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 GREEN VALLEY VILLAGE COMMUNITY ASSOCIATION

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DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS AND RESERVATION OF EASEMENTS
FOR
GREEN VALLEY VILLAGE COMMUNITY ASSOCIATION

THIS DECLARATION is executed by GREEN VALLEY INVESTMENT COMPANY, a Nevada General Partnership ("Grantor").

P R E A M B L E

A. Grantor is the owner of certain real property in the City of Henderson, County of Clark, State of Nevada, more particularly described in Exhibit "A" hereto (the "Properties").

B. Grantor has deemed it desirable, for the efficient preservation of the value and amenities in the Properties to create a non-profit corporation under the laws of the State of Nevada to which will be delegated and assigned the powers of (1) owning, maintaining and administering the Association Property (as hereinafter defined) for the use of its Members and authorized guests, (2) administering and enforcing the Restrictions (as defined herein), and (3) collecting and disbursing the assessments and charges hereinafter created.

C. Grantor will cause or have caused such non-profit corporation, to form an association, the Members of which shall be the respective Owners of residential lots, commercial parcels, multi-family parcels, condominiums and undeveloped parcels in the Properties, for the purpose of exercising such functions.

D. Grantor intends to establish a balanced community and to develop and convey all of the Properties pursuant to a development plan for the maintenance, care, use and management of the Properties, and subject the Properties to certain protective covenants, conditions, restrictions, reservations, easements, equitable servitudes, liens and charges, all running with the Properties as hereinafter set forth.

E. This Declaration is designed to create equitable servitudes and covenants appurtenant to and running with all of the Properties. Grantor or any Developer (as hereinafter defined) may execute, acknowledge and record an Additional Declaration affecting solely a portion of the Properties, so long as Grantor or such Developer owns all of the real property to be affected by such Additional Declaration. Such Additional Declaration may impose further conditions, covenants and restrictions for the operation, protection and maintenance of such portion of the Properties, taking into account the concerns of owners of such portion of the Properties. Such Additional Declaration may provide for a Sub-Association of Owners (as hereinafter defined) with rights and powers reasonably necessary

to control the operation and maintenance of such portion of the Properties, including, without limitation, the right to assess the Owners within such portion of the Properties for the cost of such operation and maintenance. All such Sub-Associations shall be subject to the conditions set forth in this Declaration. Sub-Associations may only be formed with the prior written consent of the Grantor and Board of Directors which will not be unreasonably withheld. This Declaration will prevail over any conflict with any Sub-Association's Declarations.

F. NOW, THEREFORE, Grantor hereby declares that all of the Properties shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the following easements, restrictions, covenants, conditions and equitable servitudes, all of which are for the purpose of uniformly enhancing and protecting the value, attractiveness and desirability of the Properties. The covenants, conditions, restrictions, reservations, easements and equitable servitudes set forth herein shall run with the Properties and shall be binding upon all persons having any right, title or interest in the Properties, or any part thereof, their heirs, successive Owners and assigns; shall inure to the benefit of every portion of the Properties and any interest therein; and shall inure to the benefit of and be binding upon Grantor, its successive owners, and each Owner and his or her respective successors-in-interest.

ARTICLE I

DEFINITIONS

Section 1. The following words when used in this Declaration or any Supplemental or Additional Declaration (unless the context shall prohibit) shall have the following meanings:

ASSESSMENT PERIOD: shall mean the initial term and the subsequent annual periods as set forth in Article V, Section 8 of this instrument.

ASSOCIATION: shall mean and refer to GREEN VALLEY VILLAGE COMMUNITY ASSOCIATION, its successors and assigns.

BOARD OF DIRECTORS: The Board of Directors (Board) of GREEN VALLEY VILLAGE COMMUNITY ASSOCIATION elected in accordance with the Bylaws and these Covenants.

COMMITTEE or ARC: shall mean the Architectural Review Committee established and appointed under the provisions of Article XII hereof, for the purpose of reviewing and approving all development, landscaping, and site plans for the Properties.

COMMON PROPERTIES or COMMON AREAS: shall mean and refer to those areas of real property designated as common areas in Article II and such other additions thereto as may hereafter be brought within the terms of this Declaration.

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DEED OF TRUST: shall mean and be synonymous with the word "Mortgage", and the same may be used interchangeably with the same meaning; and likewise the word "Trustor" and the word "Beneficiary" shall be synonymous with the words "Mortgagor" and "Mortgagee".

DEVELOPER: shall mean and refer to any person, entity or Owner of an undeveloped part, Parcel, Lot of land within the Properties.

EXISTING PROPERTY: The real property described in Exhibit "A".

GOLF COURSE PROPERTY: shall mean the real property described on the attached Exhibit "B".

INSTITUTIONAL LENDERS: shall mean a savings and loan, bank, insurance company, real estate trust, mortgage, pension trust, savings and mutual banks, pension funds and other similar institutions. In this "Declaration", or the Article or the Bylaws of The Association, where it refers to approval of two thirds (2/3) of the Institutional Lenders, it shall mean approval by Institutional Lenders holding mortgages on two-thirds (2/3) of the Properties covered by any mortgage.

LOT: shall mean and refer to any plot of Land shown upon any recorded subdivision map of the Properties with the exception of Common Properties as herein defined.

MEMBER: shall mean and refer to all those Owners who are members of The Association as provided in Article IV, Section 1, hereof.

MORTGAGE: shall mean the conveyance of any interest in any Lot or other portion of the Properties to secure the performance of an obligation, which conveyance shall be void upon the due performance of said obligation.

MORTGAGEE: a mortgagee under a Mortgage or a beneficiary under a Deed of Trust, as the case may be, and the assignees of such Mortgagee or beneficiary.

MORTGAGOR: shall mean a person or entity who mortgages his or its property to another, i.e. maker of a Mortgage.

OWNER: shall mean and refer to the record Owner, whether one or more persons or entities, of the fee simple title (a subdivided Lot) upon the Properties, including contract sellers, but, notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

PARCEL: shall mean and refer to an undeveloped Parcel of land within the Properties.

SALE: shall mean the recordation of a Deed to convey title to a new Owner.

SUB-ASSOCIATION: any Nevada non-profit corporation, or unincorporated association, or its successor in interest, organized and established or authorized pursuant to or in connection with Supplemental or Additional Declaration and of which the membership is composed of Owners of Lots or Condominiums within a portion of the Properties.

THE PROPERTIES: shall mean and refer to the real property described in Article II and such additions thereto as may hereafter be brought within the terms of this Declaration, or Supplemental Declaration.

VISIBLE FROM NEIGHBORING PROPERTY: the term "Visible From Neighboring Property" shall mean, with respect to any given object, that such object is or would be visible to a person six feet tall, standing on any part of such neighboring property at an elevation no greater than the elevation of the base of the object being viewed.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION: ADDITIONS THERETO

Section 1. Properties. All real property, including easements thereon, which is, and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in the City of Henderson, County of Clark, State of Nevada, and is more particularly described in Exhibit "A" attached hereto and made a part hereof, all of which real property shall hereinafter be referred to as the Properties.

Section 2. Common Properties or Common Areas. All easements and real property (including improvements thereon and interest therein), title to which shall be conveyed by the Grantor, or other Parcel owner, to the Association. The Association shall maintain all such common properties or common areas.

ARTICLE III

PROPERTY RIGHTS

Section 1. Owners Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which is held and deeded to Green Valley Village Community Association and shall be appurtenant to and shall pass with the title to every portion of the Properties, subject to the following provisions:

(a) The right of The Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective for a period of ten (10) years from the date of the recording of this Declaration and thereafter it shall not be effective unless an instrument signed by two-thirds (2/3) of the Members agreeing to such dedication or transfer, has been recorded.

(b) The right of Developer and its sales agents and representatives, until the year 2004, in addition to other rights set forth herein, to the non-exclusive use of the common area and facilities for maintenance of sales facilities, display and exhibit purposes.

Section 2. Title to Common Area. Grantor covenants that it will convey title to the Common Areas to The Association after the recording of a subdivision map which has been approved by a purchaser from the Grantor.

If common area has not been deeded by Grantor, then parcel owners of property shall, at the time of purchase, execute deeds to convey Common Area property to The Association, which will be recorded when development of such parcels commences by ground breaking, grading or construction.

Section 3. Encroachments. If any portion of the Common Properties shall encroach upon any Lot, or if any Lot shall encroach upon any other Lot or upon any portion of the Common Properties as a result of the construction of a building, engineering errors, or as a result of settling or shifting of a building, a valid easement for the encroachment and for its maintenance shall exist so long as the building stands. In the event a building, any adjoining building, or any adjoining common element shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then rebuilt, any resulting encroachment of a part of the common elements upon any Lot or of any Lot upon any other Lot or upon any part of the common elements shall be permitted, and a valid easement for such encroachments and for its maintenance shall exist so long as a building stands.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a portion of the Properties which is subject to assessment shall be a Member of The Association. Membership shall be appurtenant to and may not be separated from ownership of the Properties which is subject to assessment.

Section 2. The Association shall have four classes of voting membership:

Class A: Class A Members shall be the Owner of any subdivided single-family residential lot or condominium within the Properties and shall be entitled to one vote for each such lot or condominium owned.

Class B: Class B Members shall be the Owners of multi-residence, commercial or professional Lots or parcels within the Properties and shall be entitled to one vote for each three thousand (3,000) square feet in such Lot or Parcel.

Class C: Class C Members shall consist of Parcel Owners and shall be entitled to one vote for each six thousand (6,000) square feet of such undeveloped parcel or parcels.

Class D: The Grantor shall be entitled to three (3) times the number of votes that are prescribed for each Lot it owns in each lot classification. Class D membership shall terminate on the happening of the earliest of the following to occur:

(a) When the total votes outstanding in the other classes of membership equal the total votes outstanding in the Class D membership; or

(b) Fifteen (15) years following the date of the close of the first sale in the Properties.

When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one person vote with respect to any Lot, part or parcel.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Developer, for each Lot or Parcel owned within the Properties, hereby covenants, and each Owner of any Lot or Parcel thereof by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, (2) special assessments for capital improvements, and (3) special maintenance assessments; and (4) any costs incurred by the Association for enforcing or correcting a breach of the CC&Rs by an Owner; all such assessments and charges together with interest and penalties will be collected as hereinafter provided. The Board of Directors may assess reasonable penalties for delinquencies or non-payment. The

annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land, superior to any Declaration of Homestead, and shall be a continuing lien upon the Properties against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by The Association shall be used for the improvement and maintenance of the Common Areas and administrative expenses of the Association.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the first conveyance of any part of the first Lot, the maximum annual assessment shall be Twenty-One (\$21.00) Dollars per quarter for each lot or condominium owned by a Class A member. Each commercial Class B will pay on a square foot basis divided by 3,000 and any fraction thereof to equal one unit, times Twenty-One (\$21.00) Dollars per quarter. Each Parcel Class C owner will pay on a square foot basis divided by 6,000 and any fraction thereof to equal one unit, times Twenty-One (\$21.00) Dollars per quarter. Grantor will pay dues on Lots, parts or Parcels which it owns based on the above formulas.

- (a) From and after January 1st of the year immediately following the first conveyance of the first Lot to any Owner in the Properties the maximum annual assessment may be increased each year without the vote of the Members by not more than ten percent (10%) above the maximum annual assessment for the previous year.
- (b) From and after January 1 of the year immediately following such conveyance of the first Lot, the maximum annual assessment may be increased greater than ten percent (10%) by the vote or written assent of fifty-one percent (51%) of the Members. This is subject to Section 5 below.
- (c) The Board of Directors may fix the annual assessment at any amount not in excess of the maximum assessment.

Section 4. One Year Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, The Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property

related thereto, provided that any such assessment shall have the vote or written assent of majority of the Membership. This is subject to Section 5 below.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Any action authorized under Sections 3 and 4 shall be taken at a general or at a special meeting, written notice of which shall be sent to all Members not less than seven (7) days, nor more than thirty (30) days in advance of the meeting. A quorum for such meeting shall be a majority of the Members of The Association. If the proposed action is favored by a majority of the votes of Members cast at such meeting, but such vote is less than the requisite fifty-one percent (51%) of the Members, Members who are not present in person or by proxy may give their assent in writing, provided the same is obtained by an Officer of The Association not later than thirty (30) days following the date of such meeting. If the required number of Members do not vote within thirty (30) days then another meeting may be called, subject to the same notice requirements as set forth herein, and the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting (meaning a quorum is 1/2 of 50% of the Members). If a majority of such quorum favors the action, it is passed. However, no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for each Lot, part or Parcel and may be collected on a quarterly or other regular basis as described under Section 3 of Article V.

Section 7. If a sub-association is formed within the boundaries of Exhibit "A", that sub-association will collect the assessment fees for the Common Area of The Association and send in one lump sum to the said Association on the due date for their total lots, regardless of whether they have collected same from each owner and it will be their responsibility to enforce collection for said delinquent monies.

Section 8. Date of Commencement of Annual Assessments; Due Dates. The ARC must notify The Association as to any change of land use. Any change of classification, per Section 3 of this Article, will become effective upon commencement of ground breaking, grading or construction. The first annual assessment provided for herein shall commence as to all Lots and parcels on July 1, 1989 or not later than the closing of the sale of the first Lot to a purchaser other than a developer.

Payments are due the first day of each calendar quarter and delinquent after the 15th. In the case of a sub-association making payment, they will be due the 15th and delinquent on the 20th. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the

Association setting forth whether the assessments on a specified Lot have been paid.

The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of any change in the annual assessment. Written notice of the annual assessments shall be sent to every Owner subject thereto.

Section 9. Effect of Non-Payment of Assessments:

Remedies. Any assessment on Residential Units not paid by the delinquency date shall bear interest from the due date at the rate of twelve (12%) percent per annum, plus late charges of \$5.00 a month. Late charges for any commercial lot, parcel owner, and sub-association, will be set by the Board. Suit to recover a money judgment for unpaid assessments may be maintained against the owner personally obligated to pay the same without foreclosing or waiving the lien securing said assessment. Such lien may be foreclosed in the same manner as is provided in the laws of the State of Nevada for the recording and foreclosure of assessment liens upon such Lot, parcel or condominiums in Nevada Revised Statutes 117.070 and 117.075, as they may be amended from time to time. No action shall be brought by the Board or by its agent to foreclose the assessment lien or to proceed under the power of sale thereunder, until sixty (60) days have elapsed after the date that the Notice is recorded as required by such statutes and a copy thereof is deposited in the United States Mail, certified or registered, postage prepaid, to the Owner of such Lot or Condominium. Any lien so created shall also secure reasonable attorneys' fees incurred by The Association incident to the collection of such charges or the enforcement of such lien. Such lien may also be enforced in any manner permitted by law. No Owner may waive or otherwise escape liability for the assessments provided for herein by the non-use of the Common Area or abandonment of their Properties. If any suit or action is brought to collect any such charge, then there shall be added to the amount thereof costs of suit and reasonable attorney's fees to be fixed by the court and included in any judgment in any such suit or action.

Section 10. Notice of Lien. No action shall be brought by The Association to foreclose said assessment lien or to proceed under the power of sale herein provided until sixty (60) days after the date a notice of claim of lien is deposited in the United States mail, certified or registered, postage prepaid, to the Owner of said Properties, and a copy thereof is recorded by The Association in the office of the County Recorder in which the Properties are located; said notice of claim shall contain a sufficient legal description of any such Properties, the record Owner or reputed Owner thereof, the amount claimed (which may at The Association's option include interest on the unpaid assessment at the legal rate, plus late charges, and charges for preparing and filing lien, plus reasonable attorney's fees and expenses of collection in connection with the debt secured by said lien), and the name and address of The

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Association. Upon the timely curing of any default for which a notice of claim or lien was filed by The Association, any two of the officers thereof are hereby authorized to file or record, as the case may be, an appropriate release of such notice, upon payment by the defaulting owner of a reasonable fee, to be determined by The Association, to cover the costs of preparing and filing or recording such release.

Section 11. Subordination of the Lien to Mortgages.

The lien of the assessments provided for herein shall be subordinate to the lien of any first Mortgage upon any Lot, Condominium or Parcel. Sale or transfer of any Lot, Condominium or Parcel shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien or such assessments as to payments which became due prior to such sale. No such sale or transfer shall relieve such Lot, Condominium or Parcel from liability for any assessments thereafter becoming due or from the lien thereof.

Section 12. Mortgage Protection. No breach of Covenants, Conditions or Restrictions in this Declaration, nor the enforcement thereof or of any lien provision herein shall defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value. However, all of the Covenants, Conditions and Restrictions in this Declaration shall be binding upon any Owner whose title is derived through foreclosure or exercise of a power of sale, or otherwise.

Section 13. Notices to Mortgagee. Upon request, the Board shall give each Mortgagee represented in the real property of (i) any amendment or alteration of the Declaration or the Articles, and (ii) any change in management of the real property. In addition, the Board shall give each Mortgagee, who requests same in writing, a copy of notices of liens filed against any Properties.

Section 14. Right of Inspection. Any Institutional Lender holding a first mortgage lien upon any of the Properties shall have the right (i) to inspect the books and records of The Association during normal business hours; (ii) to receive an annual financial statement of The Association within one hundred fifty (150) days following the end of any fiscal year of The Association; and (iii) upon request, to written notice of all meetings of The Association and to designate a representative to attend all such meetings.

ARTICLE VI

GENERAL PROVISION

Section 1. Policy for Availability of Documents. Upon request, The Association shall make available to any prospective purchaser of a Lot or Residential Unit, any Owner, any first Mortgagee, and the Holders, Insurers and Guarantors of a first

Mortgage on any Lot or Residential Unit, current copies of the Declaration, the Articles of Incorporation, the Bylaws, and the Rules. Audited yearly financial statements will be made available at the annual meetings and upon request. Current working books and records of the Association may, with prior reasonable notice, be viewed upon request during regular working hours.

ARTICLE VII

POWERS AND OBLIGATIONS OF THE ASSOCIATION

Section 1. Duties of Board of Directors. In addition to the powers delegated to it by its Articles of Incorporation and Bylaws, and without limiting the generality thereof, The Association shall:

- (a) Own, maintain and otherwise manage all of the Common Properties and all facilities, improvements and landscaping thereon, and all property acquired by The Association;
- (b) Maintain all landscaping and any decorative features of the Common Properties;
- (c) Pay any and all real and personal property taxes and other charges assessed against the Common Properties;
- (d) Have the authority to obtain, for the benefit of all the Common Properties, all water, gas, electric power, security, gardening service and refuse collection; nothing contained in this subparagraph shall be construed to impose any obligation on The Association to remove garbage or rubbish from any individual residence;
- (e) Grant easements where necessary for entry-ways, utilities and sewer facilities over the Common Properties to serve the Common Properties and the Lots;
- (f) Maintain a policy or policies of liability insurance, insuring The Association and its agents, guests and invitees and the Owners of the Lots against liability to the public or to said Owners, their guests and invitees incident to the ownership or use of the Common Properties with reasonable limits. Said limits shall be reviewed at intervals of not less than three (3) years and adjusted if necessary to provide such coverage and protection as The Association may deem prudent;
- (g) Maintain a policy or policies of fire and such other casualty insurance, to the full insurable value, and as The Association may deem necessary

upon all of the improvements upon the Common Properties with such companies as The Association may determine, which policies shall, among other things, provide for a Loss Payable Endorsement to The Association. Upon the occurrence of any casualty loss resulting in damage to any of said improvements, The Association shall, using such proceeds as are available to it from such insurance policies, immediately cause said improvements to be rebuilt so as to restore them as nearly as possible to their original condition;

- (h) Maintain Workmen's Compensation Insurance to the extent necessary to comply with any applicable law; and errors and omissions policy for Directors and Employees;
- (i) Maintain its funds in a trust account and render an annual accounting, prepared by an independent outside auditor or Licensed Certified Public Accountant, to its Members;
- (j) Establish and publish such general Rules and Regulations as The Association may deem reasonable in connection with the use and maintenance of all Common Areas, such Rules and Regulations may be altered and amended from time to time as The Association may see fit. A copy of such Rules and Regulations shall be:
 - (i) Maintained in the office of The Association and be available for inspection at all reasonable times.
 - (ii) Given to each Owner within a reasonable time after The Association has notice of his ownership of any of the Lots.

The Association Rules and Regulations shall be binding upon each and every Owner. No changes or amendments in said Rules and Regulations shall be effective until forty-eight (48) hours after the distribution and posting of such changes and amendments in the manner above provided for the distribution of the original Rules and Regulations:

- (k) Employ a professional management firm or agency and enter into contracts for the purpose of performing any and all of the foregoing duties on its part to be performed, and continuance of the same management agent or the selection of another management body or agent shall be determined by the Board of Directors. In no event shall The Association enter into any contracts which shall bind it for a period in excess of one (1) year,

unless reasonable cancellation provisions are included in the contracts.

ARTICLE VIII

LIMITATIONS OF RESTRICTIONS ON DEVELOPER

Developer or its successor will undertake the work of constructing residential dwellings or other improvements upon the Lots included within the Properties. The completion of that work and the sale, rental and other disposal of said improvements is essential to the establishment and welfare of the Properties as a residential community. In order that the work may be completed and the Properties be established as a fully occupied residential community as rapidly as possible, nothing in this Declaration shall be understood or construed to:

Section 1. Prevent Developer, its contractors, or subcontractors from doing on the Properties or any Lot thereof, whatever is reasonably necessary or advisable in connection with the completion of said work; or

Section 2. Prevent Developer or its representatives from erecting, constructing and maintaining on the Properties such structures as may be reasonably necessary for the conduct of its business of completing the work and disposing of the same by sale, lease or otherwise; or

Section 3. Prevent Developer from maintaining such signs on the Properties as may be necessary for the sale, lease or disposition thereof; or

Section 4. Grantor shall have the further right to grant additional common property within the Properties, from time to time, as may be reasonable and appropriate to the Association and The Association shall assume the obligations of maintaining such additions. Grantor shall not unreasonably interfere with the use of the Common Area by any Owner.

ARTICLE IX

RESTRICTION ON USES OF ALL PROPERTIES

Section 1. Family Areas

(a) Subdivision. No residential Lot may be subdivided.

(b) Residential Areas. These shall consist of Lots and other areas restricted to Family Residential Use only. Lots within such areas shall be for the exclusive use and benefit of the Owners thereof, subject, however, to all of the following limitations and restrictions.

(c) Family Use. Each lot within the Residential Area shall be improved and used exclusively for family residential purposes. Approval by state and local governmental authorities and written approval from the ARC is required before any gainful occupation, profession, trade or other non-residential use shall be conducted on any lot located in a Residential area.

Section 2. Residential and Commercial Uses

(a) Animals. No animals other than a reasonable number of generally recognized house or yard pets, shall be maintained on any lot within Family Areas and then only if they are kept, bred or raised thereon solely as household pets and not for commercial purposes. No animal shall be allowed to make an unreasonable amount of noise or otherwise to become a nuisance. No structure for the care, housing or confinement of any animal or bird shall be maintained so as to be visible from neighboring property. Animals outside residential lot boundaries of the owner of said animal must be on a leash and the owner must pick up all droppings left by his animal.

(b) Antennas. No pole (except flag poles), tower, matt, radio, outdoor antenna or satellite dish (the top of which shall not exceed ten (10) feet in height from a building pad or ground level) or similar device for transmission or reception of television or radio signals or any other forms of electromagnetic radiation shall be used or maintained outdoors, whether attached to a building or structure or otherwise, without the submission of plans to the Architectural Review Committee for its prior written approval.

(c) Utility Service. No lines, wires or other devices for the communication or transmission of electric current or power, including telephone, television and radio signals, shall be constructed, placed or maintained anywhere in or upon any Lot unless the same shall be contained in conduits or cables constructed, placed and maintained underground or concealed in, under or on buildings or other approved structures. Nothing herein shall be deemed to forbid the erection and use of temporary power or telephone services incident to the construction of approved buildings. Nothing herein shall prevent Developer from complying with any public utility requirements.

(d) Improvements and Alterations. No improvements, excavation or other work which in any way alters the exterior appearance of any Lot or the improvements located thereon from its natural or improved state existing on the date such Lot was first conveyed in fee by Grantor or Developer to an Owner shall be made or done without the prior written approval of the Municipal authorities, except as specifically authorized herein. Solar collectors must be aesthetically integrated into the design forms when exposed to view, and must be hidden from view whenever possible. When collectors are free standing from building structures and visible from outside the Lot, they must be integrated into natural earth-forms, man-made landscape forms, or any other

fashion which sensitively screens the collectors from view corridors. All collectors must be non-reflective in nature.

(e) Temporary Occupancy. No trailer, basement of any incomplete building, tent, shack, garage or barn, and no temporary building or structure of any kind shall be used at any time for either a temporary or permanent residence. Temporary buildings or structures used during the construction of a dwelling shall be removed immediately after the completion of construction.

(f) Maintenance of Lawns and Plantings. Each Owner shall keep all shrubs, trees, grass and plantings of every kind on his Lot, including set back areas and planted areas between adjacent sidewalks and the street curb, if any, neatly trimmed, properly cultivated and free of trash, weeds and other unsightly material. Front yard landscaping shall be completed within six (6) months following occupancy or transfer of title from Developer.

(g) Repair of Buildings. No building or structure upon any Lot shall be permitted to fall into disrepair, and each such building and structure shall at all times be kept in good condition and repair and adequately painted or otherwise finished.

(h) Trash Containers and Collection. All garbage and trash shall be placed and kept in covered containers. In no event shall such containers be maintained so as to be visible from Neighboring Property except to make the same available for collection and then only for the shortest time reasonably necessary to effect such collection.

(i) Sidewalk Encroachments. No tree, shrub or planting of any kind shall be allowed to overhang, (from ground level to a height of ten feet), or otherwise to encroach upon any sidewalk or other pedestrian way, without the prior approval of the ARC.

(j) Right of Entry. During reasonable hours Grantor, Committee (ARC), or any Board member of The Association, or any authorized representative of any of them, shall have the right to enter upon and inspect any building, site, or lot and improvements thereon for the purpose of ascertaining whether or not the provisions of The Association restrictions have been, or are being complied with, and such persons shall not be deemed guilty of trespass by reason of such entry.

(k) Vehicles. No mobile homes, motor homes, inoperable or unregistered vehicle, travel-trailer, house-trailer, trailer, tent, truck (over two tons) or bus, of any kind shall be placed on any real property unless that vehicle is within an enclosed or screened area, and no such vehicle may be parked on any streets in The Association Properties except, temporarily, not to exceed twenty-four (24) hours, and solely for the purpose

of loading and unloading, without the prior written consent of the Board of Directors.

(1) Boat Storage. No boat, craft, dinghy or other floating device shall be stored or parked on a street or on any lot unless the same shall be kept in an enclosed or screened area out of view from any street.

(m) Upkeep of Lots. All portions of real property within The Association Properties shall be kept at all times in a clean, sightly and wholesome condition and no trash, garbage, litter, junk, boxes, containers, cans, machinery, implements, lumber or other building materials or temporary structures shall be permitted to be kept or remain on any such real property. During construction, upkeep requirements will be governed by the ARC.

(n) Storage Tanks. No tank which is outside of any Residential Unit for the storage of fuel, energy or matter of any kind shall be permitted, and every outdoor receptacle located on real property within The Association Properties shall be buried below the surface of the ground or otherwise completely screened to the satisfaction of the ARC so as not to be Visible From Neighboring Property.

(o) Signs. No sign or other advertising of any kind shall be displayed to the public view without the approval of the ARC except, such signs as may be used by Grantor in connection with the development of the Subject Property and sale of Condominiums and Lots subject to the time limitations set forth herein; except no more than one (1) sign of customary and reasonable dimensions as prescribed by the ARC, for each Lot or Condominium advertising the residence for sale or lease may be displayed on or from a Lot or Condominium in a Residential Area, so as to be visible from the street. For sale signs for individual residences may not be put on the Common Areas.

(p) Exterior Clotheslines. No exterior clothes drying device shall be permitted on any lot unless it is screened from all views exterior to the Lot on which the drying device is located by fence, hedge or shrubbery, which screening and the adequacy thereof shall be the subject of approval of the ARC.

(q) Service Areas. All equipment, service yard, wood pile, storage shed, and storage pile shall be kept screened by adequate fencing so as not to be Visible From Neighboring Property.

(r) Fences. All fences, hedges, walls or other dividing structures on any lot must be approved by the ARC prior to construction or installation. Each property owner of a Lot bounded by a wall constructed on an exterior boundary street or adjoining Golf Course Property shall have the obligation to and be responsible for maintenance of such wall and the ground area at the exterior base of the wall adjacent to a sidewalk, and by

acceptance of a deed to such Lot, covenants and agrees to so perform.

(s) Leasing of Lots. Each owner shall have the right to lease his Lot, provided that all such leases are in writing and provide that the lease is subject to the provisions of this Declaration, and that any failure of the lessee to comply with the provisions of all applicable documents shall constitute a default under the lease. Even where such a lease exists, it is the Owner's obligation to pay assessments imposed by the Association. No Owner may lease his Lot or improvements thereon for hotel, motel, or transient purposes. Any lease which is either for a period of less than thirty (30) days or pursuant to which the lessor provides any services normally associated with a hotel shall be deemed to be for transient or hotel purposes. A copy of any lease shall be provided to The Association.

(t) Mineral Exploration. No Lot shall be used in any manner to explore for, or to remove any water, oil or any other hydrocarbons or minerals of any kind.

(u) Miscellaneous Structures. No temporary structures, other than those normally required for residential use, including, but not limited to, derricks, windmills, pumps, scaffolding, towers and those designed for use in boring, mining, or quarrying for water, oil or natural gas or precious minerals shall be erected, maintained or permitted upon any Lot.

(v) No Commercial Activity. Commercial activity, other than in designated commercial areas, must receive the written approval of the Board, ARC and governmental agencies.

(w) Wells. No well for the production of, or from which there is produced, water, oil, gas, shall be operated upon any Lot, nor shall any machinery, appliance, structure be placed, operated or maintained thereon for use in connection with any trading manufacturer or repairing business.

(x) Interpretations of Restrictions. All questions or interpretations or constructions of any of the terms or conditions contained herein, shall be resolved by the ARC and Board of The Association, and their decision shall be final, binding and conclusive on all of the parties affected. Any approval by the Board of The Association shall not obviate any Architectural Review Committee approval required by this Declaration.

ARTICLE X

ADDITIONAL PROVISIONS

Section 1. Financing New Facilities or Capital Improvements of Common Areas and Facilities. The Association shall have the right in accordance with its Articles and Bylaws to borrow money for the purpose of adding new facilities or Capital Improvements of the Common Areas, and the incidentals,

thereto with the written approval of two-thirds (2/3) of the owners and two-thirds (2/3) of the Institutional Lenders, and to mortgage said Common Areas and new facilities.

Section 2. Severability of Membership in the Association from Ownership of a Lot. No purchaser or Owner of a Lot shall convey his interest in any such Lot separately from his membership in The Association and no Member of The Association shall convey or otherwise dispose of his membership rights in The Association without at the same time conveying his interest in the Lot to which his membership attaches. Membership shall be transferred by The Association only to a new Owner of the Lot to which membership attaches. A tenant of an Owner shall not be a Member of The Association but the tenant of an Owner shall have the right to use the facilities of The Association in the same manner as if he were an Owner, if the Owner has assigned in writing, with a copy to The Association, his right to same during the period of the tenancy.

Section 3. Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of a residential community and for the maintenance of community areas. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

Section 4. Formation of Sub-Associations. Nothing herein shall limit, preclude or impair the establishment of Sub-Associations pursuant to additional Declarations. All such Sub-Associations shall be subject to the conditions set forth in this Declaration. Sub-Associations may only be formed with the prior written consent of the Grantor and Board of Directors which will not be unreasonably withheld. This Declaration will prevail over any conflict between any Sub-Association's Declarations.

ARTICLE XI

COMMENCEMENT OF IMPROVEMENTS

Section 1. Prevention of Landlocking. The use and occupancy of any Lot or undeveloped Parcel by an Owner shall carry with it the responsibility of the Owner to provide easements and sufficient underground utilities to any other Lot that would be landlocked by such Owners' use and occupancy. The Owner shall commence and diligently prosecute construction of underground utilities to the landlocked Lot or Parcel.

ARCHITECTURAL REVIEW COMMITTEESection 1. Members of Committee.

(a) A Committee of five (5) individuals who shall constitute the total membership of this Committee is hereby created to perform the functions as set forth herein. The Grantor shall have exclusive right to make the original appointments to this Committee and all replacements thereof until such time as 90% of the construction shall be completed upon the Properties, described in Exhibit "A", or fifteen (15) years following the date of the closing of the first sale of a lot in the Properties. The Grantor may replace any member of this Committee at any time with or without cause. In the event of death or resignation of any member of this Committee, Grantor shall appoint a replacement member within ninety (90) days of such death or resignation and, pending such replacement, the remaining member or members of this Committee shall have full authority to act. Any change in membership of this committee shall be evidenced by an instrument signed and acknowledged by Grantor which shall specify the name of the replacing member or members.

(b) The names of the members of this Committee are hereby designated as follows:

E. A. COLLINS
 KENNETH SULLIVAN, III
 RUSSELL DORN
 RICHARD THOMPSON
 BETH PINJUV

(c) Upon 90% completion of construction on the Properties, the Grantor may assign the right of appointing and replacing Committee members to an association or entity comprised of site Owners within the Properties, which association or entity shall then have the purpose or function of enforcing or assisting the enforcement of the provisions of this Declaration. Any such assignment may be conditioned upon the continuing effective existence of such association or entity.

(d) The Architectural Committee shall meet from time to time as necessary to perform its duties hereunder. The Architectural Committee may from time to time, by resolution unanimously adopted in writing, designate an Architectural Committee Representative (who may, but need not, be one of its members) to take any action or perform any duties for and on behalf of the Architectural Committee, except the granting of variances.

In the absence of such designation, the vote of a majority of the members of the Architectural Committee, or the written consent of a majority of the members of the Architectural Committee taken without a meeting, shall constitute an act of the Architectural Committee.

Section 2. Approval of Developer Plans.

(a) Improvements by a Developer shall not be commenced, erected, placed, altered, maintained or permitted to remain on the Properties until the Committee shall have approved preliminary plans and specifications for all grading, tract and plat layouts and design for such improvements. Preliminary plans shall include, where determined necessary by the Committee, all exterior elevations, section, materials, colors and dimensions of proposed improvements. Approval shall take into account, but are not limited to, the following factors: adequacy of site, landscaping, dimensions, esthetics of design, conformity and harmony of external design with neighboring structures, effect of location and use of such improvements upon neighboring site improvements, operations and uses, relation of topography, grade and finished ground elevation of the site being improved by that of neighboring sites, proper facing of elevation with respect to nearby structures, and conformity of the plans and specifications to the purposes of general plans and intent of this Declaration. The ARC shall not allow roof mounted air conditioning units, or composition shingled roofs except for commercial, multi-residence or condominium projects with approved screening.

(b) All plans and specifications required hereunder shall, when submitted to the Committee, be accompanied by a fee in accordance with a fee schedule to be established by the Committee which shall not initially exceed the sum of \$75.00. The maximum fee may be varied from time to time by the Committee in keeping with the size and complexity of the project.

(c) The Committee shall not arbitrarily or unreasonably withhold its approval of plans and specifications submitted to it and if the Committee fails to either approve or disapprove any such plans and specifications within forty-five (45) days after receipt thereof, it shall be conclusively presumed that the Committee has approved the same, subject only to the restrictions contained elsewhere herein, unless written disapproval or a request for additional information or materials by the Committee to the applicant has been requested.

(d) Neither Grantor, its successors or assigns or the Board or Committee shall be liable in damages to anyone submitting plans for approval by reason of mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve any such plans. Approval of any plans by the ARC shall not constitute a representation or warranty that any such plans comply with any applicable statutes, ordinances or building codes or government authority.

(e) Two complete sets of all plans and specifications must be submitted to the Committee and shall, when approved, be marked and stamped "Approved" with the date of such approval and one complete set thereof shall be the property of the Committee and shall constitute the permanent original record of plans and

specifications approved for the particular construction for development of which the same refers.

(f) Any plans and specifications approved by the Committee may be amended with the further approval of the Committee upon application therefor, which application shall be pursued by the Committee within the same time and manner as herein provided for action upon original plans and specifications.

Section 3. Regulation of Improvements.

(a) The approval of all supplementary declarations and/or plans for improvements shall be based upon the compatibility and consistency of the same with "Development/Architectural Guidelines" to be adopted by the Committee. Such guidelines shall include, but not be limited to, standards for the following: excavation; tract or site layout; architectural elevations and design and materials; landscaping; signs.

(b) After commencement of construction of any improvements, the owner thereof shall diligently prosecute the work to completion to the end that such improvements shall not remain in a partially finished condition any longer than reasonably necessary and in no event longer than a period of one (1) year without good cause therefor.

(c) All improvements upon the Properties, shall, at all times be maintained in good condition and repair and unimproved property shall be maintained free of weeds and debris and in a clean and sanitary condition.

(d) Improvement plans and specifications for an improvement shall be valid for a period of twelve (12) months from date of approval. In the event such improvements have not been completed within such period, the plans therefor would be subject to re-evaluation and reapproval by the Committee.

ARTICLE XIII

VIOLATION OF RESTRICTIONS - ENFORCEMENT

A. Violation or breach of any restriction herein contained shall give to Grantor, the Committee, the Board, the right to enter the Properties upon which said violation or breach exists and summarily abate and remove at the expense of the Owner thereof any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and the right to institute a proceeding at law or in equity against the person or persons who have violated or are attempting to violate any of the restrictions herein and to enjoin and prevent them from such violation, as well as to cause the abatement of an existing violation and to recover damages therefor.

The result of every act or omission whereby any restriction herein contained is violated in whole or in part is declared to be and to constitute a nuisance, and every remedy allowed by law against an Owner shall be applicable against such violation and may be exercised by Grantor, the Committee, the Board or by any Owner of the Properties.

In any proceeding for the enforcement of the provisions hereof, the prevailing party shall be entitled to reasonable attorney's fees in such amount as may be fixed by the Court in such proceeding. All remedies provided herein shall be cumulative and in addition to any other rights which a party may have.

Damages for any breach of the Covenants, Conditions, Restrictions or charges of this Declaration are hereby declared not to be adequate compensation but any breach and/or the continuance thereof may be enjoined or abated by appropriate proceedings initiated by the Grantor, the Board, Committee or by any Owner of the Properties.

B. Anything contained in this Declaration to the contrary notwithstanding, a breach of any of the Covenants, Conditions, Restrictions or charges, shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith to the Properties or any portion thereof, but said Covenants, Conditions, Restrictions or charges shall be binding upon and effective against any Owner of the Properties or a portion thereto whose title is acquired by purchase at a foreclosure or trust deed sale or in any other manner.

C. The Committee, the Board, its agents, representative or employees may, from time to time, at any reasonable hour enter and inspect any building, site, lot or improvement thereon of the Properties for the purposes of ascertaining compliance with the provisions hereof, and such person shall not be deemed guilty of trespass by reason of such entry.

D. The failure of the Board or any Owner to enforce any restriction herein contained shall, in no event, be deemed to be a waiver of the right to do so nor a waiver of the right to enforce any other restriction hereinunder.

ARTICLE XIV

MISCELLANEOUS

Section 1. Term.

The Covenants, Conditions and Restrictions of this Declaration shall run until 2020, unless amended as herein provided. After 2020, such Covenants, Conditions and Restrictions shall be automatically extended for successive periods of ten (10) years each, unless extinguished by the vote by written ballot of Members holding at least two-thirds (2/3) of the voting power of The Association. Such extinguishment shall be effective

upon the Recordation of a written instrument executed by a majority of the Board certifying that these Covenants have been extinguished by the vote of the Members as provided herein.

) Section 2. Amendment.

(a) By Grantor. The provisions of the Declaration may be amended or terminated by Grantor by Recordation of a written instrument setting forth such amendment or termination. Any such amendment shall be authorized by not less than two-thirds (2/3) of the Owners, and shall require approval of two-thirds (2/3) of the Institutional Lenders.

(b) By Members. Except as otherwise provided herein, these Covenants may not be amended without the written consent of Grantor, except upon the satisfaction of all the conditions set forth below:

- (i) Members shall have held duly constituted meetings and have certified to the Board that at least two-thirds (2/3) of the voting power of The Association (other than voting power exercisable by Grantor) shall have approved the proposed amendment at such meetings of Members; and
- (ii) A Certificate, executed by the President or Vice President and the Secretary or Assistant Secretary setting forth in full the amendment or repeal and certifying that said amendment or repeal has been approved and certified by the Members and has been Recorded; and
- (iii) Until such time as Grantor's right to appoint a majority of the members of the Board expires, Grantor provides its written consent to such amendment or repeal, which consent may be evidenced by Grantor's executing the Certificate described in Subsection (ii) above.

) Section 3. Mortgage Protection.

Notwithstanding any other provision of these Covenants, no amendment of this Declaration shall operate to defeat and render invalid the rights of the Beneficiary under any first Deed of Trust upon a Lot, Condominium or Parcel made in good faith and for value, and recorded prior to the recordation of such amendment, provided that after the foreclosure of any such first Deed of Trust such Lot or Condominium shall remain subject to these Covenants, as amended. Notwithstanding any and all provisions of this Declaration to the contrary in order to induce the Federal Home Loan Mortgage Corporation ("FNMA") and the Government National Mortgage Association ("GNMA") to participate in the financing of the sale of Lots or Condominiums within the Subject

Properties, the following provisions are added hereto (and to the extent these added provisions pertaining to the rights of Mortgagees conflict with any other provisions of this Declaration or any other of these Covenants these added restrictions shall control):

- (a) Each first Mortgagee of a Mortgage encumbering any Lot or Condominium in The Association Properties upon filing a written request for notification with the Board, is entitled to written notification from The Association of any default by the Mortgage of such Lot or Condominium, in the performance of such Mortgagor's obligations under these Covenants, the Articles or the Bylaws, which default is not cured within thirty (30) days after The Association learns of such default.
- (b) Every Owner of a Lot or Condominium in the Properties, including every first Mortgagee of a Mortgage encumbering any such Lot or Condominium, which obtains title to such Lot or Condominium, pursuant to the remedies provided in such Mortgage, or pursuant to foreclosure of the Mortgage, or by deed (or assignment in lieu of foreclosure), shall be exempt from any "right of first refusal".
- (c) Each first Mortgagee of a Mortgage encumbering any Lot or Condominium in the Properties, who obtains title to such Lot or Condominium, pursuant to the remedies provided in such Mortgage, or by judicial foreclosure, shall take title to such Lot or Condominium free and clear of any claims for unpaid Assessments or charges against such Lot or Condominium which accrued prior to the time such holder acquires title to such Lot or Condominium.
- (d) Unless at least two-thirds (2/3) of the first Mortgagees (based upon one vote for each Mortgage owned) of the Lots or Condominiums in The Association Properties have given their prior written approval, neither The Association nor the Members shall:
 - (i) subject to the provisions of the Nevada Law to the contrary, by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer The Association Properties or the improvements thereon which are owned, directly or indirectly by The Association (the granting of easements for public utilities or for other public purposes consistent with the intended use of such property by The Association shall not be

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deemed a transfer within the meaning of this clause);

- (ii) change the method of determining the obligations, Assessments or other charges (other than the dues or fees imposed by The Association pursuant to Article V, Subsection 3(b)), which may be levied against Members, or the method of allocating distributions of hazard insurance proceeds or condemnation awards;
- (iii) by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design of the exterior appearance of the dwelling units on the Lots or Condominiums, or the upkeep of lawns and landscaping of any property;
- (iv) fail to maintain Fire and Extended Coverage Insurance on insurable Association Properties;
- (v) use hazard insurance proceeds for losses to any Association Properties for other than the repair, replacement or reconstruction of such Improvements; or
- (vi) amend any material provision of these Covenants, the Articles or the Bylaws.

(e) First Mortgagees, upon written request, shall have the right to (i) examine the books and records of The Association during normal business hours, (ii) require from The Association the submission of audited annual financial reports and other financial data, (iii) receive written notice of all meetings, and (iv) designate in writing a representative to attend all such meetings.

(f) All first Mortgagees who have made written request therefor shall be given (i) thirty (30) days' written notice prior to the effective date of any proposed material amendment to these Covenants or the Articles or Bylaws, and prior to the effective date of any termination of an agreement for professional management of The Association Properties following a decision of The Association to assume self-management of The Association Properties; and (ii) immediate written notice as soon as the Board receives notice or otherwise learns of any damage to The Association Properties whenever the cost of reconstruction exceeds Ten Thousand Dollars (\$10,000), and as soon as the

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Board receives notice or otherwise learns of any condemnation or eminent domain proceedings or other proposed acquisition, with respect to any portion of The Association Properties.

- (g) First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any of The Association Properties and may pay any overdue premiums on hazard insurance policies, for such property, and first Mortgagees making such payments shall be owed immediate reimbursement therefor from The Association.
- (h) The Board may contract for professional management of The Association Properties with a professional manager. The agreement between the Board and its agent for such professional management shall provide that the management contract shall have a term of not more than one (1) year.
- (i) At the discretion of the Board, The Association shall pay for, secure, and cause to be maintained in force at all times a fidelity bond for any person or entity handling funds of The Association, including, but not limited to, employees of the professional Manager.
- (j) In addition to the foregoing, the Board may enter into such contracts or agreements on behalf of The Association as are required in order to satisfy the guidelines of the VA, the FHA, the FHLMC, the FNMA or the GNMA or any similar entity, so as to allow for the purchase, guaranty or insurance, as the case may be, by such entities of first Mortgages encumbering Lots or Condominiums with dwelling units thereon. Each Owner hereby agrees that it will benefit The Association and the membership of The Association, as a class of potential Mortgage Borrowers and potential sellers of their residential Lots or Condominiums, if such agencies approve the Subject Property as a qualifying subdivision under their respective policies, rules and regulations, as adopted from time to time.
- (k) In the event that any Improvement constructed by Grantor, or by any Owner pursuant to written permission of the Board, encroaches upon any of the Association Properties, then an easement for such encroachment over the portion of The Association Properties so encroached shall continue in favor of the Owners from whose real property the encroachment extends until such Improvement may be removed by the Owner.

- (l) Each Owner hereby authorizes the First Mortgagee of a First Mortgage on his Lot or Condominium to furnish information to the Board concerning the status of such First Mortgage and the loan which it secures.
- (m) Each Mortgagee and Owner shall advise the Board of Directors of the current name and address of the first Mortgagee. The Mortgagee may request notification of any action.

Section 4. Notices.

Any notice permitted or required to be delivered as provided herein 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 seventy-two (72) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to any person at the address given by such person to The Association for the purpose of service of such notice, 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 to The Association.

Section 5. Interpretation.

The provisions of these Covenants shall be liberally construed together, to effectuate the purpose of creating a uniform plan for the development and operation of The Association Properties. All provisions affecting any Condominium Project in The Association Properties shall be construed so as to be in conformance with the provisions of Nevada law pertaining to Condominiums. This Declaration shall be construed and governed under the laws of the State of Nevada.

Section 6. Enforcement and Non-Waiver.

(a) Right of Enforcement. Except as otherwise provided herein, any Owner within The Association shall have the right to enforce any or all of the provisions of these Covenants against any Properties within The Association and the Owners thereof. Such right shall include an action for damages as well as an action to enjoin any violation of these Covenants.

(b) Violations and Nuisance. Every act or omission whereby any provision of these Covenants is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action by Grantor or the Board or any Owner or Owners of Lots or Condominiums within The Association Properties. However, any other provision to the contrary notwithstanding, only the Grantor, the Board, the ARC, or a duly authorized agent of any of them, may enforce by self-help any of the provisions of these Covenants, and only if such self-help, except in an emergency, is preceded by reasonable notice to the Owner.

(c) Violation of Law. Any violation of any federal, state, municipal or local law, ordinance or regulation pertaining to the ownership, occupation or use of any Properties within The Association is hereby declared to be a violation of these Covenants and subject to any or all of the enforcement procedures set forth in these Covenants.

(d) Remedies Cumulative. Each remedy provided by these Covenants is cumulative and not exclusive.

(e) Non-Waiver. The failure to enforce any of the provisions of these Covenants at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provisions hereof.

(f) Attorney's Fees. Any judgment rendered in any action or proceeding hereunder shall include a sum for attorney's fees in such amount as the Court may deem reasonable, in favor of the prevailing party, as well as the amount of delinquent payment (if applicable), interest thereon, late charges (if any) and Court costs.

Section 7. Interpretation.

(a) Restrictions Severable. Each of the provisions of these Covenants shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision of this Declaration.

(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 affect that which is set forth in any of the provisions hereof.

(d) Breach. That the breach of any said Covenants and Restrictions shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value as to said Lots or Properties, or any part thereof, but such provisions, Restrictions, or Covenants shall be binding and effective against any Owner of said Properties whose title thereto is acquired by foreclosure, trustee's sale or otherwise.

Section 8. No Representations or Warranties.

No representations or warranties of any kind, express or implied, have been given or made by Grantor or its agents or employees in connection with the subject Properties or any portion of the subject Properties, or any improvement thereon, its physical condition, zoning, compliance with applicable laws,

fitness for intended use, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes or regulation thereof as a planned development, except as specifically and expressly set forth in this Declaration and except as may be filed by the Grantor from time to time with the Clark County Recorder's Office the VA, the FHA, the FHLMC, the FNMA, the GNMA or any other government agency.

Section 9. FHA/VA Approval.

So long as there is a Class D membership, the following action shall require the approval of the Veteran's Administration and/or Federal Housing Administration: Dedication of any of The Association Properties; grants of additional easements, rights-of-way, or licenses by Grantor in The Association Properties other than as provided herein, and any Amendments to this Declaration.

The rights of Grantor provided herein may be exercised during the period of time commencing when the Lots in the Properties are first sold to the public and ending when all Lots in the Properties are sold by a Developer to separate Owners or fifteen (15) years following the date of conveyance of title with the date of conveyance of the first Lot in the Properties from Declarant to a retail purchaser, whichever shall first occur. So long as Grantor, its successors and assigns, owns one (1) or more Lots or Parcels, its successors and assigns shall be subject to the provisions of this Declaration.

Section 10. Waiver of Liability for Errant Golf Balls.

By acceptance of a deed or lease to a Lot, residential or commercial unit in the Properties, the Association and each Owner, for himself and on behalf of his family, guests and tenants, release Grantor, the owner of the Golf Course Property, and their respective lessees, agents, employees, directors, officers, shareholders, partners, and contractors, from all claims, demands, expenses, damages, costs, causes of action, obligations and liabilities, including, without limitation, damage to his residence and damages for personal injury or death, which in any way arise from or relate to the impact of a golf ball which enters upon the Association Properties or within the Properties from the Golf Course Property, whether or not the golf ball is struck in a negligent manner.

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Section 11. Relationship to Golf Course Properties.

EACH OWNER OR LESSEE OF THE PROPERTIES OR ANY PORTION THEREOF, BY ACCEPTANCE OF TITLE THERETO, SHALL THEREBY ACKNOWLEDGE THAT THE PURCHASE OR LEASE OF A LOT OR RESIDENTIAL OR COMMERCIAL UNIT BY SUCH OWNER:

- (a) DOES NOT CONFER UPON EACH OWNER OR LESSEE THE RIGHT TO USE ANY GOLF COURSE OR ANY RELATED FACILITIES (COLLECTIVELY THE "FACILITIES") WHICH MAY EXIST ON THE GOLF COURSE PROPERTY. IN ORDER TO USE THE FACILITIES, EACH OWNER WILL BE REQUIRED TO PAY SUCH FEES AND SATISFY SUCH OTHER CONDITIONS AS MAY BE IN EFFECT FROM TIME TO TIME WITH RESPECT TO THE USE OF THE FACILITIES; AND
- (b) THAT, ALTHOUGH THE GOLF COURSE PROPERTY WILL INITIALLY BE IRRIGATED WITH POTABLE WATER, REUSED OR EFFLUENT WATER MAY BE USED IN THE FUTURE TO IRRIGATE SAID GOLF COURSE PROPERTY, AND THAT SUCH OWNER UNDERSTANDS THE IMPLICATIONS THEREOF AND HAS AGREED TO PURCHASE OR LEASE A PORTION OF THE PROPERTIES WITH KNOWLEDGE OF SUCH FACT.
- (c) DOES NOT CONFER UPON EACH OWNER OR LESSEE ANY RIGHT TO CLAIM OR REQUIRE THAT THE GOLF COURSE PROPERTY MUST BE CONSTRUCTED OR MAINTAINED AS A GOLF COURSE BY ANY PERSON OR ENTITY. ALTHOUGH THE GOLF COURSE PROPERTY IS SUBJECT TO A DEED RESTRICTION WHICH PROVIDES THAT THE GOLF COURSE PROPERTY MAY ONLY BE DEVELOPED AS A GOLF COURSE (WITH RELATED AND COMPLIMENTARY FACILITIES), SAID DEED RESTRICTION DOES NOT AFFIRMATIVELY REQUIRE ANY PERSON OR ENTITY TO BUILD, MAINTAIN OR OPERATE A GOLF COURSE ON THE GOLF COURSE PROPERTY OR TO CONTINUE TO OPERATE A GOLF COURSE THEREON IF ONE IS INITIALLY CONSTRUCTED.

Section 12. Constructive Notice and Acceptance.

Every person who owns, occupies or acquires any right, title, estate or interest in or to any Lot or Condominium or other portion of the Properties does and shall be conclusively deemed to have consented and agreed to every limitation, restriction, easement, reservation, condition and covenant

contained herein, whether or not any reference to this Declaration is contained in the instrument by which such person acquired an interest in the Properties, or any portion thereof.

DATED this 28 day of December, 1988.

GREEN VALLEY INVESTMENT COMPANY, a Nevada General Partnership

By E. A. Collins
E. A. COLLINS, Partner

By M. M. Collins
M. M. COLLINS, Partner

By Kenneth J. Sullivan
KENNETH J. SULLIVAN, JR. Partner

By Robert J. Sullivan
ROBERT J. SULLIVAN, Partner,
by KENNETH J. SULLIVAN, JR.,
his attorney-in-fact

STATE OF NEVADA)
) ss:
COUNTY OF CLARK)

on the 28th day of December, 1988, before me,
a Notary Public in and for said County and State, personally
appeared E. A. COLLINS, M. M. COLLINS, KENNETH J. SULLIVAN, JR.,
individually, and as attorney-in-fact for ROBERT J. SULLIVAN,
known to me to be the persons who executed the within Declaration
of Covenants and Restrictions of Green Valley Village Community
Association.



E. KAY EVERIST
Notary Public - State of Nevada
CLARK COUNTY
My Appointment Expires Aug. 18, 1992

E. Kay Everist
NOTARY PUBLIC

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EXHIBIT "A" TO DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS AND RESERVATION OF EASEMENTS FOR
GREEN VALLEY VILLAGE COMMUNITY ASSOCIATION

VILLAGE 1, VILLAGE 2, VILLAGE 3, VILLAGE 4, VILLAGE 5, VILLAGE 6, VILLAGE 7,
VILLAGE 8, VILLAGE 9, VILLAGE 10, VILLAGE 11, VILLAGE 12, and VILLAGE 13 of
GREEN VALLEY PARKWAY WEST, as shown by map thereof on file in Book 41 of Plats,
page 32, in the Office of the County Recorder of Clark County, Nevada.

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EXHIBIT "B" TO DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS AND RESERVATION OF EASEMENT FOR
GREEN VALLEY VILLAGE COMMUNITY ASSOCIATION

Lots A-4, A-5, and A-6 of GREEN VALLEY PARKWAY WEST, as shown by map
thereof on file in Book 41 of Plats, page 32, in the Office of the
County Recorder of Clark County, Nevada.

RETURN TO:
NATIONAL TITLE

CLARK COUNTY, NEVADA
JOAN L. SWIFT, RECORDER
RECORDED AT REQUEST OF:

NATIONAL TITLE CO

12-30-88 08:00 CAR 38
OFFICIAL RECORDS
BOOK: 881230 INST: 00073
FEE: 42.00 RPTT: .00