

When Recorded Mail To:  
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MASTER  
DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
SUNRIDGE AT MACDONALD RANCH

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MASTER  
DECLARATION OF  
CONDITIONS AND RESTRICTIONS  
FOR  
SUNRIDGE AT MACDONALD RANCH

THIS MASTER DECLARATION OF COVENANTS, CONDITIONS AND Restrictions is made this 24<sup>th</sup> day of July, 1995, By Sunridge Development Company, a Nevada Limited Liability Company with Won Sang Yoo, an individual as Co-Manager and the MacDonald interests with Richard C. MacDonald as Co-Manager (hereinafter referred to as "Declarant") and Jerry E. Polis - Green Valley Eastern Limited Liability Partnership ("Initial Owner").

RECITALS:

A. With the exception of certain property previously conveyed to the Initial Owner, Declarant is the owner of all that certain real property located in Clark County, Nevada and more particularly described in Exhibit "A," attached hereto and incorporated herein by this reference, hereinafter referred to as the Project.

B. This Project is a planned community involving the Sunridge at MacDonald Ranch Community Association, Inc., a Nevada Corporation, a common-interest community organized pursuant to Chapter 116 of the Nevada Revised Statutes.

C. By this Declaration, Declarant intends to establish a common plan for the use, enjoyment, maintenance, repair, restoration and improvement of the Project, and the interests therein conveyed or reserved, and for the payment of any and all expenses pertaining thereto. The Initial Owner has consented to the development of the Project by Declarant as set forth herein.

D. At the present time Declarant proposes that the Project may include approximately 2,476 estimated dwellings, together with certain common areas and commercial areas.

NOW, THEREFORE, Declarant and the Initial Owner hereby declare that this Declaration shall run with the real property described in Exhibit "A" and all parts and parcels thereof and shall be binding on all parties having any right, title or interest in the Exhibit "A" property and their heirs, successors, successors-in-title, and assigns and the Association (hereinafter defined) and its successors in interest and shall inure to the benefit of each owner or member thereof. Each, all and every one of the limitations, easements, uses, obligations, covenants, conditions and restrictions herein imposed shall be deemed to be and construed as equitable servitudes enforceable by any of the owners of any portion of the real property subject to this Declaration against any other owner, tenant or occupant of said real property or portion thereof similarly restricted by this Declaration.

## ARTICLE I

### DEFINITIONS

Unless the context otherwise specifies or requires, the following words and phrases when used in this Declaration shall have the meanings hereinafter specified.

1.01 Allocated Interests. "Allocated Interest" shall mean the liability for common expenses and vote in the Association.

1.02 Architectural and Landscape Control Committee. "Architectural and Landscape Control Committee" shall mean the committee created pursuant to Article VIII hereof (hereinafter sometimes referred to as "Committee" or "ALCC").

1.03 Architectural Design Guidelines. "Architectural Design Guidelines" shall mean rules and regulations that may from time to time be adopted by the Architectural and Landscape Control Committee interpreting the terms of this Declaration, setting fees and design and construction criteria in accordance with Section 8.04 of this Declaration (hereinafter sometimes referred to as "Rules and Regulations" or "Design Guidelines").

1.04 Area of Common Responsibility. "Area of Common Responsibility" shall mean the Common Area, together with those areas, if any, which by the terms of this Declaration, or by contract or agreement with any Village area owner becomes the responsibility of the Association. The office of any property manager employed by or contracting with the Association located within the Project may be a part of the Area of Common Responsibility.

1.05 Articles. "Articles" shall mean the Articles of Incorporation of the Association which have or may be filed in the office of the Secretary of State of the State of Nevada, as the same may from time to time be amended.

1.06 Assessments. "Assessments" shall mean Assessments of the Association including both regular and special Assessments levied to pay all Common Expenses as set forth in Article IX hereof; and those assessments which the Association has agreed to collect on behalf of or on the account of a Subassociation under Section 2.07(1).

1.07 Association. "Association" shall mean Sunridge at MacDonald Ranch Community Association, Inc., a Nevada non-profit corporation described in Article II.

1.08 Association Property. "Association Property" shall mean all real and personal property now or hereafter owned by or leased to the Association, including the Common Area, Recreation and Open Space, and Improvements therein.

1.09 Beneficiary. "Beneficiary" shall mean a mortgagee under a mortgage or a beneficiary under a deed of trust, as the case may be.

1.10 Board. "Board" shall mean the Board of Directors of the Association as provided in the Articles and Bylaws.



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

1.12 Cluster Units. "Cluster Units" shall mean any residential dwelling units grouped relatively close together leaving open spaces as Common Area designated on the Plat or Plans, whether one (1) or two (2) stories, whether with attached garage or detached garage, whether designated a townhouse, patio home, zero lot line home or otherwise, and whether or not the Common Area surrounding the Cluster Units is held as tenants in common or by the Association or a subassociation.

1.13 Commercial Site. "Commercial Site" shall mean any unit of land, whether or not improved, which is designated for Commercial Use on the Plat or Plans. If such Commercial Site is shown on the Plat or Plans, its size and dimensions shall be as shown thereon, and if such Commercial Site is not shown on the Plat or Plans, its size and dimensions shall be established by the legal description in the original recorded conveyance from Declarant to the first fee owner thereof. A Commercial Site may also be established as such by Declarant by a recorded instrument wherein Declarant designated a unit of land as a Commercial Site.

1.14 Commercial Use. "Commercial Use" shall mean any governmental, professional, office, business, business park, trade, school or industrial use, including any activity involving the offering of goods or services which is permitted by applicable zoning laws, ordinances and regulations.

1.15 Common Area. "Common Area" shall mean all real and personal property which the Association now or hereafter owns within Sunridge at MacDonald Ranch that is available for the common use and enjoyment of any Member, or their lessees and invitees, including driveways, walkways, plazas, trails, open spaces, planted and landscaped areas, and utility facilities designated on the Plat or Plans therefor as Common Area or Recreation and Open Space whether or not the same is owned in fee by the Association or whether by easement or equitable servitude, lease, license or other contractual entitlement.

1.16 Common Expenses. "Common Expenses" shall mean all costs and expenses incurred by the Association or, with the consent and approval of the Association, any Subassociation in performing the duties of the Association under Section 2.06, or in the exercise of the Association's powers or authority under Section 2.07, or in performing any other duties or exercising any other rights or powers permitted or required by this Declaration.

1.17 Common-Interest Community. "Common-Interest Community" shall mean the Sunridge at MacDonald Ranch Project wherein a person, by virtue of their ownership of a unit, homesite or parcel, is obligated to pay for obligations on real estate other than their own unit, homesite or parcel.

1.18 Condominium Unit. "Condominium Unit" shall mean Unit within a condominium as defined in NRS 116.110325 as a common interest community in which

portions of the real estate are designated for separate ownership and the remainder of the real estate is designated for common ownership solely by the owners of those portions.

1.19 Declarant. "Declarant" shall collectively mean Sunridge Development Company and its successors or assigns pursuant to a written instrument recorded in accordance with NRS 116.3104.

1.20 Declaration. "Declaration" shall mean this document, as it may be amended from time to time.

1.21 Deed of Trust. "Deed of Trust" shall mean a mortgage or a deed of trust, as the case may be.

1.22 Dwelling. "Dwelling" shall mean a residence intended for occupancy by a Single Family constructed on a Homesite or Multi-Family Site.

1.23 Entry Monumentation. "Entry Monumentation" shall mean the Improvements constructed on Lots C.E.8 and 9 as shown on the Phase 1 Amended Map of Sunridge @ MacDonald Ranch, recorded July 7, 1995, in Book 68 of Plats, Page 99, Official Records in the Office of the County Recorder of Clark County, Nevada.

1.24 Homesite. "Homesite" shall mean any unit of real estate which is designated on the Plat and Plans, whether or not improved, for a single-family residence and intended for individual ownership by a Person, and shall include Condominium Units and Cluster Units.

1.25 Improvement. "Improvement" shall mean any structure and all appurtenances thereto of every type and kind, including but not limited to building, outbuilding, patio, tennis court, pool, garage, shed, doghouse, mailbox, aerial, antenna, road, driveway, parking area, walk, fence, screening wall, retaining wall, stair, deck, landscaping, court, gate, statue, marker, hedge, windbreak, planting, planted tree and shrub, pole, sign, exterior air conditioning, water softener fixture or equipment, pump, well, ditch, tank, reservoir, pipe, line, meter, tower and other facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, or other utilities.

1.26 Limited Common Area. "Limited Common Area" shall mean certain portions of the Common Area which are in the sole discretion of the Board for the exclusive use and benefit of one or more, but not all, of the Neighborhoods. All costs associated with maintenance, repair, replacement and insurance of Limited Common Areas may be assessed against the Owners of Units in only those Neighborhoods which are benefitted thereby as a Neighborhood Assessment, as defined herein. By way of illustration and not limitation, Limited Common Areas may include recreational facilities intended for the exclusive use of Owners within a particular Neighborhood or Neighborhoods and supported exclusively by Neighborhood Assessments. Initially, any Limited Common Areas shall be designated as such and the exclusive use thereof may be reflected in the deed conveying the Common Area to the Association. A portion of the Common Area may be assigned as Limited

Common Area of a particular Neighborhood or Neighborhoods and Limited Common Area may be reallocated upon the vote of a majority of the total members.

1.27 Manager. "Manager" shall mean the person, firm or corporation employed, if any, by the Association pursuant to Section 2.07(c) and delegated the duties, powers or functions of the Association pursuant to said section.

1.28 Member. "Member" shall mean any person who is designated as a member pursuant to Section 2.03 hereof.

1.29 Mortgage. "Mortgage" shall mean any mortgage or deed of trust given to secure the payment of a debt.

1.30 Multi-Family Site. "Multi-Family Site" shall mean any unit of land which is designated on the Plat or Plans, whether or not improved, for attached single-family apartments, Cluster Units, Condominium Units, or any combination thereof.

1.31 Neighborhood. "Neighborhood" shall mean each separately developed and denominated residential area comprised of one (1) or more housing types subject to this Declaration, whether or not governed by an additional owners association, in which owners may have common interests other than those common to all Members, such as a common theme, entry feature, development name, and/or common areas and facilities which are not available for use by all Members. For example, and by way of illustration and not limitation, cluster home development, and single-family detached housing development shall constitute a separate Neighborhood. In addition, each parcel of land intended for development as any of the above shall constitute a Neighborhood, subject to division into more than one (1) Neighborhood upon development. Where the context permits or requires, the term Neighborhood shall also refer to the Neighborhood Committee (which may be established in accordance with the By-Laws). Neighborhood and Village shall have the same meaning as used in this Declaration.

1.32 Neighborhood Assessments. "Neighborhood Assessments" shall mean assessments levied against the Units in a particular Neighborhood or Neighborhoods to fund Neighborhood Expenses.

Any Neighborhood Assessment shall be levied equally against all Units in the Neighborhood(s) benefitting from the services supported thereby, provided that in the event of assessments for exterior maintenance of structures, or insurance on structures, or replacement reserves which pertain to particular structures, such assessments for the use and benefit of particular Units shall be levied on a pro rata basis among the benefitted Units.

1.33 Neighborhood Expenses. "Neighborhood Expenses" shall mean and include the actual and estimated expenses incurred by the Association for the benefit of Owners of Units within a particular Neighborhood or Neighborhoods, which may include a reasonable reserve for capital repairs and replacements, all as may be specifically authorized from time to time by the Board of Directors and as more particularly authorized herein. Neighborhood Expenses may be shared by one (1) or more benefitted Neighborhoods.

1.34 Notice and Hearing. "Notice and Hearing" shall mean ten (10) days' written notice given as provided in Section 11.03 and a hearing at which the person to whom the notice is directed shall have the opportunity to be heard in person or by counsel at his expense.

1.35 NRS. "NRS" shall mean the Nevada Revised Statutes.

1.36 Owner. "Owner" shall mean the record owner, including Declarant and Participating Builders, of any Homesite, Cluster Unit, Multi-Family Site, Commercial Site or Unit subject to this Declaration, or any record owner of any Homesite, Cluster Unit, Multi-Family Site, Commercial Site or Unit that is annexed hereto pursuant to Article III. "Owner" shall include the vendee under an installment contract of sale and shall exclude the vendor thereunder and those having an interest in any property that is subject to this Declaration solely for security for the performance of an obligation.

1.37 Participating Builder. "Participating Builder" shall mean a Person who acquired a portion of the Project for the purpose of improving such portion for either resale or lease to the general public; provided, however, that the term "Participating Builder" shall not mean or refer to Declarant or its successors.

1.38 Person. "Person" shall mean a natural individual or any other entity with the legal right to hold title to real property.

1.39 Plans and Specifications. "Plans and Specifications" shall mean any and all documents designed to guide or control an Improvement, including but not limited to those indicating size, shape, configuration or materials, all site plans, excavation and grading plans, foundation plans, drainage plans, landscaping and fencing plans, elevation drawings, floor plans, specifications on all building products and construction techniques, samples of exterior colors, plans for utility services, and all other documentation or information relevant to the Improvement.

1.40 Plat or Plans. "Plat or Plans" shall mean all plats of the real property constituting all or a portion of the Project, as required by NRS Chapter 278 and as such plats may be amended from time to time.

1.41 Project. "Project" shall mean all real property and improvements thereto situate in the City of Henderson ("City"); Clark County ("County") and more particularly described on Exhibit "A", together with (1) the Annexable Property (as defined in Section 3.02), if and when such Annexable Property, or portions thereof, are annexed to the Project in accordance with Section 3.02 and/or (2) any real property and Improvements thereto added to the Project pursuant to the provisions of Section 3.05(f).

1.42 Purchaser. "Purchaser" shall mean a purchaser who is unrelated to Declarant or any corporation, partnership, joint venture, or other business entity in which Declarant has an ownership interest or over which Declarant exercises contractual or other control relating to the improvement, development or sale of any part of the Project.

1.43 Record, Recorded and Recordation. "Record, Recorded and Recordation" shall mean with respect to any document, the recordation of such document in the office of the Clerk and Recorder of the County.

1.44 Recreation and Open Space. "Recreation and Open Space" shall mean all areas designated by Declarant and thereafter to be owned by Association and held for recreational purposes for the benefit of all Members provided, however, that access to any area or facility, except for Neighborhood parks, may be subject to fees and other charges, or otherwise conditioned or restricted, and made available to non-Members, all on such terms and conditions as the Board may determine. Recreation and Open Space shall not include areas dedicated or to be dedicated to public agencies for maintenance.

1.45 Single Family. "Single Family" shall mean one (1) or more persons each related to the other by blood, marriage or legal adoption or a group of not more than four persons not all so related, together with their domestic employees and servants who maintain a common household in a residential unit and casual guests or as defined under the provisions of the Clark County Code.

1.46 Single Family Residential Use. "Single Family Residential Use" shall mean the occupancy and use of a Unit by a Single Family in conformity with the covenants, conditions and restrictions hereof, the rules and requirements imposed by applicable zoning laws and other state or local rules and regulations.

1.47 Subassociation. "Subassociation" shall mean any non-profit Nevada corporation or unincorporated association and its successors, organized and established by Declarant pursuant to or in connection with a Supplemental Declaration recorded by Declarant, as provided in Sections 2.01 and Section 3.01.

1.48 Subdivision. "Subdivision" shall mean a parcel of land which has been shown on a final and recorded subdivision plat pursuant to NRS Chapter 278, 278A or Chapter 116, as amended.

1.49 Sunridge at MacDonald Ranch Maintenance Fund. "Sunridge at MacDonald Ranch Maintenance Fund" shall mean the fund created for the receipts and disbursements of the Association, pursuant to Section 9.02 hereof.

1.50 Sunridge at MacDonald Ranch Restrictions. "Sunridge at MacDonald Ranch Restrictions" or "Restrictions" shall mean this Declaration, together with any and all Supplemental Declarations which may be recorded pursuant to Article IV hereof, as this Declaration or said Supplemental Declarations may be amended from time to time, together with the Sunridge at MacDonald Ranch Rules from time to time in effect, and the Articles and By-laws of the Association from time to time in effect.

1.51 Sunridge at MacDonald Ranch Rules. "Sunridge at MacDonald Ranch Rules" or "Rules" shall mean the rules adopted by the board pursuant to Section 2.11 hereof, as they may be amended from time to time..

1.52 Supplemental Declaration. "Supplemental Declaration" shall mean any declaration of covenants, conditions and restrictions which may be hereafter recorded by Declarant.

1.53 Unit. "Unit" shall mean a portion of the Project, whether developed or undeveloped, intended for development, use, and occupancy of an attached or detached residence for a Single Family, and shall, unless otherwise specified, include within its meaning by way of illustration, but not limitation Condominium Units, townhouse units, Cluster Units, patio or zero Homesite line homes, and Single Family detached houses on one or more separately platted Homesites, as well as vacant land intended for development as such, all as may be developed, used, and defined as herein provided or as provided in Supplemental Declarations covering all or a part of the Project.

In the instance of a parcel of unimproved land or where improvements are under construction, the parcel shall be deemed to contain the number of Units designated for such parcel on the Plat for that parcel until such time as a certificate of occupancy is issued by the City for all or a portion thereof. Such certificate of occupancy shall be conclusive as to the actual number of separate Units attributable to such parcel.

1.54 Village. "Village" shall mean any separately developed and denominated residential area within the Project as more specifically and synonymously defined as a Neighborhood in Section 1.29, above. 1.29

1.55 Voting Member. "Voting Member" shall mean a natural person selected by Members owning Units in a Neighborhood pursuant to Sections 2.04(h)(iii) and 2.04(i)(i) of this Declaration to represent all of the Members within the Neighborhood to vote on their behalf, as further provided in this Declaration, the Articles and the Bylaws. All of the provisions which pertain to the election, removal, qualification or action of Voting Member contained in the Declaration, the Articles and the Bylaws shall be equally applicable to alternate Voting Member elected pursuant to Sections 2.04(h)(iii) and 2.04(i)(i) of this Declaration.

## ARTICLE II

### SUNRIDGE AT MACDONALD RANCH COMMUNITY ASSOCIATION

#### 2.01 Association.

(a) Organization. The Association is a non-profit Nevada membership corporation created for the purposes, charged with the duties, and invested with the powers prescribed by law or set forth in its Articles and Bylaws or in this Declaration. Neither the Articles nor Bylaws shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. Nothing in this Declaration shall prevent the creation, by provision therefor in Supplemental Declarations executed and recorded by Declarant or by Participating Builders with the written consent of Declarant, of Subassociations to own, assess, regulate, operate, maintain or manage the portions of the Project which may be subject to such Supplemental Declarations or to own or control

portions thereof for the common use or benefit of Owners in the portion of the Project subject to such Supplemental Declarations.

(b) Successor Associations. In the event that the Association, as a corporate entity, is dissolved, a non-profit unincorporated association shall forthwith and without further action or notice be formed to succeed to all the rights and duties of the Association hereunder. The affairs of said unincorporated association shall be governed by the laws of the State of Nevada and, to the extent not inconsistent therewith, by the Articles and Bylaws of the Association as if they were created for the purpose of governing the affairs of an unincorporated association. The Association shall cease to exist at any time this Declaration and any supplemental Declaration are abolished by written consent or vote of two-thirds (2/3rds) of all the Owners consistent with Sections 2.14 and 11.01, notwithstanding the provisions of Section 11.02.

2.02 Construction Consistent with Law. This Declaration and all subsequent actions by the Association shall be construed whenever possible so as to be consistent with all applicable laws, federal, state and local as well.

2.03 Membership Rights. Only Owners, including Declarant and Participating Builders, shall be Members of the Association. Each Owner shall automatically be a Member of the Association without the necessity of any further action on his part, and membership in the Association shall be appurtenant to and shall run with the property interest ownership of which qualifies the Owner thereof to membership in the Association. Membership in the Association may not be severed from, or in any way transferred, pledged, mortgaged or alienated except together with the title to the property interest, ownership of which qualifies the Owner thereof to membership, and then only to the transferee of title to said property interest. Any attempt to make a prohibited severance, transfer, pledge, mortgage or alienation shall be void. The voting rights of Members are restricted in Section 2.04.

2.04 Control of Association.

(a) Period of Declarant Control of Association. Notwithstanding any other provision of this Declaration or of the By-Laws of the Association and subject to subparagraph (b) below, there shall be a period of Declarant control of the Association during which the Declarant or persons designated by the Declarant, may, subject to subparagraph (b) below appoint and remove all or some of the officers and directors of the Association. The period of Declarant control terminates no later than the earlier of:

(1) Sixty (60) days after the conveyance by Declarant of seventy-five percent (75%) of the Units that may be created within the Project to Owners other than the Declarant;

(2) Five (5) years after the Declarant has ceased to offer Units for sale in the ordinary course of its business; or

(3) Five (5) years after any right to annex new Units was last exercised by Declarant.

Provided, however, that Declarant may, but is not obligated to, voluntarily surrender the right to appoint and remove officers and Board members as provided herein before the termination period set forth above, provided that the Declarant may require that specified actions of the Association or the Board of Directors may require Declarant approval prior to becoming effective. Such surrender of rights shall only be by a recorded instrument. A single Declarant may voluntarily surrender its right to appoint and remove officers and Board members before termination of the Declarant control period, in which event the right to appoint and remove officers and Board members shall be exercised by the remaining Declarants.

(b) Termination of Period of Declarant Control. Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units that may be created within the Project to Owners other than Declarant, at least one (1) member of the Board and not less than twenty-five percent (25%) of the members of the Board must be elected by Owners other than Declarant. Not later than sixty (60) days after conveyance by Declarant of fifty percent (50%) of the Units that may be created within the Project to Owners other than Declarant, not less than thirty-three and one-third percent (33-1/3%) of the members of the Board must be elected by Owners other than the Declarant. Upon expiration of the Declarant control period set forth in Subparagraph (a), one hundred percent (100%) of the Board shall be elected by Unit Owners other than Declarant.

(c) Removal of Board Members. Notwithstanding any provision of the Declaration or Bylaws to the contrary, after the expiration of the Declarant control period set forth in Subparagraph (a) above, Owners other than Declarant, by a two-thirds (2/3) vote of all persons present and entitled to vote at any meeting of the Owners at which a quorum is present, may remove any member of the Board with or without cause.

(d) Joint or Common Ownership. If any property interest, ownership of which entitles the Owner thereof to vote, is held jointly or in common by more than one (1) Person, the vote or votes to which such property interest is entitled shall also be held jointly or in common in the same manner. However, the vote or votes for such property interest shall be cast, if at all, as a unit, and neither fractional votes nor split votes shall be allowed. In the event that such joint or common Owners are unable to agree among themselves as to how their vote or votes shall be cast as a unit, they shall lose the right to cast their vote or votes on the matter in question. Any joint or common Owner shall be entitled to cast the vote or votes belonging to the joint or common Owners unless another joint or common Owner shall have delivered to the Secretary of the Association prior to the time for casting such vote, a written statement to the effect that the Owner wishing to cast the vote or votes has not been authorized to do so by the other joint or common Owner or Owners.

(e) Proxy Voting. Any Owner, including Declarant and Participating Builder, may give a revocable written proxy to any person authorizing the latter to cast the Owner's votes on any matter. Such written proxy shall be in such form as may be prescribed



by the Bylaws of the Association and shall terminate one (1) year after its date, unless it specifies a shorter term.

(f) Cumulative Voting. The cumulative system of voting shall not be used for any purpose.

(g) Voting Rights. The Association shall have three classes of membership, Class "A", Class "B" and Class "C".

(i.) Homesite Owners: Class "A". Class "A" Members shall be all Owners of Homesites except the Class "B" Members, if any.

Class "A" Members shall be entitled to one equal vote for each Unit within a Homesite in which they hold the interest required for membership under Section 2.03. There shall be only one vote per Unit. Unless otherwise specified in this Declaration or the Bylaws, the vote for each Unit shall be exercised as set forth in Section 2.04(h).

(ii.) apartment Buildings  
Multi-Family Owners: Class "B". Class "B" Members shall be the Owners of Units located in a building on any Multi-Family Site within the Project.

Class "B" Members shall be entitled to one vote for every four Units in which such Class "B" Member holds the interest required for membership under Section 2.03. In no event shall a Class "B" member exercise a fraction of a vote. Unless otherwise specified in the Declaration or the By-Laws, the vote for each Class "B" member shall be exercised as set forth in Section 2.04(h)

(iii.) Commercial Owners: Class "C". Class "C" Members shall be the Owners of the Commercial Sites within the Project.

Class "C" Members shall be entitled to five (5) votes for each acre contained in the Commercial Site in which such Class "C" Member holds the interest required for membership under Section 2.03. In no event shall a Class "C" member exercise a fraction of a vote. Unless otherwise specified in the Declaration or the By-Laws, the vote for each Class "C" member shall be exercised by the Owner of the Commercial Site as the Voting Member of that Commercial Site.

(h) Voting by Members and Meetings of Members. Sections 2.04(h), (i) and (j) of this Declaration shall govern the voting rights, actions, meetings, notices and quorums of Members in Neighborhoods for which no Subassociation has been created. Within Neighborhoods for which Subassociations have been formed, the voting rights, actions, meetings, notices and quorums of Members shall be governed by any applicable Supplemental Declaration with respect to such Neighborhoods (including the Subassociation's articles of incorporation and bylaws); provided, however, that with respect to matters which are the subject of this Declaration, in the absence of any comparable, conflicting or inconsistent provisions in any of such documents, Sections 2.04(h), (i) and (j)

shall likewise apply to the voting rights, actions, meeting, notices and quorums of Members who are members of Subassociations, and Voting Members and alternate Voting Members for their Neighborhoods shall be selected in the manner set forth therein.

(i.) Transfer of Voting Rights. Except as otherwise provided in this Declaration or the Bylaws, the voting right of a Member in a Neighborhood for which no Subassociation has been formed may not be severed or separated from any Unit, and any sale transfer or conveyance of a fee interest in any Unit Estate to a new Owner or Owners shall automatically operate to transfer the appurtenant membership and voting rights without the requirement of any express reference thereto.

(ii.) Actions. If a quorum is present the affirmative vote on any matter of the majority of the votes represented at the meeting of Members within a Neighborhood for which a Subassociation has not been created (or, in the case of elections in which there are more than two candidates, a plurality of the votes cast) shall be the act of the Members, unless the vote of a greater number is required by law, by the Articles, Bylaws or this Declaration.

(iii.) Annual Meeting: Selection of Voting Members and Alternate Voting Members. There shall be an annual meeting of the Members in any Neighborhood not less than ten (10) days nor more than sixty (60) days prior to the annual meeting of the Association's Voting Members described in Section 2.05. The annual meeting for a Neighborhood may, unless otherwise prohibited by law, be held by a written ballot mailed to each Member in the Neighborhood provided that the notice and quorum requirements of Sections 2.04(h)(vi) and (viii) are satisfied. The first meeting of the Members in such Neighborhood, whether annual or special, shall be held no later than forty-five (45) days after the close of escrow for the sale of a majority of the Units in such Neighborhood, and in no event shall the first meeting be held later than six (6) months after Assessments have commenced on Units in the Neighborhood. At the first meeting of the Members and at each subsequent annual meeting, the Members shall elect a Voting Member and an alternate Voting Member to represent the Members. The Voting Member and alternate Voting Member shall be elected by the majority vote of Members in such Neighborhood who are present in person or by proxy at such meeting at which a quorum is present. Each Voting Member and alternate Voting Member shall continue in office for one year or until his successor is elected, whichever is later, unless such Voting Member or alternate Voting Member is removed, with or without cause, pursuant to Section 2.04(h)(i).

(iv.) Special Meetings. A special meeting of Members in a Neighborhood for which no Subassociation has been formed shall be called at any time in the manner and for the purposes set forth in Section 2.04(h)(vi) or at the written request of the Voting Member representing the Neighborhood or upon receipt of written request therefor signed by Members having twenty-five percent (25%) or more of the voting power of the Members in the Neighborhood. To be effective, any such written request shall be delivered to either the President, Vice President or Secretary of the Association. The Association Secretary shall then cause

notice to be given to Members entitled to vote at a meeting will be held at a time and place designated by the Board not less than ten (10) days, nor more than thirty (30) days after receipt of the written request. Notice of special meetings shall specify the general nature of the business to be undertaken and that no other business may be transacted.

(v.) Place of Meetings. Meetings of Members in a Neighborhood for which no Subassociation has been formed shall be held at a location in convenient proximity to the Project. Such meetings shall not be held outside of Clark County, Nevada unless the Board determines that unusual conditions exist that make a meeting elsewhere desirable, or unless approved in writing by all Members in the Neighborhood.

(vi.) Notices. Each Member in a Neighborhood for which no Subassociation has been formed shall be entitled to notice of any meeting at which such Member has the right to vote, with such notice to be given in the manner noted in Section 11.03 of this Declaration. Notices of meetings shall be in writing and shall indicate each matter to be voted on at the meeting that is known to the Board at the time notice of the meeting is given; provided, however, that no business shall be conducted at a special meeting unless such business is specified in such notice. Such notices shall be given not less than ten (10) nor more than thirty (30) days before the date of the meeting except in such cases as are determined by the Board to be emergency situations, in which case notice shall in any event be given not less than twenty-four (24) hours in advance unless waived by Members holding not less than fifty-one percent (51%) of the voting power of the Members in such Neighborhood. Any notice shall be deemed given, and any budget or other information or material shall be deemed furnished or delivered to a party if sent in accordance with the provisions of Section 11.03 of this Declaration.

(vii.) Record Date. The Board shall have the power to fix in advance a date as a record date for the purpose of determining Members in a Neighborhood for which no Subassociation has been formed who are entitled to notice of or to vote at any meeting or to be furnished with any budget or other information or material or in order to make a determination of Members for any purpose. Notwithstanding any provisions hereof to the contrary, the Members of record on any such record date shall be deemed the Members for purposes of such notice, vote, meeting, furnishing or information or material or other purpose and any supplemental notice, information or material with respect to the same matter and for any adjournment of the same meeting. A record date shall not be more than sixty (60) days prior to the date on which the particular action requiring determination of Members is proposed or expected to be taken or to occur.

(viii.) Quorums. Except as otherwise provided in this Declaration, the Articles or the Bylaws, the presence of Members within a Neighborhood for which no Subassociation has been formed who hold votes equal to twenty percent (20%) of the total voting power of Members in such Neighborhood, voting in person or by proxy, at a meeting of Members in that Neighborhood to consider a matter shall

constitute a quorum for consideration of that matter; provided, however, that if the required quorum is not present at a meeting, the Members present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the time the original meeting was called, at which meeting the quorum requirement shall be the presence, in person or by written proxy, of Members holding at least five percent (5%) of the voting power of Members within such Neighborhood. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Members in the Neighborhood in the manner prescribed for annual or special meetings, as applicable. The Members present at each meeting shall select a chairman to preside over the meeting and a secretary to transcribe minutes of the meeting. The Members present at a duly called meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, if any action taken other than adjournment is subsequently approved in writing by at least a majority of the Members required to constitute a quorum, unless a greater vote is required by law, by the Articles, the Bylaws or this Declaration.

(ix.) Consent of Absentees. In addition to the provisions of Section 2.04(h)(viii) above, the proceedings and transactions at any meeting of Members in a Neighborhood for which no Subassociation has been formed, either annual or special, however called and noticed and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum be present either in person or by proxy and if, either before or after the meeting, each of the Members not present in person or by proxy signs a written waiver of notice, a consent to the holding of such a meeting or an approval of the minutes thereof. Neither the business to be transacted at, nor the purpose of any regular or special meeting of such Members need be specified in any written waiver of notice. All such waivers, consents or approvals shall be filed with the Association records or made a part of the minutes of the meeting.

Attendance of a Member at a meeting of Members in a Neighborhood for which no Subassociation has been formed shall constitute a waiver of notice of such meeting, except when the Member objects at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened, and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the notice but not so included, if such objection is expressly made at the meeting.

(x.) Action Without Meeting. Any action which may be taken at any annual or special meeting of Members in a Neighborhood for which no Subassociation has been formed may be taken without a meeting and without prior notice if authorized by a written consent setting forth the action so taken, signed by Members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Members in that


Neighborhood were present and voted, and filed with the Secretary of the Association. Any Member giving a written consent, or such Member's proxy holder, may revoke any such consent by a writing received by the Association prior to the time that written consents of the number of Members required to authorize the proposed action have been filed with the Secretary of the Association, but may not do so thereafter. Such revocation shall be deemed received by the Association upon its receipt by the Secretary of the Association. Unless the consents of all Members in a Neighborhood for which no Subassociation has been formed have been solicited in writing and have been received, prompt notice shall be given in the same manner as for annual meetings of Members in the Neighborhood to those Members in a Neighborhood who have not consented in writing to the taking of any Association action approved by Members without a meeting.

(xi.) Adjourned Meetings. Any meeting of Members in a Neighborhood for which no Subassociation has been formed, whether annual or special, whether or not a quorum is present, may be adjourned from time to time by vote of a majority of the Members present either in person or by proxy, but in the absence of a quorum, no other business may be transacted at any such meeting except as specifically provided in Section 2.04(h)(viii) above. Except as provided in Section 2.04(h)(viii) it shall not be necessary to give any notice of an adjournment or of the business to be transacted at a resumed meeting, and at the resumed meeting the Members may transact any business that might have been transacted at the original meeting.

(i) Voting by Voting Members. The qualification, removal and actions of Voting Members shall be governed by the following:

(i) Qualification. Members in each Neighborhood shall elect one Voting Member and one alternate Voting Member to the Association to exercise the voting power of all Members in such Neighborhood. Each Voting Member shall be entitled to cast the vote or votes representing a Member only during such periods as the Member may be entitled to cast votes for the election of a Voting Member as provided herein or in any Supplemental Declaration or other instrument, regulation governing any applicable Subassociation, whichever is applicable. The chairman of any meeting at which a Voting Member or alternate Voting Member is elected shall certify in writing to the Board the name and address of the Voting Member or alternate elected, the time and place of the meeting at which the election occurred and the Neighborhood which the Voting Member represents. A Voting Member or an alternate Voting Member may be removed without cause by the vote in person or by proxy of Members in the Neighborhood who hold a majority of the voting power of those Members in attendance at any duly called and noticed meeting of the Members in the Neighborhood at which a quorum is present; provided, that in no event shall a Voting Member be removed unless the votes cast in favor of such removal equal the lesser of (i) the number of votes which elected such Voting Member to his current term, or (ii) a majority of the total voting power of the Members in such Neighborhood. Only Members of the Association shall be eligible for election as Voting Members. If the Member is a corporation, partnership, trustee

of a trust or other such entity, an authorized agent of such corporation, partnership, trust or other entity shall be eligible for election as a Voting Member. Upon termination of any Voting Member's membership in the Association, such Voting Member's term of office shall immediately terminate and a new Voting Member shall be elected in his place. Voting Members may only act personally at a meeting of the Voting Members of the Association or by written ballot, and may not act by proxy. If a Voting Member is not present at a duly called meeting of the Voting Members, then the alternate for such absent Voting Member may attend the meeting and exercise all rights, powers and votes to which the absent Voting Member would be entitled. If the previously absent Voting Member should arrive prior to the adjournment of any such meeting, the alternate shall no longer be entitled to act in the place of such Voting Member; provided that such relinquishment of authority by the alternate shall not invalidate any matter previously voted or acted upon by the alternate in his temporary capacity as Voting Member.

(ii) Voting Member Vote Entitlement. Each Voting Member shall have a number of votes equal to the number of votes held by all Members in the Voting Member's Neighborhood whose rights to vote have not been suspended. 

(iii) Allocation of Voting Member Votes. Whenever a proposed action is to be presented to the Voting Members for approval, written notice of the substance of the action shall be given to the Voting Members by the Association Secretary at the direction of the Board at least forty (40) days prior to the date on which the action shall be discussed at a meeting of the Voting Members. During the 40-day period prior to the meeting, the Voting Members shall submit the action to a vote of the Members within their respective Neighborhoods at duly called and noticed meetings of Members in the Neighborhood. Each such meeting of Members shall be scheduled and noticed by the Association Secretary after consultation with the Voting Member for the applicable Neighborhood and shall be initially scheduled no fewer than ten (10) days prior to the applicable meeting of Voting Members. When subsequently voting on an action at the meeting of Voting Members, each Voting Member shall cast all of the votes which he represents as follows:

(A) The Voting Member shall cast votes attributable to Members actually voting (whether in person, by proxy or written ballot) in such Neighborhood "for" or "against" such action in the same manner as such votes were cast by the voting Members;

(B) The Voting Member shall cast votes attributable to Members within the Neighborhood who have not voted on such action ("Absentee Votes") as follows:

(1) If fifty-one percent (51%) or more of the votes in the Neighborhood attributable to Members other than Declarant have been cast pursuant to Subsection 2.04(i)(iii)(A) above, then any Absentee Votes attributable to Declarant, on the one hand, and the Member other than Declarant, on the other, shall each be cast "for" and "against" the action in

the same proportions as the votes cast by Members other than Declarant pursuant to Subsection 2.04(i)(iii)(A) above.

(2) If less than fifty-one percent (51%) of the votes in the Neighborhood attributable to Members other than Declarant have been cast pursuant to Subsection 2.04(i)(iii)(A) above, then the Absentee Votes shall be voted "for" and "against" the action in such proportions as the Voting Member shall, in his or her discretion, determine appropriate.

(iv) Voting Reports. In order to verify compliance with the foregoing voting requirements, each ballot cast by a Voting Member shall contain such Voting Member's certification of the following information: (1) the total number of votes in the Voting Member's Neighborhood; (2) the total number of votes cast "for" and "against" the action on behalf of Declarant; (3) the total number of votes cast "for" and "against" the action on behalf of Members other than Declarant in response to the vote of such Members; (4) the total number of Absentee Votes in such Neighborhood attributable to Declarant and the total number of Absentee Votes attributable to Members other than Declarant; and (5) the total number of votes cast by such Voting Member "for" and "against" the action. The Association Secretary shall tabulate the total number of votes cast by all Voting Members in each of the foregoing categories in order to determine whether the necessary approvals have been obtained. It will be conclusively assumed for all purposes of Association business that each Voting Member casting votes on behalf of the Owners of Units in his or her Neighborhood will have acted with the authority and consent of all such Owners. All agreements and determinations lawfully made by the Association in accordance with the voting procedures established herein, and in the Bylaws, shall be deemed to be binding upon all Members, Owners and their respective successors and assigns.

(j) Articles and Bylaws. The purposes and powers of the Association and the rights and obligations of Voting Members and of Owners as Members of the Association set forth in this Declaration may and shall be amplified by provisions of the Articles of Incorporation and Bylaws of the Association, including any reasonable provisions with respect to corporate matters. However, in the event that any such provision may be at any time inconsistent with any provision of this Declaration, the provision of this Declaration shall govern.

2.05 Meetings of Voting Members. The Association shall hold an annual meeting of all the Association's Voting Members at which annual meetings the members of the Board shall be elected by the Voting Members as prescribed in the By-Laws. Special meetings of the Voting Members may be called at any reasonable time and place by notice by the Board or by notice by Voting Members having twenty percent (20%) of the total votes, delivered not less than ten (10) nor mailed not less than fifteen (15) days prior to the date fixed for said special meeting, to all Voting Members if given by the Board and to all other Voting Members if given by said Voting Members.

The presence at any meeting, in person or by proxy, of Voting Members entitled to vote at least twenty percent (20%) of the total votes outstanding shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Voting Members present, may adjourn the meeting to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time set for the original meeting, at which adjourned meeting the quorum requirement shall be the Voting Members entitled to vote fifteen percent (15%) of the total votes.

The President of the Board, or in his absence the Vice-President, shall call meetings of Voting Members to order and act as chairman of such meetings. In the absence of both of said officers, any Voting Member entitled to vote thereafter may call the meeting to order, and a chairman of the meeting shall be elected. The Secretary of the Association, or in his absence the Assistant Secretary, shall act as secretary of the meeting. In the absence of both the Secretary and the Assistant Secretary, a secretary shall be selected in the manner aforesaid for selecting a chairman of the meeting.

Except as provided otherwise in the Declaration, any action may be taken at any legally convened meeting of the Voting Members upon the affirmative vote of the Voting Members having a majority of the total votes present at such meeting in person or by written ballot.

2.06 Duties of the Association. Subject to and in accordance with this Declaration, the Association shall have and perform each of the following duties for the benefit of the Members of the Association.

- (a) Members. The Association shall accept all Owners as Members.
- (b) Recreation and Open Space Areas and Common Area. The Association shall accept, own, operate and maintain all Recreation and Open Space and Common Area which may be conveyed, leased or licensed to the Association from the Declarant, together with all Improvements of whatever kind and for whatever purpose which may be located in said areas.
- (c) Title to Property Upon Dissolution. The Association shall pay over or convey, upon dissolution of the Association, the assets of the Association to one or more exempt organizations of the kind described in Section 501(c) of the Internal Revenue Code of 1954, as amended from time to time.
- (d) Repair and Maintenance of Association Property. The Association shall maintain in good repair and condition all Common Area, Recreation and Open Space and other Association Property enjoyed by, owned by, licensed to or leased to the Association.
- (e) Payment of Taxes. The Association shall pay all real and personal property taxes and other taxes and assessments levied upon or with respect to any Association Property, to the extent that such taxes and assessments are not levied directly



upon the Members. The Association shall have all rights granted by law to contest the legality and the amount of such taxes and assessments.

(f) Insurance. The Association shall obtain and maintain in effect policies of insurance adequate, in the opinion of the Board, in kind and amount. Without limiting the generality of the preceding sentence, such policies of insurance shall include:

(i) Fire and extended coverage insurance on all Improvements owned by or leased to the Association, the amount of such insurance to be not less than ninety percent (90%) of the aggregate full insurable value, meaning actual replacement cost exclusive of the costs of excavations, foundations and footings. Such insurance shall insure the Association and the mortgagees, as their interests may appear. As to each such policy which will not be thereby voided or impaired, the Association hereby waives and releases all claims against the Board and Declarant, and the officers, agents and employees of each thereof, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but only to the extent that insurance proceeds are received in compensation for such loss. If the foregoing exculpatory clause is held to be invalid, then the liability of the insurance company shall be primary, and the liability of the Board, Declarant and the officers, agents and employees of the Board and of Declarant shall be secondary.

(ii) Bodily injury liability insurance, with limits in amounts reasonably determined by the Board and property damage liability insurance in amounts reasonably determined by the Board, insuring against liability for each, bodily injury or property damage arising from activities of the Association or with respect to property under its jurisdiction, including, if obtainable, a cross-liability endorsement insuring each insured against liability to each other insured. The liability insurance policies referred to above shall name as separately protected insureds Declarant, the Association, the Board and each of its members, the Architectural and Landscape Control Committee and each of its members, and the Manager, and such policies may also name some or all of the respective officers, employees and agents of the foregoing.

(iii) Workmen's Compensation Insurance to the extent necessary to comply with all applicable laws.

(iv) A fidelity bond in an amount determined by the Board, naming the members of the Board and such other persons as may be designated by the Board as principals and the Association as obligee.

(v) Such other insurance, including indemnity and other bonds, as the Board shall deem necessary or expedient to carrying out the Association's functions.

The Association shall be deemed trustee of the interests of all Members in all insurance proceeds, and shall have full power to receive and to deal with such proceeds.

(g) Sunridge at MacDonald Ranch Rules. The Association, in accordance with Section 2.11, shall make, establish and promulgate, and in its discretion amend or repeal and reenact, such Sunridge at MacDonald Ranch Rules, not in contradiction to this Declaration, as it deems proper covering any and all aspects of its functions, including the use and occupancy of Association Property. Without limiting the generality of the foregoing sentence, such Rules may set dues and fees for use of Association Property and prescribe the regulations governing the operation of Association Property. Such dues and fees shall be in addition to the Assessments levied under Article IX. Each Member shall be entitled to examine such Rules at any time during normal working hours at the principal office of the Association.

(h) Architectural and Landscape Control Committee. The Board shall appoint and remove members of the Architectural and Landscape Control Committee as provided in Sections 8.01 and 8.02 hereof, and insure that at all reasonable times there is available a duly constituted and appointed Architectural and Landscape Control Committee.

(i) Enforcement Hereof. The Association shall enforce, in its own behalf and in behalf of all Owners, all of the covenants, conditions and restrictions set forth in this Declaration, under an irrevocable agency (hereby granted) coupled with an interest, as beneficiary of said covenants, conditions and restrictions, and as assignee of Declarant; and to perform all other acts, whether or not anywhere expressly authorized, as may be reasonably necessary to enforce any of the provisions of the Sunridge at MacDonald Ranch Restrictions or the Design Guidelines.

(j) Long-Term Financing. The Association may, subject to compliance with NRS 116.3112, execute mortgages and deeds of trust, both construction and permanent, for construction of facilities, including Improvements, on property owned by or leased to the Association. Such financing may be effected through conventional mortgages or deeds of trust, the issuance and sale of development or other bonds, or in any other form or manner as may be deemed appropriate by the borrower, whether that be Declarant or the Association. The mortgage, deed of trust or other security interest given to secure repayment of such debt may consist of a first lien or a second or other junior lien, as shall be deemed appropriate by such borrower, whether that be Declarant or the Association, on the Improvement or other facility to be constructed, together with such underlying and surrounding lands as Declarant or the Association, as the case may be, deems appropriate. The debt secured by such mortgage, deed of trust or other security instrument may be retired from revenues generated by dues, use fees, assessment of the Members of the Association, or otherwise, or any combination thereof, as may be deemed appropriate by Declarant or the Association, as the case may be, but subject to the limitations imposed by this Declaration and NRS Chapter 116.

(k) Audit. The Association shall provide an annual audit by an independent certified public accountant of the accounts of the Association and make a copy of such audit available to each Member during normal business hours at the principal office of the Association. Any Member may at any time and at their own expense cause an audit or inspection to be made of the books and records of the Association by a certified public

accountant provided that such audit or inspection is made during normal business hours and without unnecessary interference with the operations of the Association.

(1) Other. The Association shall carry out all duties of the Association set forth in the Sunridge at MacDonald Ranch Restrictions, and the Articles and Bylaws of the Association.

2.07 Powers and Authority of the Association. The Association shall have all of the powers of a non-stock, non-profit cooperative corporation organized under the laws of the State of Nevada in operating for the benefit of its members, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, Bylaws and this Declaration. It shall have the power to do any and all lawful things which may be authorized, required or permitted to be done under and by virtue of this Declaration, and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association for the peace, health, comfort, safety or general welfare of the Owners. Without in any way limiting the generality of the foregoing, the Association and the Board shall have the following power and authority; without the obligation to exercise such power and authority:

(a) Right of Entry and Enforcement. The Board and its agents and representatives shall have the power and right to enter upon any Homesite and the Improvements thereon without liability to any Owner, for the purpose of enforcing any of the provisions of this Declaration, or for the purpose of maintaining and repairing the Improvements located on said Homesite as provided in this Declaration if, for any reason whatsoever, the Owner thereof fails to maintain and repair any portion of a Homesite as required by this Declaration to be maintained or repaired by said Owner. The Association shall also have the power and authority from time to time in its own name, on its own behalf, or on the behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration and to enforce, by mandatory injunction or otherwise, all of the provisions of this Declaration. The costs of any such action or suit, including reasonable attorneys' fees, shall be paid to the prevailing party as part of its judgment.

(b) Easements and Rights-of-Way. The Board shall have the power to grant and convey to any third party, easements, licenses for use and rights-of-way, in, on, over or under any Common Area conveyed or otherwise transferred to the Association or under its jurisdiction, subject to the conditions contained in NRS 116.3112.

(c) Employment of Manager. The Board shall have the power to employ, by written agreement, the services of a Manager, subject to the direction and control of the Board, to manage and carry out the affairs of the Association and, to the extent consistent with the laws of the State of Nevada and upon such conditions as are otherwise deemed advisable by the Board, to delegate to the Manager any of its powers. In no event shall any management agreement be for a term greater than one (1) year except with the approval of a majority of the Members of the Association, and shall provide for termination without penalty on a minimum of ninety (90) days written notice.

(d) Services. The Board shall have the power to provide for and engage the services of others for the maintenance, protection and preservation of Association Property, including the Common Areas, such as grounds keepers, painters, plumbers and such other maintenance personnel, as the nature and character of the Common Area may require, and including any such necessary personnel as the nature and character of any recreational facilities within the Common Area may require; provided, however, that no contract for such services shall be for a duration of more than one (1) year, except with the approval of a majority of the Members of the Association. Said contract shall provide for termination without penalty on a minimum of ninety (90) days written notice.

(e) Utilities. The Board shall have the power to contract, use and pay for utility services to the Association Property.

(f) Other Property. The Board shall have the power to acquire and hold, as trustee for the benefit of its Members, tangible and intangible personal property and to dispose of the same by sale or otherwise.

(g) Mergers. The Association shall have the power, to the extent permitted by NRS 116.2121, to participate in mergers and consolidations with other non-profit corporations organized for the same purposes as the Association.

(h) Dedication. The Association shall have the power to dedicate any of its property to an appropriate public authority for public use, provided that any such dedication shall comply with NRS 116.3112, and that such dedication is subject to the existing easements and rights of use of all of the Members of the Association.

(i) Delegation. The Board may delegate any of its powers to any such committees, officers or employees as it deems necessary and proper.

(j) Construction on Association Property. The Association shall have the power to construct new Improvements or additions to Association Property, or demolish existing Association Property or Improvements, subject to the approval of the Architectural and Landscape Control Committee as is required in this Declaration.

(k) Maintenance of Entry and Exit Measures. The Association shall have the power to implement measures regulating entrance and exit at all points of entry and exit within the Project, which may or may not be manned.

(l) Collection for Subassociations. The Association shall have the power to collect on behalf of and for the account of any Subassociation (but not to levy) any assessment (as contemplated by NRS 116.3115) made by a Subassociation created pursuant to this Declaration, provided that such Subassociation has delegated the right, authority and power to the Association to make such collections on its behalf.

(m) Conveyances. To grant and convey to any person real property and interests therein, including fee title, leasehold estates, easements, rights of way, mortgages

and deeds of trust, out of, in, on, over or under any Association Property for the purpose of constructing, erecting operating, maintaining or repairing thereon, therein or thereunder:

- (i) Parks, parkways, or other recreational facilities;
- (ii) Roads, streets, walks, driveways, trails, and paths;
- (iii) Lines, cables, wires, conduits, pipelines or other devices for utility purposes;
- (iv) Sewers, water systems, storm water drainage systems, sprinkler systems, and pipelines; and
- (v) Any similar public, quasi-public, private improvements or facilities.

Nothing above contained, however, shall be construed to permit use or occupancy of any land, Improvement or other facility in a way which would violate applicable zoning or use and occupancy restrictions imposed thereon by other provisions of this Declaration, or by the City, County or other applicable public agency.

(n) Legal and Accounting Services. To retain and pay for legal and accounting services necessary or proper in the operation of the Association, the operation and management of the Association Property, the enforcement of the Sunridge at MacDonald Ranch Restrictions, or in the performance of any other duty, right, power or authority of the Association.

(o) Association Property Services. To pay for water, sewer, garbage removal, electricity, telephone, gas, snow removal, landscaping, gardening, and all other utilities, services and maintenance for the Association Property.

(p) Other Areas. To maintain and repair easements, roads, roadways, rights of way, parks, parkways, median strips, sidewalks, paths, trails, ponds, lakes, entry details, entry houses or other Common Areas of the Project whether owned by or leased to the Association, and to contribute toward the cost of operation and maintenance of private roads and any other Improvements or other facilities owned by or leased to the Association.

(q) Recreational Facilities. To operate and maintain any and all types of facilities owned by or leased to the Association, for both active and passive recreation, within the Recreation and Open Space areas of the Project including, but not limited to: swimming pools; community clubs; picnic areas; parks and playgrounds; trails for hiking and bicycles; lakes and ponds for swimming, fishing and other water sports; and other similar and dissimilar recreational facilities.

(r) Other Services and Properties. To obtain and pay for any other property and services, and to pay any other taxes or assessments which the Association or

the Board is required to secure or to pay for pursuant to applicable law, the terms of the Sunridge at MacDonald Ranch Restrictions, or the Articles or Bylaws of the Association.

(s) Contracts. To enter into contracts with Declarant, and other Persons on such terms and provisions as the Board shall determine, to operate and maintain any Common Area, Recreation and Open Space, and/or Improvements therein, and to provide any service or perform any function on behalf of Declarant or other Person. As to any such contract into which the Association may enter with a Subassociation, the Association may make, establish and promulgate, and in its discretion may amend or repeal and reenact, Rules of the kind described in Section 2.11 with respect to the Association's Property.

(t) Ownership of Property. To acquire and own and to dispose of all manner of real and personal property, whether by grant, lease, gift or otherwise.

(u) Veto. The Association shall have the power to veto any action taken or contemplated to be taken by any Neighborhood which the Board reasonably determines to be adverse to the interests of the Association or its Members or inconsistent with this Declaration, the Bylaws, the Sunridge at MacDonald Ranch Rules or the Rules and Regulations of the ALCC. The Association shall have the power to require the Neighborhood to act to fulfill the Association's duties or the Neighborhood's duties. This includes but is not limited to specific repairs, maintenance, aesthetic standards and requiring a proposed budget to contain certain items and that expenditures be made therefore.

If after reasonable notice the Neighborhood entity does not refrain from or carry out the required activity the Association shall have the right to effect appropriate action at the Neighborhood expense. The Association may assess the affected Units for its administrative and other expenses involved with this section. Such assessments may be collected as a special assessment hereunder and shall be subject to all lien rights provided for herein.

## 2.08 Indemnification.

(a) Third Party Actions. The Association may indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that he or she is or was a director, officer, employee, servant or agent of the Association against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith or in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, or, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

If a member of the Board is sued for liability for actions undertaken in their role as a Board member or officer of the Association, the Association shall indemnify them for their losses or claims and undertake all costs of defense until and unless it is proved that such member acted with willful or wanton misfeasance or with gross negligence. After such proof, the Association is no longer liable for the cost of defense and may recover costs already expended from the Board member.

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

(b) Derivative Actions. The Association may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by or in the right of the Association by reason of the fact that he is or was a director, officer, employee, servant or agent of the Association, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action, proceeding or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association unless and only to the extent that the court in which such action, proceeding or suit was brought shall determine upon application that, despite the adjudication of liability and in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

(c) Determination. Any indemnification which the Association has elected to provide under paragraph (a) or (b) of this Section 2.08 (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the officer, director, employee, servant or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in paragraph (a) or (b) of this Section 2.08. Such determination shall be made (1) by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion; provided, however, that if a director, officer, employee, servant or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in paragraph (a) or (b) of this Section 2.08, or in defense of any claim, issue or matter therein, then, to the extent that the Association has elected to provide indemnification, he shall automatically be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith without the necessity of any such determination that he has met the applicable standard of conduct set forth in paragraph (a) or (b) of this Section 2.08.

(d) Payment in Advance. Expenses incurred in defending a civil or criminal action, suit or proceeding may, upon action by the Board in accordance with clauses

(1) or (2) of paragraph (c) of this Section 2.08 the Board, be paid by the Association in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the director, officer, employee, servant or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Section 2.08.

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

(f) Other Coverage. The indemnification provided by this Section 2.08 shall not be deemed exclusive of any other rights to which anyone seeking indemnification may be entitled under this Declaration, an agreement, or by vote of the Members, vote of disinterested directors, Nevada law, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and may continue as to a person who has ceased to be a director, officer, employee, servant or agent and may inure to the benefit of the heirs and personal representatives of such a person.

2.09 Assessment Benefiting Specific Areas. The Association shall also have authority to levy Assessments against specific local areas and Improvements including Neighborhoods and Villages within the Project to be expended for the benefit of the properties so assessed. The assessments levied under this Section 2.09 shall be levied in proportion to the benefits conferred or to be conferred, as determined by the Board, and therefore the amount levied against each Homesite, Multi-Family Site or Commercial Site need not be equal. Any such assessments shall constitute a lien on the properties so assessed and such liens shall be enforced in the same manner and to the same extent as is provided in Article X of this Declaration for regular and special Assessments.

2.10 Intentionally Omitted.

2.11 Rules.

(a) Rulemaking Power. The Board may, from time to time and subject to the provisions of this Declaration, propose, enact and amend rules and regulations to be known as the "Sunridge at MacDonald Ranch Rules" which relate to the management, operation and control of the Association or the Common Area. The Rules shall become effective and binding on all Owners only after adoption by the Board. Such rules may concern, but need not be limited to: matters pertaining to use of the Common Area and Recreation and Open Space; signs; collection and disposal of refuse; minimum standards of maintenance of property; parking and traffic restrictions; limitations on maintenance of landscaping or other improvements on any property which obstruct the vision of motorists or which create a hazard for vehicular or pedestrian traffic; and any other subject or matter within the jurisdiction of the Association as provided in this Declaration. Said rules may restrict and govern the use of Common Area and Recreation and Open Space by any Member, by the family of such Member or by any invitee, licensee or lessee of such



Member. Declarant retains the right to establish rules relating to the use of any portion of the Common Area and/or Recreation and Open Space owned by it until annexation and conveyance to the Association and the Association may incorporate such rules in its Rules; the right of an Owner or the Board to enforce the Sunridge at MacDonald Ranch Rules is limited to those Owners that are subject to this Declaration. Notwithstanding anything to the contrary, such Rules shall not be inconsistent with the Sunridge at MacDonald Ranch Restrictions.

(b) Notification of Rules. A copy of the Rules, as they may be from time to time adopted, amended or repealed, shall be mailed or otherwise delivered to each Member and may be recorded. The recordation of said Rules shall have the same force and effect as if they were set forth in and were a part of this Declaration. No Rules may be adopted which materially impair the rights, preferences, or privileges of any Owner as specifically set forth herein.

2.12 Breach of Rules or Restrictions. In the event of a breach of any Rule or of any of the Restrictions contained in this Declaration by an Owner, their family, guests, employees, invitees, licensees or tenants, the Board, for and on behalf of itself and all other Owners, shall enforce the obligations of each Owner to obey such Rules or Restrictions in any manner provided by law or in equity, including, but not limited to, appropriate hiring of legal counsel, the pursuing of legal action, or suspension of the Owner's right to use the facilities of the Common Area or suspension of the Owner's voting rights; provided, however, such suspension may not be for a period in excess of thirty (30) days, after notice and hearing as herein provided, for an infraction of such Rules. In addition to the other remedies herein set forth, including without limitation, assessing the cost of repair of any damage resulting from an infraction of the Rules, the Board, by majority vote, may levy a reasonable fine against such Owner, after appropriate notice and hearing. Prior to imposing any penalty provided herein for breach of any rules enacted hereunder or of the Restrictions contained in this Declaration, the Board shall provide the Owner with a Notice and Hearing, which Notice must specify the nature of the infraction. In the event that the Board determines that said infraction has occurred and that a penalty shall be imposed, after a reasonable opportunity for a hearing has been provided, the determination of the Board shall be final. In the event legal counsel is retained or legal action is instituted by the Board pursuant to this paragraph, any settlement prior to judgment or any judgment rendered in any such action shall include costs of collection, court costs, and reasonable attorneys' fees.

2.13 Liability of Members of Board. No member of the Board shall be personally liable to any of the other Board members, to the Members or to any other person, including Declarant, for any error or omission of the Association, its representatives and employees, or the Architectural and Landscape Control Committee, provided that such Board member has, upon the basis of such information as may be possessed by him, acted in good faith.

2.14 Amendment. Notwithstanding anything to the contrary in Section 11.02, the provisions of Section 2.01, 2.03, 2.04, 2.06, 2.07, 2.08 and 2.13 shall not be amended without the vote or written consent of two-thirds of all of the Owners.

2.15 Relinquishment of Architectural Control to Subassociations. The Board may relinquish to any Subassociation established pursuant to a Supplemental Declaration the right to appoint its own Architectural and Landscape Control Committee for the area which is subject to such Supplemental Declaration. No such relinquishment shall be effective, however, without the written acceptance of the Subassociation. If such relinquishment is made, then the Architectural and Landscape Control Committee of such Subassociation shall have all rights, powers, functions, duties and obligations with respect to the area subject to the Supplemental Declaration as are granted to the Architectural and Landscape Control Committee by Article VIII or by any other sections of this Declaration.

### ARTICLE III

#### DEVELOPMENT OF SUNRIDGE AT MACDONALD RANCH:

3.01 Subdivision and Development by Declarant. Declarant intends to divide the Project into several areas, to develop some of the said areas and, at Declarant's option, to dedicate some of said areas as Common Areas, Recreation and Open Space, or for other purposes for the benefit of the developed areas. Declarant may from time-to-time contract to sell, option to sell, sell or lease all or portions of the Project to one or more Participating Builders for the building of Improvements. It is contemplated that the Project will be developed as a unified planned development or common interest community in which the development of, and restrictions upon, each portion thereof will benefit each other portion and the whole thereof. As each area is developed or dedicated, Declarant or a Participating Builder with the approval of Declarant may record one or more Supplemental Declarations with respect thereto which will refer to the Declaration and designate the use classification, and which may supplement the Declaration with such additional covenants, conditions and restrictions as Declarant may deem appropriate for that area; provided, however, that in no event shall the Association be responsible for the enforcement or administration of the provisions in any such Supplemental Declaration. Such Supplemental Declaration may, but need not, provide for the establishment of a Subassociation to be comprised of Owners within the area subject thereto. No Subassociation can be created by Declarant for property owned by a Participating Builder without that Participating Builder's written consent. Any Supplemental Declaration may provide its own procedure for the amendment of any provisions thereof, as, for example, by a specified vote of only the Owners of some of the property within the area subject thereto. All lands, Improvements and uses in each area to be developed shall be subject to both this Declaration and the Supplemental Declaration, if any, for that area. The maximum number of Units Declarant has the right to create within the Project (inclusive of the Annexable Property after annexation to the Project under Section 3.02) is two thousand four hundred and seventy-six (2,476).

3.02 Annexation. Declarant, or any Participating Builder upon the written consent of Declarant, may at any time and from time to time add to the lands which are subject to this Declaration. Except as provided in clause (4) of this Section 3.02, upon the recording of a Notice of Annexation containing the provisions set forth below in this Section 3.02 (which Notice may be contained within any Supplemental Declaration affecting such land), the covenants, conditions and restrictions contained in this Declaration shall apply to the added land in the same manner as if it had been originally subject to this Declaration; and

thereafter, except as provided in clause (4) of this Section 3.02, the rights, privileges, duties and liabilities of the Persons subject to this Declaration shall be the same with respect to the added land as with respect to the lands originally covered by this Declaration.

The Notice of Annexation referred to hereinabove shall contain the following provisions:

- (1) A reference to this Declaration, which reference shall state the date of recordation hereof and the book and page numbers wherein this Declaration is recorded;
- (2) A statement that the provisions of this Declaration shall apply to the added land as set forth herein;
- (3) An adequate legal description of the added land;
- (4) Declarant's written consent if the added land is not then owned by Declarant. As part of such written consent, Declarant may agree with the Participating Builder who owns such land as to the terms and conditions upon which Declarant will exercise its rights and duties, as Declarant under this Declaration, with respect to such added land. Such terms and conditions may provide for joint exercise, as to such added land, of Declarant's said rights and duties; and
- (5) Such complementary additions and modifications to this Declaration as may be necessary to reflect the different character, if any, of the added land which may be significantly at variance with the original land.

The right of Declarant to add additional land or units to this Declaration shall, except as permitted by Section 3.05(f), apply only to the real property described in Exhibit "B," attached hereto and incorporated herein by this reference (together with any Improvements thereto, the "Annexable Property"). Such additional land may, at Declarant's sole option, be annexed to the Project not later than ten (10) years following the recordation of this Declaration.

**3.03 Deannexation.** Declarant may deannex any area of land within the Project from this Declaration, without the consent of any Owner at any time prior to the conveyance of any area of Land or Unit on that portion of land to be withdrawn, to a Purchaser. Such deannexation shall be effected by recording a deannexation declaration. Upon recordation of the deannexation declaration, the land to be deannexed shall be removed and deannexed from the Project and, thereafter, shall be free from the obligations, requirements, declaration, limitations, covenants, conditions and restrictions set forth herein. Any deannexation will be consistent with any and all applicable City and County requirements.

**3.04 Lands Owned by Participating Builder.** If an area has been sold to a Participating Builder, any Supplemental Declaration and Notice of Annexation with respect thereto shall be executed by both Declarant and that Participating Builder.

3.05 Reservation of Special Declarant Rights. In addition to the rights reserved to Declarant under this Article III, Declarant, for itself and its successors, including each Participating Builder, hereby reserves the following enumerated rights:

(a) To complete any of the Improvements depicted on the plats, plans and maps as set forth in the Declaration.

(b) To exercise the development rights as set forth in this Declaration, including the right to add additional land or units to the Project in accordance with Section 3.02 and the right to withdraw land or units from the Project in accordance with Section 3.03.

(c) To maintain, operate and relocate sales offices, management offices, signs, advertising relating to the Community, and additional model homes, together with easements of ingress and egress throughout the Common Area for marketing purposes.

(d) To use and exercise easements through Common Areas for the purposes of making and constructing improvements within the Common-Interest Community.

(e) Appointing or removing officer or director of the Association appointed by Declarant, to the extent set forth in Section 2.03.

(f) To add up to but not more than ten percent (10%) additional acreage and appurtenant Unit density to the Project, in addition to the Annexable Property.

3.06 Termination of Declarant Rights. The Special Declarant Rights and other development rights provided for in this Article III shall expire ten (10) years from the date this Declaration is recorded ("Special Declarant Rights Period"); provided that in the event that the Veterans Administration is insuring or guaranteeing the mortgage on any Unit, the Special Declarant Rights Period may be extended an additional three (3) year period if approved by the Veterans Administration.

3.07 Dust Control Mitigation. Fugitive dust from disturbed areas will be controlled during and after any construction by Declarant or a Participating Builder using the best practical methods available such as watering, revegetation, or other controls in accordance with the dust mitigation measures required by the County Health District and the City.

## ARTICLE IV

### GENERAL RESTRICTIONS

All real property within the Project shall be owned, held, conveyed, encumbered, leased, used, occupied and enjoyed subject to the Architectural and Landscape Control Committee Design Guidelines and the following limitations and restrictions:

4.01 Antennas. Except for any which may, at Declarant's option, be erected by Declarant or Declarant's designated representative, no exterior radio or television antenna

or aerial, including satellite dishes, shall be erected or maintained in the Project without the prior written approval of the Architectural and Landscape Control Committee.

4.02 Insurance Rates. Nothing shall be done or kept in the Project which will increase the rate of insurance on any Association Property without the approval of the Board, nor shall anything be done or kept in the Project which would result in the cancellation of insurance on any Association Property or which would be in violation of any law.

4.03 No Further Subdividing. No Homesite, Common Area, Commercial Site, Multi-Family Site or Unit shall be further divided or subdivided, nor may any easement or other interest therein (less than the whole) be conveyed by the Owner thereof (including any Subassociation) without the prior written approval of the Architectural and Landscape Control Committee and compliance with the requirements contained in NRS 116.2111 or NRS 116.2112 as applicable; provided, however, that when Declarant or a Participating Builder is the Owner thereof, Declarant or the Participating Builder with the approval of Declarant, may further divide and subdivide any Homesite, Common Area, Commercial Site, Multi-Family Site, or Unit and convey any easement or other interest less than the whole, all without the approval of the Architectural and Landscape Control Committee. Nothing herein shall be deemed to require the approval of the Architectural and Landscape Control Committee for the transfer or sale of any Unit, Cluster Unit, Homesite, Multi-Family Site or Commercial Site, including Improvements thereon, or for the granting of any mortgage or deed of trust.

4.04 Signs. No sign of any kind shall be displayed to the public view without the approval of the Architectural and Landscape Control Committee except (1) a conventional "for sale" or "for rent" sign, (2) such signs as may be required by legal proceedings, or (3) signs erected by the Declarant or each Participating Builder in accordance with the Design Guidelines. No flashing or moving signs shall be permitted on the Project. All signage shall be of an architectural style in harmony with the overall Project as prescribed by the Design Guidelines or as otherwise approved in writing by the Architectural and Landscape Control Committee.

4.05 Fences: Easements Over Certain Homesites. The Declarant hereby reserves an easement in favor of the Association along the rear property lines of all those Homesites wherein the rear property lines abut roadways for the construction, maintenance and repair of the exterior of fences or perimeter walls.

4.06 Declarant's Easement. Declarant for itself and each Participating Builder reserves the right to perform warranty work, repairs and construction work within a Homesite in which it is constructing or has constructed Units and in any Units and Common Areas therein, to store materials in secure areas, and to control and have the right of access to work and repairs until completion. All work may be performed by Declarant or a Participating Builder without the consent or approval of the Board. Each of Declarant and Participating Builder have an easement through the Common Areas as may be reasonably necessary for the purpose of discharging such party's obligations or exercising special declarant rights, whether arising under NRS Chapter 116 or reserved in Section 3.05 of this

Declaration or any Supplemental Declaration. This easement includes the right to convey utility and drainage easements to public utilities, municipalities, the State, a Subassociation or other appropriate persons or Owners to fulfill the Plans and Specifications.

4.07 Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate upon any land within the Project and no odors shall be permitted to arise therefrom so as to render any such property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property or to its occupants. No noise or other nuisance shall be permitted to exist or operate upon any such property so as to be offensive or detrimental to any other property or to its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, insect control lights, bells or other sound devices (other than security devices used exclusively for security purposes) shall be located, used or placed on any such property without the prior written approval of the Architectural and Landscape Control Committee.

4.08 Repair of Building. No Improvement hereafter constructed upon any land within the Project shall be permitted to fall into disrepair, and each such Improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished by the Owner (including any Subassociation) thereof. The Association reserves the right to enter onto property in disrepair and make necessary repairs subject to Section 4.10 below.

4.09 Improvements and Alterations. There shall be no construction by Persons other than Declarant in compliance with the Design Guidelines, other than repairs or excavation, which in any way alters the exterior appearance of any Improvement, nor the removal of any Improvement, without the prior approval of the Architectural and Landscape Control Committee.

4.10 Violation of Sunridge at MacDonald Ranch Rules. There shall be no violation of the Sunridge at MacDonald Ranch Rules once adopted by the Board and made available to the Persons affected thereby. If any Owner or their family or any guest, licensee, lessee or invitee of such Owner or their family violates this Declaration or the Sunridge at MacDonald Ranch Rules, the Board may invoke any one or more of the following remedies: (1) impose a special charge upon such Owner for each violation; (2) suspend the right of such Owner and their family, guests, licensees, lessees and invitees to use Association Property under such conditions as the Board may specify, for a period of not to exceed thirty (30) days for each violation; (3) cause the violation to be cured and charge the cost thereof to such Owner; and (4) obtain injunctive relief against the continuance of such violation. Before invoking any such remedy, the Board shall give such Owner Notice and Hearing, except that the Board may suspend the right of any Owner and their family, guests, licensees, lessees and invitees without Notice and Hearing for any period during which any Assessment owed by such Owner is past due and unpaid. Any assessment or charge imposed under this Section 4.10 which remains unpaid for a period of ten (10) days or more, shall become a lien upon the Owner's land, Unit or Cluster Unit upon its inclusion in a recorded notice thereof and may be collected as provided in Article IX below for the collection of other Assessments.

4.11 Drainage. There shall be no interference with the established drainage patterns over any property within the Project, except by Declarant, unless adequate provision is made for proper drainage and approved by the Architectural and Landscape Control Committee.

4.12 No Hazardous Activities. No activities shall be conducted on any property in the Project and no Improvements constructed on any property in the Project which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any property in the Project, and no open fires shall be lighted or permitted on any property in the Project except in a contained barbecue unit while attended and in use for cooking purposes or within a safe and well-designed exterior fireplace.

4.13 No Temporary Structures. No tent or shack or other temporary building, Improvement or structure shall be placed upon any property in the Project. The foregoing shall not apply to (1) Declarant during the development, construction, sale and/or leasing of all or parts of the Project, or (2) a Participating Builder during its development, construction and/or leasing on that portion of the Project owned by such Participating Builder, but only with respect thereto.

4.14 No Mining and Drilling. No property in the Project shall be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing water, oil, gas or other hydrocarbons, minerals of any kind, rocks, stones, sand, gravel, aggregate or earth, except that Declarant or the Association may, by appropriate written permit, grant, license or easement, allow the drilling of wells and the installation of infiltration galleries for the extraction of water, and except that Declarant or the Association may, by appropriate written permit, grant, license or easement, allow any of the foregoing activities to the extent permitted by applicable zoning and as required for purposes of the Association or the Declarant.

4.15 Vehicles. In addition to the provisions of Section 5.06 hereof, the use of all vehicles, including but not limited to helicopters, gliders, trucks, automobiles, golf carts, graders, boats, tractors, pickups, mobile homes, trailers, buses, campers, recreational vehicles, bicycles, motorcycles, motor scooters, wagons, sleighs and snowmobiles, shall be subject to the Sunridge at Macdonald Ranch Rules, which may prohibit or limit the use thereof within specified parts of Sunridge at MacDonald Ranch, and which may also provide parking regulations and other rules regulating the same. In no event shall any recreational vehicle, travel trailer, camp trailer, motor home, camper or other similar recreational vehicle be parked on a Homesite or in front of any residence; provided, however, that the foregoing shall not apply to vehicles which are parked in such a manner that the vehicle is not visible from the front of the Homesite or visible from any other Homesite. Guests may park their recreational vehicle on a Homesite for not more than twenty-four (24) hours and thereafter the vehicle will be subject to being towed at the Owner's expense.

4.16 Construction Activities. This Declaration shall not be construed so as to unreasonably interfere with or prevent normal construction activities during the construction of Improvements by any Owner (including Declarant and each Participating Builder) upon

property within the Project; provided that when completed such Improvements shall in all ways conform to this Declaration and the Design Guidelines. Specifically, no such construction activities shall be deemed to constitute a nuisance or a violation of this Declaration by reason of noise, dust, presence of vehicles or construction machinery, posting of signs or similar activities; provided that such construction is pursued to completion with reasonable diligence, is in compliance with applicable federal, state and local laws and ordinances and any rules and regulations adopted pursuant thereto, and conforms to usual construction practices in the area. In the event of any dispute, a temporary waiver of the applicable provision, including but not limited to any provision prohibiting temporary structures, may be granted by the Architectural and Landscape Control Committee, provided that such waiver shall be only for the reasonable period of such construction. Such waiver may, but need not, be recorded or in recordable form.

4.17 Exemption of Declarant and Participating Builder. Notwithstanding anything in this Declaration to the contrary, neither Declarant nor any Participating Builder, including the activities of either, shall in any way be subject to the control of or under the jurisdiction of the Architectural and Landscape Control Committee, provided that such activities do not violate the Design Guidelines. Without in any way limiting the generality of the preceding sentence, this Declaration shall not prevent or limit the right of Declarant or a Participating Builder to excavate and grade, to construct and alter drainage patterns and facilities, to construct any and all other types of Improvements, to maintain model homes and construction, sales and leasing offices and similar facilities, and to post signs incidental to construction, sales and leasing, anywhere on the Project.

4.18 Assignment by Declarant. Any other provision of this Declaration to the contrary notwithstanding, Declarant may assign in whole or in part any of its privileges, exemptions, rights and duties under this Declaration to any other Person and may permit the participation in whole or in part by any other Person in any of its privileges, exemptions, rights and duties hereunder.

4.19 Building Permits. Building permits for any structures on property which is the subject of this Declaration, shall only be issued in accordance with the City Code and the Design Guidelines.

4.20 Party Walls. Each wall which is built as a part of the original construction by Declarant or a Participating Builder and placed on the property line between Units shall constitute a party wall. In the event that any party wall is not constructed exactly on the property line, the Owners affected shall accept the party wall as the property boundary. The cost of reasonable repair and maintenance of party walls shall be shared by the Owners who use such wall in proportion to such use (e.g., if the party wall is the boundary between two Owners, then each such Owner shall bear half of such cost). If a party wall is destroyed or damaged by fire or other casualty, any Owner whose Unit has use of the wall may restore it, and any other Owner whose Unit makes use of the wall shall contribute to the cost of restoration thereof in proportion to such use. The foregoing shall not prejudice the right of any such Owner to call for a larger contribution from another Owner pursuant to any rule of law regarding liability for negligent or willful acts or omissions. Notwithstanding any provision of this Section 4.20, an Owner who by his negligent or willful act causes a party



wall to be exposed to the elements shall bear the entire cost of furnishing the necessary protection against such elements. The right of any Owner to contribution from any other Owner under this Section 4.20 shall be appurtenant to the land and shall pass to such Owner's successors in title.

4.21 Perimeter Walls. Walls and/or fences around the exterior boundary of the Project ("perimeter walls") constructed or to be constructed by Declarant or a Participating Builder, are Improvements all portions of which are located, or conclusively deemed to be located, within the boundaries of individual Units. By acceptance of a deed to his Unit, each Owner on whose Unit a portion of the perimeter wall is located, hereby covenants, at the Owner's sole expense, with regard to said portion of the perimeter wall ("unit wall"): to maintain at all times in effect thereon property and casualty insurance, on a current replacement cost; to maintain and keep the unit wall at all times in good repair; and, if and when reasonably necessary, to replace the unit wall to its condition and appearance as originally constructed. No changes or alterations (including, without limitation, temporary alterations, such as removal of the unit wall for construction of a swimming pool or other Improvements) shall be made to the perimeter walls, or any portion thereof, without the prior written approval of the ALCC. If any Owner shall fail to insure, or to maintain, repair or replace his unit wall within sixty (60) days when reasonably necessary, in accordance with this Section 4.21, the Association shall be entitled to insure, or to maintain, repair or replace such unit wall, and to assess the full cost thereof against the Owner as a Special Assessment which may be enforced as provided for in this Declaration. The foregoing notwithstanding, the Association, at its sole expense, shall be responsible for removing or painting over any graffiti from or on the exterior sides of the perimeter walls.

## ARTICLE V

### PERMITTED USES AND RESTRICTIONS - RESIDENTIAL AREAS

5.01 Residential Areas. All property within any residential area (excluding any Recreation and Open Space in such residential area) shall be improved and used solely for residential use; except that any Common Area in such residential area may be improved and used for active and passive recreational purposes for the primary benefit of the Owners and occupants of Homesites and Multi-Family Sites in such residential area; and except that, as to any specific area, Declarant (or the Board if delegated by Declarant) may, in its sole and absolute discretion, permit other Improvements and uses consistent with the zoning then in effect for such specific area by so providing in a Supplemental Declaration recorded with respect to such specific area. Any Supplemental Declaration recorded for a residential area shall designate such area to be either a Single family residential area or a cluster housing area, and may further designate such residential use for that area to be attached or detached Single family residences or any combination thereof in the case of a Single family residential area, Cluster Units or any combination thereof in the case of a multi-family residential area. The Supplemental Declaration may designate an area as a planned unit development combining both Single family and cluster-type units where permitted by the applicable zoning and this Declaration.

5.02 Improvements and Use.

(a) Except as provided in Section 5.01 hereof, no Homesite shall be improved or used except by a dwelling or structure designed to accommodate no more than a Single Family plus a garage, and such other Improvements as are necessary or customarily incident to a Single Family residence; provided, however, that separate guest houses, and servants' quarters may be erected on any Homesite in accordance with the Architectural Design Guidelines as well as any and all applicable law.

(b) Except as provided in Section 5.01 hereof, no Multi-Family Site shall be improved or used except by attached Single Family apartments, Cluster Units, Condominium Units or any combination thereof, except that a Multi-Family Site may also be used for Single Family residential purposes to the extent permitted by this Declaration.

5.03 Residential Use; Rentals. No Unit on any Homesite or Multi-Family Site shall be used for any purpose other than Single Family Residential Use. However, nothing in this Declaration shall prevent the rental of property within a residential area by the Owner thereof for residential purposes, on either a short- or long-term basis subject to all the provisions of this Declaration. No commune, co-operative or similar type living arrangement shall be permitted anywhere in the Project.

5.04 Animals. No kennel or other facility for raising or boarding dogs or other animals for commercial purposes shall be kept on any Homesite. No more than two (2) normal household pets shall be raised, or kept on any Homesite and all pets shall be restrained or confined to the Homesite and not allowed to run at large or leave a Homesite except when restrained by a leash.

5.05 Unightly Articles. No unsightly article shall be permitted to remain on any Homesite so as to be visible from any other Homesite or public or private thoroughfares. The following items are PROHIBITED to remain so as to be visible from any other Homesite: without limiting the generality of the foregoing, trailers, motor homes, recreation vehicles, graders, trucks other than pickups, boats, tractors, campers, wagons, buses, sleighs, motorcycles, motor scooters, snowmobiles, snow removal equipment, except as permitted by the terms of Section 5.06 herein. Garden and maintenance equipment shall be kept at all times, except when in actual use, in an enclosed structure or screened so as not to be visible from any other Homesite. No repair or maintenance work shall be done on any automobile or vehicle or piece of equipment, other than minor emergency repairs, except so as not to be visible from any other Homesite. ~~Refuse, garbage and trash shall be kept at all times in a covered container and any such container shall be kept within an area so as not to be visible at all.~~ All Owners must subscribe to a garbage collection service when the same is available to the Project. Service areas, storage areas, compost piles and facilities for hanging, drying or airing clothing or household fabrics shall be appropriately screened from view; no lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials or scrap or refuse or trash shall be kept, stored or allowed to accumulate on any property except within an enclosed structure and kept so as not to be visible from any other Homesite.

5.06 Parking Restrictions; Use of Garage. Unless otherwise permitted by the Board, no automobile or motorcycle shall be parked or left within the Project other than within a garage, or assigned parking stall or space. No Owner shall use any area designated as "guest parking" for any purpose other than for parking of guests' vehicles. No boat, trailer, recreational vehicle, camper, large truck or vehicle shall be parked or left anywhere within the Project for more than twenty four (24) hours in any seven (7) day period unless the vehicle is parked in such a manner so as not to be visible from any other Homesite. However, parking by commercial vehicles for the purpose of making deliveries shall be permitted in accordance with the Sunridge at MacDonald Ranch Rules. Any garages shall be used for vehicles only and shall not be converted for living or recreational activities.

5.07 Restricted Use of Recreational Vehicles, Etc. No boat, truck, trailer, camper, recreational vehicle, or tent shall be used as a living area while parked or located within the Project.

5.08 Maintenance of Lawns, Plantings and Landscape. Except on those Homesites where Declarant or the Association has elected to provide for landscaping, and assessments therefore have been levied, each Owner shall complete the front yard landscaping on their Homesite, including planting lawn, shrubs, trees or ground cover, within six months following the recordation of a deed conveying title to the Homesite to an Owner other than Declarant.

Owner agrees to allow Declarant to plant and maintain erosion control grasses or plants on Owner's unimproved property to mitigate and eliminate dust and unsightly areas on unimproved homesites. Each Owner shall keep all shrubs, trees, grass and plantings on his or her Homesite neatly trimmed, properly cultivated and free from trash, weeds and other unsightly material and shall maintain the irrigation system on his or her Homesite so as to prevent sprinklers from routinely saturating the perimeter walls of the Homesite. Each Owner shall maintain all trees on his or her Homesite and shall replace any tree that dies or becomes diseased. No Owner shall remove, alter or injure any tree or shrub placed in any area by Declarant or by the Association or any tree in excess of four inches (4") in diameter without the prior written approval of the Architectural and Landscape Control Committee. The Association, the Architectural and Landscape Control Committee and their respective authorized agents shall have the right (without the duty) to enter upon any Homesite at any reasonable time for the purpose of planting, replacing, maintaining or cultivating trees and shrubs placed by the Declarant or the Association.

## ARTICLE VI

### PERMITTED USES AND RESTRICTIONS - OTHER AREAS

6.01 Common Areas and Open Space Areas. Any other provision of this Declaration to the contrary notwithstanding, no land within Common Area, Recreation and Open Space may be improved by any Improvement, used or occupied except in such manner as shall have been approved by Declarant in its sole and absolute discretion. Such required approval shall extend to the nature and type of use, occupancy, and Improvement, and may be given by recorded Supplemental Declaration. Declarant may delegate its right to grant

such approvals to the Board. No approval shall be granted which would be in contravention of the zoning or other local regulation then in effect for the area in question.

6.02 Easement of Airspace. There is hereby reserved to Declarant all right, title and interest to all airspace rights at or greater than thirty-five feet (35') above the ground elevation of the Homesites and Common Area in the Project.

6.03 Utilities Easement. There is hereby granted in favor of Declarant and each Participating Builder an easement for purposes of installing, facilitating, maintaining, repairing, replacing or inspecting sewer, drainage, and underground power lines or other utilities over, under and across the Project.

6.04 Easement to Facilitate Sales and Resales. There is hereby reserved to Declarant, each Participating Builder and their agents and employees, the right and exclusive easement to use any Units owned or leased by such parties as models, management offices, sales and resales offices, or customer service offices. This right shall include the right to relocate the same from time to time within the Project; upon relocation, the furnishings thereof may be removed. The Declarant further reserves for itself and the Participating Builders the right to maintain in the Project such advertising signs as may comply with the Design Guidelines and any applicable governmental regulations which may be placed in any location in the Project. The Declarant shall have the right to restrict the use of certain Common Area parking spaces for sales purposes and to permit the use of such spaces for sales purposes. Further, the Declarant and each Participating Builder shall have the right to erect temporary offices or certain common element for models, sales, resales, management, customer service, and similar purposes. The reservation of this easement to facilitate sales also applies to any land annexed or to be covered by this Declaration. Any such sales and marketing facilities and common areas shall be maintained by the Person utilizing such areas.

6.05 Hazardous Substances. No improvement or operation of any Commercial Site will be permitted which, in the sole opinion of the Declarant, will create or emit offensive, hazardous or excessive quantities of dust, dirt, fly ash, smoke, noise, fumes, odors or vibrations, or create risk of fire, explosion or other hazards or is not in harmony and consistent with the Project. Activities prohibited hereunder, include, but are not limited to activities which result in the disposal of hazardous substances in any form upon any Commercial Site. For the purposes of this Declaration, the term "Hazardous Substance" shall mean any product, substance, chemical, material or waste whose presence, nature, quantity and/or intensity of existence, use, manufacture, disposal transportation, spill, release or effect, either by itself or in connection with other materials expected to be found upon any Commercial Site, is either (1) potentially injurious to the public health, safety or welfare, the environment or the Project, (2) regulated or monitored by any governmental authority, or (3) a basis for liability of Declarant or any Owner to any governmental agency or third party under any applicable statute or common law property.

## ARTICLE VII

### ASSOCIATION PROPERTY

7.01 Use. Each Member of the Association who resides in the Project, and the members of their family who reside with them, and each lessee of a Dwelling, shall be entitled to use the Association Property, subject to:

(a) The right of the Association to charge reasonable dues, use fees and other fees for those facilities or amenities for which fees are normally charged or assessed.

(b) The right of the Association to suspend the rights to the use of any Association Property by any Member or lessee and their respective families, guests and invitees for any period during which any Assessment against the Member's property remains past due and unpaid; and, after Notice and Hearing by the Board, the right of the Association to invoke any remedy set forth in Section 4.10 and Article IX for any other infraction of the Sunridge at MacDonald Ranch Restrictions;

(c) The right of the Association to require that security deposits be made and deposited with the Association to secure all sums, and to guarantee performance of all duties, due and owing or to become due and owing to the Association;

(d) The right of the Association to allow the general public, or certain segments thereof, to use any Association Property, and in the discretion of the Board, to charge use or other fees therefore subject to subparagraph (a) above provided that the Association may not charge fees for access to parks and sport fields dedicated to the City;

(e) Such rights to use Association Property as may have been granted by the Association to others; and

(f) Such covenants, conditions, and restrictions as may have been imposed by the Association or prior owners on Association Property.

#### 7.02 Intentionally Omitted.

7.03 Easement of Enjoyment. Every Member of the Association shall have a right and easement of enjoyment in and to the Common Area, subject to this Declaration as it may be amended from time to time and to any restrictions or limitations contained in any deed conveying such property to the Association. Any Owner may delegate his or her right of enjoyment to the members of his or her family, tenants, members and social invitees, as applicable, subject to reasonable regulation by the Board and in accordance with procedures it may adopt. An Owner who leases his or her Unit shall be deemed to have delegated all such rights to the Unit's lessee.

7.04 Damages. Each Member and lessee described above in Section 7.01 shall be liable to the Association for any damage to Association Property which may be sustained

by reason of the negligent or intentional misconduct of such person or of his family, guests or invitees. If the property, the ownership or leasing of which entitles the Owner or lessee thereof to use Association Property, is owned or leased jointly or in common, the liability of all such joint or common Owners or lessees shall be joint and several. The amount of such damage may be assessed against such person's real and personal property on or within the Project, including the leasehold estate of any lessee, and may be collected as provided in Article IX, below, for the collection of Assessments.

7.05 Damage and Destruction. In the case of destruction of or damage to Association Property by fire or other casualty:

(a) Decision to Reconstruct. If the Board determines to rebuild any Association Property destroyed or damaged in a manner substantially the same as those which were destroyed or damaged, it shall prepare plans and obtain bids for said plans. The Board will call a special meeting where Members may, by two-thirds (2/3) of the vote cast at such meeting, elect to accept or reject the Board's plan and bids. The Board will modify its reconstruction plans until the required Membership vote is obtained.

Reconstruction of damaged or destroyed Association Property where the winning bid to perform necessary repairs is less than \$20,000 may be performed on behalf of Association without a vote of the Membership, provided such a decision is reached by a unanimous decision of the Board.

(b) Decision Not to Reconstruct. If the Board determines not to rebuild any Association Property so destroyed or damaged, or to build facilities substantially different from those which were destroyed or damaged, it shall call a special meeting of the Members to consider such decision. If the Members, by a vote of eighty percent (80%), elect to ratify such decision, the Board shall act accordingly; but if the Members do not by such percentage elect to ratify such decision, the Board shall proceed to repair or rebuild the damaged or destroyed facility pursuant to subparagraph (a) of this Section 7.05. Should the Entry Monumentation become destroyed or damaged after the termination of the Declarant control period described in Section 2.04(a), the Association agrees to rebuild the Entry Monumentation in a manner consistent with the original condition of the Entry Monumentation as of the date such are conveyed to the Association.

## ARTICLE VIII

### ARCHITECTURAL AND LANDSCAPE CONTROL COMMITTEE

8.01 Members of Committee. There shall be an Architectural and Landscape Control Committee (ALCC) which shall consist of three (3) members or five (5) members, all of which shall first be appointed by Declarant. There shall also be two (2) alternate members, either of whom may be designated by the Committee, to act as substitute on the Committee in the event of absence or disability of any member. Each member of the Committee shall hold office until such time as he has resigned or has been removed or his successor has been appointed, as provided herein. Members of the Committee may be removed at any time without cause.

8.02 Appointment of ALCC Members. Subject to Section 8.01, the Board, shall appoint and remove all members of the ALCC, including alternates, upon a majority vote.

8.03 Review of Proposed Construction. Whenever in this Declaration or in any Supplemental Declaration the approval of the Architectural and Landscape Control Committee is required, it shall have the right to consider all of the Plans and Specifications for the Improvement or proposal in question and all other facts which in its sole discretion are relevant. Except as provided in Sections 4.16 and 4.17 above, prior to commencement of any construction of any Improvement in the Project, the Plans and Specifications therefor shall be submitted to the Architectural and Landscape Control Committee, and construction thereof may not commence unless and until the Committee has approved such Plans and Specifications in writing. The Committee shall consider and act upon any and all Plans and Specifications submitted for its approval pursuant to this Declaration, and perform such other duties assigned to it by this Declaration, or as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with Plans and Specifications approved by the Committee. The Committee shall approve Plans and Specifications submitted for its approval only if it deems that the construction, alterations, or additions contemplated thereby in the locations indicated will not be detrimental to the surrounding area or the Project as a whole, and that the appearance of any structure affected thereby will be in harmony with the surrounding structures. The Committee may condition its approval of Plans and Specifications on such changes therein as it deems appropriate, and may require submission of additional Plans and Specifications or other information prior to approving or disapproving the material submitted. ~~The Committee may also issue rules or guidelines in accordance with Section 8.04 below regarding anything relevant to its functions, including but not limited to minimum standards and procedures for the submission of Plans and Specifications for approval.~~ The ALCC, at its sole discretion, may require a reasonable fee to accompany each application for approval. Said fee, payable in advance by applicant, shall be used to cover the ALCC and its members' reasonable costs. In the event that the Committee or its designated representative fails to approve any Plans and Specifications submitted pursuant to this Article VIII within sixty (60) days after submission to the Committee, Committee approval shall not be required, and this provision will be deemed to have been complied with in full. Notwithstanding any term to the contrary contained in this Section 8.03, the Committee may require such detail in Plans and Specifications submitted for its review and such other information as it deems proper, including, without limitation, environmental impact statements and, until receipt by the Committee of all required Plans and Specifications and other information, the Committee may postpone review of anything submitted for approval.

8.04 Architectural Design Guidelines. ~~The Architectural and Landscape Control Committee shall from time to time, and in its sole discretion, adopt, amend and repeal by unanimous vote rules and regulations to be known as "Architectural Design Guidelines" interpreting and implementing the provisions of this Declaration and setting forth fees to be charged and procedures and design and construction criteria to be followed in submitting proposals to the Committee.~~ A copy of the Architectural Design Guidelines as they may from time to time be adopted, amended or repealed, certified by any member of the Architectural and Landscape Control Committee, shall be maintained at the office of the Association and shall be available for inspection and copying by any Member at any

reasonable time during the business hours of the Association. The following minimum standards and restrictions shall apply to any construction work performed on the Property:

(a) No more than one (1) residential unit shall be constructed on any Homesite; however, if the size of the Homesite permits, a single detached guest house for guests or domestic employees shall be considered as part of the same residential unit. Further provided that one (1) residential unit may be constructed on more than one (1) Homesite in which event the Owner shall be required to pay assessments on the number of Homesites owned and constructed upon absent approval of an alternative plan by the Board.

(b) All Improvements shall be constructed in full compliance with all applicable zoning laws, building codes and other laws, ordinances and regulations applicable to the construction, use and occupancy of Improvements.

(c) The placement of the Improvements on a Homesite, the type of roofs, exterior materials and building shapes shall be established in accordance with the Design Guidelines and in such manner as to be determined reasonable in the sole discretion of the Architectural and Landscape Control Committee. Although the Architectural and Landscape Control Committee shall not proscribe specific building "envelopes" for each site, the Committee shall have the authority to establish reasonable standards in the Architectural Design Guidelines for the setback of buildings from the borders of home sites.

8.05 Meetings of the Committee. The Committee shall meet from time to time as necessary to perform its duties hereunder, but such meetings shall be held at least annually on or about the first Tuesday in April of each year or as required by law. The Committee may, from time to time by resolution unanimously adopted in writing, designate one of its members to take any action or perform any duties for and on behalf of the Committee, except the granting of variances pursuant to Section 8.10. In the absence of such designation, the vote of a majority of all of the members of the Committee, or the written consent of a majority of all of the members of the Committee taken without a meeting, shall constitute an act of the Committee.

8.06 No Waiver of Future Approvals. The approval or consent of the Committee to any Plans or Specifications for any work done or proposed, or in connection with any other matter requiring the approval or consent of the Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any Plans or Specifications or other matter whatsoever subsequently or additionally submitted for approval or consent by the same or a different Person.

8.07 Compensation of Members. The members of the Committee may be entitled to reasonable compensation from the Association for services rendered, together with reimbursement for expenses incurred by them in the performance of their duties hereunder. Such compensation shall initially be determined by Declarant while it has the right to approve or disapprove the members of the Committee pursuant to Sections 2.04(a) and 8.01 above and thereafter such compensation shall be determined by the Board.



8.08 Inspection of Work.

(a) Completed Work. Inspection of completed work and correction of defects therein shall proceed as follows:

(i) Upon the completion of any Improvement for which approved Plans or Specifications are required under this Declaration, the Owner shall give written notice of completion to the Committee within 15 days of the notice of completion given to the City.

(ii) Within such reasonable time as the Committee may set in the Rules and Regulations but not to exceed thirty (30) days thereafter, the Committee or its duly authorized representative may inspect such Improvement. If the Committee finds that such work was not done in strict compliance with all approved Plans and Specifications submitted or required to be submitted for its prior approval, it shall notify the Owner in writing of such noncompliance within such period, specifying in reasonable detail the particulars of noncompliance, and shall require the Owner to remedy the same.

(iii) If, upon the expiration of thirty (30) days from the date of such notification, the Owner shall have failed to remedy such noncompliance, the Committee shall notify the Board in writing of such failure. Upon Notice and Hearing, the Board shall issue a ruling determining whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If noncompliance exists, the Owner shall remedy or remove the same within a period of not more than forty-five (45) days from the date of announcement of the Board ruling. If the Owner does not comply with the Board's ruling within such period, the Board, at its option, may either remove the noncomplying Improvement or remedy the noncompliance, and the Owner shall reimburse the Association upon demand for all expenses incurred in connection therewith. If such expenses are not promptly repaid by the Owner to the Association, the Board shall levy a special Assessment against such Owner and the Improvement in question and the land upon which the same is situated for reimbursement and the same shall constitute a lien upon such land and Improvement and be enforced as in this Declaration provided.

(iv) If for any reason after receipt of said written notice of completion from the Owner, the Committee fails to notify the Owner of any noncompliance within the period provided above in subparagraph (ii) of Section 8.08 (a), the Improvement shall be deemed to be in accordance with said approved Plans and Specifications.

(b) Work in Progress. The Committee may inspect all work in progress and give notice of noncompliance as provided above in subparagraph (ii) of Section 8.08(a). If the Owner denies that such noncompliance exists, the procedures set out in subparagraph (iii) of Section 8.08 (a) shall be followed, except that no further work shall be done, pending resolution of the dispute, which would hamper correction of the noncompliance if the Board should find that such noncompliance exists.

8.09 Nonliability of Committee Members. Neither the Committee nor any member thereof nor the Board nor any member thereof shall be liable to the Association or to any Owner or to any other Person for any loss, damage or injury arising out of or in any way

connected with the performance of the Committee's or the Board's respective duties under this Declaration unless due to the willful misconduct or bad faith of the Committee or its members or the Board or its members, as the case may be. Except insofar as its duties may be extended with respect to a particular area by a Supplemental Declaration filed by Declarant, as the case may be, the Committee shall review and approve or disapprove all Plans and Specifications submitted to it for any proposed Improvement, including the construction, alteration or addition thereof or thereto, solely on the basis of aesthetic considerations and the overall benefit or detriment which would result to the surrounding area and Sunridge at MacDonald Ranch generally. The Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features, but shall not be responsible for reviewing, nor shall its approval of any Plans or Specifications be deemed approval thereof from the standpoint of structural safety, engineering soundness, or conformance with building or other codes which may be applicable to the planned construction.

8.10 Variances. The Committee may authorize variances from compliance with any of the architectural provisions of this Declaration or any Supplemental Declaration, including restrictions upon height, bulk, size, shape, floor area, land area, placement of structures, set-backs, building envelopes, colors, materials, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations may, in its sole and absolute discretion, warrant. Such variances must be consistent with any and all applicable law. Such variances must be evidenced in writing and must be signed by at least a majority of all of the members of the Committee. If such a variance is granted, no violation of the covenants, conditions or restrictions contained in this Declaration or any Supplemental Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration, the Rules, the Architectural Design Guidelines or any Supplemental Declaration for any purpose except as to the particular property and particular provision and in the particular instance covered by the variance.

8.11 Obligations with Respect to Zoning and Subdivisions. The Architectural and Landscape Control Committee shall require all Persons to comply fully with the zoning and master plan designations and any special use permits and with all applicable federal, state and local laws, regulations and ordinances, insofar as the same is applicable and as the same may hereafter be amended from time to time.

8.12 Relinquishment of Architectural Control To Subassociations. During the Declarant control period under Section 2.04(a) when Declarant is entitled to appoint the Board of Directors, Declarant may, at its sole discretion, relinquish to any Subassociation established pursuant to a Supplemental Declaration under this Declaration the right to appoint its own architectural committee for the area which is subject to such Supplemental Declaration; and after the expiration of the Declarant control period under Section 2.04(a), the Board may make such relinquishment. No such relinquishment shall be effective, however, without the written acceptance of the Subassociation. If such relinquishment is made, then the architectural committee of such Subassociation shall have all rights, powers,

functions, duties and obligations, with respect to the area subject to the Supplemental Declaration, as are granted to the Architectural and Landscape Control Committee by this Article VIII or by any other sections of this Declaration and the Subassociation shall have all rights, powers, functions, duties and obligations with respect to such Subassociation architectural committee as are granted to the Association, with respect to the Architectural and Landscape Control Committee, by this Article VIII or by any other sections of this Declaration.

## ARTICLE IX

### FUNDS AND ASSESSMENTS

#### 9.01 Assessments.

(a) Agreement to Pay. Each Owner (including Declarant and all Participating Builders), by acceptance of a deed, for each Homesite, Cluster Unit, Multi-Family Site, and Commercial Site, covenants and agrees to pay to the Association such regular and special Assessments as are established, made and collected, as provided in this Declaration. The Assessments provided for herein shall begin with respect to the Project on the first day of the month following the recordation of this Declaration and shall begin as to those portions of the Annexable Property annexed hereto pursuant to Section 3.02 on the later of (1) the first day of the month following a close of escrow for such property by Declarant to a Participating Builder or Owner, or (2) the first day of the month following the annexation of such property pursuant to Section 3.02. The first Assessment shall be adjusted according to the number of months remaining in the calendar year; provided, however, that until the Association makes an Assessment for Common Expenses, the Declarant shall pay all costs otherwise payable by the Association to which the Common Expenses pertain. Upon the annexation of additional land to the Project pursuant to Section 3.02 hereof, the Common Expenses shall be redetermined and recalculated to take into account the increased costs to the Association due to such annexation and the additional land added to the Project which is now assessable, and the respective budget, and Common Expenses and Assessments shall be accordingly recomputed, and each respective Owner shall be notified in writing of any such change in the amount of such Common Expense and Assessments.

The Association may enter into an agreement with Declarant or a Participating Builder ("Maintenance Agreement") whereby all or a portion of the Assessments due from such Declarant or Participating Builder are suspended for a limited period of time, in consideration for the agreement of the Declarant or the Participating Builder to maintain a portion of the Common Area or undertake any other obligation which would otherwise be the responsibility of the Association. Further, Declarant may enter into an agreement with a Participating Builder whereby the Declarant agrees to pay all or a portion of the Assessments otherwise allocable to the property owned by the Participating Builder and payable by the Participating Builder and its successor Owners (a "Subsidy Agreement"). During the term of any such Subsidy Agreement filed with the Secretary of the Association, the Association shall invoice Declarant directly for such portion of the Assessments payable by Declarant under that Subsidy Agreement and such amounts payable by Declarant shall

constitute the basis for a lien against any portion of the Project then owned by Declarant if such Assessment payable by Declarant becomes delinquent in accordance with Section 9.07.

(b) Allocation of Interests. Subject to Section 9.01, the Assessments provided for herein shall be assessed at a uniform rate in accordance with the percentage interest in the Common Expenses of each Owner calculated as follows:

i. Homesite Owners: Each Owner of a Homesite shall be liable for one (1) share of the common expenses.

ii. Multi-Family Owners: Each Owner of a Unit located in a building on any Multi-Family Site within the Project shall be liable for one share of the common expenses for every four (4) Units owned by such Owner. *apx., cluster units, condos units or any combination*

iii. Commercial Site Owners: Each Owner of a Commercial Site shall be liable for five (5) shares of the common expenses for up to every acre owned by such Owner. *Schools, bus park, prof office*

9.02 Sunridge at MacDonald Ranch Maintenance Fund. The Board shall establish a fund (the "Sunridge at MacDonald Ranch Maintenance Fund") into which shall be deposited all monies paid to the Association and from which disbursements shall be made in performing the functions of the Association under the Sunridge at MacDonald Ranch Restrictions. The funds of the Association must be used solely for payment of Common Expenses. Nothing contained herein shall limit, preclude or impair the establishment of other maintenance funds by any Subassociation pursuant to any Supplemental Declaration.

(a) Limitation on Regular Assessment Increases. From and after January 1st of the year immediately following the recordation of this Declaration, the regular Assessments pursuant to Section 9.03 may not be increased by more than 15% of the annual budget for the previous fiscal year without a vote or written consent of the Members as stated below. The Board may fix the regular Assessment at an amount not in excess of 15% of the annual budget for the previous year. The "fiscal year" for the Association shall be the calendar year.

From and after January 1st of the year immediately following the recordation of this Declaration, the regular Assessments may be increased above fifteen percent (15%) by the vote or written assent of fifty-one percent (51%) of the Members; provided, however, that following the termination of the Declarant control period under Section 2.04(a), any such increase shall have the vote or written assent of (i) fifty-one percent (51%) of the Members and (ii) fifty-one percent (51%) of the Members other than the Declarant.

(b) Budget Adoption and Ratification. Within 30 days after adoption of a proposed budget for the Project, the Board shall provide a summary of the budget to each Owner and a meeting of the Owners must be held to consider ratification of the budget. The meeting shall be not less than 14 or more than 30 days after mailing of the summary. Unless at that meeting a majority of all Owners reject the budget, the budget

is ratified, whether or not a quorum is present. If the proposed budget is rejected, the periodic budget last ratified by the Owners continues until the Owners ratify a subsequent budget proposed by the Board.

9.03 Regular Annual Assessments. Prior to the beginning of each fiscal year, the Board shall estimate the Common Expenses to be incurred by the Association during such year in performing its functions under this Declaration, including a reasonable provision for contingencies and appropriate replacement reserves, less any expected income and any surplus from the prior year's fund. Uniform, regular and equal Assessments sufficient to pay such estimated net charges shall then be levied and collected as provided in this Article IX. If the sums collected prove inadequate for any reason, including nonpayment of any individual Assessment, the Association may at any time and from time to time levy further Assessments in the same manner as aforesaid. All such regular Assessments shall be due and payable to the Association during the fiscal year in equal monthly installments on or before the first day of each month, or in such other manner as the Board may designate in its sole and absolute discretion, which shall at least be annually.

9.04 Special Assessments. Subject to the voting requirements and procedures set forth in Section 9.02(a), in addition to the regular annual Assessments provided for above in Section 9.03, the Board may levy special Assessments, upon the property within the Project and in the manner set forth in this Article IX, for capital improvements to the Association Property or repair of damage to Common Area or Association Property whenever two-thirds of the members of the Board vote that such special Assessments are necessary not to exceed an amount in any fiscal year equal to five percent (5%) of the gross Common Expenses of the Association as set forth in the budget for that fiscal year. Special Assessments which exceed that amount shall require approval by the Members pursuant to the same voting requirements for excess increases in regular Assessments set forth in subparagraph 9.02(a). Special Assessments may not be levied for the purpose of remedying a deficiency or shortfall in the regular Assessments nor to finance or reimburse Declarant for the costs of improving, maintaining or repairing any of the Common Area, Recreation or Open Space.

9.05 Notice of Special Assessments: Time for Payment. The Association may, in its discretion, give written notice of special Assessments to each Owner, which notice shall specify the amount of the special Assessment and the date or dates of payment of the same. No payment shall be due fewer than fifteen (15) days after such written notice has been given. Failure of the Association to give notice of the special Assessment shall not affect the liability of the Owner of any Unit, Homesite, Multi-Family Site or Commercial Site for such special Assessment, but the date when payment shall become due in such a case shall be deferred to a date fifteen (15) days after such notice shall have been given.

9.06 Late Charges. If any Assessment, whether regular or special, is not paid within fifteen (15) days after it is due, the Owner may be required by the Board to pay a late charge not to exceed the greater of Ten and no/100 Dollars (\$10.00) or eighteen percent (18%).

9.07 Unpaid Assessments as Liens. Subject to Section 9.01, the amount of any delinquent Assessment, whether regular or special, assessed against any property and any late payment charge attributable thereto, plus interest on such Assessment and charge at a rate not to exceed eighteen percent (18%) per annum simple interest, and the costs of collecting the same, including reasonable attorneys' fees, shall be a lien upon such property and the Improvements thereto. Such lien shall be prior to any declaration of homestead. Such lien shall be created in accordance with NRS 116.3116 and shall be foreclosed in the manner provided for in NRS 116.31162 through, 116.31168, inclusive, as the same may be now or hereafter in effect. A certificate executed and acknowledged by a member of the Board or the designated agent of the Board, stating the indebtedness secured by such lien shall be conclusive upon the Association as to the amount of such indebtedness as of the date of the certificate, in favor of all Persons who rely thereon in good faith, and such certificate shall be furnished to any Owner upon request at a reasonable fee.

9.08 Mortgage Protection. Notwithstanding any other provision of the Sunridge at MacDonald Ranch Restrictions, no lien created under this Article IX or under any other Article of this Declaration, nor any lien arising by reason of any breach of the Sunridge at MacDonald Ranch Restrictions, nor the enforcement of any provision of this Declaration or of any Supplemental Declaration shall defeat or render invalid the rights of the Beneficiary under any recorded Mortgage or Deed of Trust of first and senior priority now or hereafter upon a Homesite, Multi-Family Site, or Commercial Site made in good faith and for value perfected before the date on which the assessment sought to be enforced became delinquent. However, after the foreclosure of any such first Mortgage or Deed of Trust or after any conveyance in lieu of foreclosure, such Homesite, Multi-Family Site, or Commercial Site shall remain subject to the Sunridge at MacDonald Ranch Restrictions and shall be liable for all regular Assessments and all special Assessments levied subsequent to completion of such foreclosure or delivery of such conveyance in lieu of foreclosure, and to all installments of all regular and special Assessments levied prior to completion of such foreclosure or delivery of such conveyance but falling due after such completion or such delivery.

9.09 Effect of Amendments on Mortgages. Notwithstanding the provisions of Section 10.02 below, no amendment of Section 9.08 of this Declaration shall affect the rights of any Beneficiary whose Mortgage or Deed of Trust has the first and senior priority as provided in Section 9.08 and who does not join in the execution thereof, provided that its Mortgage or Deed of Trust is recorded in the real property records of County prior to the recordation of such amendment; provided, however, that after foreclosure or conveyance in lieu of foreclosure the property which was subject to such Mortgage or Deed of Trust shall be subject to such amendment.

9.10 Subordination. By subordination agreement executed by the Association, the benefits of Section 9.08 and 9.09, above, may in the sole and absolute discretion of the Board, be extended to beneficiaries not otherwise entitled thereto.

9.11 Capitalization of Association. A working capital fund may be established in the amount equal to two months' regularly budgeted initial Assessments as set forth in Section 9.01(a), in proportion to the allocation of interests set forth in Section 9.01(b). Any

amounts paid into this fund shall not be considered as advance payment of Assessments. The share of the working capital fund for each Unit, Homesite, Multi-Family Site or Commercial Site may be collected and then shall be contributed to the Association by the Declarant or Participating Builder at the time of the sale of each Homesite to an Owner other than a Participating Builder, or at the time a Multi-Family Site or Commercial Site is transferred to an Owner other than Declarant or a Participating Builder. Until paid to the Association, the contribution to the working capital shall be considered an unpaid Assessment, with a lien on the Unit, Homesite, Multi-Family Site or Commercial Site pursuant to the Act. Until termination of the period of Declarant Control under Section 2.04(a) hereof, the working capital shall be deposited in a segregated fund. During the period of Declarant Control under Section 2.04(a) hereof, the Declarant cannot use any of the working capital funds to defray its expenses, its payment of Assessments, including, reserve contributions, or construction costs or to make up budget deficits.

## ARTICLE X

### MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Units in the Project. The provisions of this Article X apply to both this Declaration and to the Bylaws notwithstanding any other provisions contained therein.

10.01 Notices of Action. An institutional holder, insurer or guarantor of a first Mortgage who provides written request to the Association (such request to state the name and address of such requestor and the street address of Unit to which its interest 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 Project or which affects any Unit 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 Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of sixty (60) days, or any other violation of the Declaration or Bylaws relating to such Unit or the Owner which is not cured within sixty (60) days. Notwithstanding this provision, any holder of a first Mortgage is entitled to written notice upon request from the Association of any default in the performance by an Owner of an Unit of any obligation under the Declaration or Bylaws which is not cured within sixty (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.

10.02 Special FHLMC Provision. So long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the

foregoing. Unless at least sixty-seven percent (67%) of the first Mortgagees or Voting members representing at least sixty-seven percent (67%) of the total Association consent, the Association shall not:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Common Area which the Association owns directly or indirectly (the granting of easements for public utilities or other similar purposes consistent with the intended uses of the Common Area shall not be deemed a transfer within the meaning of this subsection.)

(b) change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner of a Unit (a decision, including contracts, by the Board or provisions of any declaration subsequently recorded on any portion of the Project regarding assessments for Neighborhoods or similar areas shall not be subject to this provision where such decision or subsequent declaration is otherwise authorized by this Declaration.);

(c) by act or omission change, waive, or abandon any scheme of regulations or enforcement relating to architectural design, exterior appearance or maintenance of Units and the Common Area (The issuance and amendment of architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this provision.);

(d) fail to maintain insurance, as required by this Declaration; or

(e) use hazard insurance proceeds for any Common Area losses for other than the repair, replacement, or reconstruction of such property.

First Mortgagees may, jointly or singly pay taxes or other charges which are in default and which may or have become a charge against the Common Area and may pay overdue premiums of property insurance policies or secure new property insurance coverage upon the lapse of an Association policy, and first Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

10.03 Other Provisions for First Lien Holders. To the extent possible under Nevada law:

(a) Any restoration or repair of the Project after a partial condemnation or damage due to an insurable hazard shall be performed substantially in accordance with this Declaration and the original plans and specifications unless the approval not to so perform is obtained of the Eligible Holders of first Mortgages on Units to which at least fifty one percent (51%) of the votes of Units subject to Mortgages held by such Eligible Holders are allocated.

(b) Any election to terminate the Association after substantial destruction or a substantial taking in condemnation shall require the approval of the Eligible



Holders of first Mortgages on Units to which at least fifty one percent (51%) of the votes of Units subject to Mortgages held by such Eligible Holders are allocated.

10.04 Amendments to Documents. The following provisions do not apply to amendments to the constituent documents or termination of the Association made as a result of destruction, damage, or condemnation pursuant to 10.03 (a) and (b) or the addition of land under Sections 3.02 and 3.05(f).

(a) Notwithstanding the provisions of Section 11.02, the consent of the Voting Members representing at least sixty-seven percent (67%) of the votes of each voting class and of the Declarant, so long as it owns any land subject to this Declaration, and the approval of Eligible Holders of first Mortgages on Units to which at least fifty-one percent (51%) of the votes of Units subject to a Mortgage, shall be required to materially amend any provisions of the Declaration, Bylaws, Articles of Incorporation, or to add any material provisions thereto which establish, provide for, govern, or regulate any other following:

- (i) voting;
- (ii) assessments, assessment liens, or subordination of such liens;
- (iii) reserves for maintenance, repair, and replacement of the  
Common Area;
- (iv) insurance or fidelity bonds;
- (v) rights to use the Common Area;
- (vi) responsibility for maintenance and repair of the Project;
- (vii) expansion or contraction of the Project or the addition  
annexation or withdrawal of Properties to or from the Association;
- (viii) boundaries of any unit;
- (ix) leasing of Units;
- (x) imposition of any right of first refusal or similar restriction of  
the right of the Owner to sell, transfer or otherwise convey his or her unit;
- (xi) establishment of self-management by the Association where  
professional management has been required by an Eligible Holder; or
- (xii) any provisions in the Declaration, Bylaws, or Articles of  
Incorporation which are for the express benefit of holders, guarantors, or insurers of first  
Mortgages on Units.

10.05 No Priority. No provision of the Declaration or the Bylaws gives or should be construed as giving any Owner or another party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

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

10.07 Amendment by Board. Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of its respective requirements which necessitate the provisions of the Article or make any such requirements less stringent, the Board, without the approval of the Owners, may record an amendment to this Article to reflect such changes.

10.08 Applicability of Article X. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, By-Laws or Nevada law for any of the acts set out in this Article.

10.09 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 thirty (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.

10.10 FHA/VA Approval. During the Declarant control period under Section 2.04(a), the following actions require the approval of the Federal Housing Administration or the Veterans Administration, if either such agency is then insuring or guaranteeing the mortgage on any Unit within the Project: annexation of additional property, dedication of Common Area, or material amendment of this Declaration.

## ARTICLE XI

### MISCELLANEOUS

11.01 Term. This Declaration, including all of the covenants, conditions and restrictions hereof, shall run until December 31, 2040, unless amended as herein provided. After December 31, 2040, this Declaration, including all such covenants, conditions and restrictions, shall be automatically extended for successive periods of ten (10) years each, unless amended or extinguished by a written instrument executed by at least two thirds (2/3) of the Owners in the Project and recorded in the Official Records of the County Recorder.

11.02 Amendment.

(a) Special Provisions. No amendment of Article X shall be effective as to any Beneficiary who does not join in the execution thereof provided that its Mortgage or

Deed of Trust is recorded in the Official Records of the County Recorder prior to the recordation of such amendment. Subject to the preceding sentence, and except as set forth below, no amendment of this Section 11.02 shall be effective unless adopted by a majority of the total number of votes entitled to be cast pursuant to Sections 2.03(a) and (g) above at the time of the proposed amendment. No amendment of this Declaration shall be effective until executed and recorded in the Official Records of the County Recorder in the manner herein provided.

(b) By Declarant. Except as provided in Section 11.02(a), this Declaration may be amended in accordance with NRS 116.2109 and NRS 116.2110 by Declarant or by a Participating Builder upon the written consent of Declarant for the purpose of exercising any developmental rights as set forth in this Declaration.

(c) By Owners. Except as provided in Sections 11.02(a) and 11.02(b) and as otherwise may be permitted under NRS Chapter 116, this Declaration may be amended by the recording, in the real property records of the County, an instrument executed and acknowledged by the president and secretary of the Board, setting forth the amendment and certifying that such amendment has been approved by Owners entitled to cast at least fifty-one percent (51%) of the number of votes entitled to be cast pursuant to Sections 2.03(a) and (g) and, where applicable, the approval of fifty-one percent (51%) of the Owners in the voting class affected by the amendment. Any Owner may indicate their approval of such proposed amendment either by consenting thereto in writing or by affirmative vote at a duly convened regular or special meeting of the Association.

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

11.04 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate their purposes of creating a uniform plan for the development and operation of Sunridge at MacDonald Ranch and of promoting and effectuating the fundamental concepts of Sunridge at MacDonald Ranch as set forth in Article I of this Declaration. This Declaration shall be construed and governed under the laws of the State of Nevada.

11.05 Enforcement and Nonwaiver.

(a) Right of Enforcement. Except as otherwise provided herein, any Owner, at their own expense, Declarant, Participating Builder, the Board and/or the ALCC (to the extent permitted by Section 8.08) shall have the right to enforce all of the provisions of the Sunridge at MacDonald Ranch Restrictions against any property within the Project and the Owners thereof. Such right of enforcement shall include both damages for and injunctive relief against the breach of any such provision. The right of any Owner to so

enforce such provisions shall be equally applicable without regard to whether the land (or other interest) of the Owner seeking such enforcement or the land (or other interest) whereon or with respect to which a violation of such provision is alleged is initially set forth on Exhibit A or is hereafter subjected to this Declaration pursuant to Section 3.02, above.

(b) Violation a Nuisance. Every act or omission whereby any provision of the Sunridge at MacDonald Ranch Restrictions is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated by any Owner, at their own expense, by Declarant, by a Participating Builder or by the Board, whether or not the relief sought is for negative or affirmative action. However, only Declarant, the Board and the duly authorized agents of either of them may enforce by self-help any of the provisions of the Sunridge at MacDonald Ranch Restrictions, and then only if such self-help is preceded by reasonable notice to the Owner in question.

(c) Violation of Law. Any violation of any federal, state or local law, ordinance or regulation pertaining to the ownership, occupancy or use of any property within the Project is hereby declared to be a violation of the Sunridge at MacDonald Ranch Restrictions and subject to all of the enforcement procedures set forth in said Restrictions.

(d) Remedies Cumulative. Each remedy provided by the Sunridge at MacDonald Ranch Restrictions is cumulative and not exclusive.

(e) Nonwaiver. The failure to enforce any provision of the Sunridge at MacDonald Ranch Restrictions at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provision of said Restrictions.

#### 11.06 Construction.

(a) Restrictions Severable. Notwithstanding the provisions of the foregoing Section 11.04, each of the provisions of the Sunridge at MacDonald Ranch Restrictions shall be deemed independent and severable, and the invalidity or partial invalidity of any of any provision or portion thereof shall not affect the validity or enforceability of any other provision.

(b) Singular Includes Plural. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular, and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

(c) Captions. All Captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise affect that which is set forth in any of the paragraphs, Sections or Articles hereof.

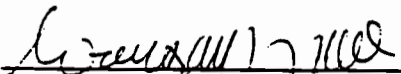
(d) Liberal Construction. It is the intention of Declarant and the Initial Owner that this Declaration be liberally construed to promote the purpose of a well

planned community, reserving to the Declarant the rights necessary to complete the project and to insure the integrity of the interrelated land uses.

(d) Counterparts. This Declaration may be signed in any number of counterparts, and signatures to all counterparts hereto, when assembled together, shall constitute signatures to this entire Declaration with the same effect as if all signatures were on the same document.

Declarant:

SUNRIDGE DEVELOPMENT COMPANY, A Nevada  
limited liability company

By:   
WON SANG YOO, Co-Manager

By:   
RICHARD C. MACDONALD, Co-Manager

Initial Owner.

JERRY E. POLIS - GREEN VALLEY EASTERN  
LIMITED LIABILITY PARTNERSHIP

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

planned community, reserving to the Declarant the rights necessary to complete the project and to insure the integrity of the interrelated land uses.

(d) Counterparts. This Declaration may be signed in any number of counterparts, and signatures to all counterparts hereto, when assembled together, shall constitute signatures to this entire Declaration with the same effect as if all signatures were on the same document.

Declarant:


SUNRIDGE DEVELOPMENT COMPANY, A Nevada  
limited liability company

By: \_\_\_\_\_  
WON SANG YOO, Co-Manager

By:   
RICHARD C. MACDONALD, Co-Manager

Initial Owner:

JERRY E. POLIS - GREEN VALLEY EASTERN  
LIMITED LIABILITY PARTNERSHIP

By:   
Name: \_\_\_\_\_

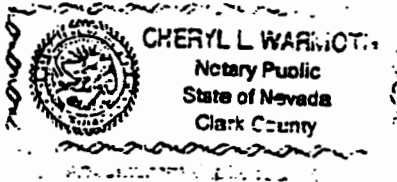
Title: \_\_\_\_\_

NOT FOR USE IN RESALE PACKAGE

STATE OF Nevada

COUNTY OF Clark

This instrument was acknowledged before me on this 24th day of July, 1995 by WON SANG YOO as Co-Manager of SUNRIDGE DEVELOPMENT COMPANY.



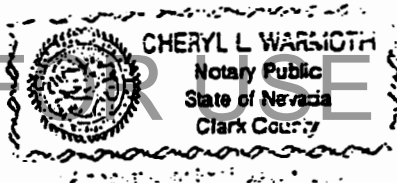
Cheryl L. Warmoth  
(Signature of notarial officer)

(My commission expires: 1-5-98)

STATE OF Nevada

COUNTY OF Clark

This instrument was acknowledged before me on this 24th day of July, 1995 by RICHARD C. MACDONALD, Co-Manager of SUNRIDGE DEVELOPMENT COMPANY.



Cheryl L. Warmoth  
(Signature of notarial officer)

(My commission expires: 1-5-98)

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 1995 by \_\_\_\_\_ as \_\_\_\_\_ of JERRY E. POLIS - GREEN VALLEY EASTERN LIMITED LIABILITY PARTNERSHIP.

\_\_\_\_\_  
(Signature of notarial officer)

(My commission expires: \_\_\_\_\_)

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 1995 by WON SANG YOO as Co-Manager of SUNRIDGE DEVELOPMENT COMPANY.

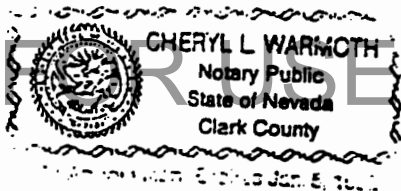
\_\_\_\_\_  
(Signature of notarial officer)

(My commission expires: \_\_\_\_\_)

STATE OF Nevada

COUNTY OF Clark

This instrument was acknowledged before me on this 21st day of July, 1995 by RICHARD C. MACDONALD, Co-Manager of SUNRIDGE DEVELOPMENT COMPANY.



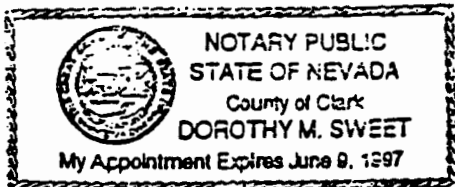
Cheryl L. Warmoth  
(Signature of notarial officer)

(My commission expires: 1-5-98)

STATE OF Nevada

COUNTY OF Clark

This instrument was acknowledged before me on this 21st day of July, 1995 by Jerry E. Polis as \_\_\_\_\_ of JERRY E. POLIS - GREEN VALLEY EASTERN LIMITED LIABILITY PARTNERSHIP.



Dorothy M. Sweet  
(Signature of notarial officer)

(My commission expires: \_\_\_\_\_)



EXHIBIT "A"

THE PROJECT

Lot 7 and Lot 8 as shown on the Final Map of SUNRIDGE @ THE MACDONALD RANCH, recorded February 3, 1995, in Book 66, Page 26 of Plats, Official Records in the Office of the County Recorder of Clark County; and

Lot 1, Common Element Lot 1 (also shown as "C.E.1"), Common Element Lot 7 (also shown as "C.E.7") and Common Element Lot 8 (also shown as "C.E.8") as shown on the Phase 1 Amended Final Map of SUNRIDGE @ THE MACDONALD RANCH, recorded July 14, 1995, in Book 68, Page 99 of Plats, Official Records in the Office of the County Recorder of Clark County, Nevada.

NOT FOR USE IN RESALE PACKAGE

EXHIBIT "B"

ANNEXABLE PROPERTY

All of that real property shown on the Final Map of SUNRIDGE @ THE MACDONALD RANCH, recorded February 3, 1995, in Book 66, Page 26 of Plats, Official Records in the Office of the County Recorder of Clark County;

EXCEPTING AND EXCLUDING THEREFROM:

Lot 7 and Lot 8 as shown on the Final Map of SUNRIDGE @ THE MACDONALD RANCH, recorded February 3, 1995, in Book 66, Page 26 of Plats, Official Records in the Office of the County Recorder of Clark County; and

Lot 1, Common Element Lot 1 (also shown as "C.E.1"), Common Element Lot 7 (also shown as "C.E.7") and Common Element Lot 8 (also shown as "C.E.8") as shown on the Phase 1 Amended Final Map of SUNRIDGE @ THE MACDONALD RANCH, recorded July 14, 1995, in Book 68, Page 99 of Plats, Official Records in the Office of the County Recorder of Clark County, Nevada.

NOT FOR USE IN RESALE PACKAGE

CLARK COUNTY, NEVADA  
JUDITH A. VANDEVER, RECORDER  
RECORDED AT REQUEST OF  
UNITED TITLE OF NEVADA  
07-24-95 15:21 EAH 66  
BOOK 950724 INST. 00816  
FEE 72.00 RPT: .00  
RESTRICTIONS  
CONFORMED COPY HAS NOT BEEN

G. **BASKETBALL BACKBOARDS:** Back yard basketball backboards must be submitted to the Committee for approval and will be considered by the Committee utilizing the following guidelines:

1. **Front yard or driveway basketball backboards are not allowed and will not be considered.**

2. They cannot be affixed to any structure. They may be mounted on a free-standing pole which can be permanent or movable.

3. The backboard shall be located at least ten (10) feet from the property line.

4. Adequately-sized plant material, trees, and/or shrubs, shall be used to screen/mask/diffuse the structure from long range view and to constitute a barrier to prevent the ball from encroaching on the neighbor's property.

5. The applicant submits proposal to the property manager of Sunridge together with his agreement that if approved, he would restrict activity on the court from 9:00 pm to 9:00 am.

6. The equipment must be a manufactured variety and maintained in like-new condition at all times.

NOT FOR USE IN RESALE PACKAGE

AMENDED: 08/20/97

**SECTION VI. N, PAGE 16 OF THE "ARCHITECTURAL GUIDELINES " HAS BEEN AMENDED TO AGREE WITH SECTION 5.06, PAGE 37 OF THE CC&Rs AS FOLLOWS:**

"No boat, trailer, recreational vehicle, camper, large truck or vehicle shall be parked or left anywhere within the Lot for more than twenty four (24) hours in any seven (7) day period unless the vehicle is parked in such a manner so as not to be visible from any other Homesite."

NOT FOR USE IN RESALE PACKAGE

**EXHIBIT F**  
**SUNRIDGE AT MACDONALD RANCH**  
**BREACHING COMMUNITY WALL**

Amended 8/20/97

If a homeowner requests approval to gain entrance to their property through one of the community perimeter walls to install a pool or other structures on the homeowner's property, the homeowner shall abide by the following:

- \* SUBMIT APPLICATION EXHIBIT B, EXHIBIT C, AND EXHIBIT F
- \* OWNER SHALL POST A BOND OR DEPOSIT IN CERTIFIED FUNDS, A SUM EQUAL TO THE QUOTED AMOUNT OR \$2,000, WHICHEVER IS GREATER, TO BE HELD BY THE ASSOCIATION'S MANAGEMENT FIRM UNTIL THE ARC COMMITTEE HAS APPROVED THE COMPLETED WORK.
- \* SUBMIT FULLY EXECUTED INDEMNIFICATION AGREEMENT.
- \* THE WALL SHALL NOT BE DOWN LONGER THAN 45 DAYS.
- \* ASSOCIATION'S MANAGEMENT FIRM WILL RETURN THE DEPOSIT AT THE DIRECTION OF THE ARC COMMITTEE AT THE TIME OF COMPLETION LESS ANY EXPENSES OR REPAIRS INCURRED BY THE ASSOCIATION IN RELATION TO THE IMPROVEMENTS.
- WALL SHALL BE REMOVED AND REPLACED BY ORIGINAL CONTRACTOR OR CONTRACTOR OF ASSOCIATION'S CHOICE AND LANDSCAPING SHALL BE REMOVED AND RESTORED BY COMMUNITY ASSOCIATION LANDSCAPING COMPANY.
- UPON APPROVAL OF SUBMITTAL, ALL CONSTRUCTION SHALL BE SCHEDULED THROUGH THE ASSOCIATION FOR COORDINATION.
- THESE RULES SHALL ALSO APPLY FOR CONSTRUCTION ACCESS OVER THE PERIMETER WALL.
- \* PERMISSION TO BREACH THE PERIMETER WALL WILL NOT BE GRANTED IF BACKYARD CAN BE ACCESSED THROUGH SIDE RETURN WALL.

\_\_\_\_\_  
Homeowners Name

\_\_\_\_\_  
Homeowners Address

\_\_\_\_\_  
Architectural Review Committee Signature and Date ( ) APPROVED ( ) NOT APPROVED

\_\_\_\_\_  
Comments

GRANT OF EASEMENT

I (WE) SUNRIDGE AT MACDONALD'S RANCH COMMUNITY ASSOCIATION for One Dollar and other valuable consideration, do hereby grant and convey to SUNRIDGE VILLAGE PLAZA L.L.C., a Nevada limited liability company and assigns, a non-exclusive perpetual easement and the right to construct, to operate, to maintain, for driveway(s) upon, over and across the parcel(s) hereinafter described and the right of ingress and egress to and over the said parcel(s); together with the right to clear and keep cleared any obstruction from the surface as may be deemed necessary to insure the safe and proper operation of said driveway(s).

The above referred to parcel(s) of land, situate in the County of Clark, State of Nevada, are described as follows:

SEE ATTACHED LEGALS

WITNESS my (our) hand(s) this 17th day of August 1998.

SUNRIDGE AT MACDONALD'S RANCH COMMUNITY ASSOCIATION "GRANTOR"

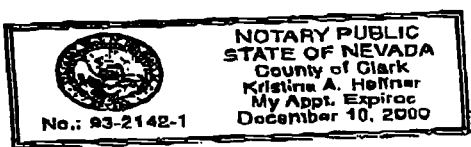
By: [Signature] Title: President "GRANTOR"
By: [Signature] Title: Director "GRANTOR"

STATE OF NEVADA )
COUNTY OF CLARK ) SS

On August 17, 1998, before me, the undersigned, a NOTARY PUBLIC, in and for said County and State, personally appeared Jerome D. Helton & Frances R. MacDonald.

Known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein mentioned.

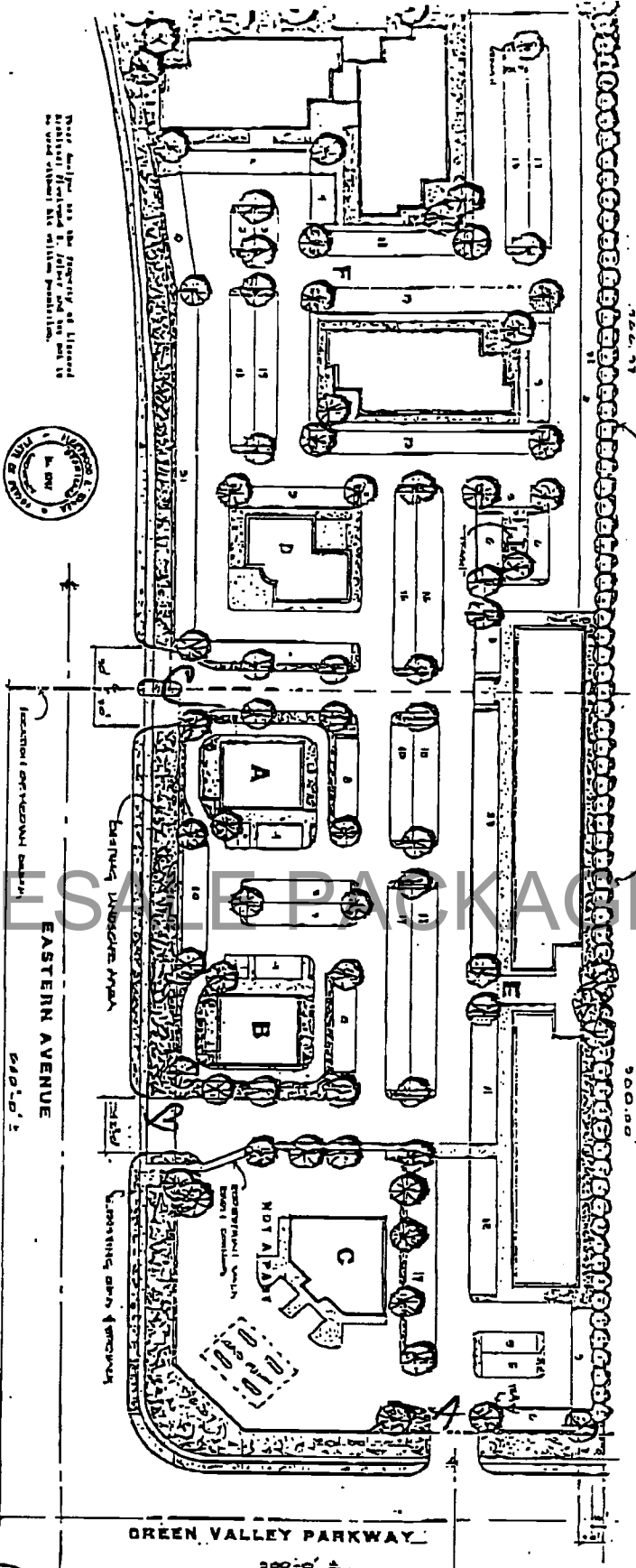
WITNESS my hand and official seal.



Kristina A. Heffner
Notary Public

Notary Seal/Stamp

LANDSCAPE BUFFER  
MONSIEUR PINE 44" BOX AT 118' O.C.  
300.000'



These drawings are the property of Licensed Professional Architect J. J. J. and are not to be used without his written permission.



DEVELOPER:

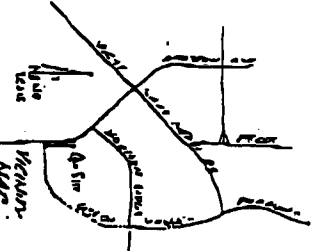
AMMUS CORPORATION  
8550 W FLAMINGO ROAD #A4  
LAS VEGAS, NV 89103 (702)871-4188

CURRENT OWNERS:

JERRY POLIS  
928 E DESERT INN ROAD  
LAS VEGAS, NV 89109

LEGAL DESCRIPTION:

LOT 7 A & B 0.03 ACRES NE1/4  
SUNNIDGE AT MAC DONALD RANCH  
HERNDERSON, NEVADA



EASTERN AVENUE  
540'±

GREEN VALLEY PARKWAY  
300'±

TABULATION

LETTER	DESCRIPTION	SQ. FT.	PARKING SPACES
A	FAST FOOD/BANK	3,500 SF	22
B	FAST FOOD/BANK	3,500 SF	22
C	PAD NOT A PART		
D	SUPPER CLUB SEATING 2,000 SF	5,000 SF	30
E	RETAIL CENTER	29,000 SF	116
F	MEDICAL OFFICE	80,000 SF	300
TOTAL BUILDING COVERAGE 20%		101,000 SF	480
LANDSCAPE XERISCAPE 12% REQUIRED AND PROVIDED		514	PARKING SPACES REQUIRED PROVIDED

SITE PLAN



SITE AREA 351,040 SF

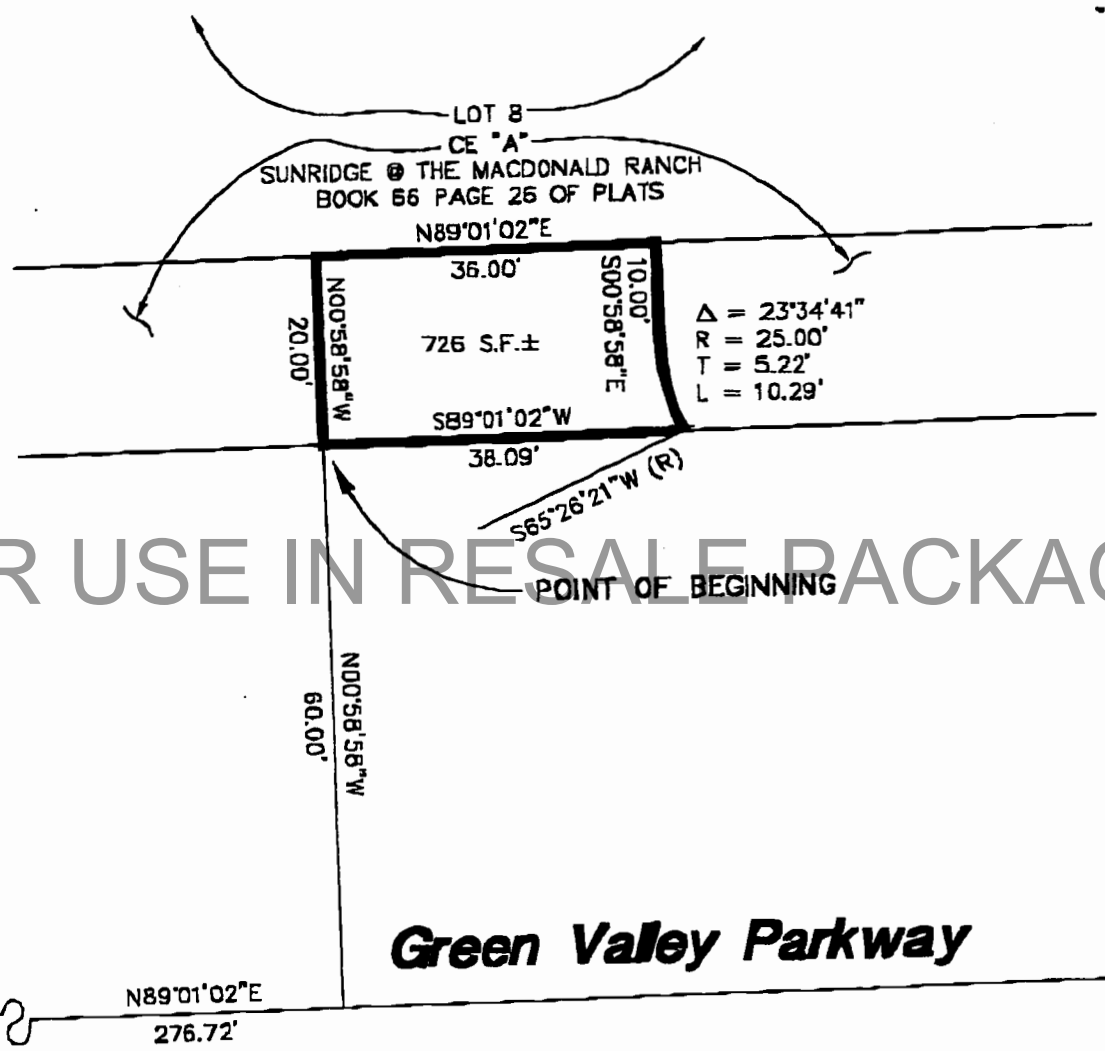


JEETWOOD B. JORGE & ASSOCIATES, P.C.  
ARCHITECTS & PLANNERS  
1410 CALIFORNIA STREET, SUITE 1100  
NEWPORT BEACH, CA 92660  
(714) 261-6500

NOT FOR USE IN RESERVE PACKAGE



**Eastern Avenue**



$\Delta = 23^{\circ}34'41''$   
 $R = 25.00'$   
 $T = 5.22'$   
 $L = 10.29'$

POINT OF BEGINNING

**Green Valley Parkway**

NOT FOR USE IN RESALE PACKAGE

815905ea.dwg

LE: **Ingress Egress Easement**  
**Description "A"**  
 PROJECT: **Sunridge Village Plaza**

**ALPHA**  
**ENGINEERING**  
**COMPANY**  
53 S. James Street 212  
 Las Vegas, NV 89107  
 Telephone: 702-771-1330

W.O. NUMBER:	815905
DRAWN BY:	R.D.F.
DATE:	7.7.98
SCALE:	1" = 20'
SHEET NUMBER:	1 OF 3



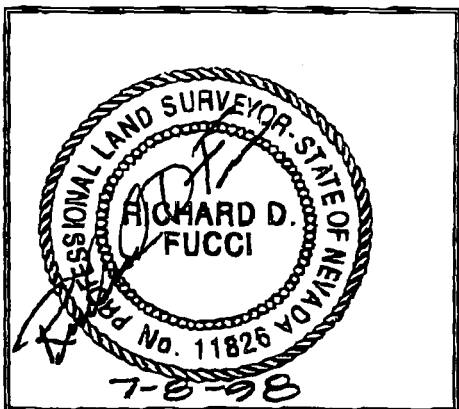
## Driveway" A" – Description

Situate in the City of Henderson, Clark County, Nevada within the southwest quarter of the northwest quarter of Section 31, Township 22 South, Range 62 East, M.D.M., being a portion of Common Element "A" as shown on the Plat of SUNRIDGE @ THE MACDONALD RANCH at the office of the Clark County, Nevada, Recorder in File 66 of Plats on Page 26, more particularly described as follows:

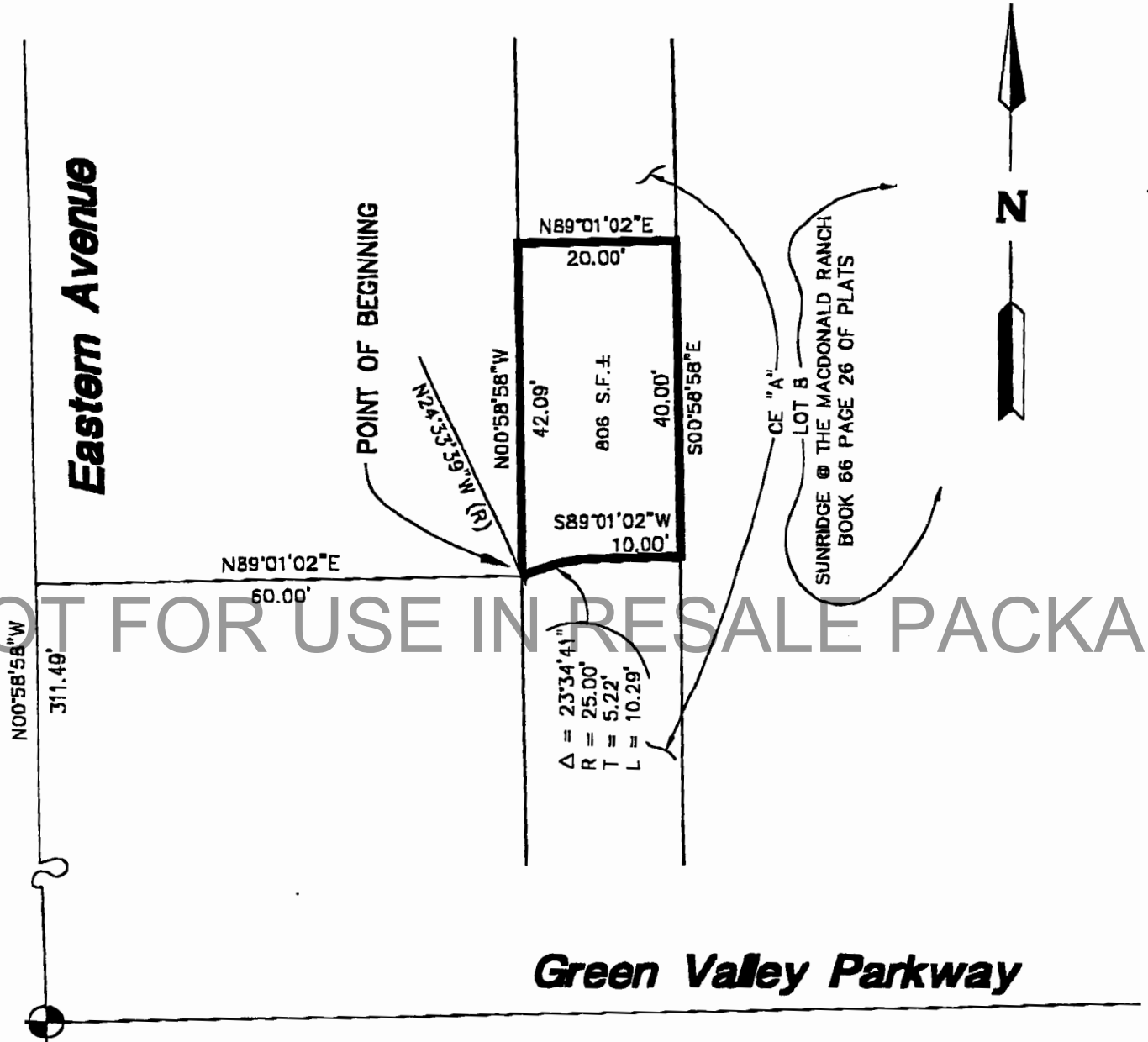
Commencing at the 5/8" rebar with aluminum cap marked PLS 6902 which marks the centerline intersection of Eastern Avenue (width varies) and Green Valley Parkway (width varies) as shown on said Plat; thence North 89°01'02" East, 276.72 feet; thence North 00°58'58" West, 60.00 feet to a point on the Northerly right-of-way line of said Green Valley Parkway (width varies) being the *Point Of Beginning*; thence continuing North 00°58'58" West, 20.00 feet to a point on the northerly line of said Common Element "A"; Thence North 89°01'02" East along said northerly line, 36.00 feet; thence South 00°58'58" East, 10.00 feet; thence curving to the left along a 25.00 foot radius curve concave easterly, through a central angle of 23°34'41", an arc length of 10.29 feet to a point on the aforementioned northerly right-of-way; thence South 89°01'02" West along said right-of-way, 38.09 feet to the *Point Of Beginning*.

Said Parcel contains 726 square feet more or less.


NOT FOR USE IN RESALE PACKAGE



Project: Sunridge Village Plaza  
Work Order: 8159-05  
Date: 7.7.98  
File Name.: 815905-driveway a.doc  
Prepared By: RF  
Location: Generally located north of Green Valley Pkwy, east of Eastern.  
Purpose: Ingress Egress Easement



815905ea.dwg

<b>TITLE:</b> <i>Ingress Egress Easement</i> <i>Description "B"</i>	 <b>ALPHA</b> <b>ENGINEERING</b> <b>COMPANY</b> <small>50 W. James St. Suite 200                  Las Vegas, NV, 89107                  Telephone: (702) 877-1200</small>	<b>W.O. NUMBER:</b> 815905
<b>PROJECT:</b> <i>Sunridge Village Plaza</i>		<b>DRAWN BY:</b> R.D.F.
		<b>DATE:</b> 7.7.98
		<b>SCALE:</b> 1"=20'
		<b>SHEET NUMBER:</b> 2 OF 3

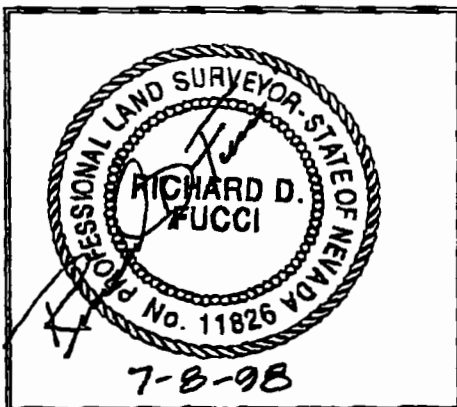
## Driveway "B" – Description

Situate in the City of Henderson, Clark County, Nevada within the southwest quarter of the northwest quarter of Section 31, Township 22 South, Range 62 East, M.D.M., being a portion of Common Element "A" as shown on the Plat of SUNRIDGE @ THE MACDONALD RANCH at the office of the Clark County, Nevada, Recorder in File 66 of Plats on Page 26, more particularly described as follows:

Commencing at the 5/8" rebar with aluminum cap marked PLS 6902 which marks the centerline intersection of Eastern Avenue (width varies) and Green Valley Parkway (width varies) as shown on said Plat; thence North 00°58'58" West, 311.49 feet; thence North 89°01'02" East, 60.00 feet to a point on the easterly right-of-way line of said Eastern Avenue (width varies) being the *Point Of Beginning*; thence North 00°58'58" West along said right-of-way, 42.09 feet; Thence North 89°01'02" East, 20.00 feet to a point on the easterly line of said Common Element "A"; thence South 00°58'58" East along said easterly line, 40.00 feet; thence South 89°01'02" West, 10.00 feet; thence curving to the left along a 25.00 foot radius curve, concave southerly, through a central angle of 23°34'41", an arc length of 10.29 feet to the *Point Of Beginning*.

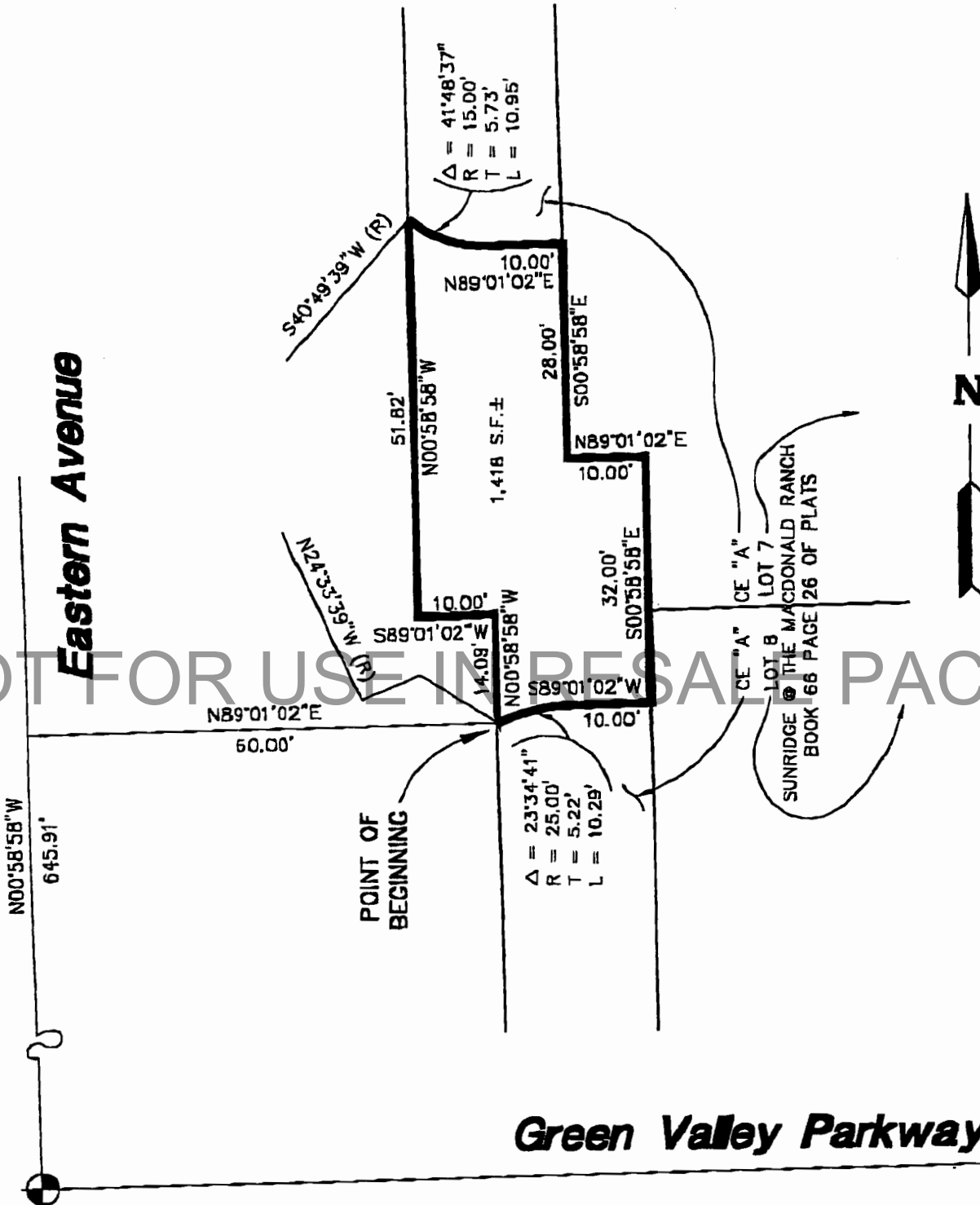
Said Parcel contains 806 square feet more or less.

NOT FOR USE IN RESALE PACKAGE



Project: Sunridge Village Plaza  
Work Order: 8159-05  
Date: 7.7.98  
File Name.: 815905-driveway b.doc  
Prepared By: RF  
Location: Generally located north of Green Valley Pkwy, east of Eastern.  
Purpose: Ingress Egress Easement

**Eastern Avenue**



**Green Valley Parkway**

NOT FOR USE IN RESALE PACKAGE

815905ea.dwg

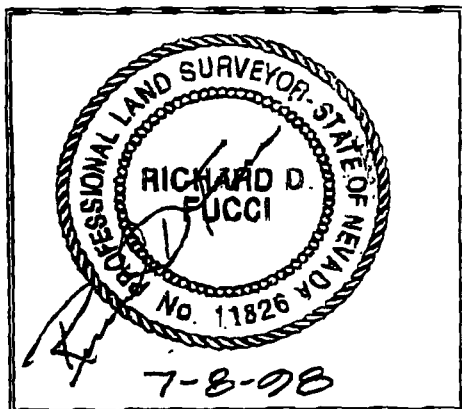
<p><b>TITLE:</b> <i>Ingress Egress Easement Description "C"</i></p>	<p><b>ALPHA</b> ENGINEERING COMPANY 50 So. James Street 202 Las Vegas, NV, 89107 Telephone: 725-1775-1788</p>	<p><b>W.O. NUMBER:</b> 815905</p>
<p><b>PROJECT:</b> <i>Sunridge Village Plaza</i></p>		<p><b>DRAWN BY:</b> R.D.F.</p>
		<p><b>DATE:</b> 7.7.98</p>
		<p><b>SCALE:</b> 1" = 20'</p>
		<p><b>SHEET NUMBER:</b> 3 OF 3</p>

## Driveway "C" – Description

Situate in the City of Henderson, Clark County, Nevada within the southwest quarter of the northwest quarter of Section 31, Township 22 South, Range 62 East, M.D.M., being a portion of Common Element "A" as shown on the Plat of SUNRIDGE @ THE MACDONALD RANCH at the office of the Clark County, Nevada, Recorder in File 66 of Plats on Page 26, more particularly described as follows:

Commencing at the 5/8" rebar with aluminum cap marked PLS 6902 which marks the centerline intersection of Eastern Avenue (width varies) and Green Valley Parkway (width varies) as shown on said Plat; thence North 00°58'58" West, 645.91 feet; thence North 89°01'02" East, 60.00 feet to a point on the easterly right-of-way line of said Eastern Avenue (width varies) being the *Point Of Beginning*; thence along said easterly right-of-way the following three (3) courses; North 00°58'58" West, 14.09 feet; thence South 89°01'02" West, 10.00 feet; thence North 00°58'58" West, 51.82 feet; thence from a tangent which bears South 49°10'21" East, curving to the left along a 15.00 foot radius curve concave northerly, through a central angle of 41°48'37", an arc length of 10.95 feet; thence North 89°01'02" East, 10.00 feet to a point on the easterly line of said Common Element "A"; thence along said easterly line the following three (3) courses; South 00°58'58" East, 28.00 feet; thence North 89°01'02" East, 10.00 feet; thence South 00°58'58" East, 32.00 feet; thence South 89°01'02" West, 10.00 feet; thence curving to the left along a 25.00 foot radius curve, concave southerly, through a central angle of 23°34'41", an arc length of 10.29 feet to the *Point Of Beginning*.

Said Parcel contains 1,418 square feet more or less.



Project: Sunridge Village Plaza  
 Work Order: 8159-05  
 Date: 7.7.98  
 File Name.: 815905-driveway c.doc  
 Prepared By: RF  
 Location: Generally located north of Green Valley Pkwy. east of Eastern.  
 Purpose: Ingress Egress Easement

Quali Park 1 - Suite E4  
801 South Rancho Drive  
Las Vegas, NV 89108  
Phone: (702) 671-6002  
Fax: (702) 385-9012

**Signature**

The Dream Builder

FILE  
COPY

# Fax

**To:** Gerry Northfield - Terra West      **From:** Sylvia Ping  
**Fax:** 382-5046      **Pages:** 4 (Including Cover)  
**Phone:** 362-6262      **Date:** June 24, 2003  
**Re:** Hidden Canyon HOA - Annexations      **CC:**

Urgent     For Review     Please Process     Please Reply     Please Recycle

The following lot numbers were recorded today:

**SUNRIDGE PHASE 1**

**Lots 12 - 20, Block 2**

**Lots 6 - 7, Block 3**

Please bill assessments accordingly. If you have any questions, please call me at 671-6002.

Thank you.

NOT FOR USE IN RESALE PACKAGE



APN # - 178-31-713-013 through 178-31-713-017;  
178-31-713-024 through 178-31-713-029

## HIDDEN CANYON ANNEXATION AMENDMENT

REFERENCE IS MADE to that certain Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for HIDDEN CANYON (the "Declaration"), recorded on October 24, 2002 as Instrument No. 03169 in Book 20021024, as amended by the Amended And Restated Supplemental Declaration of Covenants, Conditions and Restrictions and Reservation of Easements, recorded on April 16, 2003 as Instrument No. 01232 in Book 20030416 of the Official Records, Clark County Recorder, Clark County, Nevada.

Pursuant to Article 15 of the Declaration, Declarant PLASTER DEVELOPMENT COMPANY, INC. d.b.a. SIGNATURE HOMES, hereby annexes, to the real property currently covered by the Declaration that real property described on Exhibit "A" hereto ("Annexed Property").

Upon the recordation of this Annexation Amendment, the covenants, conditions and restrictions and reservation of easements contained in the Declaration shall apply to the Annexed Property in the same manner as if the Annexed Property originally had been covered in the Declaration and constituted a portion of the Original Property. Upon said recordation, the rights, privileges, duties and liabilities of the parties to the Declaration with regard to the Annexed Property shall be the same as with regard to the Original Property, and the rights, obligations, privileges, duties and liabilities of the Owners and occupants of Units within the Annexed Property shall be the same as those of the Owners and occupants of Units within the Original Property.

The Identifying Number of each Unit in the Annexed Property is the unit number as shown on the Plat. The additional Common Elements, if any, created by the annexation of the Annexed Property also are as shown on the Plat.

FILE COPY

The allocated interests among all Units in the planned community covered by the Declaration shall be as set forth in the Declaration. Each Unit shall have an equal prorated share of the liability for Common Expenses, and each Unit shall have one vote in the Association.

Upon the recordation of this Annexation Amendment, the Annexed Property shall become, and shall thereafter be, subject to the provisions of the Declaration, including, without limitation, the duty to pay assessments as set forth therein.

Capitalized terms herein not otherwise defined shall have the meanings set forth in the Declaration.

IN WITNESS WHEREOF, Declarant has executed this Annexation Amendment as of this

24<sup>th</sup> day of June, 2003.

DECLARANT:

PLASTER DEVELOPMENT COMPANY, INC.,  
A Nevada Corporation,  
d.b.a. SIGNATURE HOMES

BY:

Gary L. Cavendar  
Gary L. Cavendar, Executive Vice-President

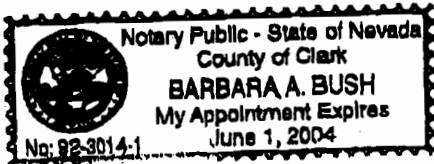
NOT FOR USE IN RESALE PACKAGE

STATE OF NEVADA )

) ss.

COUNTY OF CLARK )

This instrument was acknowledged before me on this 24<sup>th</sup> day of June, 2003, by GARY L. CAVENDAR, as Executive Vice President of PLASTER DEVELOPMENT COMPANY, INC., a Nevada Corporation, d.b.a. SIGNATURE HOMES.



Barbara A Bush  
NOTARY PUBLIC

**WHEN RECORDED PLEASE RETURN TO:**

ATTN.: SHARI O'DONNELL  
PLASTER DEVELOPMENT CO., INC.  
801 SOUTH RANCHO DRIVE, SUITE E-4  
LAS VEGAS, NV 89106





**EXHIBIT "A"**  
**ORIGINAL PROPERTY**

Lots 12 through 20, inclusive, in Block 2 of **SUNRIDGE PHASE 1**; as shown on map thereof on file in Book 105 of Maps, Page 64, in the Office of the County Recorder of Clark County, Nevada;

Lots 6 through 7, inclusive, in Block 3 of **SUNRIDGE PHASE 1**; as shown on map thereof on file in Book 105 of Maps, Page 64, in the Office of the County Recorder of Clark County, Nevada;

Together with a non-exclusive easement of ingress and egress over Private Streets and of use and enjoyment of other Common Elements of the Properties (subject to and as set forth in the foregoing Declaration).

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CLARK COUNTY, NEVADA  
FRANCIS DEANE, RECORDER  
RECORDED AT REQUEST OF: PLASTER DEVELOPMENT CO INC  
06-24-2003 12:06 DMJ PAGE COUNT: 3  
BOOK/INSTR: 20030624-01965 FEE: 16.00  
ANNEXATION/AM RPTT: .00  
RECEIPT/CONF COPY-HAS NOT BEEN COMPARED TO THE ORIG