUT LIMITATION, ALLEGATIONS OF UNCONSCIONABILITY, FRAUD IN THE INDUCEMENT, OR FRAUD IN THE EXECUTION, SHALL BE ARBITRATED PURSUANT TO THE FEDERAL ARBITRATION ACT AND SUBJECT TO THE PROCEDURES SET FORTH IN THIS PARAGRAPH. FOR CLAIMS SUBJECT TO THE CONSTRUCTION DEFECT ACT, BEFORE ANY SUCH DISPUTE CAN BE SUBMITTED TO ARBITRATION, THE CLAIMANT SHALL, AT LEAST SIXTY (60) DAYS PRIOR TO FILING A DEMAND FOR ARBITRATION, GIVE DEVELOPING PARTY WRITTEN NOTICE OF THE DISPUTE DESCRIBING WITH REASONABLE SPECIFICITY THE ACTIONS THAT SHOULD BE TAKEN BY DEVELOPING PARTY TO RESOLVE THE DISPUTE. THIS SIXTY (60) DAY NOTICE SHALL COMPLY WITH THE REQUIREMENTS OF NRS 40.645. THE PROVISIONS OF THIS SECTION ARE INTENDED TO BE BINDING UPON CLAIMANT AND DEVELOPING PARTY FOR ALL CLAIMS REGULATED BY THE CONSTRUCTION DEFECT ACT, AFTER ALL THE REQUIREMENTS OF NRS 40.645 TO 40.675 FOR RESOLUTION OF THE DISPUTE PRIOR TO COMMENCEMENT OF A CIVIL ACTION HAVE BEEN SATISFIED OR WAIVED BY CLAIMANT AND DEVELOPING PARTY IN ACCORDANCE WITH SAID STATUTES AND IN PLACE AND INSTEAD OF ANY COURT ACTION DESCRIBED THEREIN. THIS ARBITRATION AGREEMENT SHALL BE DEEMED TO BE A SELF-EXECUTING ARBITRATION AGREEMENT.

ANY DISPUTE CONCERNING THE INTERPRETATION OR THE ENFORCEABILITY OF THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ITS REVOCABILITY OR VOIDABILITY FOR ANY CAUSE, ANY CHALLENGES TO THE ENFORCEMENT OR THE VALIDITY OF THIS AGREEMENT, OR THIS SECTION, OR THE SCOPE OF ARBITRABLE ISSUES HEREUNDER, AND ANY DEFENSE RELATING TO THE ENFORCEMENT OF THIS ARBITRATION AGREEMENT, INCLUDING, WITHOUT LIMITATION, WAIVER, ESTOPPEL, OR LACHES, SHALL BE DECIDED BY AN ARBITRATOR IN ACCORDANCE WITH THIS SECTION AND NOT BY A COURT OF LAW. ANY AND ALL SUCH DISPUTES SHALL BE SUBMITTED TO BINDING ARBITRATION BY AND PURSUANT TO THE RULES OF CONSTRUCTION ARBITRATION SERVICES, INC. (HEREINAFTER, "CAS") IN EFFECT AT THE TIME OF THE INITIATION OF THE ARBITRATION. IN THE EVENT CAS IS FOR ANY REASON UNWILLING OR UNABLE TO SERVE AS THE ARBITRATION SERVICE, THE PARTIES SHALL SELECT ANOTHER REPUTABLE ARBITRATION SERVICE. IF THE PARTIES ARE UNABLE TO AGREE ON AN ALTERNATIVE SERVICE, THEN EITHER PARTY MAY PETITION ANY COURT OF COMPETENT JURISDICTION IN THE COUNTY TO APPOINT SUCH AN ALTERNATIVE SERVICE, WHICH SHALL BE BINDING ON THE PARTIES. THE RULES AND PROCEDURES OF SUCH ALTERNATIVE ARBITRATION SERVICE IN EFFECT AT THE TIME OF THE INITIATION OF THE ARBITRATION SHALL BE FOLLOWED.

14.5 Attorneys' Fees. In the event an action is instituted to enforce any of the provisions contained in the Governing Documents, then the prevailing party in such action shall be entitled to recover from the other party thereto as part of the judgment, reasonable attorneys' fees and costs, including administrative and lien fees, of such suit. In the event the Association is a prevailing party in such action, the amount of such attorneys' fees and costs shall be Specific Assessment with respect to the Lot(s) involved in the action.

Article 15. Mortgagee Provisions

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Lots in Villages at Tule Springs, Southwest Village 3. The provisions of this Article apply to both this Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

15.1 Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage which provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Lot to which its Mortgage relates, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Property or which affects any Lot on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) Any delinquency in the payment of assessments or charges owed by a Lot subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of 60 days, or any other violation of the Governing Documents relating to such Lot or the Owner or Occupant which is not cured within 60 days;

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

(d) Any proposed action which would require the consent of a specified percentage of Eligible Holders.

15.2 No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Elements.

15.3 Notice to Association. Upon request by the Association, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

15.4 Failure of Mortgagee To Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within 30 days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

PART SEVEN: CHANGES IN THE COMMUNITY

Communities such as Villages at Tule Springs, Southwest Village 3 are dynamic and constantly evolving as circumstances, technology, needs and desires, and laws change, as the Occupants age and change over time, and as the surrounding community changes. Villages at Tule Springs, Southwest Village 3 and its Governing Documents must be able to adapt to these changes while protecting the things that make Villages at Tule Springs, Southwest Village 3 unique.

Article 16. Changes in Ownership of Lots

16.1 Notice to Association. Any Owner desiring to sell or otherwise transfer title to his or her Lot shall give the Board at least seven days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Lot, including assessment obligations, until the date upon which such notice is received by the Board, notwithstanding the transfer of title.

Article 17. Changes in the Common Elements

17.1 Condemnation. If a Lot or portion thereof is taken by eminent domain, compensation and the Owner's interest in the Common Elements shall be allocated as provided under the Act. If any part of the Common Elements shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of the Requisite Membership Percentage and of Declarant, as long as Declarant (or any of its affiliates) owns or has rights to acquire any part of the property subject to the

Declaration or which may be made subject to the Declaration in accordance with Section 9.1) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to written notice of such taking or conveyance prior to disbursement of any condemnation award or proceeds from such conveyance. Such award or proceeds shall be payable to the Association to be disbursed as follows:

If the taking or conveyance involves a portion of the Common Elements on which Improvements have been constructed, the Association shall restore or replace such Improvements on the remaining land included in the Common Elements to the extent available, unless within 60 days after such taking Declarant, so long as Declarant (or any of its affiliates) owns or has rights to acquire any part of the property subject to the Declaration or which may be made subject to the Declaration in accordance with Section 9.1, and the Owners constituting the Requisite Membership Percentage shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board. The provisions of Section 7.3(c) regarding funds for restoring Improvements shall apply.

If the taking or conveyance does not involve any Improvements on the Common Elements, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be disbursed to the Association in trust for the Owners and lien holders as their interests appear.

17.2 Partition. Except as permitted in this Declaration, the Common Elements shall remain undivided, and no Person shall bring any action to partition any portion of the Common Elements without the written consent of all Owners and Mortgagees. This Section shall not prohibit the Board from acquiring and disposing of tangible personal property, nor from acquiring and disposing of real property which may or may not be subject to this Declaration.

Article 18. Amendment of Declaration

18.1 By Declarant. In addition to specific amendment rights granted elsewhere in this Declaration, Declarant may unilaterally amend this Declaration if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on the Lots; (c) to enable any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee mortgage loans on the Lots; or (d) to satisfy the requirements of any local, state or federal governmental agency. However, any such amendment shall not adversely affect the title to any Lot unless the affected Owner shall consent in writing.

18.2 By Members. Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent of the Requisite Membership Percentage, and Declarant's consent, so long Declarant is entitled to exercise rights under Article 9. In addition, the approval requirements set forth in Article 15 and Section 18.3 shall be met, if applicable. Notwithstanding the foregoing, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

18.3 Consent of Declarant Required for Certain Amendments. Declarant has reserved and retained certain rights, easements, protections and benefits under the terms of this Declaration. Due to Declarant's significant economic interest in preserving the rights, easements, protections and benefits established under this Declaration, any amendment which operate to change or remove any of Declarant's rights, easements, benefits and/or protections under this Declaration may occur only if the requisite number of Owners have approved the amendment in accordance with Section 18.2, and the Declarant has approved the amendment. The provisions of this Section 18.3 shall specifically apply, without limitation, to the provisions of Article 9, Article 10, Article 11, Article 14, Article 19 and this Article 18.

18.4 Validity, Effective Date, and Conflicts. No amendment may remove, revoke, or modify any right or privilege of Declarant or any assignee of such right or privilege, including without limitation any Builder, without the consent of Declarant or its assignee, as applicable.

If an Owner consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Any amendment shall become effective upon Recording, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within one year of its Recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provision of this Declaration.

Each of the Governing Documents, including this Declaration, is intended to comply with the requirements of the Act applicable to common interest communities and the Governing Documents shall be interpreted, if at all possible, so as to be consistent with the Act. If there is any conflict between the Governing 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 Governing Document, this Declaration shall control.

18.5 Exhibits. Exhibits "A," "B," and "C" attached to this Declaration are incorporated by this reference and amendment of such exhibits shall be governed by this Article. All other exhibits are attached for informational purposes.

PART EIGHT: ADDITIONAL PROVISIONS

Article 19.

Disclosures, Disclaimers and Releases

19.1 Master Declaration: Disclosures, Disclaimers and Releases. The Property is subject to the provisions of the Master Declaration, including without limitation, the disclosures, disclaimers and releases set forth therein. Each Owner, by acquiring an interest in the Property or portion thereof, shall also conclusively be deemed to have acknowledged and agreed that the provisions of the Master Declaration apply to the Property and each Lot contained therein.

19.2 Additional Disclosures, Disclaimers, and Releases of Certain Matters. WITHOUT LIMITING ANY OTHER PROVISION IN THE MASTER DECLARATION OR THIS DECLARATION, THE ASSOCIATION AND, BY ACQUIRING TITLE TO A LOT, OR BY

POSSESSION OR OCCUPANCY OF A LOT, EACH OWNER FOR ITSELF AND FOR THE OWNER'S TENANTS, IF ANY, AND THEIR RESPECTIVE FAMILY, GUESTS AND OTHER INVITEES TOGETHER WITH ANY OTHER PERSON, WHO IS PHYSICALLY RESIDING IN A LOT AS WELL AS HIS OR HER FAMILY MEMBERS, GUESTS AN OTHER INVITEES) (AS USED IN THIS ARTICLE XIX, COLLECTIVELY, "OWNER"), SHALL CONCLUSIVELY BE DEEMED TO UNDERSTAND, AND TO HAVE ACKNOWLEDGED AND AGREED TO, ALL OF THE FOLLOWING:

(a) Tule Springs Fossil Beds National Monument. The Villages at Tule Springs, Village 3 Southwest is in the vicinity of the Tule Springs Fossil Bed National Monument (the "National Monument") and that that motorized vehicles, including without limitation, all-terrain vehicles and motorbikes, are prohibited within the National Monument.

(b) Permitted and Prohibited Uses. The Development Agreement sets forth certain permitted uses and certain prohibited uses applicable to the Villages at Tule Springs, Village 3 Southwest. As required by the Master Declaration, the Purchaser of each Lot in the Villages at Tule Springs, Village 3 Southwest shall execute a disclosure form at the time of purchase in substantially the form of Exhibit "C" to the Master Declaration or such other form as may be approved by the City. Without the consent of (1) the Master Association and (2) the Declarant during the Declarant Control Period, any uses in the Villages at Tule Springs, Village 3 Southwest which are in violation of the permitted and prohibited uses set forth in the Development Agreement shall not be permitted. No applications for a variance to such uses shall be submitted to the City without the approval of the Declarant and the Master Association.

(c) Phase I of the Regional Park. Once constructed and conveyed to the City by the Association, the Phase I of the Regional Park will be maintained by the City. Pursuant to the requirements of the City, the Phase I of the Regional Park must be open for use and enjoyment of the public and may not be restricted to the use of the Owners and their families, tenants, guests and invitees, to the exclusion of members of the general public.

(d) Drainage. Each Owner shall be deemed to have acknowledged that IT IS IMPERATIVE THAT OWNER NOT INTERFERE OR CHANGE THE ESTABLISHED DRAINAGE PATTERN(S) on a Lot without consulting a licensed landscape architect or civil engineer. The drainage pattern(s) have been developed to facilitate proper drainage from slopes and yard drainage to the street; ANY INTERFERENCE within the drainage pattern(s), as initially constructed, can cause water to become entrapped within the yard area and could cause structural failure. Furthermore, the construction of retaining walls, pools, spas, patios, gazebos, curbs, decks, walks, or any other landscape amenities can block, alter, or modify drainage patterns, thereby requiring corrective measures to be taken to insure proper water flow. Disturbance of constructed drainage courses could materially impact soil content and negatively affect the structural integrity of the home and other Improvements constructed on a Lot. Pooled water, incorrect drainage, leaky irrigation systems, over-watering, or other conditions can also lead to groundwater infiltration and must be avoided by each Owner. Owner is strongly advised to consult landscape architects and/or qualified civil engineers or contractors for advice prior to the installation of patios, hardscape, yard landscaping or any other alteration to the drainage pattern.

(1) Acceptance of Condition. Each Owner shall be deemed to have accepted the soils condition of the Lot; acknowledged that Owner has been advised that the above mentioned precautions are necessary to preserve the structural integrity of the home and other Improvements on the

Lot; acknowledged that the soils condition of a Lot may have a negative effect on property values and future Improvements to the Lot that may be installed by Owner; and agreed to observe the above mentioned landscaping restrictions and to maintain the drainage as described above.

(e) Warranty Limitations. Each Owner acknowledges that any Express Limited Warranty and/or any Limited Warranty (as each term is defined in Section 14.3 above) provided to Owner in connection with the purchase of a Lot following the initial construction of the home and other improvements thereon does not cover damage to the home, soil, drainage, or other Improvements located on a Lot resulting from changes to the grading or drainage systems of the Lot (or elsewhere within the Property) made after the close of escrow on the initial transfer of each Lot from Declarant. Owner's landscaping plans are required to conform to the original drainage plan of the Lot, the Property and the Villages at Tule Springs, Village 3 Southwest. Owner acknowledges that any changes to grading may also require Owner to obtain a permit from the city, county or other municipal agency, as may be applicable.

(f) Roads. The Villages at Tule Springs, Village 3 Southwest is or may be located adjacent or near major roadways and may be subject to noise, dust, odors and other nuisance from such roadways and vehicles. For example, Owners may experience noise, glare from headlights, smoke, exhaust, dust, fumes or odors from vehicular traffic and traffic congestion. Furthermore, such adjacent or nearby roadways, are subject to expansion and modification by the applicable governmental bodies or agencies. For example, roadway alignments may be changed and extensions or improvements within the vicinity of the Villages at Tule Springs, Village 3 Southwest may be added. Declarant hereby specifically disclaims any and all representations or warranties, express and implied, with regard to or pertaining to roads and/or noise, dust, odors and other nuisance therefrom; and that Owner hereby releases Declarant from any and all claims arising therefrom or relating thereto.

(g) Airplanes; Noise. Declarant has disclosed that: (i) that the Property is or may be located within or nearby certain airplane flight patterns, and/or subject to significant levels of airplane traffic noise, (ii) that existing and future noise levels at these locations, associated with existing and future airport operations, may have an effect on the livability, value and suitability of the Property for residential use, and (iii) the Federal Aviation Administration will no longer approve remedial noise mitigation measures for incompatible development impacted by aircraft operations which was constructed after October 1, 1998 and funds will not be available in the future should an Owner wish to have any Lot purchased or soundproofed. Declarant hereby specifically disclaims any and all representations or warranties, express and implied, with regard to or pertaining to airplane flight patterns, and/or airplane noise.

(h) Electrical Facilities. Overhead electrical power lines and related facilities may be located adjacent to the Villages at Tule Springs, Village 3 Southwest, and there are presently and may be further major electrical power system components (high voltage transmission or distribution lines, transformers, etc.) from time to time located within or nearby the Villages at Tule Springs, Village 3 Southwest (the "Electrical Facilities"). Declarant makes no representation as to the future locations of any such lines and poles or their proximity to the Villages at Tule Springs, Village 3 Southwest.

(1) EMF. The Electrical Facilities generate certain electric and magnetic fields ("EMF") around the Electrical Facilities; that, without limiting any other provision in this Declaration, Declarant specifically disclaims any and all representations or warranties, express and

implied, with regard to or pertaining to EMF; and that each Owner hereby releases Declarant from any and all claims arising from or relating to said EMF, including, but not necessarily limited to, any claims for nuisance or health hazards.

(2) Release. Each Owner, by acquiring title to a Lot or by occupying or using any portion of the Villages at Tule Springs, Village 3 Southwest, shall be conclusively deemed to have: (1) acknowledged and agreed that the Villages at Tule Springs, Village 3 Southwest and the Lot is in close proximity to the Electrical Facilities which may result in injury to person and/or damage to property (including reduction in market value), and (2) waived and released, any action or suit in law or equity or any claim or demand against Declarant and/or Association for any liability or loss whatsoever for injury to any person or loss of or damage (including reduction in value) to any property whatsoever arising or resulting from or related to the Electrical Facilities, including without limitation EMFs and electrical capacity.

(i) Gas Transmissions. The Lots and other portions of the Villages at Tule Springs, Village 3 Southwest are or may be located on or near major regional underground natural gas transmission pipelines. Declarant hereby specifically disclaims any and all representations or warranties, express and implied, with regard to or pertaining to gas transmission pipelines.

(j) Water Transmissions. The Lots and other portions of the Villages at Tule Springs, Village 3 Southwest are or may be located on or near major regional underground water transmission pipelines. Declarant hereby specifically disclaims any and all representations or warranties, express and implied, with regard to or pertaining to water transmission pipelines.

(k) Security. Installation and maintenance of any security device in any Lot shall not create any presumption or duty whatsoever of Declarant or Association (or their respective officers, directors, managers, employees, agents, and/or contractors) with regard to security or protection of person or property within the Villages at Tule Springs, Village 3 Southwest; and each Owner, by acceptance of a deed to a Lot, whether or not so stated in the deed, shall be deemed to have agreed to take any and all protective and security measures and precautions which such Owner would have taken if the Lot did not contain any such Security devices.

(l) Water Conservation. The Las Vegas Valley currently is undergoing severe drought conditions, and relevant water districts and authorities have announced certain water conservation measures and restrictions on outdoor watering and/or outdoor water features. It is possible that these drought conditions may continue or worsen, and/or that the relevant water districts and authorities may announce further water conservation measures and restrictions, which may affect Lots, the Common Elements, and landscaping and water features within the Villages at Tule Springs, Village 3 Southwest, and the appearance and/or use of same. Each Owner must make its own independent determination regarding such matters, and hereby releases Declarant and/or Association from any and all claims arising from or relating to drought or water conservation measures or restrictions, and/or the effects respectively thereof.

(m) Zoning Disclosures. Owner acknowledges having received from Declarant information regarding the zoning designations and the designations in the master plan regarding land use, adopted pursuant to NRS Chapter 278, for the parcels of land adjoining the Villages at Tule Springs, Village 3 Southwest to the north, south, east, and west, together with a copy of the most recent gaming

enterprise district map made available for public inspection by the jurisdiction in which the Lot is located, and related disclosures. Declarant makes no further representation, and no warranty (express or implied), with regard to any matters pertaining to adjoining land or uses thereof or to any gaming uses. Owner is hereby advised that the master plan and zoning ordinances, and gaming enterprise districts, are subject to change from time to time. If additional or more current information concerning such matters is desired, Owner should contact the appropriate governmental planning department. Each Owner acknowledges and agrees that its decision to purchase a Lot is based solely upon such Owner's own investigation, and not upon any information provided by sales agent.

(n) No Protected Views. Each Owner acknowledges that (i) there are no protected views in the Villages at Tule Springs, Village 3 Southwest, and no Lot is assured the existence or unobstructed continuation of any particular view, and (ii) any construction, landscaping or other installation of Improvements by Declarant, other Owners or owners of other property in the vicinity of the Villages at Tule Springs, Village 3 Southwest may impair the view from any Lot, and the Owners consent to such view impairment.

(o) Industry Standards. Residential construction is an industry inherently subject to variations and imperfections, and items which do not materially affect safety or structural integrity shall be deemed "expected minor flaws" (including, but not limited to: reasonable wear, tear or deterioration; shrinkage, swelling, expansion or settlement; squeaking, peeling, chipping, cracking, or fading; touch-up painting; minor flaws or corrective work; and like items) and not constructional defects.

(p) Air Quality. Indoor air quality of the Lot may be affected, in a manner and to a degree found in new construction within industry standards, including, without limitation, by particulates or volatiles emanating or evaporating from new carpeting or other building materials, fresh paint or other sealants or finishes, and so on.

(q) Seismic Activities. The Las Vegas Valley contains a number of earthquake faults, and the Property or portions thereof may be located on or nearby an identified or yet to be identified seismic fault line. Declarant specifically disclaims any and all representations or warranties, express or implied, with regard to or pertaining to earthquakes or seismic activities.

(r) Pests. The Lot and other portions of the Property from time to time may, but need not necessarily, experience problems with scorpions, bees, ants, spiders, termites, roaches, pigeons, snakes, rats, and/or other insect or pest problems (collectively, "pests"). Declarant hereby specifically disclaims any and all representations or warranties, express and implied, with regard to or pertaining to any pest, and each Owner must make its own independent determination regarding the existence or non-existence of any pest(s) which may be associated with the Lot or other portions of the Property.

(s) Alkalinity. There is a high degree of alkalinity in soils and/or water in the Las Vegas Valley; that such alkalinity tends to produce, by natural chemical reaction, discoloration, leaching and erosion or deterioration of concrete walls and other Improvements ("alkaline effect"). The Lots and other portions of the Property may be subject to such alkaline effect, which may cause inconvenience, nuisance, and/or damage to property.

(t) Molds. There are and/or will be various molds present within the Lots and other portions of the Property. Molds occur naturally in the environment, and can be found virtually

everywhere life can be supported. Lots are not and cannot be designed or constructed to exclude mold spores. Not all molds are necessarily harmful, but certain strains of mold may result in adverse health effects in susceptible persons.

(u) Nuisances. Residential subdivision and new home construction are subject to and accompanied by substantial levels of noise, dust, construction-related traffic and traffic restrictions, and other construction-related "nuisances". Each Owner acknowledges and agrees that it is purchasing a Lot which is within a residential subdivision currently being developed, and that the Owner will experience and accepts substantial levels of construction-related "nuisances" until the subdivision (and other neighboring portions of land being developed) have been completed and sold out, and thereafter, in connection with repairs or any new construction.

(v) Cracks. Even with a "slip sheet" underneath, certain hard surface flooring may still be subject to hairline cracks, and grout may crack and/or deteriorate, and any involved Owner shall be solely responsible for any such cracking or deterioration.

(w) Parking. Certain parking which may, but need not necessarily, be initially located adjacent to or nearby Declarant's project sales office is or may be only temporary in nature, and a residential dwelling will or may be built on such location.

(x) Yucca Mountain. The Las Vegas Valley is located approximately one hundred (100) miles southeast of Yucca Mountain, a federal underground nuclear waste depository; that transportation by the federal government and /or its contractors of nuclear waste to Yucca Mountain may be by train and/or truck, or other means of transportation, and may be over routes passing through or nearby the Las Vegas Valley. Declarant specifically disclaims any and all representations and warranties, express or implied with regard to or pertaining to Yucca Mountain, and/or the storage and/or transportation of nuclear waste related thereto, and/or the safety, or lack thereof, pertaining respectively thereto.

(y) Declarant Rights. Each Owner understands, acknowledges, and agrees that Declarant has reserved certain rights in the Declaration, which may limit certain rights of Owners other than Declarant.

19.3 Release: THE ASSOCIATION AND, BY ACCEPTANCE OF A DEED TO A LOT, EACH OWNER, FOR ITSELF AND ALL PERSONS CLAIMING UNDER SUCH OWNER, SHALL (EXCEPT AS OTHERWISE PROVIDED UNDER THE LIMITED WARRANTY), CONCLUSIVELY BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED, TO RELEASE DECLARANT AND THE ASSOCIATION, AND ALL OF THEIR RESPECTIVE OFFICERS, MANAGERS, AGENTS, EMPLOYEES, SUPPLIERS, AND CONTRACTORS, FROM ANY AND ALL CLAIMS, CAUSES OF ACTION, LOSS, DAMAGE OR LIABILITY (INCLUDING, BUT NOT LIMITED TO, ANY CLAIM FOR NUISANCE OR HEALTH HAZARD, PROPERTY DAMAGE, BODILY INJURY, AND/OR DEATH) ARISING FROM OR RELATED TO ALL AND/OR ANY ONE OR MORE OF THE CONDITIONS, ACTIVITIES, OCCURRENCES, OR OTHER MATTERS DESCRIBED IN THE FOREGOING SECTION.

19.4 Third Party Beneficiaries. Declarant and the Master Association are each an intended third party beneficiary of this Declaration. Declarant and the Master Association shall each be entitled, in

its sole discretion, from time to time to enforce this Declaration and/or the Governing Documents. In connection therewith, Declarant and the Master Association shall each shall be entitled to all rights and remedies available at law and in equity, including, without limitation, temporary restraining order(s) and/or injunction(s). In any such action, the substantially prevailing party shall be entitled to its attorneys fees and costs. The provisions of this Section 19.2 may not be revoked, deleted, amended, modified, or supplemented without the prior written consent of Declarant and Master Association. Any purported amendment made in violation of the foregoing requirement, or any portion hereof, or the effect respectively thereof, without such express prior written consent, shall be void.

Article 20.
Master Declaration and Master Association

20.1 Protection of Master Declarant and Master Association. No provision for the benefit of or affecting the Master Declarant and/or the Master Association can be amended, altered, suspended or superseded without the express prior written consent of Master Declarant and/or the Master Association (as applicable, in their respective sole discretion), which consent must be acknowledged in a Recorded document (and any purported amendment in the absence of such prior written consent shall be null and void).

20.2 Coexistence of Master Declaration.

(a) The provisions of this Declaration shall supplement, and shall not supersede, the provisions of the Master Declaration, and in the event of a conflict, the terms and provisions of the Master Declaration shall control; provided, however, that the terms and provisions of this Declaration may be more restrictive than the Master Declaration and in such event, the terms and provisions of this Declaration shall control. Nothing herein contained shall be construed to relieve any Owner or Parcel within the Villages at Tule Springs, Southwest Village 3 from the conditions, covenants, and restrictions contained in the Master Declaration, or as limiting or preventing any rights of enforcement granted or available to the Master Association or by virtue thereof.

(b) Owners and Occupants and other Persons subject to this Declaration are also subject to and must comply with the Master Declaration and the Master Association Documents.

20.3 Effect on Existing Agreements. No provision contained in this Declaration shall rescind, modify or amend the Developer Owners Agreement or any other previous agreement(s) and/or instruments between Declarant and Master Declarant, whether such agreements are Recorded or not Recorded, with respect or related to the creation and development of Parcels and Common Elements, and the Villages at Tule Springs, Southwest Village 3.

Article 21.
General Provisions

21.1 No Public Right or Dedication. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of the Property to the public, or for any public use.

21.2 Compliance with the Act. It is the intent of Declarant that this Declaration shall be in all respects consistent with, and not violative of, applicable provisions of the Act. In the event any provision

of this Declaration is found to violate such applicable provision of the Act, such offending provision of the Declaration shall be severed herefrom; provided, however, that if such severance shall impair the integrity of this Declaration, said offending provision shall be automatically deemed modified to the minimum extent necessary to conform to the applicable provision of the Act.

21.3 No Representations or Warranties. No representations or warranties of any kind, express or implied, have been given or made by Declarant or its agents or employees in connection with Villages at Tule Springs, Southwest Village 3 or any portion of Villages at Tule Springs, Southwest Village 3, or any Improvement thereon, its physical condition, zoning, compliance with applicable laws, fitness for intended use, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance or taxes, except as specifically and expressly set forth in this Declaration.

21.4 Invalidity. The invalidity of any provision of this Declaration or any of the Governing Document shall 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 this Declaration or any Governing Document, as applicable, shall continue in full force and effect.

21.5 Constructive Notice and Acceptance. Every Person who owns, Occupies or acquires any right, title, estate or interest in or to any Lot or other portion of the Property does hereby consent and agree, and shall be conclusively deemed to have consented and agreed, to every limitation, restriction, easements, reservation, conditions and covenant contained herein, whether or not any reference to these restrictions is contained in the instrument by which such person acquired an interest in the Lot, the Property, or any portion thereof.

21.6 Binding Effect. All of the property described in Exhibit "A" and any additional property made a part of Villages at Tule Springs, Southwest Village 3 from time to time in the future by recording one or more Supplemental Declaration, shall be owned, conveyed, and used subject to all of the provisions of this Declaration, which shall run with the title to such property. This Declaration shall be binding upon all Persons having any rights, title, or interest in any portion of the Property, their heirs, successors, successors-in-title, and assigns.

Unless otherwise provided by applicable Nevada law, this Declaration shall run with the land and have a perpetual duration. This Declaration may be terminated only by a Recorded instrument signed by Members comprising at least 80% of the total voting power of the Association, and which complies with the termination procedures set forth in the Act. Nothing in this Section shall be construed to permit termination of any easement created in this Declaration without the consent of the holder of such easements.

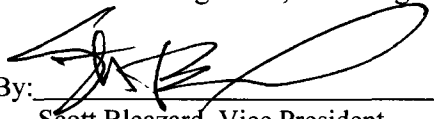
IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration the date and year first written above.

[Continued on Next Page]

[Signature Page to Village Declaration of Covenants, Conditions, and Restrictions and Reservation of Easements for Villages at Tule Springs, Southwest Village 3]

KB HOME LV VILLAGES AT TULE SPRINGS LLC, a Delaware limited liability company

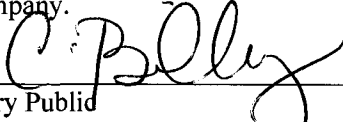
By: KB Home Las Vegas Inc., its Manager

By: 
Scott Bleazard, Vice President
Land Acquisition

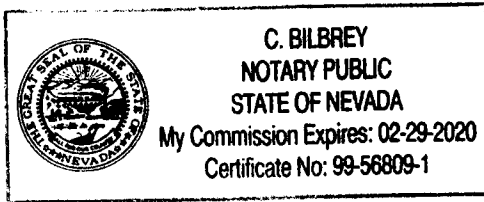
STATE OF NEVADA

COUNTY OF CLARK

This instrument was acknowledged before me on January 31, 2018, by Scott Bleazard, Vice President Land Acquisition of KB Home Las Vegas Inc., the Manager of KB Home LV Villages at Tule Springs LLC, a Delaware limited liability company.


Notary Public

My appointment expires: 2/29/2020



C. Bilbrey
Nevada
NO. 99-56809-1

[Signature Page to Village Declaration of Covenants, Conditions, and Restrictions and Reservation of Easements for Villages at Tule Springs, Southwest Village 3]

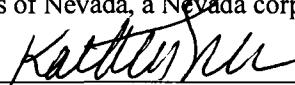
PARDEE HOMES OF NEVADA,
a Nevada corporation

By: 
James B. Rizzi
Vice President, Land Development

STATE OF NEVADA
COUNTY OF CLARK

This instrument was acknowledged before me on 1-31, 2018, by James B. Rizzi as Vice President, Land Development of Pardee Homes of Nevada, a Nevada corporation.

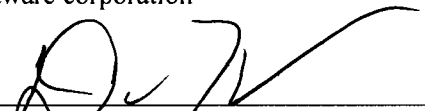



Notary Public
My appointment expires: 9/7/2018

Kathleen Fallon
Nevada
NO. 98-49629-1

[Signature Page to Village Declaration of Covenants, Conditions, and Restrictions and Reservation of Easements for Villages at Tule Springs, Southwest Village 3]

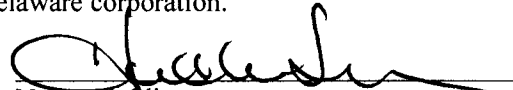
STANDARD PACIFIC OF LAS VEGAS, INC.
a Delaware corporation

By: 
Dana Rogers, President

STATE OF NEVADA

COUNTY OF CLARK

This instrument was acknowledged before me on 1/30, 2018, by Dana Rogers as President of Standard Pacific of Las Vegas, Inc., a Delaware corporation.


Notary Public



My appointment expires: 3/19/18

Heather Sorensen
Nevada
No. 02-77139-1

MASTER DECLARANT CONSENT, DESIGNATION AND ASSIGNMENT

Pursuant to the Master Declaration of Covenants, Conditions and Restrictions for The Villages at Tule Springs recorded on May 1, 2017, in Book 20170501, as Instrument 0003018, Official Records of Clark County, Nevada, KBS SOR Park Highlands TRS, LLC, a Delaware limited liability ("Master Declarant"), hereby:

1. Consents to the recording of the foregoing Village Declaration of Covenants, Conditions, and Restrictions and Reservation of Easements for Villages at Tule Springs, Village 3 ("Master Declaration") in the Official Records of Clark County, Nevada for purposes of compliance with the Master Declaration.
2. Consents to the Recordation of any Supplemental Declaration made by any Declarant pursuant to Article 9 of the foregoing Declaration for the purpose of expanding the Community by adding thereto any real property described in Exhibit B attached hereto without the formality of a separate consent signed by Master Declarant.

Date: January 24, 2018

KBS SOR Park Highlands TRS, LLC,
a Delaware limited liability company

By: [Signature]
Printed Name: Brian Ragsdale
Its: President

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

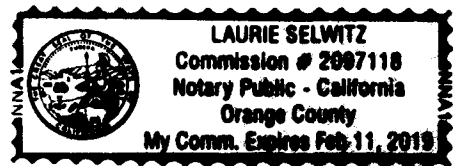
STATE OF CALIFORNIA)
COUNTY OF ORANGE)

On January 29, 2018, before me, Laurie Selwitz, a Notary Public, personally appeared Brian Ragsdale who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature(s) on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: [Signature]
Laurie Selwitz
Comm # 2097118
Orange County



Exp 2-11-19

EXHIBIT "A"

**Land Initially Submitted
The Property**

KB Home Property:

Lots 106 through 108, and 111 through 113 as shown on the Final Map of KB Village 3 at Tule Springs – Unit 1, recorded in Book 154 of Plats, Page 56 in the Clark County Recorder's Office, Nevada.

Pardee Property:

None.

Standard Pacific Property:

None.

EXHIBIT "B"

Land Constituting a Portion of the Initial Common Elements

None.

EXHIBIT "C"

Land Subject to Annexation

KB Home Property:

Lots 1 through 12, 62 through 105, 109, 110, 114 through 137, 151, 152, 204 through 219, 278 through 290, 296 through 304, 313 through 319, and remnant Lot A as shown on the Final Map of KB Village 3 at Tule Springs – Unit 1 recorded in Book 154, Page 56 in the Clark County Recorder's Office, Nevada; and

Common Element Lots A, B, C, D, E, F, G, H, J, T, U, V, W, X and LL, as shown on the Final Map of KB Village 3 at Tule Springs – Unit 1 recorded in Book 154, Page 56 in the Clark County Recorder's Office, Nevada.

Pardee Property:

Lots 3.05, 3.06, and 3.07 as shown on the final map of Project "O" East Parcel, recorded in Book 152 of Plats, Page 83 in the Clark County Recorder's Office, Nevada.

Standard Pacific Property:

Lots 1 through 4 as shown on File 115 of Parcel Maps, Page 64 recorded in the Clark County Recorder's Office, Nevada.

Villages at Tule Springs Owners Association – Annexable Common Element Lots

Lots 3.04, C3.01A, C3.03A, C3.05A, C-3.05B, C3.06A, C3.07A, and C3.07B as shown on the final map of Project "O" East Parcel, recorded in Book 152 of Plats, Page 83 in the Clark County Recorder's Office, Nevada; and

Lots C-5.04A, C-5.04B, C-5.04C, and C-5.04D as shown on the final map of Parent Final Map of Project "O" East Parcel, recorded in Book 140 of Plats, Page 60 in the Clark County Recorder's Office, Nevada.

EXHIBIT "D"

Real Property that may be Conveyed to Association

Lots 3.04, C3.01A, C3.03A, C3.05A, C-3.05B, C3.06A, C3.07A, and C3.07B as shown on the final map of Project "O" East Parcel, recorded in Book 152 of Plats, Page 83 in the Clark County Recorder's Office, Nevada; and

Lots C-5.04A, C-5.04B, C-5.04C, and C-5.04D as shown on the final map of Parent Final Map of Project "O" East Parcel, recorded in Book 140 of Plats, Page 60 in the Clark County Recorder's Office, Nevada.