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 WHEN RECORDED RETURN TO:
 Howard Hughes Properties, L.P.
 1645 Village Center Circle
 Suite 200
 Las Vegas, Nevada 89134
 Attn: Jeffrey Geen

213AM
 125

(Space Above For Recorder's Use Only)

STATE OF NEVADA

Cross-Reference to Declaration:

COUNTY OF CLARK

Book: 900925
 Instrument: 01274

AMENDED AND RESTATED

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS

AND RESERVATION OF EASEMENTS

FOR

SUMMERLIN NORTH COMMUNITY ASSOCIATION

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATION OF EASEMENTS FOR SUMMERLIN NORTH COMMUNITY ASSOCIATION, is made this 11th day of August, 1997, by Summerlin North Community Association, a Nevada nonprofit corporation (the "Association");

WITNESSETH:

WHEREAS, on September 25, 1990, Howard Hughes Properties, Limited Partnership, a Delaware limited partnership (hereinafter referred to as "Declarant"), filed that certain Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Summerlin Community Association, Recorded at Book 900925, as Instrument Number 01274, in the Office of the County Recorder of Clark County, Nevada ("Original Declaration"); and

WHEREAS, additional property has been submitted to the terms of the Original Declaration by Notices of Annexation filed by Declarant in the Office of the County Recorder of Clark County, Nevada, as follows:

970815.00692

Recording Date	Book	Instrument
<u>Village 1 South</u>		
August 21, 1991	910829	00097
August 21, 1991	910829	00098
December 19, 1991	911210	01028
December 30, 1991	911231	01513
April 30, 1992	920511	00620
May 5, 1992	920511	01021
October 8, 1991	911013	00588
January 28, 1993	930208	00646
January 28, 1993	930208	00647
March 1, 1993	930301	01288
August 30, 1993	930831	02206
December 22, 1993	931223	00904
April 28, 1995	950505	00284
May 2, 1995	950509	00030
May 2, 1995	950812	00164
July 24, 1995	950728	00147
<u>Village 2 - The Pueblo</u>		
December 14, 1990	910128	00514
June 2, 1992	920603	00217
October 8, 1992	921013	00588
October 15, 1992	921104	00044
July 8, 1993	930715	00704
January 12, 1996	960125	00091
<u>Village 3 - The Canyons</u>		
December 11, 1995	951214	00253
December 11, 1995	951214	01370
December 12, 1995	951228	00141
December 12, 1995	951228	00142
June 27, 1996	960628	02444
August 2, 1996	960807	00389
<u>Village 7 - The Trails</u>		
June 16, 1994	940616	00723
June 17, 1994	940617	00469
December 15, 1994	941215	00587
December 15, 1994	941215	00588
January 22, 1996	960124	00198
March 14, 1997	970319	00612

Village 8 - The Crossing

June 21, 1994	940715	00481
July 13, 1994	940714	00013
November 7, 1994	941107	00001
November 29, 1994	941130	00486
December 15, 1994	941215	00590
December 15, 1994	941215	00591
December 12, 1994	941213	00237
October 4, 1995	951004	00214
October 4, 1995	951004	00215
October 4, 1995	951004	00216
October 18, 1995	951018	01194
October 29, 1996	961029	01354
January 23, 1995	950126	00012

WHEREAS, property was withdrawn from the terms of the Original Declaration by Notices of Deannexation filed by Declarant in the Office of the County Recorder of Clark County, Nevada, as follows:

Recording Date	Book	Instrument
<u>Village 2 - The Pueblo</u>		
October 14, 1996	961115	01564
October 22, 1996	961108	01977
December 13, 1996	961218	00629

Village 3 - The Canyons

June 19, 1996	960627	00164
December 18, 1996	961220	00592

WHEREAS, pursuant to the terms of Article XI, Section 11.2 of the Original Declaration, the Original Declaration may be amended by the Members, with the written consent of Declarant, by Recordation of a certificate, signed and acknowledged by the president and secretary of the Association, setting forth the amendment and certifying that such amendment has been approved by sixty-seven percent (67%) of the voting power of the Association and the requisite percentage of holders and insurers of First Mortgages, if applicable; and

WHEREAS, pursuant to the terms of Article XI, Section 11.2(c) of the Original Declaration, certain types of amendments to the Original Declaration, as described in that subsection, require the prior written approval of the record holders and insurers of seventy-five percent (75%) of the First Mortgages at the time of the amendment, based on one vote for each Mortgage owned or insured; provided, such approval shall be deemed given if no written disapproval is received within 60 days following the Mortgagee's receipt of notice from the Association of its intent to amend; and

WHEREAS, pursuant to the terms of Article XI, Section 11.3(e) of the Original Declaration, the prior written approval of sixty-seven percent (67%) of the First Mortgagees is required to take certain

actions described in that subsection or to amend the Original Declaration, Bylaws or Articles in any manner which will adversely affect the rights of any First Mortgagee; and

WHEREAS, Members holding at least sixty-seven (67%) of the voting power of the Association have approved this amendment to the Original Declaration, and Declarant has consented in writing, as evidenced by its execution hereof; and

WHEREAS, the record holders and insurers of seventy-five percent (75%) of the First Mortgages at the time of this amendment have approved this amendment, or have been deemed to have approved this amendment, in accordance with Article XI, Section 11.2(c) of the Original Declaration; and

WHEREAS, this amendment does not effect any of the actions described in Article XI, Section 11.3(e) of the Original Declaration; and

WHEREAS, pursuant to the terms of Article VII of the Bylaws of Summerlin Community Association (the "Original Bylaws"), the Original Bylaws may be amended only by the vote of at least fifty-one percent (51%) of the voting power of the Association, with the prior written approval of VA and FHA, as applicable; and

WHEREAS, Article VII of the Original Bylaws also requires the prior written approval of the holders of seventy-five percent (75%) of the First Mortgages on Lots and Condominiums to amend materially the Original Bylaws in a manner affecting matters delineated in Article XI, Section 11.2(c)(i-vi) of the Original Declaration, and further requires the prior written approval of the holders of sixty-seven percent (67%) of the First Mortgages on Lots and Condominiums to materially amend the Original Bylaws in a manner affecting matters delineated in Article XI, Section 11.3(e)(i-vi) of the Original Declaration; provided, such approval shall be deemed given by any First Mortgagee who receives a written request from the Association's board of directors to approve an amendment and does not deliver a negative response to the board within 60 days of the mailing of such request by the board; and

WHEREAS, Members holding at least fifty-one percent (51%) of the voting power of the Association voted to amend the Original Bylaws in various respects; and

WHEREAS, in accordance with Article VII of the Original Bylaws, the VA, FHA, and the holders of seventy-five percent (75%) of the First Mortgages on Lots and Condominiums have approved, or have been deemed to have approved, such amendment to the Original Bylaws; and

WHEREAS, the Amended and Restated Bylaws of Summerlin North Community Association are attached as Exhibit "D" to this Amended and Restated Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Summerlin North Community Association;

NOW, THEREFORE, the Original Declaration is hereby amended by striking it and all exhibits thereto (but not the Notices of Annexation previously filed with respect thereto), in its entirety and substituting in its place the following:

970815.00692

**AMENDED AND RESTATED
DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND RESERVATION
OF EASEMENTS FOR
SUMMERLIN NORTH COMMUNITY ASSOCIATION**

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**AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND
RESERVATION OF EASEMENTS
FOR SUMMERLIN NORTH COMMUNITY ASSOCIATION**

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATION OF EASEMENTS FOR SUMMERLIN NORTH COMMUNITY ASSOCIATION (formerly known as the "MASTER DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATION OF EASEMENTS FOR SUMMERLIN COMMUNITY ASSOCIATION") is made on this 11th day of August, 1997, by SUMMERLIN NORTH COMMUNITY ASSOCIATION, a Nevada nonprofit corporation (the "Association").

RECITALS:

A. Summerlin is a master planned mixed-use community located in Clark County, Nevada. Summerlin is being developed by HOWARD HUGHES PROPERTIES, LIMITED PARTNERSHIP, a Delaware limited partnership ("Declarant").

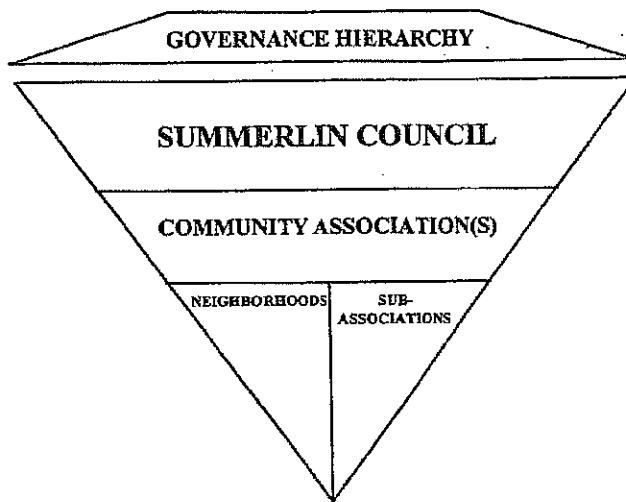
B. Consistent with Declarant's intent to establish a balanced community accommodating a mix of residential and other land uses, including open space, and to develop and convey portions or all of the properties in the Project (as hereinafter defined), which is a component of Summerlin, pursuant to a general plan for the maintenance, care, use and management of the Project, Declarant has deemed it desirable to establish certain protective covenants, conditions, restrictions, reservations, easements, equitable servitudes, liens and charges, upon the Project, all for the purpose of enhancing and protecting the value, desirability and attractiveness of the Project and enhancing the quality of life within the Project. All property within the Project shall be held and conveyed subject to such covenants, conditions, restrictions, reservations, easements, equitable servitudes, liens and charges.

C. In furtherance of its desire for efficient management and preservation of the values and amenities in the Project, Declarant has deemed it desirable to create a corporation to which has been delegated and assigned the powers of owning, maintaining and administering the Association Property (as hereinafter defined) for the use of its Members (as hereinafter defined) and authorized guests, administering and enforcing the covenants, conditions, restrictions, reservations, easements, equitable servitudes, liens and charges, collecting and disbursing the assessments and charges hereinafter created and performing such other acts as shall generally benefit the Project.

D. Summerlin North Community Association, a Nevada nonprofit corporation (the "Association"), formerly known as Summerlin Community Association, the Members of which shall be the respective Owners (as hereinafter defined) of Lots or Condominiums in the Project, has been incorporated under the laws of the State of Nevada for the purpose of exercising the powers and functions stated above.

NOW, THEREFORE, in consideration of the foregoing recitals, the provisions hereinafter contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Declarant hereby declares that all property in the Project shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the following protective

covenants, conditions, restrictions, reservations, easements, equitable servitudes, liens and charges, all of which are for the purpose of uniformly enhancing and protecting the value, attractiveness and desirability of the Project, in furtherance of a general plan for the protection, maintenance, subdivision, improvement, sale and lease of the Project, or any portion thereof. The protective covenants, conditions, restrictions, reservations, easements and equitable servitudes set forth herein shall run with the Project and shall be binding upon all Persons having any right, title or interest in the Project, or any part thereof, their heirs, successors, successors-in-title, and assigns; shall inure to the benefit of every portion of the Project and any interest therein; and shall inure to the benefit of and be binding upon Declarant and any Participating Builders (as hereinafter defined), their successor owners and each Owner and his or her respective successors-in-interest; and may be enforced by any Owner or by the Association.



This illustration sets forth the hierarchical governance structure within Summerlin as further described herein. Throughout this document, there are diagrammatic summaries to aid the reader's comprehension and use of the Restrictions. In the event of a conflict between any diagrammatic summary and the text of any of the Restrictions, the text shall control.

ARTICLE I **DEFINITIONS**

Unless otherwise expressly provided, when used in this Declaration, the following words and phrases shall have the meanings hereinafter specified.

1.1. "Agency" shall mean the Nevada Department of Commerce, Real Estate Division, or any other such governmental agency which administers the sale of subdivided lands pursuant to Chapter 119 of NRS, or any similar statute or ordinance hereinafter enacted.

1.2. "Annexable Area" shall mean the real property described in Exhibit "B," all or any portion of which may from time to time be made subject to this Declaration pursuant to the provisions of Article II hereof.

1.3. "Annexed Territory" shall mean portions of the Annexable Area from time to time added to the Initial Property covered by this Declaration.

1.4. "Apartment Area" shall mean the real property which may be so classified from time to time in a Notice of Annexation or Supplemental Declaration, as provided in Article II hereof, which is developed or being developed with Improvements suitable for Apartment Lots.

1.5. "Apartment Lot" shall mean a Lot within an Apartment Area.

1.6. "Apartment Unit" shall mean each Single Family dwelling on an Apartment Lot.

1.7. "Area of Common Responsibility" shall mean Association Property together with such other areas, if any, for which the Association has or assumes responsibility pursuant to the terms of this Declaration, any Supplemental Declaration or other applicable covenants, contracts, or agreements.

1.8. "Articles" shall mean the Articles of Incorporation of the Association as filed or to be filed in the Office of the Secretary of State of the State of Nevada, a copy of which is attached hereto as Exhibit "C," as such Articles may from time to time be amended.

1.9. "Assessment Year" shall mean the calendar year or such other twelve (12) consecutive calendar month period selected by the Board of Directors for the levying, determining and assessing of Common Assessments under this Declaration.

1.10. "Association" shall mean Summerlin North Community Association, a Nevada nonprofit corporation, the Members of which shall be the respective Owners of Lots or Condominiums in the Project, formed under the laws of the State of Nevada, its successors and assigns.

1.11. "Association Property" shall mean all the real and personal property, including Improvements, now or hereafter owned by the Association, or with respect to which the Association has an easement for the use, care or maintenance thereof, held for the common benefit, use and enjoyment of all of the Owners, as further provided in Article III hereof.

1.12. "Beneficiary" shall mean a Mortgagee under a Mortgage or a beneficiary under a Deed of Trust and the assignees of such Mortgagee or beneficiary.

1.13. "Board of Directors" or "Board" shall mean the Board of Directors of the Association, elected in accordance with the Articles and the Bylaws of the Association and this Declaration.

1.14. "Budget" shall mean the annual budget for the Association for each fiscal year, as amended, as property is annexed to the Initial Property.

1.15. "ByLaws" shall mean the Amended and Restated Bylaws of the Association which have or will be adopted by the Board of Directors initially in the form of Exhibit "D" attached hereto, as such Bylaws may from time to time be amended.

1.16. "Capital Improvement Assessment" shall mean a charge against each Owner and his or her Lot or Condominium, representing a portion of the costs to the Association for installation, construction, or reconstruction of any Improvements on any portion of the Association Property which the Association may from time to time authorize, pursuant to the provisions of this Declaration.

1.17. "Close of Escrow" shall mean the date on which a deed or other such instrument conveying a Lot or Condominium in the Project is Recorded, with the exception of deeds between Declarant and Participating Builders or between Participating Builders.

1.18. "Common Area" shall mean any portion of the Project designated in a Supplemental Declaration for the primary benefit of, or maintenance by, the Owners of Lots within a particular Phase of Development, or the Owners of Condominiums within a Condominium Project. Such portion of the Project is to be owned (a) in common by such Owners (within a Condominium Project), (b) by a Sub-Association in which all such Owners shall be entitled to membership, or (c) separately by individual Owners (within a Phase of Development) over which portion of the Project a Sub-Association may have an easement for maintenance purposes.

1.19. "Common Assessment" shall mean an annual charge representing a portion of the total, ordinary costs of maintaining, improving, repairing, replacing, managing and operating the Association Property or expenses associated with contracts or other agreements into which the Association enters.

1.20. "Common Expenses" shall mean the actual and estimated costs of:

- (a) maintenance, management, operation, repair and replacement of the Association Property;
- (b) unpaid Special Assessments, Specific Assessments and Capital Improvement Assessments, including those costs not paid by the Owner responsible for payment;
- (c) management and administration of the Association including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and other employees;
- (d) all utilities, gardening, trash pickup and disposal, and other services benefiting the Association Property;
- (e) fire, casualty and liability insurance, workers' compensation insurance, and other insurance covering the Association Property;
- (f) any other insurance obtained by the Association;
- (g) bonding the members of the management body, any professional managing agent or any other Person handling the funds of the Association;
- (h) taxes paid by the Association;
- (i) amounts paid by the Association for the discharge of any lien or encumbrance levied against the Association Property, or portions thereof;
- (j) prudent reserves;
- (k) maintenance by the Association of areas within the public right-of-way of public streets in the vicinity of the Project as provided in this Declaration or pursuant to agreements with the City of Las Vegas or Clark County;

(l) fulfilling the Association's financial obligations under agreements into which the Association enters pursuant to this Declaration; and

(m) any other item or items designated by the Association for any reason whatsoever in connection with the Association Property, for the benefit of the Owners.

1.21. "Community Association" shall mean the Association and any other community association comprised of owners of real property within Summerlin which is formed for the purpose of administering Recorded covenants, conditions, and restrictions pertaining to such real property, but only if so designated by Declarant in the Recorded covenants, conditions and restrictions administered by such Community Association. The term shall not include "sub-associations" within Community Associations.

1.22. "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Project. Such standard shall be established initially by Declarant and may be more specifically defined in the Restrictions, in the Design Review Committee Guidelines, and by Board of Directors resolutions.

1.23. "Condominium" shall mean a condominium as defined in Section 117.010(2) of NRS, or any similar Nevada statute hereinafter enacted, and shall include a Condominium owned in fee simple, a Condominium estate for years or a Condominium comprising a combination of fee simple and long-term leasehold characteristics. For purposes of this Declaration, a "long-term" leasehold shall mean a leasehold interest in a Lot or Condominium which has an original term of not less than ten (10) years. For purposes of this Declaration, the term "Condominium" shall include a Residence or other area of space which is appurtenant to one or more ownership interests in a community apartment or stock cooperative.

1.24. "Condominium Area" shall mean the real property which may be so classified from time to time in a Notice of Annexation or Supplemental Declaration, as provided in Article II hereof, and which has been developed or is being developed as a Condominium Project.

1.25. "Condominium Project" shall mean a Condominium Project as defined in Section 117.010(3) of NRS, or any similar Nevada statute hereinafter enacted. For purposes of this Declaration, the term "Condominium Project" shall include the property owned by any cooperative housing corporation as defined in NRS 662.101(3) and 673.0056 or any similar Nevada statute hereinafter enacted.

1.26. "Declarant" shall mean Howard Hughes Properties, Limited Partnership, a Delaware limited partnership, any successor, successor-in-title, or assignee of Howard Hughes Properties, Limited Partnership, who has or takes title to any portion of the property described in Exhibits "A," "B," or "E" for the purpose of development and/or resale in the ordinary course of business and who is designated as Declarant in a Recorded instrument executed by the immediately preceding Declarant.

1.27. "Declaration" shall mean this Amended and Restated Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Summerlin North Community Association, as amended or supplemented from time to time.

1.28. "Delegate" shall mean a Delegate as described in Article IV, Section 4.7 hereof. The term "Delegate" shall also refer to an alternate Delegate acting in the absence of a Delegate.

1.29. "Delegate District" shall mean a Delegate District as described in Article IV, Section 4.7 hereof.

1.30. "Design Review Committee" shall mean the Summerlin North Design Review Committee created pursuant to Article VIII hereof.

1.31. "Design Review Committee Guidelines" shall mean the guidelines adopted by the Design Review Committee pursuant to Article VIII, Section 8.2 hereof.

1.32. "Exclusive Common Area" shall mean a portion of the Association Property primarily benefiting one or more, but less than all, Neighborhoods, as more particularly described in Article XI.

1.33. "Family" shall mean (a) a group of natural Persons related to each other by blood or legally related to each other by marriage or adoption, or (b) a group of natural Persons not all so related, who maintain a common household in a Residence on a Lot or in a Condominium.

1.34. "FHA" shall mean the Federal Housing Administration.

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

1.36. "FNMA" shall mean the Federal National Mortgage Association.

1.37. "First Mortgage" shall mean a Mortgage or Deed of Trust with first priority over other Mortgages or Deeds of Trust on a Lot or Condominium.

1.38. "First Mortgagee" shall mean the holder of a First Mortgage.

1.39. "GNMA" shall mean the Government National Mortgage Association.

1.40. "Improvements" shall mean all structures and appurtenances thereto of every type and kind placed in the Project, including but not limited to buildings, outbuildings, walkways, hiking trails, tennis courts, lakes, waterways, sprinkler pipes, garages, swimming pools, Jacuzzi spas and other recreational facilities, carports, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, landscaping, hedges, windbreaks, plantings, planted trees and shrubs, poles, signs, exterior air conditioning and water softener fixtures or equipment, solar screens, solar panels, satellite dishes, antennas, and sports equipment, including, without limitation, permanent and temporary basketball goals.

1.41. "Initial Property" shall mean the real property described in Exhibit "A" to this Declaration.

1.42. "Land Classification" shall include (a) Single Family Residential Areas, (b) Apartment Areas, (c) Condominium Areas, (d) Association Property, or (e) Common Area.

1.43. "Lot" shall mean any lot or parcel of land shown upon any Recorded final subdivision map or Recorded parcel map of the Project, together with the Improvements, if any, thereon, but excepting any Common Area, the Association Property and any Condominiums in a Condominium Project. The term "Lot" shall include, without limitation, (a) Single Family Residential Lots and

(b) Apartment Lots. If two or more Lots are merged they shall remain as two Lots for the purposes of Articles IV and VI hereof.

1.44. "Maintenance Funds" shall mean the accounts created for receipts and disbursements of the Association pursuant to Article VI hereof.

1.45. "Manager" shall mean the Person, whether an employee or independent contractor, employed by the Association pursuant to the Bylaws, and delegated the authority to implement the duties, powers or functions of the Association as the same may be limited by the Restrictions.

1.46. "Member" shall mean every Person holding a Membership in the Association, pursuant to Article IV, Section 4.3 hereof.

1.47. "Membership" shall mean a membership in the Association pursuant to Article IV, Section 4.3 hereof.

1.48. "Mortgage" shall mean any unreleased mortgage or deed of trust or other similar instrument of Record, given voluntarily by the Owner of a Lot or Condominium, encumbering the Lot or Condominium to secure the performance of an obligation or the payment of a debt and which is required to be released upon performance of the obligation or payment of the debt. The term "Deed of Trust" or "Trust Deed" when used shall be synonymous with the term "Mortgage." "Mortgage" shall also mean any executory land sales contract, whether or not Recorded, in which the FHA, the VA, or the Secretary of the Department of Veterans Affairs is identified as the seller, whether such contract is owned by or has been assigned by the FHA, the VA, or the Secretary of the Department of Veterans Affairs. "Mortgage" shall not include any judgment lien, mechanic's lien, tax lien or other similarly involuntary lien or encumbrance on a Lot or Condominium.

1.49. "Mortgagee" shall mean a Person or entity to whom a Mortgage is made and shall include the beneficiary of a Deed of Trust. The term "Beneficiary" shall be synonymous with the term "Mortgagee."

1.50. "Mortgagor" shall mean a Person who mortgages his or its property to another (i.e., the maker of a Mortgage), and shall include the trustor of a Deed of Trust. The term "Trustor" shall be synonymous with the term "Mortgagor."

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

1.52. "Neighborhood" shall mean a group of Lots designated as a separate Neighborhood for purposes of sharing Exclusive Common Area or receiving other benefits or services from the Association which are not provided to all Lots within the Properties. A Neighborhood may be comprised of more than one housing type and may include noncontiguous parcels of property.

Where the context permits or requires, the term Neighborhood shall also refer to the Neighborhood Committee (established in accordance with the Bylaws) or Sub-Association, if any, having concurrent jurisdiction over the property within the Neighborhood. Neighborhood boundaries may be established and modified as provided in Article IV, Section 4.6.

1.53. "Neighborhood Assessments" shall mean assessments levied against the Lots in a particular Neighborhood or Neighborhoods to fund Neighborhood Expenses, as described in Article VI, Section 6.6.

1.54. "Neighborhood Expenses" shall mean the actual and estimated expenses which the Association incurs or expects to incur for the benefit of Owners of Lots within a particular Neighborhood or Neighborhoods, which may include a reasonable reserve for capital repairs and replacements and a reasonable administrative charge, as may specifically be authorized pursuant to this Declaration or in the Supplemental Declaration(s) applicable to such Neighborhood(s).

1.55. "Notice of Annexation" shall mean a Notice of Annexation as described in Article II, subsection 2.3(b) hereof.

1.56. "Notice of Lien" shall mean a notice of lien as described in Article VI hereof.

1.57. "Notice and Hearing" shall mean written notice and a hearing before the Board of Directors or the Design Review Committee, as applicable, at which the Owner concerned shall have an opportunity to be heard in person, or, at the Owner's expense, by counsel, in the manner further provided in the Bylaws.

1.58. "Owner" shall mean the Person or Persons, including Declarant and Participating Builders, holding (a) a fee simple interest to a Lot or Condominium or (b) a long-term ground leasehold interest of Record to a Lot or Condominium which is a part of the Project, excluding those Persons holding title as security for the performance of an obligation other than sellers under executory contracts of sale. For purposes of this Declaration, a "long-term ground leasehold interest" shall mean a leasehold interest having a term at the time of creation of such interest of ten (10) or more years.

1.59. "Participating Builder" shall mean a Person who acquires 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.

1.60. "Person" shall mean a natural person, a corporation, a partnership, a trustee, an unincorporated association, or any other legal entity.

1.61. "Phase of Development" shall mean (a) each of Lots One through Thirteen as shown on the Village One North Map (as defined in Article II, Section 2.2) of the Initial Property, and (b) each portion of real property designated as a Phase of Development in a Notice of Annexation Recorded pursuant to Article II hereof or herein or in a Recorded sales document with a Participating Builder.

1.62. "Private Amenities" shall mean that certain real property and any improvements and facilities thereon located adjacent to, in the vicinity of, or within the Project, which are privately owned and operated by Persons other than the Association or the Summerlin Council for recreational and related purposes, on a club membership basis or otherwise, and shall include, without limitation, the golf course, if any, which is so located and all related and supporting facilities and improvements.

1.63. "Project" shall mean the Initial Property, together with such portions of the Annexable Area which are annexed to the property subject to this Declaration and to the jurisdiction of the Association pursuant to Article II hereof.

1.64. "Properties" or "Summerlin" shall mean the Project and any other property contained on Exhibit "E" over which the Summerlin Council has jurisdiction from time to time pursuant to this Declaration or any other Recorded declaration of covenants, conditions, and restrictions.

1.65. "Record," "Recorded," "Recording," "Filed" and "Recordation" shall mean, with respect to any document, the recordation or filing of such document in the Office of the County Recorder of the County of Clark, State of Nevada.

1.66. "Residence" shall mean a dwelling on a Single Family Residential Lot, Apartment Lot, or within a Condominium Project, intended for use and occupancy by a single Family.

1.67. "Restrictions" shall mean this Declaration, the Articles, the Bylaws, the Rules and Regulations of the Association, the Design Review Committee Guidelines, the Summerlin Council By-Laws, the Summerlin Council Articles, and any Supplemental Declaration with respect to the property covered by such Supplemental Declaration unless otherwise provided therein, from time to time in effect.

1.68. "Rules and Regulations" shall mean the rules and regulations of the Association adopted by the Board of Directors pursuant to Article V, Section 5.2 hereof, as they may be amended and supplemented from time to time.

1.69. "R.V. Storage Area" shall mean any portion of the Association Property which may be designated by the Board of Directors and, for so long as Declarant owns any part of the Annexable Area, approved by Declarant, pursuant to Article V hereof, for the storage of recreational vehicles, including, without limitation, the storing of boats, trailers and campers.

1.70. "Single Family Residential Area" shall mean (a) all of the real property in the Initial Property which is so classified in accordance with Article II, Section 2.2 hereof, and (b) all of the real property in the Annexable Area which may hereafter be so classified pursuant to such Section 2.2.

1.71. "Single Family Residential Lot" shall mean a Lot located within a Single Family Residential Area, together with the Improvements, if any, thereon.

1.72. "Special Assessment" shall mean assessments levied to cover unbudgeted expenses or expenses in excess of those budgeted, levied in accordance with Article VI, Section 6.7 hereof.

1.73. "Specific Assessment" shall mean a charge against a particular Owner and his Lot or Condominium, levied in accordance with Article VI, Section 6.8 and Article XVI, Section 16.6(h) hereof.

1.74. "Specified Actions" shall be those actions of the Association requiring an extraordinary majority vote, as described in Article IV, subsection 4.4(b) hereof.

1.75. "Sub-Association" shall mean any Nevada nonprofit corporation, or unincorporated association, or its successor in interest, the membership of which is composed of Owners of Condominiums within a Condominium Project or Owners of Lots within a Phase of Development, Apartment Area, or other portion of the Project, which is organized and established or authorized pursuant to or in connection with a Supplemental Declaration.

1.76. "Summerlin Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Properties at any time. Such standard may contain both subjective and objective elements. Subjective elements of the Summerlin Community-Wide Standard are determined by the Council Board and shall provide the basis for the objective elements. Objective elements of the Summerlin Community-Wide Standard shall be established initially by Declarant and may be more specifically defined in the Summerlin Council Governing Documents.

The Summerlin Community-Wide Standard may evolve as development progresses and as needs and demands change in response to, among other things, shifting demographics, advances in technology, and environmental pressures.

1.77. "Summerlin Council" or "Council" shall mean The Summerlin Council, a Nevada nonprofit corporation, its successors and assigns.

1.78. "Summerlin Council Area of Common Responsibility" shall mean any property the Summerlin Council owns, if any, together with such other areas, if any, for which the Council has or assumes responsibility pursuant to the terms of this Declaration, any Supplemental Declaration, or other applicable covenants, contracts, or agreements. Such property may include ownership in fee or by lease and may also include land and facilities over which the Council has operation and control responsibilities or for which the Summerlin Council has a maintenance easement.

1.79. "Summerlin Council Articles" shall mean the Articles of Incorporation of The Summerlin Council, as filed with the Office of the Secretary of the State of Nevada.

1.80. "Summerlin Council Board of Directors" or "Council Board" shall mean the body responsible for administration of the Summerlin Council.

1.81. "Summerlin Council By-Laws" shall mean the By-Laws of The Summerlin Council, as they may be amended from time to time.

1.82. "Summerlin Council Expenses" shall mean the expenses incurred or anticipated to be incurred by the Council for the general benefit of Summerlin, including any reasonable contributions to reserve funds, as the Council Board may find necessary and appropriate pursuant to the Summerlin Council Governing Documents.

1.83. "Summerlin Council Governing Documents" shall mean Article XV of this Declaration, the By-Laws of The Summerlin Council, and the Articles of Incorporation of The Summerlin Council.

1.84. "Summerlin Council Specific Assessment" shall mean assessments levied in accordance with Article XV, Section 15.4.

1.85. "Supplemental Declaration" shall mean any declaration of covenants, conditions and restrictions, or similar such document, which affects only a discrete Neighborhood, Condominium Project, Phase of Development, or other portion of the Project.

1.86. "VA" shall mean the U.S. Department of Veterans Affairs.

ARTICLE II
DEVELOPMENT OF THE PROJECT;
LAND CLASSIFICATION; ANNEXATION

2.1. Land Classifications. It is Declarant's intention (but without obligation) that the Project, and all portions thereof, be developed as a planned community used primarily for residential purposes. Additional land adjacent to portions of the Project, near the Project, or surrounded by the Project (but not within the Project) may be used for miscellaneous recreational, office, retail, cultural, civic, commercial, industrial, maintenance or other purposes (collectively, "Other Uses"). At the time of annexation of any Annexable Area pursuant to Section 2.3 of this Article, Declarant shall designate each Lot or Condominium annexed as being in one of the Land Classifications specified in Article I, Section 1.42. Declarant shall have the right to change the Land Classification of any Lot or Condominium in Declarant's sole discretion by means of either a Supplemental Declaration or Recorded notice of change in the Land Classification, so long as Declarant is the Owner of such Lot or Condominium and provided that such Lot or Condominium has not been developed in a manner which is inconsistent with the proposed change of Land Classification. In addition, Declarant and the Association shall have the right to change the Land Classification of any Lot or Condominium from time to time to reflect the actual use or development of such Lot or Condominium by Recording a notice of change in the Land Classification.

2.2. Land Classifications in Initial Property.

(a) Single Family Residential Area. Declarant hereby declares that those portions of the Initial Property comprising Lots One through Thirteen, inclusive, as shown on the Amended Plat of Summerlin Village One North subdivision Recorded on February 9, 1990, in Book 045 of Plats, Page 0010 (the "Village One North Map"), are hereby classified as a Single Family Residential Area, and are hereby made subject to this Declaration.

(b) Association Property. Declarant hereby declares that those portions of the Initial Property comprising Lots A and C through H, inclusive, as shown on the Village One North Map, are hereby classified as Association Property and are hereby made subject to this Declaration.

2.3. Annexation of Annexable Area.

(a) Annexation. Subject to subsection 2.3(b) of this Article, Declarant in its sole discretion, and any Participating Builder, with Declarant's written consent, may unilaterally, from time to time, but shall in no way be required to, add all or any portion or portions of the Annexable Area to the Project covered by this Declaration; provided, however, that such portion or portions are then owned by Declarant or such Participating Builder. Annexation shall be accomplished by the Recording of a Notice of Annexation with respect to the Annexed Territory.

Upon the Recording of a Notice of Annexation covering any portion of the Annexable Area and containing the provisions set forth herein, the covenants, conditions, restrictions and other matters contained in this Declaration shall apply to the Annexed Territory in the same manner as if such Annexed Territory were originally covered by this Declaration and constituted an original portion of the Project. Thereafter the rights, privileges, duties and liabilities of the parties to this Declaration with respect to the Annexed Territory shall be the same as with respect to the Initial Property, and the rights, obligations, privileges, duties and liabilities of the Owners, lessees and occupants of Lots and Condominiums within the Annexed Territory shall be the same as in the case of the Lots or Condominiums originally affected by this Declaration.

Nothing in this Declaration shall be deemed to be a representation by Declarant that all or any particular portion (excluding the Initial Property) of the Annexable Area shall be annexed to the Project or be made subject to this Declaration.

(b) Notice of Annexation. The Notice of Annexation referred to in subsection 2.3(a) of this Article shall contain: (i) the written and acknowledged consent of Declarant, for so long as Declarant shall own any property in the Annexable Area; (ii) a reference to this Declaration which shall state the date, county, and book and page of its Recordation, along with its instrument number or any other relevant Recording data; (iii) a statement that the provisions of this Declaration as set forth herein shall apply to the Annexed Territory; (iv) an exact legal description of the Annexed Territory; (v) the Land Classification of the Annexed Territory which may be changed pursuant to Section 2.1 of this Article, and (vi) an identification of the property to be included in a specific Delegate District and the Delegate District to which it is to be assigned (by name or other identifying designation), which Delegate District may be then existing or newly created. Each Notice of Annexation relative to real property owned by Declarant shall be signed by Declarant and each Notice of Annexation relative to real property owned by a Participating Builder shall be signed by both Declarant and such Participating Builder, and shall be substantially in the form of Exhibit "F" hereto.

So long as the FHA or the VA is insuring or guaranteeing loans or has agreed to insure or guarantee loans on any portion of the Annexable Area with respect to the initial sales by Declarant or Participating Builders of any Lot or Condominium, then a condition precedent to any annexation of the Annexable Area shall be written confirmation by the FHA or the VA that the annexation is in accordance with the development plan submitted to and approved by the FHA or the VA; provided, however, that such written confirmation shall not be a condition precedent if the FHA or the VA ceases to issue such written confirmations.

(c) Deannexation By Declarant. Declarant may unilaterally, and for any reason, delete all or a portion of the Project from coverage of this Declaration and the jurisdiction of the Association ("De-annexable Area"), provided that (i) Declarant is the sole Owner of the De-annexable Area; (ii) a notice of deannexation of territory is Recorded in the same manner as the applicable Notice of Annexation was Recorded; (iii) no Association vote derived from ownership of the De-annexable Area has been exercised; (iv) assessments have not yet commenced with respect to such De-annexable Area; (v) no contract of sale has been executed and there has been no Close of Escrow for any Lot or Condominium in the De-annexable Area; (vi) the Association has not made any expenditures or incurred any obligations with respect to the De-annexable Area; and (vii) the FHA and the VA, as applicable, have approved of such deannexation in writing; provided, however, that such written confirmation shall not be a condition precedent if the FHA or the VA ceases to issue such written confirmations. The deannexation shall be effective on the Recordation of the notice of deannexation of territory, and such Annexed Territory described therein shall no longer be part of the Association or subject to this Declaration, as more fully set forth in the notice of deannexation.

(d) Deannexation by Participating Builder. A Participating Builder may delete all or any portion of a Phase of Development from coverage of this Declaration and the jurisdiction of the Association, provided that (i) the Participating Builder is the sole Owner of the Phase of Development, (ii) all requirements for deannexation stated in subsection 2.3(c) of this Article have been satisfied, and (iii) Declarant has consented in writing to such deannexation by executing the notice of deannexation for the Phase of Development, or portion thereof. Declarant may, in its sole discretion, withhold such consent.

2.4. Expansion of Annexable Area. In addition to the provisions for annexation specified in Section 2.3 of this Article, the Annexable Area may, from time to time, be expanded to include additional real property, not as yet identified. Such property may be annexed to the Annexable Area upon the Recordation of a written instrument describing such real property, executed by Declarant and all other owners of such property and containing thereon the approval of the FHA and the VA; provided, however, that such written approval shall not be a condition precedent if the FHA or the VA ceases to issue such written approvals; provided further, however, such expansion of the Annexable Area must also be approved by a majority of the total voting power of the Association.

2.5. Contraction of Annexable Area. So long as real property is not Annexed Territory subject to this Declaration, the Annexable Area may be contracted to delete such real property effective upon the Recordation of a written instrument describing such real property, executed by Declarant and all other owners of such real property, and declaring that such real property shall thereafter be deleted from the Annexable Area. Such real property may be deleted from the Annexable Area without a vote of the Association or the approval or consent of any other Person, except as provided herein.

2.6. Supplemental Declarations. As each Phase of Development, Condominium Project, Apartment Area or other portion of the Project is developed, Declarant or a Participating Builder with Declarant's written approval, the granting or withholding of which approval shall be within Declarant's sole discretion, may, with respect thereto, Record one or more Supplemental Declarations which will incorporate this Declaration therein by reference. Such Supplemental Declaration(s) may designate or change the Land Classifications within the areas affected and may supplement the provisions of this Declaration with such further or more restrictive covenants, conditions, restrictions, land uses and other matters as Declarant may deem appropriate for such area, taking into account the particular requirements of each Phase of Development.

This Declaration shall control in the event of any conflict between any Supplemental Declaration and the provisions of this Declaration, although such documents shall be construed to be consistent with one another to the extent possible. The inclusion in any Supplemental Declaration of conditions, restrictions, covenants, land uses and other matters which are more restrictive or more inclusive than the restrictions contained in this Declaration shall not be deemed to constitute a conflict with the provisions of this Declaration. As each Phase of Development is annexed to the Project, title to and control over the Association Property, if any, therein shall be transferred to the Association in accordance with the provisions of this Declaration. A Supplemental Declaration for such Phase of Development of the Project may, but need not, provide for the establishment of a Sub-Association, to be comprised of Owners of Lots or Condominiums within the Phase of Development subject thereto.

2.7. Condominium Conversions. In the event that any portion of the Annexable Area which is now or hereafter subjected to the Summerlin Council Nonresidential Covenants and Easements (the "Commercial Covenants") is withdrawn from the coverage of the Commercial Covenants, the owner of such property may subject such property to the provisions of this Declaration by Recording a Supplemental Declaration describing the property and specifically subjecting it to the terms of this Declaration. Such Supplemental Declaration shall not require the consent of the Association, but shall require the signature of an officer of the Association acknowledging it. In addition, Declarant's prior written consent shall be necessary so long as Declarant owns any property described on Exhibits "A" or "B."

ARTICLE III
ASSOCIATION PROPERTY
PERMITTED USE AND RESTRICTIONS

3.1. Easements of Enjoyment. Every Owner and other Member of the Association shall have a non-exclusive right and easement of use and enjoyment in and to the Association Property, which easement shall be appurtenant to and shall pass with title to every Lot and Condominium, subject to the following:

- (a) The right of Declarant or any Participating Builder to designate additional Association Property pursuant to the terms of Article II hereof;
- (b) The right of the Association to establish uniform Rules and Regulations pertaining to the use of the Association Property and any recreational and other facilities (including the R.V. Storage Area, if any) located thereon, including, without limitation, the right of the Association to enforce all parking restrictions within the Association Property as set forth in Section 3.3 of this Article;
- (c) The right of the Association to charge uniform and reasonable admission and other fees for the use of any recreation or other facilities and the R.V. Storage Area, if any, situated upon the Association Property;
- (d) The right of the Association in accordance with its Articles and Bylaws and this Declaration, with the vote of two-thirds (2/3) of the voting power of the Association, to borrow money for the purpose of improving the Association Property and, subject to the provisions of Article XVI, Sections 16.3 and 16.12 hereof, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- (e) The right of the Association to suspend the voting rights and rights and easements of any Member except Declarant, and the Persons other than Declarant deriving such rights and easements from any Member except Declarant, to use the Association Property and any recreational facilities located thereon (i) for any period during which any assessment against such Member's Lot or Condominium remains unpaid and delinquent; (ii) for a period not to exceed sixty (60) days for any infraction of this Declaration, a Supplemental Declaration or the published Rules and Regulations of the Association as more fully provided in the Bylaws; and (iii) for successive sixty (60) day periods if any such infraction is not corrected during any prior sixty (60) day suspension period. Any suspension of voting rights or rights to use the Association Property and facilities shall be made only by the Board of Directors, after Notice and Hearing as provided in the Bylaws;
- (f) Subject to the provisions of Article XVI, Sections 16.3 and 16.12 hereof, the right of the Association to dedicate, release, alienate, transfer or grant easements, licenses, permits and rights-of-way in all or any portion of the Association Property to any public agency, authority, utility or other Person for such purposes and subject to such conditions as may be agreed to by the Association. Unless otherwise required by zoning stipulations, or agreements with the City of Las Vegas, Clark County or any other governmental or public agency or authority, effective prior to the date hereof or specified hereafter on a Recorded subdivision plat, no such dedication, release, alienation, transfer or grant shall be effective unless (i) such action is approved, in the case of a transfer or conveyance to the Summerlin Council, by a two-thirds (2/3) vote of the Board, or in the case of any other action, by two-thirds (2/3) of the voting power of the Association, and a certificate signifying such approval is executed by two (2) officers of the Association and such certificate is Recorded; (ii) written notice of the proposed

agreement and action thereunder is sent to every Member at least thirty (30) days in advance of such action being taken; and (iii) such dedication, release, alienation, transfer or grant is approved by the City of Las Vegas or Clark County, or any other governmental or public entity or authority having jurisdiction over the Project, if required by regulations or ordinances thereof. Recordation of the certificate required in this subsection 3.1(f) shall constitute prima facie evidence that such approval has been given.

Notwithstanding the foregoing, Declarant or a Participating Builder may, at the time of conveyance of any real property to the Association, condition such conveyance on the obligation of the Association to convey fee title to a portion of such real property, or to grant easements through such real property, for roadway or other purposes to the City of Las Vegas, Clark County or other governmental or public entity, agency or authority or to a Sub-Association which has or will have responsibility for maintenance of such roadway or other use. Any such condition to conveyance of such real property to the Association shall be set forth in the deed to the Association or in another instrument Recorded concurrently with such deed.

Notwithstanding anything to the contrary in this Declaration, and without limiting the immediately preceding paragraph, the Board of Directors, subject to the provisions of Article XVI, Sections 16.3 and 16.12, shall have unilateral authority to transfer or grant to any such Sub-Association, governmental or public entities, agencies or authorities (including without limitation, public utility companies) such easements, licenses, permits or rights-of-way in, on or over Association Property for public utilities, roads and/or for other purposes consistent with the intended use of the Association Property or as provided in this Declaration or subsequent Supplemental Declarations and which (A) are reasonably necessary or useful for the proper use, maintenance or operation of the Project, are intended to benefit the Project and will not have any substantial adverse effect on the enjoyment of the Association Property by the Members, or (B) are required by any governmental or public entity, agency or authority pursuant to ordinances, regulations or conditions to the granting of approvals or entitlements to develop the Project;

(g) The right of Declarant, but not the obligation, to construct additional Improvements on the Association Property at any time and from time to time for the improvement and enhancement thereof and for the benefit of the Association and Owners, so long as such construction does not directly result in an increase in the then current and applicable Common Assessments by more than twenty-five percent (25%). If the sole or principal means of ingress to and egress from a Lot or Condominium is through such Association Property, then any such construction by Declarant shall be made subject to an easement of ingress and egress for the benefit of the Owner of such Lot or Condominium. Declarant shall convey or transfer such Improvements to the Association and the Association shall be obligated to accept title to, care for and maintain the same as elsewhere provided in this Declaration;

(h) The right of Declarant (and its sales agents, prospective customers, guests and representatives) to the non-exclusive use of the Association Property and the facilities thereon, without charge, for sales, display, access, ingress, egress, exhibits and other purposes deemed useful by Declarant and its representatives in advertising and promoting the Project, subject to the time limitation set forth in Article X hereof. Such use shall not unreasonably interfere with the rights of enjoyment of the other Members as provided herein;

(i) The right of any Participating Builder (and its agents, prospective customers, guests and representatives) to the non-exclusive use of any Association Property located within or immediately adjacent to a Phase of Development in which such Participating Builder owns a

Condominium or Lot, without charge, for sales, display, access, ingress, egress, exhibits and other purposes deemed useful by such Participating Builder and its agents and representatives in advertising and promoting such Phase of Development. This right shall be subject to the time limitation set forth in Article X hereof, and in any event shall cease on the date on which such Participating Builder ceases to own a Lot or Condominium in such Phase of Development. Such use shall not unreasonably interfere with the rights of enjoyment of the Members as provided herein;

(j) The right of Declarant and any Participating Builder to an easement for encroachments over the Association Property created by construction and overhangs as designed or constructed by Declarant or such Participating Builder and for settling, shifting and movement of any portion of the Improvements thereon. A valid easement for such encroachments and for the maintenance thereof shall exist and is hereby created. Such encroachments shall not be considered to be encumbrances upon any part of the Association Property. Encroachments referred to herein include, but are not limited to, encroachments caused by: (i) error in the original construction of any Improvements constructed on the Association Property by Declarant or such Participating Builder; (ii) error in any Recorded plat or map; (iii) settling, rising or shifting of the earth; or, (iv) changes in position caused by repair or reconstruction of any Improvement;

(k) The right of the Association to replace, refurnish, reconstruct or repair any Improvement, destroyed trees or other vegetation on Association Property and to plant trees, shrubs and ground cover thereon, and the right of the Association to close or limit the use of such Association Property, or portions thereof, while maintaining and repairing the same;

(l) The right of the Association to regulate the use of the Association Property and the facilities thereon through the Rules and Regulations and to prohibit access to Association Property, or portions thereof (such as landscaped rights-of-way), not intended for use by the Members. The Rules and Regulations shall be implemented, in the absolute discretion of the Board of Directors, in order to enhance the preservation of the Association Property, promote the safety and convenience of the users thereof, and otherwise serve the best interests of the Members;

(m) The power and right of the Association, upon (i) adoption of a resolution by the Board of Directors stating that in the Board of Directors' opinion the then present use of a designated part of the Association Property and the facilities thereon is no longer in the best interests of the Owners and (ii) the approval of such resolution by a majority of the voting power of the Association at a meeting of the Association duly called for such purpose, to change the use thereof (and in connection therewith, construct, reconstruct, alter or change the Improvements thereon in any manner deemed necessary by the Board of Directors to accommodate the new use); provided such new use (A) shall be for the benefit of the Owners and (B) shall be consistent with any deed restrictions (or zoning or other governmental or public ordinances or regulations) restricting or limiting the use of the Association Property; and

(n) The Restrictions and any other applicable covenants.

3.2. Delegation of Use. Any Owner may delegate, subject to reasonable Rules and Regulations and the provisions of Article IV, Section 4.3 hereof, his right of enjoyment to the Association Property and the facilities thereon to the members of his family, his tenants, or contract purchasers under a Recorded installment sale contract provided they reside in or occupy his Lot or Condominium. Guests of an Owner may use the Association Property and the facilities thereon only in accordance with the Rules and Regulations, which may limit the number of guests who may use the Association Property and the facilities thereon. The Board of Directors may also promulgate Rules and

Regulations limiting the use of the Association Property and facilities thereon to one co-owner and his immediate family with respect to any Lot or Condominium in co-ownership.

3.3. Easements for Parking. The Association, through its officers, committees and agents is hereby empowered to establish "parking" and "no parking" areas within the Association Property, as well as to enforce these parking limitations by all means lawful for such enforcement on public streets, including the removal of any violating vehicle by those so empowered.

3.4. Easements for Vehicular and Pedestrian Traffic. In addition to the general easements for use of the Association Property reserved herein, there shall be reserved to Declarant and all future Owners, and each of their respective agents, employees, guests, invitees and successors, non-exclusive, appurtenant easements for vehicular and pedestrian traffic over all private streets and walkways within the Association Property, subject to the parking provisions set forth in Section 3.3 of this Article. Declarant reserves the right to grant similar easements to owners of property in the Annexable Area.

3.5. Easement Right of Declarant Incident to Construction. An easement is reserved by and granted to Declarant, its successors and assigns, for access, ingress, and egress over, in, upon, under, and across the Association Property, including but not limited to the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incidental to Declarant's use and development of the Project; provided, however, that no such rights or easements shall be exercised by Declarant in such a manner as to interfere unreasonably with the occupancy, use, enjoyment, or access by any Owner, his family, guests, or invitees, to or of that Owner's Lot or Condominium, or any recreational facility completed upon the Association Property. The easement created pursuant to this Section 3.5 is subject to the time limit set forth in Article X, Section 10.2 hereof.

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

3.7. Waiver of Use. No Owner may exempt himself from personal liability for assessments duly levied by the Association, or release his Lot, Condominium or other property owned by him from the liens and charges thereof, by waiver of the use and enjoyment of the Association Property and the facilities thereon or by abandonment of his Lot, Condominium or any other property in the Project.

3.8. Title to the Association Property. Declarant hereby covenants for itself, its successors and assigns, that it has conveyed, will convey, or cause to be conveyed, to the Association fee simple title to, or a non-exclusive easement for maintenance over, the Association Property (excluding public property) described in Article II, Section 2.2 hereof, free and clear of any and all encumbrances and liens but subject to all rights, reservations, easements, covenants, and conditions then of Record, including those set forth in this Declaration. Notwithstanding any such conveyance, the Association's

responsibility to maintain the Association Property located in any Phase of Development shall not begin until the commencement of Common Assessments in such Phase of Development.

3.9. Transfer of Title to Association Property upon Dissolution of the Association. In the event of the dissolution of the Association, the Association Property shall, to the extent reasonably possible, be conveyed or transferred to an appropriate public or governmental agency or agencies or to a nonprofit corporation, association, trust or other organization, which may be, but is not required to be, the Summerlin Council. In any such event, the conveyed Association Property shall be used for the common benefit of Owners for similar purposes for which the Association Property was held by the Association. To the extent the foregoing is not possible, the Association Property shall be sold or disposed of and the proceeds from the sale or disposition shall be distributed to Owners in proportion to the number of assessment units of each Owner, as determined in accordance with the provisions of Article VI, Section 6.5 hereof.

3.10. Taxes. Each Owner shall execute such instruments and take such action as may reasonably be specified by the Association to obtain a separate real estate tax assessment of his Lot or Condominium. If any taxes or assessments may, in the opinion of the Association, constitute a lien on the Association Property, or any part thereof, they may be paid by the Association and each Owner shall be obligated to pay or to reimburse the Association for the taxes and assessments assessed by the County Assessor or other taxing authority against the Association Property and attributable to his own Lot or Condominium and/or interest in the Association Property.

ARTICLE IV **COMMUNITY ASSOCIATION**

4.1. Organization. The Association is organized as a nonprofit corporation under Chapter 81 of NRS. The Association shall have the duties, powers and rights prescribed by law and set forth in the Articles, Bylaws and this Declaration. Neither the Articles nor the Bylaws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. If there should exist any ambiguity in any provision of the Articles or the Bylaws, then such provision shall be construed, to the extent possible, consistently with the provisions of this Declaration. Nothing in this Declaration shall prevent the creation, by provision therefor in a Supplemental Declaration, of Sub-Associations to assess, regulate, maintain or manage the portions of the Project subject to such a Supplemental Declaration, or to own or control portions thereof for the common use or benefit of the Owners of Lots or Condominiums in the portion of the Project subject to such a Supplemental Declaration.

4.2. Board of Directors and Officers. The affairs of the Association shall be conducted by the Board of Directors and such officers as the Board of Directors may elect or appoint in accordance with the Articles and Bylaws, as the same may be amended from time to time. The Board of Directors shall be composed of at least five (5) and no more than nine (9) directors. Subject to the foregoing, the number, term, election and qualifications of the Board of Directors shall be fixed in the Articles and/or Bylaws. The Association, through the Board of Directors, unless specifically provided otherwise, shall have the right of enforcement of all the Restrictions and shall have the right and be responsible for the proper and efficient management and operation of the Association Property and facilities thereon, including those powers and duties specifically listed in Article V hereof and elsewhere in this Declaration. Action by or on behalf of the Association may be taken by the Board of Directors or any duly authorized executive committee, officer, Manager, agent or employee without a vote of the

Members or Delegates, as the case may be, except as otherwise specifically provided in the Articles, Bylaws or this Declaration.

4.3. Membership. Members of the Association shall be (a) Declarant (irrespective of whether Declarant is the Owner of a Lot or Condominium), for so long as Declarant is entitled to cast a Class C vote pursuant to Section 4.4 of this Article and (b) each Owner (including Declarant and any Participating Builder) of one (1) or more Lots or Condominiums in any Phase of Development. The Person or Persons who constitute the Owner of a Lot or Condominium shall automatically be the holder of the Membership in the Association, which Membership shall be appurtenant to the Lot or Condominium. Such Membership shall automatically pass with fee simple title to the Lot or Condominium. Ownership of a Lot or Condominium shall be the sole qualification for an Owner's Membership in the Association. Declarant shall hold a separate Membership for each Lot or Condominium owned by Declarant. Except for Declarant's Class C Membership, Membership shall not be assigned, transferred, pledged or alienated in any way separate and apart from the transfer of fee simple title to a Lot or Condominium. Declarant's Class C Membership may not be partially assigned or held by more than one (1) Person, and may not be transferred except to a successor to Declarant's rights to all or a portion of the Project or the Annexable Area. Transfer of Declarant's Class C Membership shall be evidenced by an assignment of Declarant's rights Recorded pursuant to Article I, Section 1.65 hereof.

Any attempt to make a prohibited Membership transfer shall be void and will not be reflected on the books of the Association. Membership shall be in addition to membership in any Sub-Association responsible for operating the Phase of Development or Condominium Project in which a Member's Lot or Condominium is located; provided, however, that Declarant's Class C Membership shall not be deemed to create any Class C or comparable membership rights in any Sub-Association.

A Member shall have the right to delegate, subject to reasonable Rules and Regulations, his rights of use and enjoyment of the Association Property to a lessee of his Lot or Condominium; provided, however, (i) that such lessee shall have a written, Recorded lease for a term of not less than one (1) year, which lease shall expressly delegate to the lessee such Member-lessor's right of use and enjoyment of the Association Property, and (ii) that such Member-lessor shall not be entitled to the use and enjoyment of the recreational or other facilities or other Association Property during the term of such delegation. Upon termination of a lessee's lease, the lessee's right of use and enjoyment of the Association Property shall cease and immediately vest in the Member-lessor until such time as the Member-lessor delegates his right of use and enjoyment to a new lessee under this Section 4.3.

A Member who has sold his Lot or Condominium to a contract purchaser under a Recorded installment sale contract shall also be entitled to delegate to such contract purchaser his Membership rights in the Association. Such delegation shall be in writing and shall be delivered to the Board of Directors before such contract purchaser shall have the right of use of the Association Property. The contract seller, however, shall remain liable for all shares and assessments attributable to his Lot or Condominium until fee title to the Lot or Condominium sold is transferred. If the Owner of any Lot or Condominium fails or refuses to transfer the Membership registered in his name to the purchaser of such Lot or Condominium upon transfer of fee title thereto, the Board of Directors shall, nonetheless, have the right to record the transfer upon the books of the Association. The Association may levy a reasonable transfer fee against new Owners and their Lots and Condominiums (which fee shall be added to the Common Assessment chargeable to such new Owner) to reimburse the Association and/or Manager for the administrative costs of transferring, on the records of the Association, the Memberships to the new Owners.

4.4. Voting Rights.

(a) Classes of Voting Membership. The Association shall have three (3) classes of voting Membership as follows:

(i) Class A. Class A Members shall originally be all Owners of Lots or Condominiums in each Phase of Development with the exception of Declarant and Participating Builders (other than those Participating Builders who are Owners of an Apartment Lot, who shall be deemed Class A Members, in accordance with subsection (ii), below) for so long as there exists a Class B Membership in such Phase of Development. Each Class A Member shall be entitled to cast one (1) vote for each Single Family Residential Lot or Condominium owned by such Member in a Phase of Development for which assessments have commenced. With respect to Apartment Lots subject to assessment and developed or to be developed as rental apartments, each Class A Member shall be entitled to cast one (1) vote for every four (4) Apartment Units included within any one such Apartment Lot on which assessments have commenced. If there is a fraction remaining after performing the calculations described above with respect to the Apartment Units, then the Member shall cast one (1) entire vote for such fraction which is greater than or equal to one-half (1/2) and shall not cast a vote for such fraction which is less than one-half (1/2);

(ii) Class B. The Class B Members shall be Declarant and the Participating Builders. Each Class B Member shall be entitled to cast three (3) votes for each Single Family Residential Lot or Condominium owned by Declarant or such Participating Builder, as the case may be, in a Phase of Development for which assessments have commenced. With respect to Apartment Lots subject to assessment, each Class B Member shall be entitled to cast one (1) vote for every one (1) Apartment Unit owned by such Class B Member included within any one such Apartment Lot on which assessments have commenced; provided, however, that such Class B Membership shall cease, and be converted to Class A Membership, with respect to any such Apartment Lot at such time as a certificate of occupancy is issued for any rental apartment building thereon to be leased to the public by Declarant or a Participating Builder. In all other circumstances, the Class B Membership shall cease with respect to each particular Phase of Development and be converted to Class A Membership when the total votes outstanding in the Class A Membership in such Phase of Development equal the total votes outstanding in the Class B Membership in such Phase of Development; and

(iii) Class C. The Class C Member shall be Declarant. The Class C Membership shall not be considered a part of the voting power of the Association and shall have only the right to elect a majority of the members of the Board of Directors. Such right shall continue until such time as the Class C Member no longer owns any property in the Initial Property or the Annexable Area.

(b) Vote Distribution.

(i) All voting rights shall be subject to the Restrictions. Except as provided in Article XVI, Section 16.12 hereof and Article VII of the Bylaws, as long as there exists a Class B Membership, any provision of this Declaration, the Articles or Bylaws which expressly requires a vote or written consent of a specified percentage of the voting power of the Association before a Specified Action may be undertaken (excluding actions requiring approval of the Class C Member or merely the vote or written consent of a majority of a quorum), shall require the approval of such specified percentage of the voting power of each class of Membership. Except as provided in Article XVI, Section 16.12 hereof and Article VII of the Bylaws, upon termination of the Class B Membership,

all Specified Actions shall then require the vote or written consent of Owners representing such specified percentage of both the total voting power of the Association and the voting power of the Association residing in Owners other than Declarant and all Participating Builders;

(ii) Class A Members shall be entitled to one (1) vote for each Lot or Condominium in which they hold the interest required for Membership. When more than one Person holds such interest or interests in any Lot or Condominium ("co-owner"), all such co-owners shall be Members and may attend any meetings of the Association, but only one such co-owner shall be entitled to exercise the vote to which the Lot or Condominium is entitled. Such co-owners may from time to time all designate in writing one of their number to vote. Fractional votes shall not be allowed, and the Class A vote for each Lot or Condominium shall be exercised, if at all, as a unit. Where no voting co-owner is designated, or if such designation has been revoked, the vote for such Lot or Condominium shall be exercised as mutually agreed upon by the majority of the co-owners of the Lot or Condominium. Unless the Board of Directors receives a written objection from a co-owner, it shall be presumed that the voting co-owner is acting with the consent of his co-owners. No vote shall be cast for any Lot or Condominium where the majority of the co-owners, present in person or by proxy, owning the majority interests in such Lot or Condominium cannot agree to said vote or other action. All co-owners shall be jointly and severally responsible for all of the obligations imposed upon the jointly owned Lot or Condominium and shall be entitled to all other benefits of ownership. All agreements and determinations lawfully made by the Association in accordance with the voting percentages established herein, or in the Bylaws, shall be deemed to be binding on all Owners, their successors and assigns;

(iii) Any Mortgagee who acquires title to a Lot or Condominium pursuant to a judgment of foreclosure or a trustee sale shall automatically become entitled to exercise all voting rights which the Owner of said Lot or Condominium would otherwise have had; and

(iv) If any lender to whom Declarant has assigned, or hereafter assigns, as security, all or substantially all of its rights under this Declaration succeeds to the interests of Declarant by virtue of said assignment, the absolute voting rights of Declarant as provided herein shall not be terminated thereby, and such lender shall hold Declarant's Memberships and voting rights on the same terms as they were held by Declarant.

(c) Voting Procedure. Members and Delegates shall be entitled to exercise voting rights in the manner and during such times as prescribed by the Board.

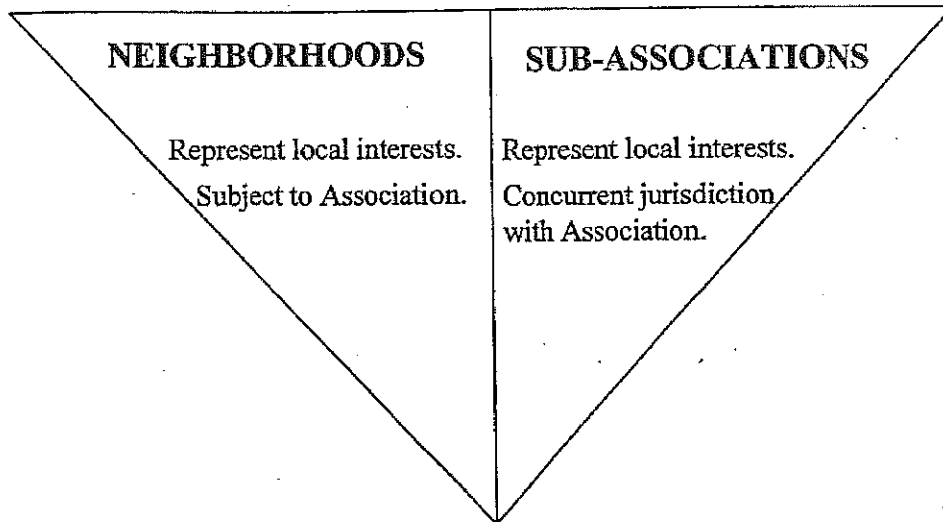
4.5. Cumulative Voting for Board Members. In any election of the members of the Board of Directors, every Class A Member entitled to vote at such an election shall have the number of votes designated in subsection 4.4(a)(i) of this Article times the number of directors to be elected, unless the Class C Member's right to elect the majority of the members of the Board of Directors pursuant to subsection 4.4(a)(iii) of this Article still exists, in which case each Class A Member shall have the number of votes designated in subsection 4.4(a)(i) of this Article times the difference between the number of directors to be elected and the number of directors needed to provide the Class C Member with the right to elect the majority of the Board of Directors. The Class B Members shall have the same voting rights as the Class A Members, except that the Class B Members shall have the number of votes designated in subsection 4.4(a)(ii) of this Article times the number of directors that Class A and Class B Members may elect. Each Class A and Class B Member shall have the right to cumulate his votes for one candidate or to divide such votes among the number of candidates that such Members are entitled to elect. The candidates receiving the highest number of votes by both Class A and Class B Members, up to the number of the directors that such Members are entitled to elect, shall be deemed elected.

4.6. Neighborhoods. Declarant, acting in its sole and absolute discretion, retains the right, but not the obligation, as long as it owns any property described in Exhibits "A" or "B," (a) to designate portions of the Project as Neighborhoods for the purpose of allowing such Neighborhoods to receive from the Association a higher level of services, special services, or other benefits not provided to all Lots or Condominiums within the Project, (b) to establish Sub-Associations which have concurrent jurisdiction with the Association over such Neighborhoods, and (c) to designate portions of the Association Property for the exclusive use of one or more, but less than all, Neighborhoods ("Exclusive Common Area"). Every Lot situated within a Neighborhood may be subject to additional covenants, conditions, easements, restrictions, maintenance responsibilities, and assessments for services provided to Lots within such Neighborhood. Neighborhood Assessments, if any, shall be subject to the lien provisions for Common Assessments provided in Article VI; provided, however, no property owned by any Person other than Declarant or a Participating Builder on the date of Recordation of this Declaration shall be subjected to additional covenants, conditions, easements, restrictions, maintenance responsibilities, or assessments without (a) the affirmative vote, written consent, or combination thereof, of Owners holding at least sixty-seven (67%) percent of the voting power of the Neighborhood, and (b) so long as Declarant owns any property described in Exhibits "A" or "B," the consent of Declarant. Every Lot situated within a Neighborhood may be subject to assessments for premiums for insurance on Exclusive Common Area.

If Declarant exercises its right to establish Neighborhoods, Declarant shall identify the property to be included in a specific Neighborhood and the Neighborhood to which it is to be assigned (by name or other identifying designation), which Neighborhood may be then existing or newly created, by designation on Exhibit "A" to this Declaration, in a Notice of Annexation filed in accordance with Article II, in an amendment to this Declaration, or in a Supplemental Declaration; provided, however, after Close of Escrow on any Lot within a proposed Neighborhood, no portion of the Project may be designated as a Neighborhood without the prior approval of Members representing a majority of the voting power of such proposed Neighborhood. Any Neighborhood established by Declarant may be dissolved or its boundary lines changed upon (a) the written consent of Members holding a majority of the voting power of the Neighborhood, (b) the affirmative vote, written consent, or a combination thereof, of a majority of the directors of the Association, and (c) so long as Declarant owns any property described in Exhibit "A" or "B," the consent of Declarant.

Upon dissolution of any Sub-Association, the former members of such Sub-Association may form a Neighborhood Committee upon the written consent of Members representing a majority of the voting power of such proposed Neighborhood, a majority of the directors of the Association, and so long as Declarant owns any property described in Exhibit "A" or "B," the consent of Declarant; provided, however, no dissolved Sub-Association shall acquire Neighborhood Committee status prior to resolving all, if any, pending litigation, and further provided, the Association shall not assume liability for any action or inaction of the Sub-Association's officers, directors, committee members, or members.

Any Neighborhood, acting either through a Neighborhood Committee elected as provided in Article IV of the Bylaws or through a Sub-Association, if any, may request that the Association provide a higher level of service than that which the Association generally provides to all Neighborhoods, or may request that the Association provide special services for the benefit of Lots in such Neighborhood. Upon the affirmative vote, written consent, or a combination thereof, of Owners of a majority of the Lots within the Neighborhood, the Association may provide the requested services. The cost of such services, which may include a reasonable administrative charge in such amount as the Board deems appropriate, shall be assessed against the benefited Lots within such Neighborhood as a Neighborhood Assessment.



4.7. Delegate Voting System.

(a) Date of Commencement of Delegate System. The voting rights and vote distribution specified in Section 4.4 of this Article shall remain in effect until the first to occur of the following events, at which time a "Delegate Voting System," as described below, shall automatically commence in lieu thereof:

(i) The sale of ninety percent (90%) of the Lots or Condominiums in the Initial Property vesting title thereto in Persons other than Declarant or a Participating Builder; or

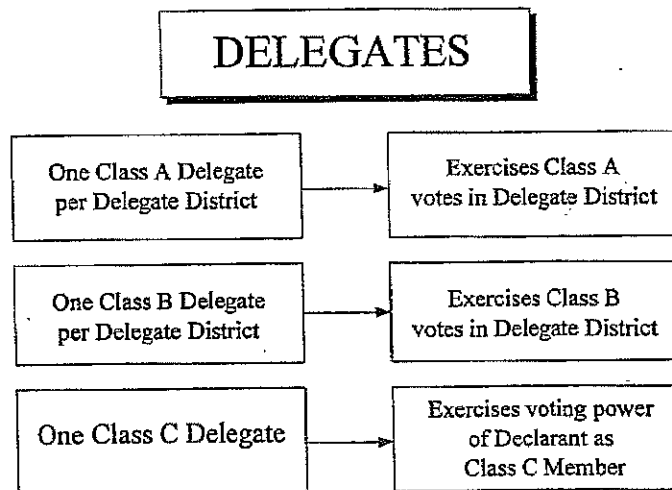
(ii) A vote by a majority of the total voting power of the Association to restructure the voting system into a Delegate Voting System as described below.

(b) Establishment of Delegate Districts. Upon the happening of the first to occur of the above events, Declarant shall divide the Project into Delegate Districts, and each Delegate District shall elect one (1) Class A Delegate to the Association to exercise the voting power of all the Class A Members in such Delegate District. The Class A Delegate shall be elected by the Class A Members, as defined in subsection 4.4(a)(i) of this Article, within each Delegate District, one per District, at annual elections called for by the Association. At such elections, the Class A Members within each Delegate District shall also elect an alternate Delegate who, in the absence of the Delegate, shall be responsible for casting the votes of such Class A Members. The candidate who receives the second greatest number of votes in each Delegate District's annual Delegate election shall be elected as the alternate Delegate. The Class A Delegates for each Delegate District shall be elected on an annual basis, (a) either by written ballot cast by mail or otherwise delivered to the Secretary of the Association prior to the meeting at which the Delegates are to be elected, or (b) at a meeting of the Class A Members within such Delegate District. Upon written petition signed by Class A Members holding at least 15% of the votes attributable to property within the Delegate District, the election for such Delegate District shall be held at a meeting. In the event that any Delegate District fails to elect a Class A Delegate, the President shall serve as the Delegate District's Delegate.

In addition, the Class B Members in each Delegate District annually shall select one (1) Class B Delegate to exercise the voting power of all the Class B Members in the Delegate District, as defined in subsection 4.4(a)(ii) of this Article. Notwithstanding anything to the contrary in this Declaration, for so long as the Class B Membership exists, (a) each Class B Member shall assign its voting rights under the Restrictions to Declarant, and (b) Declarant or its representative shall serve as the Class B Delegate for each Delegate District.

Declarant shall appoint one Delegate to exercise the voting power of Declarant as the Class C Member as defined in subsection 4.4(a)(iii) of this Article. The Class B Members and Declarant shall submit the names of such Class B and C Delegates, respectively, five (5) days prior to the annual election called for by the Association. For each Delegate selected by the Class B and the Class C Members, the Class B and Class C Members, respectively, shall also appoint and submit the name of an alternate Delegate who shall be responsible for casting such Members' votes in the absence of each appointed Delegate.

Delegate Districts shall be formed geographically to coincide with the jurisdiction of one or more Neighborhoods or Sub-Associations. In the absence of a Neighborhood or Sub-Association for any portion of the Project, Declarant shall establish a Delegate District by the Recordation of one (1) or more Supplemental Declarations or other written instruments executed by Declarant, containing a legal description of the portions of the Project which shall be or become part of a Delegate District and a statement that such real property described therein shall be or become part of a designated Delegate District for purposes of this Declaration. In the event that an Owner's Lot or Condominium is not located in a Delegate District, such Owner shall have the right to cast his own vote.



(c) Voting Rights of Class A Members. Pursuant to Section 4.4 of this Article, each Class A Member shall have the right to cast all votes to which he is entitled by property ownership within a Delegate District to elect a Class A Delegate to the Association to exercise the voting power of the Class A Member's Delegate District. If a Class A Member's Lot or Condominium is located within the jurisdiction of a Sub-Association, the Member shall also have the right to vote on Sub-Association matters, in the manner set forth in the Supplemental Declaration for such Sub-Association.

(d) Voting Rights of Delegates. Each Class A Delegate shall cast one (1) vote for every Class A vote entitlement calculated pursuant to Section 4.4 of this Article in the Delegate District represented by such Class A Delegate. The Class B Delegate shall cast one (1) vote for every Class B vote entitlement calculated pursuant to Section 4.4 of this Article. The Class C Delegate shall be entitled to elect a majority of the Board of Directors. At each meeting of Delegates, each Class A Delegate shall cast the votes which he represents in such manner as such Class A Delegate may, in his sole and reasonable discretion, deem appropriate, acting on behalf of all the Class A Members in such Class A Delegate's Delegate District; provided, however, that if a Delegate District meeting is held at which an issue is decided by a majority of a quorum of the Class A Members from that Delegate District, the majority's decision shall control the Class A Delegate's vote on that issue. A Class A Delegate shall have the authority, in his or her sole discretion, to call a special meeting of the Class A Members in such Class A Delegate's Delegate District in the manner provided in the Bylaws for the purpose of obtaining instructions as to the manner in which such Class A Delegate is to vote on any issue to be voted on by the Delegates.

At each meeting of the Delegates, the Class B Delegate shall cast the votes which he represents in accordance with the instructions of the Class B Members in such Delegate's Delegate District. At the meeting of the Delegates to elect the Board of Directors, the Class C Delegate shall elect the majority of the Board of Directors in accordance with the instructions of Declarant. It shall be conclusively presumed for all purposes of Association business that any Delegate casting votes on behalf of (i) the Class A Members in such Class A Delegate's Delegate District, (ii) the Class B Members in such Class B Delegate's Delegate District or (iii) the Class C Member will have acted with the authority and consent of its respective Members. 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 on all Members and their successors and assigns.

COMMUNITY ASSOCIATION(S)

Oversee(s) association functions:

- Rulemaking
- Architectural control
- Property management
- Covenant enforcement
- Assessment collection

ARTICLE V FUNCTIONS OF THE ASSOCIATION

5.1. Powers and Duties. The Association shall have all of the powers of a Nevada nonprofit corporation, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Restrictions. The Association shall have the power to perform any and all lawful acts which may be necessary or proper for, or incidental to, the exercise of any of the express powers of the Association. Without in any way limiting the generality of the foregoing provisions, the Association may act through its Board of Directors and shall specifically have:

(a) Assessments. The power and duty to levy assessments against the Owners of Lots or Condominiums in Phases of Development in which assessments have commenced, and to enforce payment of such assessments in accordance with the provisions of Article VI hereof.

(b) Repair and Maintenance of Association Property. The power and duty to (i) paint, plant, maintain and repair in a neat and attractive condition, in accordance with standards adopted by the Design Review Committee and the Community-Wide Standard, all Association Property, all Improvements thereon and such portions of any additional property included within the Area of Common Responsibility and (ii) to pay for utilities, gardening and other necessary services for the Association Property and such portions of any additional property included within the Area of Common Responsibility.

The Association may maintain other property which it does not own, including, without limitation, publicly owned property and other property dedicated to public use, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

Notwithstanding the foregoing, the Association shall have no responsibility to provide any of the services referred to in this subsection 5.1(b) with respect to any Improvement which is accepted for maintenance by any state, local or municipal governmental agency or public entity or which, subject to the provisions of Article V, subsection 5.1(k) hereof, is the maintenance responsibility of any Sub-Association pursuant to a Supplemental Declaration. Such responsibility shall be that of the applicable agency, public entity or Sub-Association.

Notwithstanding the above, by agreement with the Summerlin Council, the Association may delegate any of its maintenance responsibilities hereunder to the Summerlin Council. No such delegation shall be revoked without the written consent of the Summerlin Council.

(c) Taxes. The power and duty to pay all taxes and assessments levied upon the Association Property and all taxes and assessments payable by the Association.

(d) Utility Services. The power and duty to obtain, for the benefit of the Association Property, all commonly metered water, gas and electric services, and may (in the discretion of the Board of Directors) provide for all refuse collection and cable or master television service (if any), as deemed necessary.

(e) Easements and Rights-of-Way. The power but not the duty to grant and convey to any Person, (i) easements, licenses and rights-of-way in, on, over or under the Association Property, and (ii) with the consent of at least seventy-five percent (75%) of the voting power of the Association, fee title to parcels or strips of land which comprise a portion of the Association Property, for the purpose of constructing, erecting, operating or maintaining thereon, therein and thereunder: (A) roads, streets, walks, driveways, parkways, park areas and slope areas; (B) overhead or underground lines, cables, wires, conduits, or other devices for the transmission of electricity for lighting, heating, power, television, telephone and other similar purposes; (C) sewers, storm and water drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes; and (D) any similar public or quasi-public Improvements or facilities. This subsection 5.1(e) shall not be construed to limit the right or power of the Association under subsection 3.1(f).

(f) Manager. The power but not the duty to employ or contract with a professional Manager to perform all or any part of the duties and responsibilities of the Association, and shall have the power but not the duty to delegate its powers to committees, officers and employees of the Association. Any such management agreement, or any agreement providing for services by Declarant to the Association, shall be for a term not in excess of one (1) year, subject to cancellation by the Association for cause at any time upon not less than thirty (30) days written notice, and without cause (and without penalty or the payment of a termination fee) at any time upon ninety (90) days written notice.

(g) Rights of Entry and Enforcement. The power but not the duty, after Notice and Hearing, to enter upon any Lot or Condominium without being liable to any Owner, except for damage caused by the Association's entering or acting in bad faith, for the purpose of enforcing by peaceful means the provisions of this Declaration, or for the purpose of maintaining or repairing any such Lot or Condominium if for any reason whatsoever the Owner thereof fails to maintain and repair any such area as required by the Restrictions. The cost of any such maintenance and repair which is the responsibility of the Owner shall be assessed against such Owner as a Specific Assessment. The responsible Owner shall pay promptly all amounts due for such work and the costs and expenses of collection. Unless there exists an emergency, there shall be no entry into a Residence without the prior consent of the Owner thereof. Any damage caused by an entry upon any Lot or Condominium shall be repaired by the entering party. The Association may also commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of the Restrictions and to enforce, by mandatory injunctions, by Recording a notice of violation, or otherwise, all of the provisions of the Restrictions. If an action is brought by the Association, the prevailing party shall be entitled to reasonable attorneys' fees to be fixed by the court.

(h) Other Services. The power and duty to maintain the integrity of the Association Property and to provide such other services (such as but not limited to fire prevention services) as may be necessary or proper to carry out the Association's obligations and business under the terms of this Declaration to enhance the enjoyment of the Association Property by the Members or to facilitate the use of the Association Property and the facilities thereon by the Members.

(i) Employees, Agents and Consultants. The power, if deemed appropriate by the Board of Directors, but not the duty, to hire and discharge employees and agents and to retain and pay for legal, accounting and other services as may be necessary or desirable in connection with the performance of any duties or exercise of any powers of the Association under this Declaration.

(j) Acquiring Property and Construction on Association Property. The power but not the duty, by action of the Board of Directors, to acquire property or interests in property for the common benefit of Owners, including Improvements and personal property. The power but not the duty, by action of the Board of Directors, to construct new Improvements or additions to the Association Property, or demolish existing Improvements (other than maintenance or repairs to existing Improvements), in accordance with the provisions of Article VI, Section 6.11 hereof.

(k) Contracts. The power, but not the duty, to enter into contracts with Lot or Condominium Owners and Sub-Associations to provide services or to maintain and repair Improvements within Phases of Development which the Association is not otherwise required to maintain pursuant to this Declaration, and the power, but not the duty, to contract with third parties for such services. Any such contract or service agreement must, however, provide for payment to the Association of the cost of providing such service or maintenance.

(l) Records and Accounting. The power and the duty to keep, or cause to be kept, true and correct books and records of account at the sole cost and expense of the Association in accordance with generally accepted accounting principles. Financial statements for the Association shall be regularly prepared and shall be distributed to, or made available to, all Members regardless of the number of Members or the amount of assets of the Association as follows:

(i) A pro forma operating statement (budget) for each fiscal year shall be distributed to all Members not less than sixty (60) days before the beginning of the fiscal year;

(ii) An annual report consisting of the following shall be made available to all Members within one hundred twenty (120) days after the close of the fiscal year:

- A. A balance sheet as of the end of the fiscal year;
- B. An operating (income) statement for the fiscal year;
- C. A statement of cash flow for the fiscal year.

The annual report shall be prepared by an independent, certified, public accountant licensed in Nevada.

(m) Inspection of Books and Records. The duty to authorize the verification of Membership, books of account and minutes of meetings of the Members or Delegates, as the case may be, and of the Board of Directors by making them available for inspection and copying by any Member of the Association, or by his duly appointed representative, at such Member's sole cost and expense, and at any reasonable time and for a purpose reasonably calculated to be in his interest as a Member, at the office of the Association or at such other place within the Project as the Board of Directors may prescribe. The Board shall establish reasonable rules with respect to: (i) notice to be given to the custodian of records by the Member desiring to make the inspection; (ii) hours and days of the week when such an inspection may be made; and, (iii) payment of the cost of reproducing copies of documents requested by a Member. Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association.

(n) Maintenance of Other Areas. The power but not the duty to maintain and repair slopes, parkways, entry structures and community signs identifying the Project, to the extent deemed advisable by the Board of Directors.

(o) R.V. Storage Area. The power, but not the duty, to designate a portion of the Association Property as an R.V. Storage Area, and to charge reasonable fees to cover the cost to the Association attributable to the renting or leasing of spaces in the R.V. Storage Area for recreational vehicle parking and storage; provided, however, that (i) Members of the Association shall have first priority to rent or lease such spaces, and (ii) there shall be no unreasonable discrimination among Members in connection with the renting and leasing of such spaces. For so long as Declarant owns any portion of any Annexable Area, however, no R.V. Storage Area shall be designated by the Board of Directors without the prior written consent of Declarant.

(p) Covenants to Share Costs and Agreements With Other Entities. The authority to accept obligations and responsibilities pursuant to agreements into which it enters with other entities, including, but not limited to, the Summerlin Council. The Association shall cooperate with any necessary party in meeting its obligations, financial and otherwise, pursuant to any such agreements. The Association shall include in its annual operating budget such amounts as are necessary to fulfill the Association's financial obligations under any such agreements. The use of Association funds for such purposes is specifically authorized.

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

A Neighborhood or Sub-Association shall take appropriate action required by the Association in a written notice within the reasonable time frame set by the Association in the notice. If the Neighborhood or Sub-Association fails to comply, the Association shall have the right to effect such action on behalf of the Neighborhood or Sub-Association and levy Specific Assessments to cover the costs, as well as an administrative charge and sanctions.

(r) Provision of Services. The authority but not the obligation to enter into and terminate, in the Board's discretion, contracts or agreements with other entities, including Declarant, to provide services to and facilities for the Members of the Association and their guests, lessees and invitees and to charge use and consumption fees for such services and facilities; provided, however, termination of any such agreement with the Summerlin Council shall require the affirmative vote, written consent, or combination thereof, of a majority of the directors of the Summerlin Council.

In the event that a Neighborhood or Sub-Association disbands, the Association shall also have the authority to terminate the provision of services the Association has, in the past, provided primarily for the benefit of such Neighborhood or Sub-Association.

5.2. Rules and Regulations. The Board of Directors shall be empowered to adopt, amend, or repeal such Rules and Regulations as it deems reasonable and appropriate for the use and occupancy of the Association Property, which shall be binding upon all Persons subject to this Declaration, whether Members of the Association or not; provided, however, that the Rules and Regulations shall not discriminate among Members and shall not be inconsistent with this Declaration, the Articles or Bylaws. The Rules and Regulations may also include the establishment of a Specific Assessment related to the enforcement and/or violation thereof. The Rules and Regulations may be established, modified or amended at any special or regular meeting of the Board of Directors.

A copy of the Rules and Regulations, as they may from time to time be adopted, amended or repealed, shall be posted in a conspicuous place on Association Property and may be mailed or otherwise delivered to each Member. Upon such mailing, delivery or posting, the Rules and Regulations shall have the same force and effect as if they were set forth herein and shall be binding on all Persons having any interest in, or making any use of any part of, the Association Property and facilities thereon, whether or not Members; provided, however, that the Rules and Regulations shall be enforceable only to the extent

that they are consistent with this Declaration, the Articles and Bylaws. In the event of any conflict between any provisions of the Rules and Regulations and any provisions of this Declaration, the Articles or Bylaws, the provisions of the Rules and Regulations shall be deemed to be superseded by the provisions of this Declaration, the Articles or Bylaws, as the case may be, to the extent of any such conflict. The Rules and Regulations may not be used to amend this Declaration, the Articles or Bylaws. If any Person has actual knowledge of any of the Rules and Regulations, such Rules and Regulations shall be enforceable against such Person, whether or not a Member, as though notice of such Rules and Regulations had been given pursuant to this Section 5.2.

5.3. Relationship to Summerlin Council. The Association shall be a Community Association, as defined in Article I, Section 1.21. The Association establishes standards and conducts activities for the property under its responsibility. The Summerlin Council sets and engenders those standards and activities which have Summerlin-wide application. The Association shall, in all respects, be subordinate to the Summerlin Council, and the provisions of Article XV shall, in all respects, take precedence over the other provisions of this Declaration.

ARTICLE VI

FUNDS AND ASSESSMENTS

6.1. Personal Obligation of Assessments. Each of Declarant, any Participating Builder, and each Owner of a Lot or Condominium subject to assessment hereby covenants and agrees, by acceptance of a deed or other conveyance of any property within the Project, to pay to the Association (a) annual Common Assessments for Common Expenses, (b) Special Assessments to cover unbudgeted expenses or expenses in excess of those budgeted, (c) Capital Improvement Assessments, and (d) Specific Assessments, such assessments to be established and collected as hereinafter provided. All assessments, together with interest thereon, late charges, costs, and reasonable attorneys' fees for the collection thereof, shall be a charge on the land and shall be a continuing lien in favor of the Association upon the Lot or Condominium against which such assessment is made. All assessments shall be the personal obligation of the Owner of such Lot or Condominium at the time the assessment fell due. The personal obligation only shall not pass to the successors-in-title of any Owner unless expressly assumed by such successors.

6.2. Maintenance Funds. The Board of Directors shall establish and maintain at least the following separate accounts (the "Maintenance Funds") into which shall be deposited all monies paid to the Association, and from which disbursements shall be made, as provided herein: (a) an operating fund for current expenses of the Association, and (b) a reserve fund for replacements and repairs of the landscaping and other capital Improvements on the Association Property, with separate sub-accounts for each Neighborhood for which reserves are established. To qualify for higher returns on accounts held at banking or savings institutions, the Board of Directors may co-mingle all monies deposited into any of the Maintenance Funds, provided that the integrity of each individual Maintenance Fund shall be preserved on the books of the Association by accounting for disbursements from, and deposits to, each Maintenance Fund separately. Nothing contained herein shall preclude or limit the Association from establishing any additional Maintenance Funds.

6.3. Purpose of Assessments. All amounts deposited into the operating fund and the reserve fund must be used solely for purposes authorized by this Declaration and to the common benefit of all Owners, except funds collected specifically for Neighborhood purposes. Disbursements from the reserve fund shall be made by the Board of Directors only for the respective purposes specified in this Article

VI. Nothing in this Declaration shall be construed in such a way as to permit the Association to use any assessments to abate any annoyance or nuisance emanating from outside the physical boundaries of the Project.

6.4. Damage to Association Property by Owners. Any maintenance, repairs or replacements within the Association Property arising out of or caused by, the willful or negligent act of an Owner, his family, guests, or invitees shall be cause for a Specific Assessment against such Owner and such Owner's property, after Notice and Hearing. The liability of an individual Owner for such damage to the Association Property shall not be absolute, but shall only be that for which the Owner is legally responsible under State of Nevada law.

6.5. Common Assessments. A sum sufficient to pay Common Expenses, which shall include, without limitation, the Association's obligations pursuant to any agreement entered in accordance with Article V, Section 5.1(p), shall be assessed as Common Assessments against the Owners of Lots or Condominiums within the Association pursuant to the Budget. The Board of Directors shall include any such amount owed pursuant to such an agreement as a line item in its annual budget and shall be responsible for collecting all such sums from the Owners and disbursing such collected funds to the entity with which the Association enters into any such agreement.

As Common Assessments commence with respect to additional Phases of Development annexed to the Project pursuant to Article II hereof, the Common Assessments shall be revised, subject to the limitations of Section 6.10 of this Article, to reflect the amended Budget. Unless otherwise indicated in the Budget, Common Assessments shall be assessed against all Owners, as follows: (i) the Owner of each Single Family Residential Lot or Condominium shall be charged with one (1) assessment unit for each such Lot or Condominium and (ii) with respect to any parcel owned by a Participating Builder within a Single Family Residential Area, and which parcel has not been subdivided into Lots which are intended to be conveyed to home buyers, such Participating Builder shall be charged with one (1) assessment unit for each of the maximum number of Lots which are permitted on such parcel pursuant to the terms of any Recorded declaration of restrictions affecting such parcel until such time as the parcel has been so subdivided. The Owner of an Apartment Lot developed as an Apartment Lot project for rental apartments shall be charged with one (1) assessment unit for every four (4) Apartment Units or fractions of such number included on such Apartment Lot. Each Owner's proportionate share of the Common Assessments shall be a fraction, the numerator of which shall be the number of assessment units charged to such Owner and the denominator of which shall be the total number of assessment units charged to all Lots and Condominiums in the Project which are subject to assessment.

6.6. Neighborhood Assessments. Prior to the beginning of each fiscal year, the Board of Directors shall prepare a separate budget covering the estimated Neighborhood Expenses for each Neighborhood on whose behalf Neighborhood Expenses are expected to be incurred during the coming year. Each such budget shall include any costs for additional services or a higher level of services which the Owners in such Neighborhood have approved pursuant to Article IV, Section 4.6 and any contribution to be made to a reserve fund for replacements and repairs pursuant to Section 6.2 of this Article. The budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Lots, and the amount required to be generated through the levy of Neighborhood Assessments and Special Assessments against the Lots in such Neighborhood.

The Association is hereby authorized to levy Neighborhood Assessments equally against all Lots in the Neighborhood which are subject to assessment under Section 6.9 of this Article to fund

Neighborhood Expenses; provided, if so specified in the applicable Supplemental Declaration, any portion of the assessment intended for exterior maintenance of structures, insurance on structures, or replacement reserves which pertain to particular structures shall be levied on each of the benefited Lots or in proportion to the benefit received.

The Board of Directors shall cause a copy of the Neighborhood budget and notice of the amount of the Neighborhood Assessment for the coming year to be delivered to each Owner in the Neighborhood at least 30 days prior to the beginning of the fiscal year. Such budget and assessment shall become effective unless disapproved at a meeting of the Neighborhood by Members representing a majority of the voting power in the Neighborhood to which the Neighborhood Assessment applies. However, there shall be no obligation to call a meeting for the purpose of considering the budget except on petition of Members representing at least 10% of the voting power of such Neighborhood. This right to disapprove shall only apply to those line items in the Neighborhood budget which are attributable to services requested by the Neighborhood and shall not apply to any item which the Restrictions require to be assessed as a Neighborhood Assessment.

If the proposed budget for any Neighborhood is disapproved or if the Board of Directors fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year.

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

Declarant or any Participating Builder may, but shall not be obligated to, reduce the Neighborhood Assessment for one or more Neighborhoods for any fiscal year by payment of a subsidy, which may be either a contribution; an advance against future assessments due from Declarant or Participating Builder, respectively; or a loan, in the discretion of Declarant or the Participating Builder, whichever is appropriate. Any such subsidy shall be disclosed as a line item in the income portion of the budget for the Neighborhood. The payment of such subsidy in any year shall not obligate Declarant or any Participating Builder to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and Declarant or the Participating Builder, respectively.

6.7. Special Assessments. In addition to other authorized assessments, the Association may levy Special Assessments to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment may be levied against the entire membership, if such Special Assessment is for Common Expenses, or against the Lots within any Neighborhood if such Special Assessment is for Neighborhood Expenses. Except as otherwise specifically provided in this Declaration, any Special Assessment shall require the affirmative vote or written consent of Delegates or, if no Delegates exist, Owners representing more than 50% of the total votes allocated to Lots or Condominiums which will be subject to such Special Assessment, and the affirmative vote or written consent of Declarant until close of escrow for the sale of the last Lot or Condominium in the Project from Declarant to a purchaser or a Participating Builder. Special Assessments shall be payable in such manner and at such times as determined by the Board of Directors, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

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

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

(b) to cover costs incurred in bringing the Lot or Condominium into compliance with the Restrictions, or costs incurred as a consequence of the conduct of the Owner or occupants of the Lot or Condominium, their agents, contractors, employees, licensees, invitees, or guests; provided, the Board shall give the Lot or Condominium Owner prior written notice and an opportunity for a hearing, in accordance with Article XII, Sections 12.2 and 12.3 of the Bylaws, before levying any Specific Assessment under this subsection (b).

The Association may also levy a Specific Assessment against any Sub-Association or the Lots within any Neighborhood to reimburse the Association for costs incurred in bringing the Sub-Association or Neighborhood into compliance with the provisions of the Restrictions, provided the Board of Directors gives prior written notice to the Owners of Lots or Condominiums in, or the Delegate representing, the Sub-Association or Neighborhood and an opportunity for such Owners or Delegate to be heard before levying any such assessment. The power to levy Specific Assessments under this subsection shall be in addition to those other remedies, including fines, for which Article XVI, subsection 16.6(h) provides.

The Summerlin Council shall notify the Board of Directors of any Summerlin Council Specific Assessment to be levied (a) against the Association or (b) against individual Owners on behalf of the Summerlin Council and the Lots or Condominiums to be assessed. The Board of Directors shall be responsible for sending notices of such assessment (a) to all Members or (b) to the Owners of such Lots or Condominiums, whichever is appropriate, collecting such assessments, and disbursing all funds collected, less reasonable costs of collection actually incurred, to the Summerlin Council.

6.9. Date of Commencement of Assessments. Common Assessments, Special Assessments, if any, and Neighborhood Assessments, if any, shall commence as to each Lot or Condominium within a Phase of Development, on the first day of the first month following the date of Recordation of the first deed conveying a Lot or Condominium within such Phase of Development from Declarant to the first non-Declarant Owner, including, without limitation, parcels conveyed to any Participating Builder. The Common Assessments, Special Assessments, if any, and Neighborhood Assessments, if any, for the then current Assessment Year for such Lot or Condominium within such Phase of Development shall be prorated on the basis of the number of months in such Assessment Year remaining from the date of commencement of such assessments to the end of such Assessment Year.

The Board of Directors shall fix the amount of the annual Common Assessment to be levied against each Lot or Condominium at least sixty (60) days in advance of each Assessment Year. Written notice of any change in the amount of the annual Common Assessment shall be sent to every Owner subject thereto, at least sixty (60) days prior to the effective date of such change. All installments of Common Assessments shall be collected in advance on a regular basis by the Board of Directors, at such frequency and on such due dates as the Board of Directors shall determine from time to time in its sole and absolute discretion. The Association shall, upon demand, and for a reasonable charge, furnish a certificate binding on the Association, signed by an officer or agent of the Association, setting forth whether the assessments on a specified Lot or Condominium have been paid.

At the end of any Assessment Year of the Association, the Board of Directors may determine that all excess funds remaining in the operating fund, over and above the amounts used for the operation of the Project, may be retained by the Association for use in reducing the following year's Common Assessment or for deposit in the reserve account. Upon dissolution of the Association incident to the abandonment or termination of the maintenance of the Project, any amounts remaining in any of the Maintenance Funds shall be distributed proportionately to or for the benefit of the Members.

6.10. Limitations on Common Assessment Increases. The Board of Directors shall not levy, for any fiscal year, an annual Common Assessment which exceeds the "Maximum Authorized Common Assessment," unless first approved by the vote of a majority of the total voting power of the Association. The "Maximum Authorized Common Assessment" in any fiscal year following the initial budgeted year shall equal not more than one hundred fifteen percent (115%) of the Common Assessment for the prior Assessment Year.

6.11. Capital Improvement Assessments. The Board of Directors, with the vote of the majority of the voting power of the Association or a Neighborhood, as appropriate, may levy in any fiscal year a Capital Improvement 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 Association Property or Exclusive Common Area, respectively, including fixtures and personal property related thereto. All Capital Improvement Assessments must be fixed at a uniform rate for all Lots and Condominiums in the same proportion as Common Assessments are levied, and they may be collected in the manner and frequency as determined from time to time by the Board of Directors.

6.12. Exempt Property. The following property subject to this Declaration shall be exempt from all Assessments:

(a) Those portions of the Project dedicated to and accepted by, the United States, the State of Nevada, Clark County, the City of Las Vegas or any political subdivision of any of the foregoing, or any public agency, entity or authority, for as long as such entity or political subdivision is the owner thereof, or for so long as such dedication remains effective;

(b) The Association Property owned in fee by the Association;

(c) All Common Areas owned in fee by a Sub-Association; and

(d) Property owned in fee by the Summerlin Council.

6.13. Capital Contributions. Upon acquisition of Record title to a Lot in the Project from any Participating Builder, the purchaser of such Lot shall contribute to the capital of the Association an amount equal to one-half (1/2) of the amount of the then current annual Common Assessment for that Lot as determined by the Board of Directors. This amount shall be deposited by the purchaser into the purchase and sale escrow and distributed therefrom to the Association. From each such deposit by a purchaser and distribution to the Association, the Association shall distribute to the Summerlin Council an amount equal to one-third (1/3) of the annual Common Assessment for that Lot as determined by the Board of Directors.

Association Funding Sources

- Association Assessments
 - Common Assessments
 - Special Assessments
 - Specific Assessments
 - Capital Improvement Assessments
 - Neighborhood Assessments
- Association user fees
- Association administrative charges and sanctions
- Declarant's contributions
- Portion of Capital Contribution

6.14. Remedies of the Association. Any installment of a Common Assessment, Special Assessment, Capital Improvement Assessment, Neighborhood Assessment, Specific Assessment, or Capital Contribution not paid within thirty (30) days after the due date may bear interest from the due date of such installment at two (2) percentage points per annum above the prime rate charged from time to time by Bank of America Nevada, as well as a late charge, as determined by the Board of Directors, to compensate the Association for increased bookkeeping, billing, administrative costs and any other appropriate charges. No such late charge on any delinquent installment of an assessment shall exceed the maximum amount allowable by law.

If any installment of an assessment is not paid within thirty (30) days after it is due, the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against his Lot or Condominium. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Association Property or abandonment of his or her Lot or Condominium.

If any installment of an assessment is not paid within thirty (30) days after its due date, the Board of Directors may mail an acceleration notice to the Owner and to the First Mortgagee of the Owner's Lot or Condominium. The notice shall specify (a) the fact that the installment is delinquent, (b) the action required to cure the default, (c) the date, not less than thirty (30) days from the date the notice is mailed to the Owner, by which such default may be cured, and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the balance of the installments of the assessment for the then current fiscal year, and the sale of the Lot or Condominium. The notice shall further inform the Owner of his or her right to cure after acceleration. If the delinquent installment of assessments and any charges thereon are not paid in full on or before the date specified in the notice, the Board of Directors, at its option, may declare all of the unpaid balance of the assessments levied against such Owner to be immediately due and payable without further demand, and may enforce the collection of the full assessments and all charges thereon in any manner authorized by law and this Declaration.

6.15. Notice of Lien. No action shall be brought to enforce any assessment lien herein, unless at least thirty (30) days have expired following the date a Notice of Lien is deposited in the United States mail, certified or registered, postage prepaid, to the Owner of the Lot or Condominium, and a copy thereof has been Recorded by the Association. Such Notice of Lien must recite a good and sufficient legal description of such Lot or Condominium, the Record Owner or reputed Owner thereof, the amount claimed (which, may at the Association's option, include interest on the unpaid assessment as described in Section 6.14 of this Article, plus reasonable attorneys' fees and expenses of collection in connection with the debt secured by such lien), and the name and address of the Association. The Notice of Lien shall be signed and acknowledged by an officer of the Association, and such lien shall be prior to any declaration of homestead Recorded after the date on which this Declaration is Recorded. The lien shall continue until fully paid or otherwise satisfied.

6.16. Foreclosure Sale. Any such sale provided for above may be conducted by the Board of Directors, its attorneys or other Persons authorized by the Board of Directors in accordance with the provisions of Chapter 278A and Covenants Nos. 6, 7 and 8 of NRS 107.030 and 107.090, as amended, insofar as they are consistent with the provisions of NRS 278A.160, as amended, or in accordance with any similar statute hereafter enacted applicable to the exercise of powers of sale in Mortgages and Deeds of Trust, or in any other manner permitted by law. The Association through its duly authorized agent, shall have the power to bid on the Lot or Condominium at the foreclosure sale and to acquire and hold, lease, mortgage, and convey the same.

6.17. Curing of Default. Upon the timely curing of any default for which a Notice of Lien was filed by the Association, the officers thereof shall Record an appropriate release of lien, upon payment by the defaulting Owner of a reasonable fee to be determined by the Board of Directors to cover the cost of preparing and Recording such release. A certificate, executed and acknowledged by any two (2) members of the Board of Directors or the Manager stating the indebtedness secured by the lien upon any Lot or Condominium created hereunder, shall be conclusive upon the Association, and, if acknowledged by the Owner, shall be binding on such Owner 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. Such certificate shall be furnished to any Owner upon request, at a reasonable fee, to be determined by the Board of Directors.

6.18. Cumulative Remedies. The assessment liens and the rights of foreclosure and sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid assessments, as provided above.

6.19. Mortgagee Protection. Notwithstanding all other provisions hereof, no lien created under this Article VI, nor the enforcement of any provision of this Declaration shall defeat or render invalid the rights of the Beneficiary under any Recorded First Deed of Trust encumbering a Lot or Condominium, made in good faith and for value; provided that after such Beneficiary or some other Person obtains title to such Lot or Condominium by a judicial foreclosure, other foreclosure, or exercise of power of sale, such Lot or Condominium shall remain subject to this Declaration and the payment of all installments of assessments accruing subsequent to the date such Beneficiary or other Person obtains title. The lien of the assessments, including interest and costs, shall be subordinate to the lien of any First Mortgage upon the Lot or Condominium. The release or discharge of any lien for unpaid assessments by reason of the foreclosure or exercise of power of sale by the First Mortgagee shall not relieve the prior Owner of his personal obligation for the payment of such unpaid assessments.

6.20. Priority of Assessment Lien. The lien of the assessments, including interest and costs (including attorneys' fees) as provided for herein, shall be subordinate to the lien of any First Mortgage upon any Lot or Condominium. The sale or transfer of any Lot or Condominium shall not affect an assessment lien. However, the sale or transfer of any Lot or Condominium pursuant to judicial or nonjudicial foreclosure of a First Mortgage shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot or Condominium from lien rights for any assessments thereafter becoming due. Where the Beneficiary of a First Mortgage of Record or other purchaser of a Lot or Condominium obtains title pursuant to a judicial or non-judicial foreclosure or "deed in lieu thereof," the Person who obtains title and his successors and assigns shall not be liable for the share of the Common Expenses or assessments by the Association chargeable to such Lot or Condominium which became due prior to the acquisition of title to such Lot or Condominium by such Person. Such unpaid share of Common Expenses and assessments shall be deemed to become expenses collectible from all of the Lots and Condominiums, including the Lot or Condominium belonging to such Person and his successors and assigns. The lien rights created in this Declaration shall be for the benefit of the Association and the Summerlin Council, in that order of priority.

6.21. Assessments for Adjacent Areas. Additional land adjacent to portions of the Project, near the Project, or surrounded by the Project (but not within the Project) ("Land") may be used for miscellaneous recreational, office, retail, cultural, civic, commercial, industrial, maintenance or other purposes (collectively, "Other Uses") and may benefit from Improvements on portions of the Association Property. In consideration of such benefits, the Association shall have the right to levy Capital Improvement Assessments, Common Assessments and Special Assessments (as appropriate) against the lots included in the Land in the amount and to the extent authorized in any declaration of covenants, conditions and restrictions, or covenant to share costs, or any similar document Recorded against the Land. Any such Capital Improvement Assessments, Common Assessments, or Special Assessments actually received by the Association from owners of Land not included in the Project shall reduce the total Capital Improvement Assessments, Common Assessments, or Special Assessments, as applicable, due hereunder from the Owners. Notwithstanding payments of assessments to the Association from an owner of Land as contemplated in this Section 6.21, nothing in this Section shall be deemed or construed to grant to any such owner either a Membership in the Association or any other right as an Owner or Member (as those terms are used herein).

ARTICLE VII

MAINTENANCE AND REPAIR

7.1. Maintenance of Lots and Condominiums. Each Owner shall maintain his or her Lot and all landscaping and improvements comprising the Lot in a manner consistent with the Restrictions, the Community-Wide Standard, the Summerlin Community-Wide Standard, and all applicable covenants, unless such maintenance responsibility is otherwise assumed by or assigned to the Association, a Neighborhood, or a Sub-Association pursuant to any Supplemental Declaration or other declaration of covenants applicable to such Lot.

Each Owner shall maintain his or her Condominium and all landscaping and improvements comprising the Condominium in a manner consistent with the Restrictions, the Community-Wide Standard, the Summerlin Community-Wide Standard, and all applicable covenants, unless such maintenance responsibility is otherwise assumed by or assigned to a Sub-Association pursuant to any Supplemental Declaration or other declaration of covenants applicable to such Condominium.

The Association may assume responsibility for maintenance of any Lot pursuant to a contract with the Owner(s) of such Lot or because, in the opinion of the Board of Directors, the level and quality of maintenance then being provided is not consistent with the Community-Wide Standard; provided, however, the duration of such assumption of responsibility shall be limited to the period for which the contract provides or the period during which the level and quality of maintenance then being provided is not consistent with the Community-Wide Standard, as determined in the sole discretion of the Board of Directors. The Board of Directors shall assess all costs of such maintenance against the benefited Lot pursuant to Article VI, Section 6.8 of this Declaration.

7.2. Maintenance of Sub-Association or Neighborhood Property. Any Sub-Association shall maintain its common property and any other property for which it has maintenance responsibility in a manner consistent with the Restrictions, the Community-Wide Standard and all applicable covenants.

Upon resolution of the Board, the Owners within each Neighborhood or Sub-Association shall be responsible for paying, through Neighborhood Assessments, the costs of operating, maintaining and insuring certain portions of the Area of Common Responsibility within or adjacent to such Neighborhood or Sub-Association. This may include, without limitation, the costs of maintaining any signage, entry features, right-of-way and greenspace between the Neighborhood or Sub-Association and adjacent public roads, private streets within the Neighborhood or Sub-Association, and lakes or ponds within the Neighborhood or Sub-Association, regardless of ownership and regardless of the fact that such maintenance may be performed by the Association; provided, however, all Neighborhoods or Sub-Associations which are similarly situated shall be treated the same.

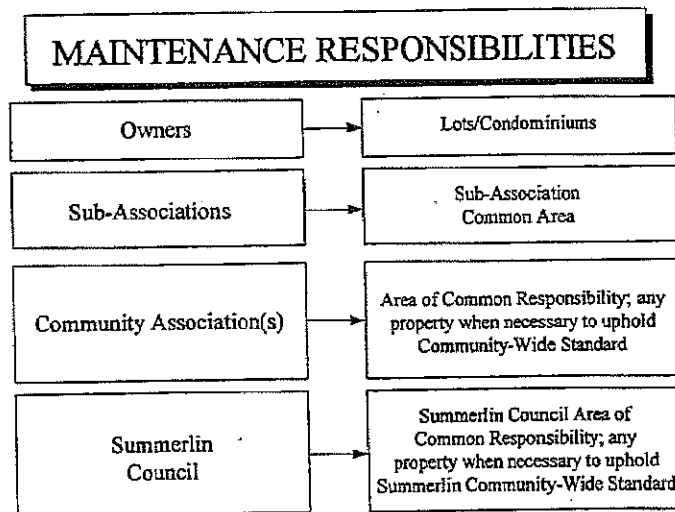
The Association may assume maintenance responsibility for property within any Neighborhood, in addition to that designated by any Supplemental Declaration, either by agreement with the Neighborhood or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the Community-Wide Standard. All costs of maintenance pursuant to this paragraph shall be assessed as a Neighborhood Assessment against only the Lots within the Neighborhood to which the services are provided. The provision of services in accordance with this Section shall not constitute discrimination within a class.

7.3. Responsibility for Repair and Replacement. Unless otherwise specifically provided in the Restrictions or in other instruments creating and assigning maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement, as necessary to maintain the property to a level consistent with the Community-Wide Standard.

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

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

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



ARTICLE VIII

ARCHITECTURAL AND LANDSCAPING CONTROL

8.1. Members of Design Review Committee. The Design Review Committee shall consist of five (5) members; provided, however, such number may be increased or decreased by resolution of the Board of Directors. The initial Design Review Committee shall consist of five (5) members, three (3) of which shall be appointed by Declarant and two (2) of which shall be appointed by the Board of Directors at the organizational meeting of the Board of Directors following the first meeting of the Members of the Association. The two (2) members of the Design Review Committee appointed by the Board shall serve two-year terms; provided, however, of the two (2) initial members appointed by the Board following the Recordation of this Declaration, one (1) shall serve a one-year term, and the other shall serve a two-year term. Declarant shall appoint a majority of members to the Design Review Committee until such time as Declarant no longer has any authority to annex property to the Project; thereafter, the Board of Directors shall appoint all members. When the Board becomes entitled to appoint all five (5) members, of the initial panel of five (5) members appointed by the Board, three (3) members shall serve two-year terms,

and two (2) members shall serve one-year terms; thereafter, all members shall serve two-year terms. A member of the Design Review Committee may be removed at any time, without cause, by the Person who appointed such member. Unless changed by resolution of the Board of Directors, the address of the Design Review Committee for all purposes, including the submission of plans for approval, shall be at the principal office of the Association as designated by the Board of Directors pursuant to the Bylaws.

8.2. Review of Plans and Specifications. The Design Review Committee shall consider and act upon any and all plans and specifications submitted for its approval pursuant to the terms of this Declaration and shall perform such other duties as are specified in this Declaration or are from time to time assigned to it by the Board of Directors. Subject to Article X hereof, no construction, alteration, grading, addition, excavation, modification, decoration, redecoration or reconstruction of an Improvement in any Phase of Development shall be commenced or maintained by any Owner, until the plans and specifications showing the nature, kind, shape, height, width, color, materials and location of the same have been submitted to, and approved in writing by, the Design Review Committee. The Design Review Committee shall approve plans and specifications submitted for its approval only if it deems that (a) the construction, alterations, or additions contemplated thereby in the locations indicated will not be detrimental to the appearance of the surrounding area or the Project as a whole, (b) the appearance of any structure affected thereby will be in harmony with other structures in the vicinity, (c) the construction will not detract from the beauty, wholesomeness and attractiveness of the Association Property or the enjoyment thereof by the Members, and (d) the upkeep and maintenance will not become a burden on the Association.

The Design Review Committee may condition its approval of proposals or plans and specifications for any Improvement upon any one or all of the following conditions: (i) upon agreement by the Person (referred to in this Section 8.2 as "Applicant") submitting the same to furnish to the Design Review Committee a bond or other security acceptable to the Design Review Committee in an amount reasonably sufficient to (A) assure the completion of such Improvement or the availability of funds adequate to remedy any nuisance or unsightly conditions occurring as a result of the partial completion of such Improvement, and (B) to protect the Association and the other Owners against mechanic's liens or other encumbrances which may be Recorded against their respective interests in the Project as a result of such work; (ii) upon such changes therein as it deems appropriate; (iii) upon agreement by the Applicant to grant appropriate easements to the Association for the maintenance of the Improvement; (iv) upon agreement of the Applicant to reimburse the Association for the cost of maintenance; (v) upon agreement of the Applicant to replace such removed trees as may be designated by the Design Review Committee; (vi) upon agreement of the Applicant to submit "as-built" record drawings which describe the Improvements in detail as actually constructed upon completion of the Improvement; and (vii) such other conditions as the Design Review Committee may reasonably determine to be prudent and in the best interests of the Association.

The Design Review Committee may further require submission of additional plans and specifications or other information prior to approving or disapproving material submitted. The Design Review Committee may also issue rules or guidelines setting forth procedures for the submission of plans for approval, requiring a fee to accompany each application for approval, or stating additional factors which it will take into consideration in reviewing submissions. The Design Review Committee may provide that the amount of such fee shall be uniform, or that it be determined in any other reasonable manner, such as based upon the reasonable cost of the architectural or other professional fees incurred by the Association in reviewing plans and specifications.

The Design Review Committee may require such detail in plans and specifications submitted for its review as it deems proper, including without limitation, floor plans, site plans, drainage plans, landscaping plans, elevation drawings and descriptions or samples of exterior material and colors. The Design Review Committee may further require that all plans and specifications first be approved by any Sub-Association having jurisdiction. Any application submitted shall be deemed approved, unless written disapproval or a request for further information or materials shall have been transmitted to the Applicant within thirty (30) days after the date of receipt by the Design Review Committee of all required materials. Declarant and Participating Builders need not seek approval of the Design Review Committee with respect to their activities except for activities which take place in a Phase of Development after the Close of Escrow on the last Lot or Condominium in such Phase of Development.

The Design Review Committee will condition any approval required in this Article VIII, among other things, on compliance with Declarant's (A) design criteria, (B) Improvement standards, and (C) development standards, as amended from time to time, all of which are incorporated herein by this reference.

Any Owner aggrieved by a decision of the Design Review Committee may appeal the decision to the Design Review Committee in accordance with procedures to be established by the Design Review Committee. Such procedures would include the requirement that the appellant has modified the requested action or has new information which would in the Design Review Committee's opinion warrant reconsideration. If the Design Review Committee fails to allow an appeal or if it, after appeal, again rules in a manner aggrieving the appellant, the decision of the Design Review Committee is final.

Standard TV antennas and satellite dishes less than one meter in diameter shall be subject to this Section 8.2 and the Design Review Committee Guidelines only to the extent permissible by law.

8.3. Meetings of the Design Review Committee. The Design Review Committee shall meet from time to time as necessary to perform its duties, and may from time to time, by resolution unanimously adopted in writing, designate a Design Review Committee Representative to take any action or perform any duties for and on behalf of the Design Review Committee, except the granting of variances pursuant to Section 8.8 of this Article VIII. In the absence of such designation, the vote of a majority of the members of the Design Review Committee, or the written consent of a majority of the members of the Design Review Committee taken without a meeting, shall constitute an act of the Design Review Committee.

8.4. No Waiver of Future Approvals. The approval of the Design Review Committee of any proposals or plans, specifications, or drawings for any work done, proposed or in connection with any other matter requiring the approval and consent of the Design Review Committee shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans, specifications, drawings, or matters subsequently or additionally submitted for approval or consent.

8.5. Compensation of Members. At the discretion of the Board of Directors, the members of the Design Review Committee may receive compensation from the Association for services rendered.

8.6. Correction of Defects. Inspection of work and correction of defects therein shall proceed as follows:

(a) The Design Review Committee or its duly appointed Representative shall have the right to inspect Improvements whether or not its approval has been requested or given ("Right of

Inspection"). Such Right of Inspection shall, however, terminate sixty (60) days after receipt by the Design Review Committee of written notice from the Owner of the Lot, Condominium or Common Area in which such Improvement is located that such Improvement has been completed. If, as a result of such inspection, the Design Review Committee finds that such Improvement was done without obtaining Design Review Committee approval of the plans and specifications therefor or was not done in substantial compliance with plans and specifications approved by the Design Review Committee, it shall, within sixty (60) days of the inspection, notify the Owner in writing of its failure to comply with this Article VIII, specifying the particulars of non-compliance. If work has been performed without approval of plans and specifications therefor, the Design Review Committee may require the Owner of the Lot, Condominium or Common Area in which such Improvement is located to submit "as-built" record drawings certified by a licensed architect or engineer which describe the Improvement in detail as actually constructed. The Design Review Committee shall have the authority to require the Owner to take such action as may be necessary to remedy the non-compliance.

(b) If, upon the expiration of sixty (60) days from the date of such notification of non-compliance, the Owner has failed to remedy such non-compliance, the Design Review Committee shall notify the Board of Directors in writing of such failure. Upon Notice and Hearing, the Board of Directors shall determine whether there is a non-compliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If a non-compliance exists, the Owner shall remedy or remove the same within a period of not more than forty-five (45) days from the date that notice of the Board of Directors ruling is given to the Owner. If the Owner does not comply with the Board of Directors' ruling within that period, the Board of Directors, at its option, may Record a notice of non-compliance and may peacefully remedy the non-compliance. The Owner shall reimburse the Association, upon demand, for all expenses incurred in correcting the non-compliance. If the Owner does not promptly repay such expenses to the Association, the Board of Directors shall levy a Specific Assessment against such Owner for reimbursement as provided in this Declaration. The right of the Association to remove a non-complying Improvement or to otherwise remedy the non-compliance shall be in addition to all other rights and remedies which the Association may have at law, in equity, or in this Declaration.

(c) If for any reason the Design Review Committee fails to notify the Owner of any non-compliance with previously submitted and approved plans and specifications within sixty (60) days after receipt of written notice of completion from the Owner, the Improvement shall be deemed to be in accordance therewith.

(d) All construction, alteration or other work shall be performed as promptly and as diligently as possible and shall be completed within one hundred eighty (180) days of the date on which the work commenced.

8.7. Scope of Review. The Design Review Committee shall review and approve or disapprove all proposals and plans and specifications submitted to it for any proposed Improvement, alteration or addition, solely on the basis of the considerations set forth in Section 8.2 of this Article. The Design Review Committee shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any proposal, plan or design from the standpoint of structural safety or conformance with building or other codes.

8.8. Variances. When circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may require it, the Design Review Committee may authorize variances from compliance with any of the architectural provisions of this Declaration or any

Supplemental Declaration, including, without limitation, restrictions upon height, size, floor area or placement of structures, or similar restrictions. Such variances must be evidenced in writing and must be signed by at least a majority of the members of the Design Review Committee.

If such variances are granted, no violation of the covenants, conditions and 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 or of any Supplemental Declaration for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall it in any way affect the Owner's obligation to comply with all governmental laws and regulations affecting his use of the premises, including but not limited to zoning ordinances and Lot set-back lines or requirements imposed by the City of Las Vegas, the County of Clark or any municipal or other public authority. The granting of a variance shall not be deemed to be approval from the standpoint of compliance with such laws or regulations, nor from the standpoint of structural safety, and the Design Review Committee, provided it acts in good faith, shall not be liable for any damage to an Owner as a result of its granting or denying of a variance.

8.9. Non-Liability for Approval of Plans. The Design Review Committee's approval of proposals or plans and specifications shall not constitute a representation, warranty or guarantee, whether express or implied, that such proposals or plans and specifications comply with good engineering design or with zoning or building ordinances, or other governmental regulations or restrictions. By approving such proposals or plans and specifications neither the Design Review Committee, the members thereof, the Association, the Board of Directors nor Declarant assumes any liability or responsibility therefor, or for any defect in the structure constructed from such proposals or plans or specifications. Neither the Design Review Committee, any member thereof, the Association, the Board of Directors nor Declarant shall be liable to any Member, Owner, occupant, or other Person or entity for any damage, loss, or prejudice suffered or claimed on account of (a) the approval or disapproval of any proposals, plans and specifications and drawings, whether or not defective, or (b) the construction or performance of any work whether or not pursuant to the approved proposals, plans and specifications and drawings.

8.10. Declarant Exemption. The Design Review Committee shall have no authority, power or jurisdiction over Lots or Condominiums owned by Declarant, and the provisions of this Article VIII shall not apply to Lots or Condominiums owned by Declarant until such time as Declarant conveys title to the Lot or Condominium to a purchaser thereof. This Article shall not be amended without Declarant's written consent set forth on the amendment.

ARTICLE IX

DAMAGE, DESTRUCTION, OR CONDEMNATION

OF ASSOCIATION PROPERTY

Damage to, and destruction or condemnation of, all or any portion of the Association Property shall be handled in the following manner:

9.1. Damage by Member. To the extent permitted by law, each Member shall be liable to the Association for any damage to Association Property not fully reimbursed to the Association by insurance; provided the damage is sustained as a result of the negligence, willful misconduct or unauthorized or improper installation or maintenance of any Improvement by the Member, his guests, tenants or invitees, or any other Persons deriving their right to, and easement for, use and enjoyment of

the Association Property from the Member, or his or their respective Family and guests, both minor and adult. The Association, however, acting through the Board of Directors, reserves the right to determine whether any claim shall be made upon the insurance maintained by the Association, and the Association further reserves the right, after Notice and Hearing, to levy a Specific Assessment equal to the increase, if any, of insurance premiums directly attributable to the damage caused by the Member or the Person for whom the Member may be responsible as described above. In the case of co-ownership of a Lot or Condominium, the liability of the co-owners shall be joint and several, except to the extent that the Association shall have previously contracted in writing with the co-owners to the contrary. After Notice and Hearing, the Association may levy a Specific Assessment in the amount of the cost of correcting the damage, to the extent not reimbursed to the Association by insurance, against any Lot or Condominium owned by such Member, and such Specific Assessment may be enforced as provided herein.

9.2. Repair of Damage. In the case of damage by fire or other casualty or in the event any governmental or public authority shall require any repair, reconstruction or replacement of any Association Property, the Association shall have the duty to repair, reconstruct or replace the same. Any insurance proceeds payable by reason thereof shall be paid to the Association, which shall be used, to the extent necessary, to pay the costs of repair, reconstruction or replacement. The Association shall, in the same manner and proportion that Common Assessments are levied against and collected from Owners, levy a Special Assessment against Owners to satisfy any deficiency where (a) the insurance proceeds are insufficient to defray the entire costs of repair, reconstruction or replacement, or (b) where such repair, reconstruction or replacement was required by a governmental or public authority. Notwithstanding the foregoing, any restoration or repair of Association Property after damage due to an insurable hazard shall be performed substantially in accordance with the original plans and specifications unless other action is approved by holders of at least fifty-one percent (51%) of the First Mortgages on Lots and Condominiums.

9.3. Condemnation. If at any time, all or any portion of Association Property, or any interest therein, is taken for any governmental or public use, under any statute, by right of eminent domain or by private purchase in lieu of eminent domain, the award in condemnation shall be paid to the Association. Any such award payable to the Association shall be deposited in the operating fund. No Member shall be entitled to participate as a party, or otherwise, in any proceedings relating to such condemnation. The Association shall have the exclusive right to participate in such proceedings and shall, in its name alone, represent the interests of all Members. Immediately upon having knowledge of any taking by eminent domain of Association Property, or any portion thereof, or any threat thereof, the Board of Directors shall promptly notify all Owners and all insurers and First Mortgagees of Lots or Condominiums.

ARTICLE X

INTEREST AND EXEMPTION OF DECLARANT

10.1. Interest of Declarant. It is acknowledged that the Initial Property is a portion of a larger parcel of land which Declarant is causing to be developed into a master planned community. Declarant has created a master plan for the development of the Project which includes the use of modern master-planning objectives and techniques which have been formulated for the common good of the community. Each Owner of a Lot or Condominium which is part of the Project acknowledges by acceptance of a deed or other conveyance therefor, whether or not it shall be so expressed in any such deed, notice or other instrument, that Declarant has a substantial interest to be protected with regard to assuring compliance with, and enforcement of, the covenants, conditions, restrictions, reservations and other matters contained in this Declaration along with any amendments thereto and any Supplemental Declarations

Recorded pursuant to this Declaration. Consequently, until the later of such time as (a) Declarant and all Participating Builders are no longer entitled to add Annexable Area to the Project or (b) Declarant and all Participating Builders no longer own any Lots or Condominiums in the Project, the following actions, before being undertaken by the Members or by the Association, shall first be approved in writing by Declarant:

(i) Any amendment or action specifically requiring the approval of First Mortgagees pursuant to this Declaration, including without limitation, all amendments and actions specified in Article XVI, subsection 16.2(b) and Section 16.3 hereof, or specifically requiring the approval of Declarant pursuant to this Declaration, including, without limitation, Article XVI, subsections 16.2(a) and (c) hereof;

(ii) The annexation to the Project of real property other than the Annexable Area pursuant to Article II, Section 2.4 hereof;

(iii) The levy of a Capital Improvement Assessment for the construction of new facilities not originally included in the Association Property; or

(iv) Subject to the last sentence of Article VI, Section 6.10 hereof regarding limitations on yearly Common Assessment increases, any significant reduction of Association maintenance or other services.

10.2. Exemption of Declarant and Participating Builders. Notwithstanding anything to the contrary in this Declaration, the following shall apply:

(a) Nothing in this Declaration shall limit, and no Owner, Sub-Association, Neighborhood Committee or the Association shall do anything to interfere with, the right of Declarant and Participating Builders to subdivide or re-subdivide any portion of the Project or the right of Declarant or a Participating Builder to complete excavation and grading and the construction of Improvements to and on any portion of the Project, or to alter the foregoing and its construction plans and designs, or to construct such additional Improvements as Declarant or a Participating Builder deems advisable in the course of development of the Project for so long as any Lot or Condominium in the Project owned by Declarant or a Participating Builder remains unsold.

(b) This Declaration shall in no way limit the right of Declarant or a Participating Builder to grant additional licenses, easements, reservations and rights-of-way to itself, to governmental or public authorities (including without limitation public utility companies), or to others, as may from time to time be reasonably necessary to the proper development and disposal of Lots and Condominiums in the Project; provided, however, that if FHA or VA approval is sought by Declarant or a Participating Builder, then the FHA and/or the VA shall have the right to approve any such grants as provided herein.

(c) Prospective purchasers, Declarant and Participating Builders shall have the right to use all and any portion of the Association Property for access to the sales facilities of Declarant and Participating Builders.

(d) Declarant and Participating Builders may use any structures owned by, respectively, Declarant or such Participating Builders in any Phase of Development as model home complexes or real estate sales offices, subject to the time limitations set forth herein, after which time,

Declarant or the Participating Builder, as applicable, shall restore the Improvement to the condition necessary for the issuance of a final certificate of occupancy by the appropriate governmental entity.

(e) All or any portion of the rights of Declarant or a Participating Builder in this Declaration may be assigned by Declarant or such Participating Builder to any successor in interest, by an express and written Recorded assignment which specifies the rights of Declarant or such Participating Builder so assigned.

(f) The prior written approval of Declarant (which shall not be unreasonably withheld), as developer of the Project, will be required before any amendment to this Article X shall be effective.

(g) The rights and reservations of Declarant or such Participating Builder referred to in this Section 10.2 shall terminate on the fifteenth (15th) anniversary of the Recordation of this Declaration; provided, however, that if Declarant still owns any property in the Project on such fifteenth (15th) anniversary date, such rights and reservations shall continue for one successive period of ten (10) years, after which such rights and reservations shall continue, as to Declarant, until the Close of Escrow for the sale of the last Lot or Condominium in the Project to a purchaser or a Participating Builder, and, as to a Participating Builder, until the Close of Escrow for the sale of the last Lot or Condominium owned by such Participating Builder to a purchaser.

ARTICLE XI

EXCLUSIVE COMMON AREA

11.1. Purpose. Certain portions of the Association Property may be designated as Exclusive Common Area and reserved for the exclusive use or primary benefit of Owners and occupants within a particular Neighborhood or Neighborhoods; provided, however, after Close of Escrow on any Lot or Condominium within a Neighborhood, no portion of the Association Property may be designated as Exclusive Common Area of such Neighborhood without the prior approval of Members representing a majority of the voting power of such Neighborhood. By way of illustration and not limitation, Exclusive Common Area may include entry features, recreational facilities, landscaped medians and cul-de-sacs, and other portions of the Association Property within a particular Neighborhood or Neighborhoods. All costs associated with an Exclusive Common Area shall be a Neighborhood Expense allocated among the Owners in the Neighborhood(s) to which the Exclusive Common Area is assigned.

11.2. Designation. Initially, any Exclusive Common Area shall be designated as such in the deed conveying such area to the Association or on the subdivision plat relating to such Association Property; provided, however, any such assignment shall not preclude Declarant from later assigning use of the same Exclusive Common Area to additional Lots, Condominiums, and/or Neighborhoods, so long as Declarant has a right to subject additional property to this Declaration pursuant to Article II.

Once conveyed to the Association, a portion of the Association Property may be assigned as Exclusive Common Area and Exclusive Common Area may be reassigned only upon approval of the Board of Directors, approval of Delegates representing a majority of the total Class A votes in the Association, and approval of Class A Members holding a majority of the Class A votes within the Neighborhood(s) affected by the proposed assignment or reassignment; provided, however, in the event that any Neighborhood to which Exclusive Common Area is assigned dissolves pursuant to Article IV, Section 4.6, (a) the Board may assign such Exclusive Common Area to another Neighborhood with the

approval of Class A Members holding a majority of the Class A votes within the Neighborhood to whom the Exclusive Common Area is proposed to be assigned, or (b) the Board may designate the former Exclusive Common Area as Association Property which benefits the entire Association. As long as Declarant owns any property subject to this Declaration or which may become subject to this Declaration in accordance with Article II, any such assignment or reassignment shall also require Declarant's written consent.

11.3. Use by Others. Designation of property as Exclusive Common Area shall not create any obligation for the Association to take steps to limit access or otherwise ensure that such Exclusive Common Area is reserved for the exclusive use of the Neighborhood(s) or Sub-Associations to which it is assigned. However, the Association may, upon request of such Neighborhood(s) or Sub-Associations, provide such service as a Neighborhood Expense if practical to do so. The Association may, upon approval of at least 75% of the members of the Neighborhood Committee or Sub-Association for the Neighborhood to which any Exclusive Common Area is assigned, grant Owners and occupants of Lots or Condominiums in other Neighborhoods or Sub-Associations the express privilege of using all or a portion of such Exclusive Common Area upon payment of reasonable user fees, which fees shall be used to offset the Neighborhood Expenses attributable to such Exclusive Common Area.

ARTICLE XII

PRIVATE AMENITIES

Access to and use of any Private Amenity is strictly subject to the rules and procedures of the owner of such Private Amenity, and no Person gains any right to enter or to use any Private Amenity by virtue of membership in the Association or ownership or occupancy of a Lot or Condominium.

All Persons, including all Owners, are hereby advised that no representations or warranties have been or are made by Declarant, the Association, any Participating Builder, or by any Person acting on behalf of any of the foregoing, with regard to the continuing ownership or operation of the Private Amenities. No purported representation or warranty in such regard, written or oral, shall be effective unless specifically set forth in a written instrument executed by the record owner of the Private Amenity.

The ownership or operation of any Private Amenity may change at any time by virtue of, but without limitation, (a) the sale to or assumption of operations by an independent Person, (b) establishment of, or conversion of the membership structure to, an "equity" club or similar arrangement whereby the members of a Private Amenity or an entity owned or controlled by its members becomes the owner(s) and/or operator(s) of the Private Amenity, or (c) the conveyance of a Private Amenity to one or more affiliates, shareholders, employees, or independent contractors of Declarant. No consent of the Association, any Neighborhood, any Sub-Association, any Delegate, or any Owner shall be required to effectuate any change in ownership or operation of any Private Amenity, subject to the terms of any written agreements entered into by such owners.

Rights to use the Private Amenities will be granted only to such persons, and on such terms and conditions, as may be determined by their respective owners. Such owners shall have the right, from time to time in their sole and absolute discretion and without notice, to amend or waive the terms and conditions of use of their respective Private Amenities and to terminate use rights altogether.

ARTICLE XIII INSURANCE

13.1. Duty to Obtain Insurance; Types. The Board of Directors shall cause to be obtained and maintained adequate blanket public liability insurance (including medical payments), with such limits as the Board of Directors in its discretion considers prudent. The Board of Directors shall also cause to be obtained and maintained fire and casualty insurance with extended coverage, without deduction for depreciation, in an amount as near as possible to the full replacement value of the Association Property Improvements. Such insurance shall be maintained for the benefit of the Association, the Owners, and the Mortgagees, as their interests may appear as named insureds, subject, however, to loss payment requirements as set forth herein.

The Board of Directors shall purchase such other insurance, as necessary, including, but not limited to, errors and omissions, directors, officers and agents' liability insurance, plate glass insurance, medical payments, malicious mischief, liquor liability and vandalism insurance, fidelity bonds (if otherwise required pursuant to this Section) and workers' compensation insurance, and such other risks as shall customarily be covered with respect to projects similar in construction, location, and use. Fidelity bond coverage, as set forth below, must be obtained, if reasonably available, by or on behalf of the Association for any Person or entity handling funds of the Association, including, but not limited to, officers, directors, trustees, and employees of the Association, whether or not such Persons are compensated for their services, and employees of the Manager, whether such Manager is an employee or an independent contractor; provided, however, there shall be no requirement that the Association maintain fidelity bond coverage so long as the Class C Member has a right to elect a majority of the members of the Board of Directors. The aggregate amount of such fidelity bonds shall not be less than an amount equal to one-fourth (1/4) of the sum of the annual Common Assessments, Special Assessments and Capital Improvement Assessments on all Lots and Condominiums in all Phases of Development.

Notwithstanding any other provision herein, the Association shall continuously maintain in effect such casualty and liability insurance and a fidelity bond, meeting the insurance and fidelity bond requirements established by The Mortgage Corporation ("TMC"), FHA, VA, FHLMC, FNMA, GNMA or any similar entity, so long as any of them is an Owner of a Lot or Condominium or holder or insurer of a Mortgage on a Lot or Condominium within any Phase of Development, except to the extent such coverage is not available or has been waived in writing by the TMC, FHA, VA, FHLMC, FNMA, GNMA or such other similar entity, as applicable; provided, however, there shall be no requirement that the Association maintain fidelity bond coverage so long as the Class C Member has a right to elect a majority of the members of the Board of Directors. Certificates of insurance shall be issued to each Owner and Mortgagee upon written request.

13.2. Waiver of Claims Against Association. As to all policies of insurance maintained by or for the benefit of the Association and the Owners, the Association and the Owners hereby waive and release all claims against one another, the Board of Directors, and Declarant to the extent of the insurance proceeds available, whether or not the insurable damage or injury is caused by the negligence of or breach of any agreement by any of such Persons, except as may be provided elsewhere in this Declaration.

13.3. Notice of Expiration Requirements. If available, all of the policies of insurance maintained by the Association shall contain a provision that such policy or policies shall not expire or be canceled, terminated, or materially modified without thirty (30) days prior written notice to the Board of

Directors, Declarant, Owners and those holders or insurers of First Mortgages who have filed a written request with the carrier for such notice, and every other Person in interest who requires such notice of the insurer.

13.4. Insurance Premiums. Insurance premiums for any insurance coverage obtained by the Association and any other insurance deemed necessary by the Board of Directors shall be a Common Expense to be included among the Common Assessments levied by the Association and collected from the Owners. That portion of the Common Assessments necessary for the required insurance premiums shall be separately accounted for by the Association in the operating fund, to be used solely for the payment of premiums of required insurance as such premiums become due.

13.5. Trustee for Policies. The Association, acting through its Board of Directors, is hereby appointed and shall be deemed trustee of the interests of all named insureds under policies of insurance purchased and maintained by the Association. All insurance proceeds under any such policies as provided for in Section 13.1 of this Article shall be paid to the Board of Directors as trustee. The Board of Directors shall have full power to receive and to receipt for the proceeds and to deal therewith as provided herein. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried.

The Board of Directors is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers, with participation, to the extent they desire, of First Mortgagees who have filed written requests within ten (10) days of receipt of notice of any damage or destruction. Any two (2) Directors of the Association may sign a loss claim form and release form in connection with the settlement of a loss claim, and such signatures shall be binding on all the named insureds. Notwithstanding the foregoing, there may be named as an insured a representative chosen by the Board of Directors, including a trustee or any successor to such trustee, with whom the Association may enter into an insurance trust agreement, who shall have such authority as is delegated by the Board of Directors to negotiate losses under any policy providing property or liability insurance and to perform such other functions as are necessary to accomplish this purpose.

13.6. Actions as Trustee. Except as otherwise specifically provided in this Declaration, the Board of Directors, acting on behalf of the Association and all Owners, shall have the exclusive right to bind such parties in respect to all matters affecting insurance carried by the Association, the settlement of a loss claim, and the surrender, cancellation, and modification of all such insurance, in a manner satisfactory to the First Mortgagees holding at least seventy-five percent (75%) of the First Mortgages who have filed notice with the Association pursuant to Article XVI, Section 16.3 hereof. Duplicate originals or certificates of all policies of fire and casualty insurance maintained by the Association and of all renewals thereof, together with proof of payment of premiums, shall be delivered by the Association to all Mortgagees who have requested the same in writing.

13.7. Annual Insurance Review. The Board of Directors shall review the insurance carried by or on behalf of the Association at least annually, for the purpose of determining the amount of the casualty and fire insurance to be carried pursuant to Section 13.1 of this Article. If economically feasible, prior to each annual review the Board of Directors shall obtain a current appraisal, by a qualified independent insurance appraiser, of the full replacement value of the Improvements on the Association Property, except for foundations and footings, without deduction for depreciation.

13.8. Required Waiver. All policies of physical damage insurance shall provide for waiver of the following rights to the extent that the respective insurers would have the rights without such waivers:

- (a) subrogation of claims against the Owners and tenants of the Owners;
- (b) any defense based upon co-insurance;
- (c) any right of set-off, counterclaim, apportionment, proration or contribution by reason of other insurance not carried by the Association;
- (d) any invalidity, other adverse effect or defense as a result of any breach of warranty or condition caused by the Association, any Owner or any tenant of any Owner, or arising from any act, neglect, or omission of any named insured or the respective agents, contractors and employees of any insured;
- (e) any right of the insurer to repair, rebuild, or replace, and, if the Improvement is not repaired, rebuilt, or replaced following loss, any right to pay under the insurance an amount less than the replacement value of the Improvements insured;
- (f) notice of the assignment of any Owner of his interest in the insurance by virtue of a conveyance of any Lot or Condominium; and
- (g) any right to require any assignment of any Mortgage to the insurer.

13.9. Other Insurance to be Maintained by Owners. Insurance coverage on the furnishings and other items of personal property belonging to an Owner, public liability insurance coverage upon each Lot or Condominium, and hazard insurance coverage on the Improvements constructed on such Lots or Condominiums (unless such coverage is maintained by a Sub-Association having jurisdiction over such Phase of Development, Condominium Project, Apartment Area, or other portion of the Project) shall be the responsibility of the Owner thereof.

ARTICLE XIV

DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

14.1. Consensus for Association Litigation. Except as provided in this Section, the Association shall not commence a judicial or administrative proceeding without the approval of Delegates representing at least 75% of the voting power of the Association. A Delegate representing Lots or Condominiums owned by Persons other than himself shall not vote in favor of bringing or prosecuting any such proceeding unless authorized to do so by a vote of Owners holding at least 75% of the voting power of the Delegate District represented by the Delegate. This Section shall not apply, however, to (a) actions brought by the Association to enforce the Restrictions (including, without limitation, the foreclosure of liens); (b) the collection of assessments; (c) proceedings involving challenges to ad valorem taxation; or (d) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

14.2. Alternative Method for Resolving Disputes. In the event that the laws of the State of Nevada, as they exist or may be amended from time to time, mandate arbitration or mediation for any claim related to the Properties, Sections 14.2 through 14.6 of this Article shall be of no force or effect. In the event that the laws of the State of Nevada, as they exist or may be amended from time to time, do not

mandate arbitration or mediation for any such claim, such Sections 14.2 through 14.6 shall apply. Declarant; the Summerlin Council, its officers, directors, and committee members; the Association, its officers, directors, and committee members; all Persons subject to this Declaration; any Participating Builder; and any Person not otherwise subject to this Declaration who agrees to submit to this Article (each such entity being referred to as a "Bound Party") agree to encourage the amicable resolution of disputes involving the Project, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit those claims, grievances or disputes described in Section 14.3 of this Article ("Claims") to the procedures set forth in Section 14.4 in lieu of filing suit in any court.

The Association agrees that any claims or disputes among or between itself and one or more other Community Associations shall be submitted to the terms of this Article and that the Summerlin Council or its designee shall be the party to resolve or mediate the dispute.

14.3. Claims. Unless specifically exempted below, all Claims arising out of or relating to the interpretation, application or enforcement of the Restrictions, or the rights, obligations and duties of any Bound Party under the Restrictions or relating to the design or construction of improvements on the Project shall be subject to the provisions of Section 14.4 of this Article.

Notwithstanding the above, unless all parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of Section 14.4 of this Article:

(a) any suit by the Association against any Bound Party to enforce provisions of Article VIII or by the Summerlin Council against any Bound Party to enforce the obligation to pay any amounts due to the Summerlin Council pursuant to Article XV;

(b) any suit by Declarant, the Association, or the Summerlin Council to obtain a temporary restraining order or injunction (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve Declarant's, the Association's, or the Summerlin Council's ability to enforce rules or architectural controls under any applicable covenants;

(c) any suit between Owners, which does not include Declarant, the Association, or the Summerlin Council as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Restrictions;

(d) any suit in which any indispensable party is not a Bound Party; and

(e) any suit as to which any applicable statute of limitations would expire within 180 days of giving the Notice required by Section 14.4(a) of this Article.

With the consent of all parties thereto, any of the above may be submitted to the alternative dispute resolution procedures set forth in Section 14.4 of this Article.

14.4. Mandatory Procedures.

(a) Notice. Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") (collectively, the "Parties") shall notify each Respondent in writing (the "Notice"), stating plainly and concisely:

(i) the nature of the Claim, including the Persons involved and Respondent's role in the Claim;

(ii) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);

(iii) Claimant's proposed remedy; and

(iv) that Claimant or an authorized representative of Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

(b) Negotiation and Mediation.

(i) The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in negotiation.

(ii) If the Parties do not resolve the Claim within 30 days of the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), Claimant shall have 30 additional days to submit the Claim to mediation under the auspices of the Nevada Chapter of the Community Associations Institute or, if the Parties otherwise agree, to an independent agency providing dispute resolution services in the Las Vegas area.

(iii) If Claimant does not submit the Claim to mediation within 30 days after Termination of Negotiations, or does not appear, either in person or through an authorized representative, for the mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to any Person other than the Claimant.

(iv) Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the Parties. If the Parties do not settle the Claim within 30 days after submission of the matter to the mediation, or within such time as determined by the mediator, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that mediation was terminated.

Upon Termination of Mediation, the Claimant shall thereafter be entitled to sue in any court of competent jurisdiction or to initiate proceedings before any appropriate administrative tribunal on the Claim. Each Party shall bear its own costs of the mediation, including attorneys' fees, and each Party shall share equally all charges rendered by the mediator. If the Parties agree to a resolution of any Claim through negotiation or mediation in accordance with Section 14.4 of this Article and any Party thereafter fails to abide by the terms of such agreement, then any other Party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in such Section 14.4. In such event, the Party taking action to enforce the agreement shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement, including, without limitation, attorneys' fees and court costs.

ARTICLE XV
THE SUMMERLIN COMMUNITY AND THE SUMMERLIN COUNCIL

15.1. The Summerlin Community.

(a) **Mission Statement for the Community.** It is Declarant's intent to develop the Project as a portion of the larger community known as Summerlin and, through this Article and the governing documents described in Section 15.1(b), to establish a flexible system of standards and procedures for the overall development, administration, and operation of the Properties as the vibrant community of Summerlin and to articulate a set of goals and aspirations for the life of the community itself.

The Summerlin Council is not, nor is it intended to be, a homeowners association. This Article does not and is not intended to create a common interest community within the meaning of the Nevada Uniform Common-Interest Ownership Act, Nev. Rev. Stat. Ann. §§ 116.1101-116.4120. This Article does not create "units" of real estate which are separately owned by individuals; does not create any area of property which is collectively owned by a group of individuals or in which any owner has an undivided interest; and does not obligate any person, by virtue of his ownership of real estate, to pay for the expenses associated with any real estate other than that owned by such person.

(b) **Governing Documents.** The governing structure for Summerlin consists of the Summerlin Council and two or more Community Associations having jurisdiction over separate portions of the Properties. The Summerlin Council shall have jurisdiction over all the Properties.

This Declaration and similar documentation for other Community Associations (collectively referred to as the "Community Association Restrictions"), together with the Summerlin Council By-Laws and Summerlin Council Articles of Incorporation set forth the standards for the Properties and the Council. However, in the event of any conflict between or among such documents, the Summerlin Council Governing Documents shall at all times take precedence over any Community Association Restrictions or similar instrument.

Nothing in this Section shall preclude any Community Association Restrictions, supplemental declaration or other Recorded covenants applicable to any portion of the Properties from containing additional restrictions or provisions which are more restrictive than the provisions of this Article and the Summerlin Council Governing Documents.

15.2. Creation and Maintenance of Community Standards.

(a) **Role of Summerlin Council.** The Association and each other Community Association establishes standards and conducts activities for the property under its responsibility. The Summerlin Council sets and engenders those standards and activities which have community-wide application. It fosters and implements projects, services, and activities for the entire Summerlin community. The Summerlin Council will have responsibility for maintenance of some property within the Properties. Such property may include, without limitation or obligation, the Town Center Drive streetscape, Summerlin Parkway, parks and community centers, if any, and one or more entry monuments.

SUMMERLIN COUNCIL

Promotes unity for Summerlin
through provision of
services and facilities

(b) Use and Conduct.

(i) Framework for Regulation. Declarant has established a general plan of development for the Properties as a master planned community in order to enhance all owners' quality of life and collective interests, the aesthetics and environment within Summerlin, and to engender a pride of place and sense of community within the Properties. To accomplish this objective, the Project, which is a part of the Properties, is subject to (i) land development, architectural, and design standards; (ii) the provisions of this Declaration governing individual conduct and use; and (iii) the guidelines, rules and restrictions promulgated pursuant to this Section, all of which establish affirmative and negative covenants, easements, and restrictions for Summerlin.

Notwithstanding this, the Council Board shall have the ability, through the rulemaking procedures set forth below, to respond to changes in circumstances, conditions, needs, and desires within the Summerlin community.

All provisions of the Summerlin Council Governing Documents and rules adopted in accordance therewith shall apply to all Persons who own property within or take any other actions within the Project.

(ii) Rule Making Authority. *Subject to this Declaration and in accordance with its duty of care and undivided loyalty to the Summerlin community and those who reside therein,* the Council Board may adopt, modify, and repeal rules governing access to and the use of the Summerlin Council Area of Common Responsibility, which is the property for which the Summerlin Council has operational or control responsibility or a maintenance easement, as defined in Section 1.78.

(c) Operation, Maintenance and Insurance of Summerlin Council Area of Common Responsibility. The Summerlin Council shall cause the Summerlin Council Area of Common Responsibility and improvements thereon to be maintained and operated in a manner consistent with the Summerlin Community-Wide Standard. This obligation shall include the obligation to make any necessary capital repairs and replacements. In addition, the Council shall obtain and maintain in effect property and public liability insurance on the Summerlin Council Area of Common Responsibility and fidelity insurance on all persons responsible for handling funds on behalf of the Summerlin Council in such amounts as the Council Board may determine in the exercise of its business judgment and as required in the Summerlin Council By-Laws.

(d) Other Activities of the Summerlin Council. The Summerlin Council may, but shall not be obligated to, provide or perform such services for the Summerlin community as permitted by the Summerlin Council By-Laws and the Summerlin Council Articles and as it deems to be in the Summerlin community's best interest, as determined in the exercise of the Council Board's business judgment. The Council will be the coordinator and facilitator of activities among and between all components of Summerlin. The Council has the power to and may establish community-wide rules and procedures.

It is specifically provided and acknowledged that the responsibilities and powers of the Council are not limited to property management and maintenance but extend to varied activities intended to build and maintain a sense of community.

(e) Compliance and Enforcement. Every resident or occupant within the Project shall comply with the Summerlin Council Governing Documents and this Article XV. The Council Board may impose sanctions for violation of the Summerlin Council Governing Documents and this Article XV after notice, and in appropriate cases, an opportunity to cure the violation. Any Person charged with a violation may request a hearing in accordance with the procedures set forth in Section 4.27 of the Summerlin Council By-Laws. The sanctions which may be imposed include, without limitation:

(i) suspending any Person's right to use any recreational facilities within the Summerlin Council Area of Common Responsibility; provided, however, nothing herein shall authorize the Council Board to limit ingress to or egress from a Person's property;

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

(iii) exercising self-help or taking action to abate any violation of the Summerlin Council Governing Documents in a non-emergency situation;

(iv) levying Summerlin Council Specific Assessments to cover costs incurred by the Summerlin Council to bring any Person's property into compliance with the Summerlin Council Governing Documents; and

(v) Recording a notice of violation.

In addition, the Council Board may take the following enforcement action to ensure compliance with the Summerlin Council Governing Documents and this Article XV without the necessity of compliance with the procedures set forth in Section 4.27 of the Summerlin Council By-Laws:

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

(ii) bringing suit at law or in equity to enjoin any violation or to recover monetary damages or both, subject to the requirements of Article XIV.

All remedies set forth in the Summerlin Council Governing Documents and this Article XV shall be cumulative of any remedies available at law or in equity. In any action to enforce the Summerlin

Council Governing Documents and this Article XV, if the Summerlin Council prevails, it shall be entitled to recover all costs, including, without limitation, attorneys fees and court costs reasonably incurred in such action.

The Summerlin Council shall not be obligated to take any action if the Council Board reasonably determines that the Council's position is not strong enough to justify taking such action. Such a decision shall not be construed as a waiver of the right of the Summerlin Council to enforce such provision at a later time under other circumstances or estop the Summerlin Council from enforcing any other covenant, restriction or rule.

The Summerlin Council, by contract or other agreement, may, but shall not be obligated to, enforce applicable city and county ordinances and may, but shall not be obligated to, permit Clark County or the City of Las Vegas, Nevada, to enforce ordinances within the community for the benefit of the Summerlin Council and the residents.

15.3. Community Governance and Administration.

(a) The Summerlin Council.

(i) Function of the Summerlin Council. The success of the Summerlin community is dependent upon the support and participation of every Owner in its governance and administration. This Article establishes the Summerlin Council as the mechanism through which each Owner is able to provide that support and participation. The Summerlin Council shall (i) be responsible for management, maintenance, operation and control of the Summerlin Council Area of Common Responsibility; (ii) be the primary entity responsible for compliance with and enforcement of this Article and such reasonable rules regulating use of the Properties as the Council Board may adopt; and (iii) be permitted to provide for and fund such activities, projects, and services for Summerlin, its residents, and the surrounding community as it deems necessary, appropriate or desirable in accordance with the Summerlin Council Governing Documents, or as may be required by the City of Las Vegas or Clark County, Nevada.

The Summerlin Council shall engage only in activities which will actively foster and promote the common good and general welfare of the Summerlin community, its users, and the surrounding community and shall perform its functions in accordance with the Summerlin Council Governing Documents and the laws of the State of Nevada, as amended from time to time.

Declarant has established a comprehensive plan for Summerlin which is to be administered by the Summerlin Council. The comprehensive plan strives, among other things, to protect and preserve open space and the natural environment of the Summerlin region while providing for and balancing jobs and housing within the community. Each Owner, by acceptance of an interest in any part of the Project, acknowledges that to accomplish the goals of the comprehensive plan it may be necessary to subject one or more portions of the community to additional covenants and restrictions.

The covenants and restrictions set forth herein shall not prevent or restrict a developer of property within the community from imposing additional or more restrictive covenants on its property; provided, however, no additional covenants or restrictions shall be imposed that are in derogation of or contrary to this Declaration, the goals of the comprehensive plan as determined by Declarant or the Summerlin Council, or the purposes for which the Summerlin Council has been established.

Every Person shall have the affirmative obligation to request review by and obtain written consent of Declarant, so long as Declarant owns any property described on Exhibits "A," "B," or "E," and of the Summerlin Council prior to attempting to make any dedication or attempting to Record any declaration of covenants, conditions, and restrictions; subdivision plat; declaration of condominium; or similar instrument affecting the Summerlin Council or any portion of the Project or the Properties.

Any attempted dedication or Recordation of any covenants, conditions, and restrictions; subdivision plat; declaration of condominium; or similar instrument containing any such dedication without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by Recorded consent signed by Declarant, if Declarant owns any property described on Exhibits "A," "B," or "E," and by the Summerlin Council.

The Summerlin Council may delegate its responsibilities pursuant to the comprehensive plan to committees, employees, or outside professionals.

(ii) Composition. As more particularly provided in the Summerlin Council By-Laws, there are no members of the Summerlin Council.

(iii) Voting. All voting in the Summerlin Council shall be as provided in the Summerlin Council By-Laws. *Except as specifically provided in the Summerlin Council Governing Documents, there are no rights to vote in the Summerlin Council.*

(b) Summerlin Council's Powers and Responsibilities.

(i) Goals and Objectives. The mission and basic goals of the Summerlin Council are set forth in the preceding sections of this Article. The Council has much of the function of a council of governments since its constituents are various owners groups and associations which themselves have business and governmental roles and responsibilities. Additionally, however, it has a regulatory and supervisory power over the entire Summerlin community to ensure compliance with the Summerlin Community-Wide Standard and the elements of conduct deemed to be of community-wide significance.

The ultimate responsibility of the Summerlin Council is to be a catalyst for the creation of a sense of community and community activities at Summerlin. To accomplish these goals, the Council has expressed and implied powers in furtherance of those goals which include but are not limited to:

- providing services to, and projects and activities for, members of the community, groups within the community, and those beyond Summerlin's boundaries
- maintaining the Summerlin Council Area of Common Responsibility and other property for which the Summerlin Council has assumed maintenance responsibility pursuant to this Declaration or any Recorded agreement executed by the Summerlin Council and using its enforcement power to cure any situation which the Summerlin Council deems, in its sole discretion, to be a nuisance within the Summerlin community by enforcing maintenance obligations of the Association and Members which arise from this Declaration

- using its enforcement power to abate any condition existing in violation of Article VIII that the Summerlin Council, in its sole discretion, deems to be a nuisance within the Summerlin community

(ii) Management and Control.

(A) Acceptance and Control of Summerlin Council Property. The Summerlin Council may acquire, hold, and dispose of tangible and intangible personal property and real property. Declarant may convey to the Summerlin Council improved or unimproved real estate located within the Properties, personal property and leasehold and other property interests. Such property shall be accepted by the Summerlin Council and thereafter shall be maintained as Summerlin Council Area of Common Responsibility by the Summerlin Council as a Summerlin Council Expense, subject to any restrictions set forth in the deed, including but not limited to restrictions governing the use of such property.

(B) Maintenance. The Summerlin Council shall maintain and keep in good repair the Summerlin Council Area of Common Responsibility. Declarant, so long as Declarant owns any portion of the property described on Exhibits "A," "B," or "E," shall have the power, from time to time, unilaterally to Record a Supplemental Declaration obligating the Council to maintain any streets, or portion thereof, located upon the property described in Exhibits "A," "B," or "E." The Summerlin Council, upon the affirmative vote or written consent of at least a majority of the directors of the Council Board and with the consent of Declarant, so long as Declarant owns any portion of the property described on Exhibits "A," "B," or "E" shall have the power, from time to time, unilaterally to Record a Supplemental Declaration obligating the Council to maintain any streets, or portion thereof, located upon the property described in Exhibits "A," "B," or "E."

The Council shall have no obligation for the maintenance of privately owned property.

The Summerlin Council may maintain and improve property which it does not own, including, without limitation, property dedicated to public use, if the Council Board determines that such maintenance is necessary or desirable to maintain the Summerlin Community-Wide Standard and if otherwise permitted by applicable law.

If the Association or any Owner fails to maintain, in a manner consistent with the Summerlin Community-Wide Standard, any portion of the Project for which the Association or Owner, respectively, has or has assumed maintenance responsibility pursuant to this Declaration or any agreement, the Summerlin Council may, from time to time, perform maintenance on such property to the extent necessary to bring such property into compliance with the Summerlin Community-Wide Standard. In the event that the Summerlin Council performs such maintenance obligations, the Summerlin Council shall charge the Association or the Owner, whichever is appropriate, therefor. Such charge shall be in the form of a Summerlin Council Specific Assessment in accordance with Article XV, Section 15.4.

Except as otherwise specifically provided herein, all costs of maintenance, repair and replacement of the Summerlin Council Area of Common Responsibility shall be a Summerlin Council Expense, without prejudice to the right of the Summerlin Council to seek reimbursement from the Persons responsible for the need of such work pursuant to this Declaration, other Recorded covenants, or agreements with such Persons.

(C) Use and Consumption Fees. As provided in subsection 15.3(b)(iii)(A) of this Article, the Summerlin Council shall have the right, but not the obligation, to provide services and facilities to owners of property within Summerlin. As further provided in such subsection 15.3(b)(iii)(A), the Summerlin Council shall have the right, but not the obligation, to extend the enjoyment of any such services or facilities to individuals who do not own property within the Project or within Summerlin.

The Summerlin Council shall, in its sole discretion, have the authority to charge use and consumption fees to any Person, regardless of whether such Person owns property within Summerlin, who uses services or facilities provided by the Summerlin Council. Prior to providing any such service or facility for which the Summerlin Council will charge a use or consumption fee, the Summerlin Council shall notify the potential consumer that a use or consumption fee is applicable to use of the facility or service. The Summerlin Council shall have the sole discretion to determine the amount of and method of determining any such use or consumption fees.

The Summerlin Council shall have the right, in its sole discretion, but not the obligation, to charge lower use and consumption fees to owners of property within Summerlin than those individuals who do not own property within Summerlin. The Summerlin Council shall have the sole discretion to determine the manner in which such use or consumption fees shall be collected, which may include collections by the Association pursuant to subsection 15.4(f) of this Article. The Summerlin Council shall use any use or consumption fees it collects to exercise its powers, duties, or authority in accordance with this Declaration or the Summerlin Council By-Laws.

(D) Powers of the Summerlin Council Relating to the Association. The Council shall have the power to disapprove any action taken or contemplated to be taken by the Association which the Council Board reasonably determines to be adverse to the interests of the Summerlin community or the Summerlin Council or inconsistent with this Article or the Summerlin Community-Wide Standard; provided, such authority shall not extend to matters related only to internal Association affairs; further provided, prior to disapproving any such action, the Summerlin Council shall make a good faith effort to demonstrate to the Board the action's aforementioned adverse consequences.

The Summerlin Council also shall have the power to require that specific action be taken by the Association in connection with its obligations and responsibilities hereunder or under other covenants affecting the community. Without limiting the generality of the foregoing, the Summerlin Council may (a) require specific maintenance or repairs or aesthetic changes to be effectuated by the Association, and (b) require that a proposed budget include certain items and that expenditures be made therefor.

Any action required by the Summerlin Council in a written notice pursuant to the foregoing paragraph shall be taken within the reasonable time frame set by the Summerlin Council in such written notice. If the Association fails to comply with the requirements set forth in such written notice, the Summerlin Council shall have the right to effect such action on behalf of the Association. To cover the Summerlin Council's administrative expenses in connection with the foregoing and to discourage failure to comply with the requirements of the Summerlin Council, the Summerlin Council shall assess the Association for any expenses incurred by the Summerlin Council in taking such action. Such assessments may be collected as a Summerlin Council Specific Assessment hereunder and shall be subject to all lien rights provided for in Section 15.4 of this Article.

(E) Powers of the Summerlin Council Relating to Architectural Standards. The Summerlin Council shall have the power to abate any condition, which exists in

violation of Article VIII, that the Summerlin Council, in its sole discretion, deems a nuisance within the Summerlin community. In the event that the Summerlin Council abates such condition, the Summerlin Council shall charge the Owner therefor. Such charge shall be in the form of a Summerlin Council Specific Assessment in accordance with Section 15.4 of this Article.

(iii) Community and Governance.

(A) Service and Facilities Provision. The Summerlin Council may provide services and facilities for the Summerlin community and for third parties. The Summerlin Council shall be authorized to enter into contracts or other similar agreements with other entities, including Declarant, to provide such services and facilities. The Council Board shall be authorized to charge use and consumption fees for use of selected services and facilities. The Council Board shall be permitted to modify or cancel existing services or facilities provided, if any, or to provide additional services and facilities. Nothing contained herein is a representation as to what services and facilities will or will not be provided.

Certain facilities within the Summerlin Council Area of Common Responsibility to be maintained by the Summerlin Council may be open for the use and enjoyment of the public. Such facilities shall be open for the use and enjoyment of the public if, and only if, such facilities (a) are designated as such by Declarant when constructed and made part of the Summerlin Council Area of Common Responsibility or (b) are designated as such subsequently by the Council Board.

(B) Governmental, Educational and Religious Interests. So long as Declarant owns any property described in Exhibits "A," "B," or "E," it may designate property it owns within the Project for governmental, educational, or religious activities and interests, including, but not limited to, fire, police, utility facilities, schools or education facilities, houses of worship, libraries, parks, art, nature study, museum, and other public facilities. Declarant may convey such sites to the Summerlin Council or the Association and may, thereafter, redesignate the purpose for which such site may be used. Such sites shall, so long as Declarant owns any property described in Exhibits "A," "B," or "E," be used for such purposes as Declarant shall have designated.

15.4. Authority to Levy Specific Assessments.

(a) Creation of and Obligation for Specific Assessments. There are hereby created, and the Summerlin Council is hereby authorized to levy, Summerlin Council Specific Assessments for expenses incurred or anticipated to be incurred by the Summerlin Council in exercising its rights and powers under this Declaration and the Summerlin Council Governing Documents. Specifically, the Summerlin Council shall have the power to levy Summerlin Council Specific Assessments against property to cover costs incurred in bringing the property(s) into compliance with the terms of the Summerlin Council Governing Documents in accordance with subsection 15.3(b)(ii)(B) of this Article, or costs incurred as a consequence of the conduct of the owner(s) or occupants of individually owned property, their agents, contractors, employees, licensees, invitees, or guests; provided, the Council Board shall give the individually owned property owner or the Association prior written notice and an opportunity for a hearing prior to levying any Summerlin Council Specific Assessment.

Regardless of whether any such obligation shall be expressed in any deed, each Owner, by accepting a deed or entering into a Recorded contract of sale for any portion of the Project, and the Association, is deemed to covenant and agree to pay any Summerlin Council Specific Assessment levied

against it by the Summerlin Council. The obligation to pay any such Summerlin Council Specific Assessments required by the Summerlin Council shall commence at the time set forth in subsection (d).

The obligation to pay Summerlin Council Specific Assessments hereunder shall be a separate and independent covenant on the part of each Owner and the Association, and no diminution or abatement of the assessment or setoff shall be claimed or allowed by reason of any alleged failure of the Summerlin Council to perform its responsibilities adequately hereunder. The sole remedy of any Owner or the Association for failure of the Summerlin Council to perform shall be a resolution of the dispute in accordance with the procedures set forth in this Declaration, if applicable, or a suit at law or in equity.

(b) Personal Obligation. All Summerlin Council Specific Assessments, together with interest (computed from the due date of such assessment at a rate the Council Board may establish, subject to the limitations of Nevada law), late charges in such amount as the Council Board may establish by resolution (subject to the limitations of Nevada law), costs, and reasonable attorneys' fees, shall be a charge and continuing lien upon each property against which the Summerlin Council Specific Assessment is made until paid, as more particularly provided in subsection (c). Each such Summerlin Council Specific Assessment, together with interest, late charges, costs, and reasonable attorneys' fees, also shall be the personal obligation of the person who was the owner of such property at the time the Summerlin Council Specific Assessment arose. Upon a transfer of title, the grantee shall be jointly and severally liable with its grantor for any Summerlin Council Specific Assessments and other charges due at the time of conveyance. However, no first mortgagee who obtains title, directly or through an affiliate, by exercising the remedies provided in its mortgage, or any other person purchasing at a foreclosure sale pursuant to a first mortgage, shall be liable for unpaid assessments which accrued prior to such acquisition of title.

Summerlin Council Specific Assessments shall be paid in such manner and on such dates as the Council Board may establish. The Council Board may impose special requirements for Owners with a history of delinquent payment or the Association, if it has such a history.

No Owner or the Association may exempt itself from liability for Summerlin Council Specific Assessments. No diminution or abatement of Summerlin Council Specific Assessments or set-off shall be claimed or allowed for any alleged failure of the Summerlin Council or Council Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action the Council or Council Board takes.

The Summerlin Council shall, upon request, furnish to any owner liable for any Summerlin Council Specific Assessment a certificate in writing signed by a Summerlin Council officer setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of the payment or non-payment of such assessment up to the date of issuance of the certificate. The Summerlin Council may require the advance payment of a reasonable processing fee for the issuance of such certificate.

(c) Lien for Specific Assessments. The Summerlin Council shall have a lien against property owned by the Association and any Lot to secure payment of delinquent Summerlin Council Specific Assessments, as well as interest, late charges (subject to the limitations of Nevada law), and costs of collection (including attorneys fees). Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (b) the lien or charge of any first mortgage of record (meaning any Recorded mortgage with first priority over other mortgages) made in good faith and for value. Such lien, when delinquent, may be enforced by suit, judgment, and foreclosure in the same manner as mortgages are foreclosed under Nevada law.

Although no further action is required to create or perfect the lien as to any such property, the Summerlin Council may, as further evidence and notice of the lien, execute and Record a document setting forth the amount of the delinquent sums due the Summerlin Council at the time such document is executed and the fact that a lien exists to secure the repayment thereof. However, the failure of the Summerlin Council to execute and Record any such document shall not, to any extent, affect the validity, enforceability, perfection or priority of the lien. The lien may be foreclosed through judicial or, to the extent allowed by law, nonjudicial foreclosure proceedings in accordance with Nev. Rev. Stat. Ann. §107.080 as it may be amended in like manner of any deed of trust on real property. Each Owner and the Association hereby grants to the Summerlin Council, whether or not it is so expressed in the deed or other instrument conveying such property, a power of sale.

The Summerlin Council may bid for the property on which a lien has been created at the foreclosure sale and acquire, hold, lease, mortgage, and convey the property. While such property is owned by the Summerlin Council following foreclosure, no assessment shall be levied on it by the Association, and no Summerlin Council Specific Assessment shall be levied on it by the Summerlin Council. All other property within the Project shall be charged, in addition to its usual assessment levied by the Association, its pro rata share of the assessment that would have been charged by the Association to such property had it not been acquired by the Summerlin Council. The Summerlin Council may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

The sale or transfer of any property shall not affect the assessment lien or relieve such property from the lien for any subsequent assessments. However, the sale or transfer of any property pursuant to foreclosure of the first mortgage shall extinguish the lien as to any installments of such assessments due prior to such sale or transfer. A mortgagee, its affiliate or any other purchaser who obtains title pursuant to foreclosure of the mortgage shall not be personally liable for assessments on such individually owned property due prior to such acquisition of title.

(d) Date of Commencement of Specific Assessments. The obligation to pay any Summerlin Council Specific Assessments levied by the Summerlin Council shall commence upon acceptance of a deed or upon entering into a Recorded contract of sale for any portion of the Properties.

(e) Failure to Assess. Failure of the Council Board to levy a Summerlin Council Specific Assessment in any case in which it is entitled to levy such an assessment shall not be deemed a waiver, modification, or a release of any owner from the obligation to pay assessments.

(f) Agreements Between the Summerlin Council and the Association. The Association and the Summerlin Council may create or enter into agreements or contracts with, or grant exclusive and/or nonexclusive easements over the Summerlin Council Area of Common Responsibility to, each other for the use of facilities; either party's provision of services; the development of activities, events, and procedures for the benefit of the Project, all of Summerlin, and the surrounding community; and the sharing of costs.

The Association may not exempt itself from liability for any amount payable to the Summerlin Council pursuant to any such contract or agreement ("Contractual Expense") by non-use of such services or facilities or any other means. In addition, the Association may not allocate any Contractual Expense to the Summerlin Council's provision of one or more facilities or services in order to exempt itself from liability for any portion of the Contractual Expense. The Summerlin Council shall have a lien against all

property owned by the Association to secure payment of delinquent Contractual Expenses, as well as interest, late charges (subject to the limitations of Nevada law), and costs of collection (including attorneys fees) in the same manner as it has a lien for delinquent Specific Assessments of the Association pursuant to Section 15.4(c).

(g) Association Obligations. Notwithstanding each Owner's obligation to pay Summerlin Council Specific Assessments hereunder, the Association shall be deemed to covenant and agree to collect and pay to the Summerlin Council all Summerlin Council Specific Assessments due from its Members to the Summerlin Council. If the Association fails to pay all or any portion of any Summerlin Council Specific Assessment due from an Owner or Summerlin Council Specific Assessment or Contractual Expense due from the Association to the Summerlin Council when due, (a) the Summerlin Council may, but shall not be obligated to, deny services to the Association or its Members until the Association pays such delinquent amounts, and (b) a lien in favor of the Summerlin Council shall attach to all property owned by the Association in an amount equal to the delinquent amount.

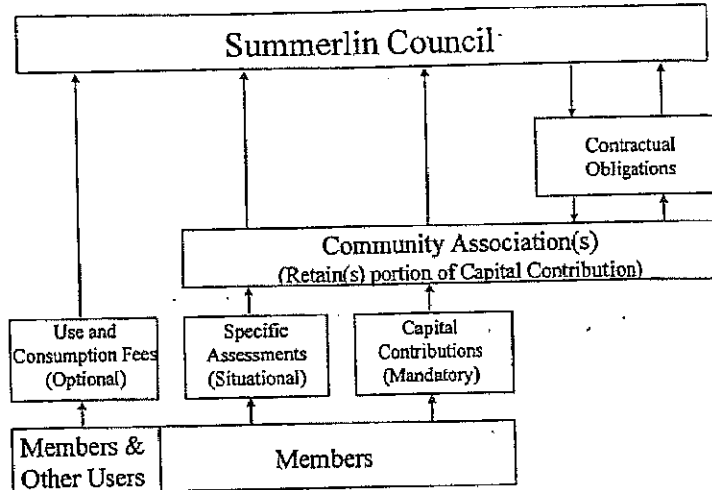
Such lien(s) shall also secure interest (not to exceed the maximum lawful rate) on the principal amount due, all late charges from the date first due and payable, all costs of collection, reasonable attorneys' fees actually incurred, and any other amounts provided or permitted by law. Such lien shall be treated as all liens for assessments in the manner described in subsection 15.4 (c) of this Article.

In the event that the Association fails to pay Summerlin Council Specific Assessments for which it is responsible, or any Contractual Expense, for a period exceeding 90 days from the due date for such Summerlin Council Specific Assessment or Contractual Expense, the Summerlin Council may institute suit against the Association to collect such amounts past due.

All payments shall be applied first to costs and attorneys' fees, then to late charges, then to interest and then to delinquent Summerlin Council Specific Assessment or Contractual Expenses.

(h) Expenditure of Funds. Any funds collected by the Summerlin Council shall be used in such manner as the Council Board deems appropriate in fulfilling the Summerlin Council's responsibilities. *The Council Board shall exercise its judgment in good faith when determining the level of funds to be collected and the allocation and expenditure of such funds.* The judgment of the Council Board with respect to determination of such matters shall be final *so long as such judgment is exercised in good faith.* Neither the Summerlin Council, its board of directors, any director nor officer shall be liable to any person or entity for any error in judgment, or any action or inaction of the Summerlin Council, its board, or any director or officer, relating to the expenditure of such funds; *provided, nothing herein shall protect any person from liability for gross negligence or willful misconduct in the handling of such funds.*

Summerlin Council Funding Sources



15.5. Easements. Living or working in a planned community involves sharing and cooperation. The various types of properties and development and uses require the creation of special property rights and provisions to address the multiple needs and responsibilities of those in the community. The following easements are established to that end:

(a) Easement for Administration. There is hereby reserved to the Summerlin Council, for itself and its employees, agents, assignees and designated contractors, a perpetual, nonexclusive easement over, under and across the Summerlin community for access, ingress and egress, maintenance and repair, to the extent reasonably necessary for the Summerlin Council to perform its responsibilities hereunder and as otherwise assigned. The exercise of this easement shall not unreasonably interfere with the use of any property and, except in an emergency situation, entry onto any private property shall be made only after reasonable notice to the owner or occupant.

(b) Right of Entry. The Summerlin Council shall have the right, but not the obligation, to enter upon any property for emergency, security, and safety reasons, and to inspect for the purpose of ensuring compliance with the Summerlin Council Governing Documents. This right may be exercised by any member of the Council Board, any officer, manager, agent or employee of the Summerlin Council acting with the permission of the Council Board, and all police, fire and similar emergency personnel in the performance of their duties. This right of entry shall include the right of the Summerlin Council to enter upon private property to perform maintenance or cure any condition which may increase the possibility of a fire or other hazard in the event that the owner fails or refuses to perform such maintenance or cure such condition within a reasonable time after request by the Council Board.

Except to avoid an imminent threat of personal injury or property damage, entry onto any portion of any property not generally open to the public shall only be authorized during reasonable hours and after receipt of the owner's or occupant's consent, which consent shall not unreasonably be withheld.

15.6. Relationships With Other Entities. The growth and success of Summerlin as a true community in the broadest sense of that term and as one in which people enjoy living, working and

spending their lives and raising their families requires a fresh approach to the structure and function of a planned community. It will require the development of interlocking relationships within and outside the development so that there is a genuine sense of community.

(a) Relationships with Government and Other Entities. The Summerlin Council is specifically authorized to enter into cooperative agreements for the use of facilities, sharing of services, development of projects, activities, and procedures for the benefit of Summerlin and the surrounding community. The use of Council funds for such purposes is specifically authorized.

(b) Relationships With Tax-Exempt Organizations. Declarant or the Summerlin Council may create, enter into agreements or contracts with, or grant exclusive and/or non-exclusive easements over the Summerlin Council Area of Common Responsibility to non-profit, tax-exempt organizations, the operation of which confers some benefit upon the Project, the Summerlin Council, or residents. The Summerlin Council may contribute money, real or personal property, or services to such entity, so long as such contributions benefit, as determined in the sole discretion of the Summerlin Council, the Summerlin community, its residents, or the surrounding community. Any such contribution shall be a Summerlin Council Expense and included as a line item in the Summerlin Council's annual budget. For the purposes of this Section, a "tax-exempt organization" shall mean an entity which is exempt from federal income taxes under the Internal Revenue Code ("Code"), such as, but not limited to, entities which are exempt from federal income taxes under Sections 501(c)(3) or 501(c)(4), as the Code may be amended from time to time.

The Summerlin Council may maintain multiple use facilities within the Project for temporary use by tax-exempt organizations. Such use may be on a scheduled or "first-come, first-served" basis. A reasonable maintenance and use fee may be charged for the use of such facilities.

15.7. Declarant's Rights. Declarant reserves various rights to the developer in order to facilitate the smooth and orderly development of Summerlin and to accommodate changes in the plan which inevitably occur as a community the size of Summerlin grows and matures.

(a) Duration. Unless otherwise specifically indicated in this Article, Declarant's rights under this Article shall exist for so long as Declarant, any affiliate of Declarant or any assignee of Declarant's rights as Declarant owns any property described in Exhibits "A," "B," or "E."

(b) Transfer of Declarant Rights. Any or all of the special rights and obligations of Declarant reserved in this Article may be transferred in whole or in part to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained in this Article or the Summerlin Council By-Laws, and provided further, no such transfer shall be effective unless it is in a written, Recorded instrument signed by Declarant. Any such transfer may be made effective only for so long as the transferee is the owner of any property described in Exhibits "A," "B," or "E"; provided, after such time any rights shall revert to the transferor for so long as it owns any property described in Exhibits "A," "B," or "E."

The foregoing sentence shall not preclude Declarant from permitting other Persons to exercise, on a one-time or limited basis, any right reserved to Declarant in this Article where Declarant does not intend to transfer such right in its entirety. In such case, it shall not be a requirement that the written assignment be Recorded; however, Declarant may Record the assignment, in its discretion, to evidence its intentions.

(c) Approval of Additional Covenants. Every Person shall have the affirmative obligation to request review by and obtain written consent of Declarant, so long as Declarant owns any property described on Exhibits "A," "B," or "E" and the Summerlin Council prior to attempting to Record any declaration of covenants, conditions and restrictions; subdivision plat; declaration of condominium; or similar instrument affecting the Summerlin Council or any portion of the Summerlin community. Any attempted Recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by a Recorded consent signed by Declarant, if Declarant owns any property described on Exhibits "A," "B," or "E" and the Summerlin Council.

(d) Amendment. This Section 15.7 may not be amended without the written consent of Declarant so long as Declarant, or the assignee of any Declarant rights, owns any property described in Exhibits "A," "B," or "E."

15.8 Changes in the Community. Communities such as Summerlin are dynamic and constantly evolving as circumstances, technology, needs and desires, and laws change; as the residents age and change over time; and as the surrounding community changes. Summerlin and its governing documents must be able to adapt to these changes while protecting the things that make Summerlin unique.

(a) Transfer or Dedication of Community Property. The Summerlin Council may dedicate portions of property owned by the Summerlin Council to local, state or federal governmental or quasi-governmental entities.

(b) Enforcement. The covenants, conditions, and restrictions contained in this Article are made for the express benefit of the Summerlin Council, all owners and the Association. The obligations created hereunder may be enforced by Declarant, the Summerlin Council, any owner and/or the Association by any means available at law or in equity.

(c) Governmental Interests. So long as Declarant owns any portion of the real property described in Exhibits "A," "B," or "E," Declarant may designate sites within the Summerlin community for fire, police, utility facilities, public parks, and other public or quasi-public facilities. The sites may include undeveloped portions of the Summerlin community, in which case the Summerlin Council shall take whatever action is required with respect to such site to permit such use, including conveyance of the site, if so directed by Declarant. The sites may include other property not owned by Declarant provided the owner consents.

(d) Amendment of Article XV.

(i) By Declarant. In addition to the rights set forth in Section 15.7 of this Article and notwithstanding the provisions of Article XVI, Section 16.2 of this Declaration, this Article may be amended unilaterally by Declarant for so long as Declarant owns any portion of the Summerlin community if such amendment (i) is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule or regulation or judicial determination which is in conflict therewith; (ii) is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to any portion of the Summerlin community; (iii) is required by an institutional or governmental lender, purchaser, holder, insurer or guarantor of mortgage loans to enable it to make, purchase, insure or guarantee mortgage loans on any portion of the Summerlin community; or (iv) does not materially and adversely affect the title to any individually owned property unless the owner thereof shall consent thereto in writing.

(ii) By the Summerlin Council. In addition to the above, notwithstanding the provisions of Article XVI, Section 16.2 of this Declaration, this Article may be amended upon the affirmative vote or written consent, or any combination thereof, of at least a majority of the directors of the Summerlin Council and, so long as Declarant owns any portion of the Summerlin community, the consent of Declarant or its assignee. No amendment to this Article by the Summerlin Council may materially and adversely affect the title to any individually owned property unless the owner thereof shall consent thereto in writing.

Notwithstanding the above, no amendment to this Article shall remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or its assignee of such right or privilege.

(iii) Validity of Amendments. Amendments to this Article shall become effective upon Recordation, unless a later effective date is specified therein. Any challenge to an amendment of this Article must be made within six months of its Recordation. In no event shall a change of conditions or circumstances operate to amend any provisions of this Article.

ARTICLE XVI

MISCELLANEOUS

16.1. Duration.

(a) Unless terminated as provided below, this Declaration shall have perpetual duration. If Nevada law hereafter limits the period during which covenants may run with the land, then to the extent consistent with such law, this Declaration shall automatically be extended at the expiration of such period for successive periods of 20 years each, unless terminated as provided below. Notwithstanding the above, if any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until 21 years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

(b) Unless otherwise required by Nevada law, this Declaration shall not be terminated except by an instrument approved by a majority of the directors of the Summerlin Council, at least a majority of the Community Associations which have received consent from at least 75% of their members, and, so long as the Declarant owns any property described in Exhibits "A," "B," or "E," the consent of Declarant.

16.2. Amendments.

(a) By Members. The provisions of this Declaration may be amended by Recordation of a certificate, signed and acknowledged by the president and secretary of the Association, setting forth the amendment and certifying that such amendment has been approved by at least sixty-seven percent (67%) of the voting power of the Association and the requisite percentage of holders and insurers of First Mortgages, if applicable; provided, however no amendment may directly or indirectly remove, revoke, or modify any right or privilege, nor impose any obligation upon, Declarant, the Summerlin Council, or the Class "C" Member without the written consent of Declarant, the Summerlin Council, or the Class "C" Member, respectively (or the assignee of such right or privilege).

(b) Approval of First Mortgagees. Notwithstanding the foregoing, any of the following amendments, to be effective, must be approved by the record holders and insurers of at least seventy-five percent (75%) of the First Mortgages at the time of such amendment, based upon one (1) vote for each Mortgage owned or insured:

(i) Any amendment which affects or purports to affect the validity or priority of encumbrances or the rights or protections granted to holders, insurers and guarantors of First Mortgages as provided in Articles VI, IX, XIII, and XVI hereof;

(ii) Any amendment which would necessitate an encumbrancer, after it has acquired a Lot or Condominium through foreclosure, to pay more than its proportionate share of any unpaid assessment or assessments accruing after such foreclosure;

(iii) Any amendment which would or could result in an encumbrance being canceled by forfeiture or in the individual Lot or Condominium not being separately assessed for tax purposes;

(iv) Any amendment relating to the insurance provisions as set out in Article XIII hereof, or to the application of insurance proceeds as set out in Article XIII hereof, or to the disposition of any money received in any taking under condemnation proceedings;

(v) Any amendment which would or could result in termination or abandonment of the Project or partition or subdivision of a Lot or Condominium, in any manner inconsistent with the provisions of this Declaration; and

(vi) Any amendment concerning voting rights, rights to use the Association Property, responsibility for maintenance, repair, and replacement of the Association Property, annexation or deannexation of real property to or from the Project, boundaries of any Lot or Condominium, leasing of Lots or Condominiums, and the establishment of self-management by the Association where professional management has been required by any institutional holder or insurer of a First Mortgage.

Any approval required under this subsection 16.2(b) shall be deemed given if no written notice of disapproval is received within sixty (60) days following the receipt of notice of intent to amend by the Association.

(c) By the Request of a Governmental or Public Agency, the FHA or the VA.

(i) Anything in this Article to the contrary notwithstanding, Declarant reserves the right to amend all or any part of this Declaration to such an extent and with such language as may be requested by the FHA or the VA and to further amend to the extent requested by any other federal, state or local governmental or public agencies which request such amendments as a condition precedent to such agency's approval of this Declaration. Any such amendment shall be effectuated by the Recordation by Declarant, of a certificate of amendment duly signed by the authorized agents or authorized officers of Declarant, as applicable, with their signatures acknowledged, specifying the FHA, the VA, the federal, state or local governmental or public agency requesting the amendment and setting forth the amendatory language requested by such agency or institution. Recordation of such a certificate shall be deemed conclusive proof of the agency's or institution's request for such an amendment, and

such certificate, when Recorded, shall be binding upon all of the Project and all Persons having an interest therein.

(ii) It is the desire of Declarant to retain certain controls over the Association and its activities during the anticipated period of planning and development of the Project. If any amendment requested pursuant to the provisions of this subsection 16.2(c) deletes, diminishes or alters such controls, Declarant shall have the right to prepare, provide for and adopt as an amendment hereto, other and different control provisions. Except as provided in this subsection 16.2(c), Declarant shall not have any right unilaterally to amend this Declaration.

(iii) In the event this Declaration is Recorded or used for any purpose prior to having been approved by the FHA, the VA or any governmental or public agency with jurisdiction, Declarant shall have the absolute right to amend the provisions hereof without the approval of any agency or any percentage of the Membership whatsoever until such approval is first obtained. Such amendment shall be effective when signed by Declarant and duly Recorded.

16.3. Mortgagee Protection. Notwithstanding any other provision of this Declaration, no amendment or violation of this Declaration shall operate to defeat or render invalid the rights of the Beneficiary under any Deed of Trust upon a Lot or Condominium made in good faith and for value, and Recorded prior to the Recordation of such amendment, provided that after the foreclosure of any such Deed of Trust such Lot or Condominium shall remain subject to this Declaration, as amended. Notwithstanding any and all provisions of this Declaration to the contrary, in order to induce the FHA and the VA to participate in the financing of the sale of Lots and Condominiums within the Project, the following provisions are added hereto (and to the extent these added provisions, pertaining to the rights of Mortgagees, the FHA and the VA, conflict with any other provisions of this Declaration or any other of the Restrictions, these added restrictions shall control):

(a) Each holder, insurer and guarantor of a First Mortgage encumbering any Lot or Condominium, upon filing a written request for notification with the Board of Directors, is entitled to written notification from the Association of any default by the Mortgagor of such Lot or Condominium in the performance of such Mortgagor's obligations under this Declaration, the Articles or Bylaws, if such default is not cured within thirty (30) days after the Association learns of such default;

(b) Every Owner, except an Owner who is a Participating Builder, including every First Mortgagee of a Mortgage encumbering any Lot or Condominium (other than a First Mortgagee whose mortgagor is a Participating Builder), 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 created or purported to be created by the Restrictions;

(c) Each First Mortgagee of a Mortgage encumbering any Lot or Condominium which obtains title to such Lot or Condominium pursuant to either judicial foreclosure or the powers provided in such Mortgage, shall take title to such Lot or Condominium free and clear of any claims for unpaid assessments or charges pursuant to this Declaration against such Lot or Condominium which accrued prior to the acquisition of title by the First Mortgagee to such Lot or Condominium;

(d) When professional management has been previously required by a holder, insurer or guarantor of a First Mortgage, any decision to undertake self-management by the Association shall require the prior approval of Members representing at least sixty-seven percent (67%) of the voting

power of the Association and the holders of at least seventy-five percent (75%) of the First Mortgages on Lots or Condominiums;

(e) Unless at least sixty-seven percent (67%) of the First Mortgagees have given their prior written approval, neither the Association nor the Owners shall:

(i) Subject to any provisions of the Nevada nonprofit corporation law to the contrary, by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Association Property or the Improvements thereon which are owned, directly or indirectly, by the Association (the granting of easements for public utilities or conveyance of title for roadway purposes to a governmental entity or for other public purposes consistent with the intended use of such property by the Association shall not be deemed a transfer within the meaning of this clause);

(ii) Change the method of determining obligations, assessments, dues or other charges which may be levied against any Owner, or the method of allocating distributions of hazard insurance proceeds or condemnation awards;

(iii) By act or omission change, waive or abandon any plan of regulations, or enforcement thereof, pertaining to the architectural design of the exterior appearance of the dwelling units on the Lots or Condominiums, the exterior maintenance of the dwelling units on the Lots or Condominiums, or the upkeep of lawns and plantings on Association Property;

(iv) Fail to maintain fire and extended coverage insurance on insurable Association Property on a current replacement cost basis in an amount as near as possible to one hundred percent (100%) of the insurable value (based on current replacement cost);

(v) Use hazard insurance proceeds for losses to any Association Property for other than the repair, replacement or reconstruction of such Improvements; provided, however, if there are excess proceeds, then such proceeds shall be used at the Board of Directors' discretion; or

(vi) Amend this Declaration or the Articles or Bylaws in such a manner that the rights of any First Mortgagee will be adversely affected;

(f) All holders, insurers and guarantors of First Mortgages on Lots or Condominiums, 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 an audited annual financial statement (without expense to the holder, insurer or guarantor requesting such statement) and other financial data concerning the Association, (iii) receive written notice of all meetings of the Members, and (iv) designate in writing a non-voting representative to attend all such meetings;

(g) All holders, insurers and guarantors of First Mortgages of Lots or Condominiums who have a written request on file with the Association shall be given (i) thirty (30) days written notice prior to the effective date of any proposed, material amendment to this Declaration, the Articles or Bylaws, and prior to the effective date of any termination of an agreement for professional management of the Project following a decision of the Owners to assume self-management of the Project; and, (ii) immediate written notice as soon as the Board of Directors receives notice or otherwise learns of any damage to the Association Property where the cost of reconstruction exceeds Seventy-Five Thousand Dollars (\$75,000), and as soon as the Board of Directors receives notice or otherwise learns of any condemnation or eminent domain proceedings for acquisition of any portion of the Project;

(h) 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 Association Property and may pay any overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such property, and First Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association;

(i) Any agreement between the Association and its professional Manager, or any agreement providing for services by Declarant to the Association, shall provide that the contract may be terminated for cause on not more than thirty (30) days written notice, and without cause (and without penalty or the payment of a termination fee) at any time upon ninety (90) days written notice, and the term of any such contract shall not exceed one (1) year;

(j) The Board of Directors shall 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 any professional Manager; provided, however, there shall be no requirement that the Association maintain fidelity bond coverage so long as the Class C Member has a right to elect a majority of the members of the Board of Directors;

(k) Any agreement for the leasing or rental of a Lot or Condominium shall provide that the terms of such agreement shall be subject in all respects to the provisions of this Declaration, the Articles and Bylaws. All such agreements shall be in writing and shall provide that any failure by the lessee to comply with the terms of this Declaration, the Articles and Bylaws shall be a default under the agreement; and

(l) In addition to the foregoing, the Board of Directors may, in its sole discretion, enter into such contracts or agreements on behalf of the Association as are required in order to satisfy the guidelines of TMC, FHA, VA, FHLMC, FNMA, 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 Residences 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 respective Lots or Condominiums, if such agencies approve the Project as a qualifying community under their respective policies, rules and regulations, as adopted from time to time. Mortgagees are hereby authorized to furnish information to the Board of Directors concerning the status of any Mortgage encumbering a Lot or Condominium.

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

16.5. Notices. Any notice permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally, by mail or by telegraph, telex, telecopy, electronic transmission with confirmation of receipt, or cable. For the purposes of this provision, personal delivery shall include service by a reputable overnight carrier which provides a receipt indicating date and time of

delivery, location of delivery and person to whom transmitted. If delivery is made by mail, it shall be deemed to have been delivered three days after a copy of the same has been deposited in the United States mail, postage prepaid:

(a) if to the Association or an Owner, at the address which the Association or Owner has designated in writing and filed with the Secretary of the Association or, if no such address has been designated, at either the address of the registered office of such Association or Owner or at the address of such Owner's property;

(b) if to the Summerlin Council, the Council Board, or the Summerlin Council's managing agent, at the principal office of the Summerlin Council or the managing agent, if any, or at such other address as shall be designated by the notice in writing to the Association and Owners pursuant to this Section.

Any such address may be changed from time to time by notice in writing to the Association. If delivery is made by telegraph or cable, it shall be deemed to have been delivered when delivered to the telegraph company with charges prepaid, and, if made by telex, electronic transmission, or telecopy, it shall be deemed to have been delivered when sent. Any notice sent by cable, telex, electronic transmission, or telecopy must be confirmed within forty-eight (48) hours by letter mailed or personally delivered in accordance with the foregoing.

16.6. Enforcement and Non-Waiver.

(a) Right of Enforcement. Every Owner and occupant of any Lot or Condominium shall comply with the Restrictions. Except as otherwise expressly provided herein, the Association, its respective successors or assigns, and any Owner, including Declarant and Participating Builders (so long as Declarant or a Participating Builder owns a Lot or Condominium in the Project), shall have the right to enforce any or all of the provisions of the Restrictions against any property within the Project and the Owners thereof. Such right shall include an action for damages, as well as an action to enjoin any violation of the Restrictions. Each Owner shall have a right of action against the Association for its failure to comply with the Restrictions.

In addition to its enforcement powers under Article XV, the Summerlin Council and its successors or assigns shall have the authority to enforce any other provision of the Restrictions which specifically so provides.

(b) Violations and Nuisance. Every act or omission whereby any provision of the Restrictions is violated in whole or in part is hereby declared to be a nuisance and every remedy allowed by law or equity against a nuisance, either public or private, shall be applicable against every such result and may be exercised by any Owner; by the Association or its successors and assigns; and by the Summerlin Council or its successors or assigns, if the Restrictions provide that such provision is enforceable by the Summerlin Council.

(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 property within the Project is hereby declared to be a violation of the Restrictions and subject to all of the enforcement procedures set forth in the Restrictions.

(d) Remedies Cumulative. Each remedy provided herein and by the Restrictions is cumulative and not exclusive. The Association may, at its option, and the Summerlin Council, as appropriate, may, at its option, without waiving the right to enforce any lien against a Lot or Condominium, bring a suit at law to enforce each assessment obligation which the Association or the Summerlin Council, respectively, is entitled to enforce.

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

(f) Mortgages. Any breach or amendment of the covenants, conditions or restrictions contained in the Restrictions shall not affect or impair the lien or charge of any First Mortgage or Deed of Trust made in good faith and for value on any Lot or Condominium or the Improvements thereon; provided, however, that any subsequent Owner of such property shall be bound by such covenants, whether such Owner's title was acquired by foreclosure, in a trustee's sale or otherwise.

(g) Attorneys' Fees. Any judgment rendered in any action or proceeding in connection with this Declaration shall include a sum for attorneys' 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.

(h) Remedies. If any Member or his Family, guests, licensees, lessees or invitees violates the Restrictions, the Board of Directors may, in addition to the other remedies available, impose a reasonable Specific Assessment upon such Owner for each violation and may, after Notice and Hearing, as further provided in the Bylaws, suspend or condition such Member's right to use any portion of the Association Property. Any such suspension or conditional suspension shall be for a period of not more than sixty (60) days for any non-continuing infraction, but in the case of a continuing infraction (including non-payment of any assessment after the same becomes delinquent), suspension or conditional suspension may be imposed for so long as the violation continues. The Board of Directors may also adopt a schedule of reasonable fines or penalties which, in its reasonable discretion, it may assess against an Owner for failure of a resident of, or visitor to, his Lot or Condominium to comply with any provision of the Restrictions. Such fines or penalties may only be assessed by the Board of Directors after Notice and Hearing.

16.7. Interpretation.

(a) Restrictions Construed Together. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and, to this end, the provisions of this Declaration are declared to be severable. This Declaration shall be construed and governed by the laws of the State of Nevada.

(b) Singular Includes Plural; Gender Specification. 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. The captions of each Article and Section hereof, as to the contents of each Article and Section, are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer.

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

16.9. 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 Project does consent and agree, 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 Project, or any portion thereof.

16.10. No Representations or Warranties. No representations or warranties of any kind, express or implied, have been given or made by Declarant or its agents or employees in connection with the Project or any portion of the Project, or any Improvement thereon, its physical condition, zoning, compliance with applicable laws, fitness for intended use, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance or taxes, except as specifically and expressly set forth in this Declaration and except as may be filed by Declarant from time to time with the Agency or with any other governmental or public authority.

16.11. Non-liability and Indemnification. Except as specifically provided in the Restrictions or provided by law, no right, power, or responsibility conferred on the Board of Directors or the Design Review Committee by this Declaration, the Articles or Bylaws shall be construed as a duty, obligation or disability charged upon the Board of Directors, the Design Review Committee, any member of the Board of Directors or of the Design Review Committee, or any other officer, employee or agent of the Association. No such Person shall be liable to any party (other than the Association or a party claiming in the name of the Association) for injuries or damage resulting from such Person's acts or omissions, either within what such Person reasonably believes to be the scope of his Association duties, or actually within such duties, except to the extent that such injuries or damage result from such Person's willful or malicious misconduct.

The Association shall pay all expenses incurred by, and satisfy any judgment or fine levied against, any Person as a result of any action or threatened action against such Person to impose liability on such Person for his performance of his Association duties, provided that:

(a) The Board of Directors determines that such Person acted in good faith and in a manner such Person reasonably believed to be in the best interests of the Association;

(b) In the case of a criminal proceeding, the Board of Directors determines that such Person had no reasonable cause to believe his conduct was unlawful; and

(c) In the case of an action or threatened action by or in the right of the Association, the Board of Directors determines that such Person acted with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

Any determination of the Board of Directors required under this Section 16.11 must be approved by a majority vote of a quorum consisting of members of the Board of Directors who are not parties to the action or threatened action giving rise to the indemnification. If the Board of Directors fails or refuses to make any such determination, such determination may be made by the vote of a majority of a quorum of the Members of the Association voting at a meeting of the Members of the Association called for such purpose, provided, that any Person to be indemnified shall not be entitled to vote.

Payments made hereunder shall include amounts paid and expenses incurred in settling any such action or threatened action. This Section 16.11 shall be construed to authorize payments and indemnification to the fullest extent now or hereafter permitted by applicable law.

The entitlement to indemnification hereunder shall inure to the benefit of the estate, executor, administrator, heirs, legatees, or devisees of any Person entitled to such indemnification.

16.12. FHA/VA Approval. So long as Declarant and any Participating Builders have effective control of the Association, the following actions will require the prior approval of the FHA and the VA, as applicable: (a) annexation or deannexation of additional properties in the Project (other than the Annexable Area); (b) dedication, conveyance or Mortgage of Association Property; (c) except as provided in Section 16.2(c), amendment of this Declaration; and (d) mergers, consolidations or dissolutions of the Association.

16.13. Priorities and Inconsistencies. If there are conflicts or inconsistencies between this Declaration and either the Articles or the Bylaws, the terms and provisions of this Declaration shall prevail. If there are conflicts or inconsistencies between the provisions of Article XV of this Declaration or the Summerlin Council By-Laws and other provisions of this Declaration, Article XV or the Summerlin Council By-Laws shall prevail.

[ACKNOWLEDGMENTS AND SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the undersigned officers of Summerlin North Community Association hereby certify that the foregoing Amended and Restated Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Summerlin North Community Association has been duly approved as an amendment to the Original Declaration by the Owners, Declarant, and First Mortgagees in accordance with the terms of the Original Declaration, as of the 11th day of August 1997.

ASSOCIATION: SUMMERLIN NORTH COMMUNITY ASSOCIATION

By: Nancy Cook
NANCY COOK
 Its: President

By: Jeffery S. Geen
JEFFERY S. GEEN
 Its: Secretary

STATE OF NEVADA
 COUNTY OF CLARK

On this 11th day of August, 1997, personally appeared before me, a Notary Public, Nancy Cook, President of Summerlin North Community Association, personally known to me/to be the person whose name is subscribed to the above instrument who acknowledged that he executed the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.


Rose N. Rudolph
 Notary Public in and for the said County and State
 Notary Public-State Of Nevada
 COUNTY OF CLARK
 ROSE N. RUDOLPH
 My Commission Expires December 5, 1997
 My Commission Expires: 12/5/97
 [NOTARIAL SEAL]

[SIGNATURES CONTINUED ON NEXT PAGE]

STATE OF NEVADA
COUNTY OF CLARK

On this 11th day of August, 1997 personally appeared before me, a Notary Public, JEFFERY S. GEEH, Secretary of Summerlin North Community Association, personally known to me to be the person whose name is subscribed to the above instrument who acknowledged that he executed the instrument.

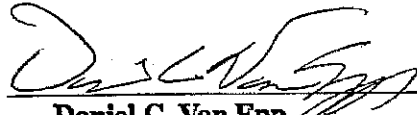
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

[NOTARIAL SEAL]  Notary Public - State of Nevada
COUNTY OF CLARK
ROSE N. RUDOLPH
My Commission Expires
December 5, 1997
Notary Public in and for the said County and State
My Commission Expires: 12/5/97

Declarant has approved this Amended and Restated Declaration of Covenants, Conditions, Restrictions, and Reservation of Easements for Summerlin North Community Association this 11th day of August, 1997.

HOWARD HUGHES PROPERTIES, LIMITED
PARTNERSHIP, a Delaware limited partnership


By: its sole general partner, THE HOWARD
HUGHES CORPORATION, a Delaware
corporation

By: 
Daniel C. Van Epp
Its: Executive Vice President

STATE OF NEVADA
COUNTY OF CLARK

On this 11th day of August, 1997 personally appeared before me, a Notary Public, Daniel C. Van Epp, Exec. Vice President, personally known to me to be the person whose name is subscribed to the above instrument who acknowledged that he executed the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

[NOTARIAL SEAL]  Notary Public - State of Nevada
COUNTY OF CLARK
PATTI SPEER
My Appointment Expires May 8, 1998
Notary Public in and for the said County and State
My Commission Expires: 5/9/99

5079.01/CaDocs/A&RD-Clean-020797-11m

EXHIBIT "A"Legal Description of the Initial Property

ALL OF LOTS 1 THROUGH 13 AND LOT 15 AND LOT "A" AND ALL OF LOTS "C" THROUGH "G" AS SHOWN UPON THE "AMENDED PLAT OF SUMMERLIN VILLAGE 1 NORTH" SUBDIVISION, AS RECORDED IN BOOK 045 OF PLATS, PAGE 0010, IN THE OFFICE OF THE COUNTY RECORDER, CLARK COUNTY, NEVADA.

TOGETHER WITH

ALL LOTS, BLOCKS AND ALL COMMON LOTS AS SHOWN ON "EAGLE HILLS" SUBDIVISION MAP ON FILE IN BOOK 50, PAGE 35 OF PLATS IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA, BEING A PORTION OF SECTIONS 19 AND 20, TOWNSHIP 20 SOUTH, RANGE 60 EAST, M.D.M., IN THE CITY OF LAS VEGAS, CLARK COUNTY, NEVADA.

TOGETHER WITH

ALL LOTS, BLOCKS AND ALL COMMON LOTS AS SHOWN ON "TOURNAMENT HILLS - UNIT 1" SUBDIVISION MAP ON FILE IN BOOK 50, PAGE 34 OF PLATS IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA, BEING A PORTION OF SECTIONS 20 AND 29, TOWNSHIP 20 SOUTH, RANGE 60 EAST, M.D.M., IN THE CITY OF LAS VEGAS, CLARK COUNTY, NEVADA.

TOGETHER WITH

ALL OF LOT 2 OF SUMMERLIN VILLAGE 1 SOUTH, UNIT NO. 2 AS SHOWN ON THE MAP THEREOF ON FILE IN BOOK 49, PAGE 96 OF PLATS AS INSTRUMENT NO. 01168 IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

TOGETHER WITH

THAT PORTION OF LOT 2 OF "SUMMERLIN VILLAGE 1 SOUTH - UNIT NO. 5" AS SHOWN BY MAP THEREOF ON FILE IN BOOK 51, PAGE 29 OF PLATS IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA, LYING WITHIN SECTIONS 29 AND 30, TOWNSHIP 20 SOUTH, RANGE 60 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA.

AND

PARCELS ONE (1) AND TWO (2) AS SHOWN BY MAP THEREOF IN FILE 71 OF PARCEL MAPS, PAGE 6 IN THE OFFICE OF THE COUNTY RECORDER, CLARK COUNTY, NEVADA.

TOGETHER WITH

ALL OF LOT 2 OF "AMENDED PLAT OF A PORTION OF SUMMERLIN VILLAGE 1 SOUTH - UNIT NO. 3" AS SHOWN BY MAP THEREOF ON FILE IN BOOK 52, PAGE 34 OF PLATS IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA, LYING WITHIN SECTION 29, TOWNSHIP 20 SOUTH, RANGE 60 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA.

TOGETHER WITH

ALL OF PARCEL 2 CONTAINING 12.39 ACRES MORE OR LESS, AS RECORDED IN THE OFFICE OF THE COUNTY RECORDER, IN FILE 72 OF PARCEL MAPS, PAGE 85, OF CLARK COUNTY NEVADA RECORDS, LYING WITHIN SECTIONS 29 AND 30, OF TOWNSHIP 20 SOUTH, RANGE 60 EAST, M.D.M., IN THE CITY OF LAS VEGAS, CLARK COUNTY, NEVADA.

TOGETHER WITH

ALL LOTS, COMMON LOTS AND PRIVATE STREETS AS SHOWN ON THE FINAL MAP OF "TOURNAMENT HILLS - UNIT 3", ON FILE IN BOOK 55, PAGE 25 OF PLATS, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

TOGETHER WITH

LOTS 1 AND 2 AND COMMON LOT D OF "SUMMERLIN VILLAGE 1 SOUTH - UNIT NO. 1" AS SHOWN BY MAP THEREOF ON FILE IN BOOK 48, PAGE 42 OF PLATS IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA.

TOGETHER WITH

LOTS 36 THROUGH 51, INCLUSIVE; LOTS 2, 77, 78, 79, 80 AND 81, OF COUNTRY CLUB HILLS, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 51 OF PLATS, PAGE 78 IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

TOGETHER WITH

ALL OF PARCEL 1, CONTAINING 24.402 ACRES MORE OR LESS, AS SHOWN BY MAP THEREOF ON FILE IN FILE 77, PAGE 40 OF PARCEL MAPS IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA, LYING WITHIN SECTION 19, 20, AND 29 OF TOWNSHIP 20 SOUTH, RANGE 60 EAST, M.D.M., IN THE CITY OF LAS VEGAS, CLARK COUNTY, NEVADA.

TOGETHER WITH

ALL LOTS, COMMON LOTS AND STREETS AS SHOWN ON THE FINAL SUBDIVISION MAP OF "COUNTRY CLUB HILLS II IN THE HILLS AT SUMMERLIN - UNIT 3" ON FILE IN BOOK 62, PAGE 89 OF PLATS IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

TOGETHER WITH

ALL OF LOT 1, CONTAINING 20.199 ACRES MORE OR LESS, OF BLOCK "A", AS SHOWN ON FILE IN FILE 77 OF PLATS, PAGE 50, OF CLARK COUNTY NEVADA RECORDS; LYING WITHIN SECTIONS 30 OF TOWNSHIP 20 SOUTH, RANGE 60 EAST, M.D.M., IN THE CITY OF LAS VEGAS, CLARK COUNTY, NEVADA.

TOGETHER WITH

ALL OF LOT 1, CONTAINING 5.380 ACRES MORE OR LESS, OF BLOCK "A", AS SHOWN ON SUMMERLIN VILLAGE 1 SOUTH - UNIT NO. 5, A PLANNED AND COMMON INTEREST COMMUNITY, ON FILE IN BOOK 51 OF PLATS, PAGE 29, OF CLARK COUNTY NEVADA RECORDS; LYING WITHIN SECTION 30 OF TOWNSHIP 20 SOUTH, RANGE 60 EAST, M.D.M., IN THE CITY OF LAS VEGAS, CLARK COUNTY, NEVADA.

TOGETHER WITH

ALL OF LOT 4, CONTAINING 8.478 ACRES MORE OR LESS, OF BLOCK "A", AS SHOWN ON SUMMERLIN VILLAGE 1 SOUTH - UNIT NO. 6, A PLANNED AND COMMON INTEREST COMMUNITY, ON FILE IN BOOK 54 OF PLATS, PAGE 44, OF CLARK COUNTY NEVADA RECORDS; LYING WITHIN SECTIONS 29 AND 30 OF TOWNSHIP 20 SOUTH, RANGE 60 EAST, M.D.M., IN THE CITY OF LAS VEGAS; CLARK COUNTY, NEVADA.

AND

ALL OF LOTS 1, 3, 5 AND 6 AS SHOWN ON THE SUBDIVISION MAP OF SUMMERLIN VILLAGE 3 – UNIT 1B, ON FILE IN BOOK 71 OF PLATS AT PAGE 13, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

ALL OF LOTS 1, 2, 3, 5, AND 6 AS SHOWN ON THE SUBDIVISION MAP OF SUMMERLIN VILLAGE 3 – UNIT 2, ON FILE IN BOOK 74 OF PLATS AT PAGE 56, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

TOGETHER WITH

ALL OF LOT 1, CONTAINING 14.5793 ACRES MORE OR LESS, AS SHOWN ON SUMMERLIN VILLAGE 7 - THE TRAILS - UNIT NO. 2A, ON FILE IN BOOK 60 OF PLATS, PAGE 21, OF CLARK COUNTY NEVADA RECORDS; LYING WITH IN SECTION 19, OF TOWNSHIP 20 SOUTH, RANGE 60 EAST, M.D.M., IN THE CITY OF LAS VEGAS, CLARK COUNTY, NEVADA.

TOGETHER WITH

ALL OF LOT 1, CONTAINING 26.7413 ACRES MORE OR LESS, AS SHOWN ON SUMMERLIN VILLAGE 7 - THE TRAILS - UNIT NO. 2B, ON FILE IN BOOK 60 OF PLATS, PAGE 63, OF CLARK COUNTY NEVADA RECORDS; LYING WITHIN SECTION 19, OF TOWNSHIP 20 SOUTH, RANGE 60 EAST, M.D.M., IN THE CITY OF LAS VEGAS, CLARK COUNTY, NEVADA.

TOGETHER WITH

ALL OF LOTS 2, 3, 4, 6, AND COMMON LOT "A" AS SHOWN ON AMENDED MAP OF SUMMERLIN VILLAGE 7 - THE TRAILS - UNIT NO. 1 ON FILE IN BOOK 62 OF PLATS, PAGE 29, OF CLARK COUNTY NEVADA RECORDS; LYING WITHIN SECTION 19, OF TOWNSHIP 20 SOUTH, RANGE 60 EAST, M.D.M., IN THE CITY OF LAS VEGAS, CLARK COUNTY, NEVADA.

AND

ALL OF LOTS 7, 8, 9, AND 11 AS SHOWN ON SUMMERLIN VILLAGE 7 - THE TRAILS - UNIT NO. 1, ON FILE IN BOOK 59 OF PLATS, PAGE 11, OF CLARK COUNTY NEVADA RECORDS; LYING WITHIN SECTION 19, OF TOWNSHIP 20 SOUTH, RANGE 60 EAST, M.D.M., IN THE CITY OF LAS VEGAS, CLARK COUNTY, NEVADA.

TOGETHER WITH

ALL OF LOTS 1, 2, 4, 5, 6, 7 AND 8 AS SHOWN ON "SUMMERLIN VILLAGE 7 - THE TRAILS - UNIT NO. 2C," ON FILE IN BOOK 62 OF PLATS, PAGE 95 OF CLARK COUNTY NEVADA RECORDS; LYING WITHIN SECTION 19, OF TOWNSHIP 20 SOUTH, RANGE 60 EAST, M.D.M., IN THE CITY OF LAS VEGAS, CLARK COUNTY, NEVADA.

TOGETHER WITH

ALL OF LOTS 1, 2, 3, 4, 7, 8, AND 9 AS SHOWN ON THE SUBDIVISION MAP OF SUMMERLIN VILLAGE 7 – THE TRAILS – UNIT NO. 3, ON FILE IN BOOK 63 OF PLATS AT PAGE 79, IN THE OFFICE OF THE COUNTY CLERK OF CLARK COUNTY, NEVADA.

TOGETHER WITH

ALL OF LOT 1, BLOCK A, SUMMERLIN VILLAGE 2, UNIT NO. 1-B SUBDIVISION, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 47, PAGE 66 OF PLATS IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA, LYING WITHIN SECTION 20 AND 21, TOWNSHIP 20 SOUTH, RANGE 60 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA.

TOGETHER WITH

ALL OF LOT 4, CONTAINING 21.276 ACRES MORE OR LESS, OF BLOCK "B", AS SHOWN ON SUMMERLIN VILLAGE 2 - UNIT NUMBER 3, A PLANNED RESIDENTIAL COMMUNITY, ON FILE IN BOOK 50 OF PLATS, PAGE 19, OF CLARK COUNTY NEVADA RECORDS; LYING WITHIN SECTION 21, OF TOWNSHIP 20 SOUTH, RANGE 60 EAST, M.D.M., IN THE CITY OF LAS VEGAS, CLARK COUNTY, NEVADA.

TOGETHER WITH

ALL OF PARCEL 2 CONTAINING 12.39 ACRES MORE OR LESS, AS RECORDED IN THE OFFICE OF THE COUNTY RECORDER, IN FILE 72 OF PARCEL MAPS, PAGE 85, OF CLARK COUNTY NEVADA RECORDS; LYING WITHIN SECTIONS 29 AND 30, OF TOWNSHIP 20 SOUTH, RANGE 60 EAST, M.D.M., IN THE CITY OF LAS VEGAS, CLARK COUNTY, NEVADA.

TOGETHER WITH

ALL OF LOTS 1, 2, 3, 5, 6 AND 7 OF SUMMERLIN VILLAGE 2 - UNIT NO. 2, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 50 OF PLATS, PAGE 53, AND AS AMENDED BY THAT CERTIFICATE OF AMENDMENT RECORDED FEBRUARY 26, 1992 IN BOOK 920226 AS DOCUMENT NO. 00800 IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

TOGETHER WITH

ALL OF LOTS 1, 2, 3, 5, 6 7, 8 AND 9 IN SUMMERLIN VILLAGE 2 - UNIT NO. 3, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 50 OF PLATS, PAGE 19, IN OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

TOGETHER WITH

ALL OF LA POSADA AT SUMMERLIN UNIT 1, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 56 OF PLATS, PAGE 71, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

TOGETHER WITH

LOT 1 OF BLOCK "B" AS SHOWN ON THE SUBDIVISION MAP OF SUMMERLIN VILLAGE 2-UNIT NUMBER 2, A PLANNED RESIDENTIAL COMMUNITY, ON FILE IN BOOK 50 OF PLATS, PAGE 53 AND AS AMENDED BY CERTIFICATE OF AMENDMENT RECORDED FEBRUARY 26, 1992 IN BOOK 920226, AS DOCUMENT NO. 00800 OF CLARK COUNTY NEVADA RECORDS; LYING WITHIN SECTION 20, TOWNSHIP 20 SOUTH, RANGE 60 WEST, M.D.M., IN THE CITY OF LAS VEGAS, CLARK COUNTY, NEVADA.

TOGETHER WITH

ALL OF LOTS 1 AND 4 AS SHOWN ON THE SUBDIVISION MAP OF SUMMERLIN VILLAGE 3 - UNIT 1A, ON FILE IN BOOK 71 OF PLATS AT PAGE 10, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

TOGETHER WITH

ALL OF LOT 11, CONTAINING 34.194 SQUARE FEET MORE OR LESS, AS SHOWN ON AMENDED MAP OF A PORTION OF SUMMERLIN VILLAGE 7 - THE TRAILS - UNIT NO. 2C, ON FILE IN BOOK 68, PAGE 66 IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

ALL LOTS, BLOCKS AND ALL COMMON LOTS AS SHOWN ON THE FINAL SUBDIVISION MAP OF "HALF-ACRES-PHASE II SUMMERLIN VILLAGE 7-THE TRAILS" ON FILE IN BOOK 78, PAGE 26 OF PLATS, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

TOGETHER WITH

THAT PORTION OF PARCEL 2 AS SHOWN BY MAP THEREOF ON FILE IN FILE 74, PAGE 14 OF PARCEL MAPS AND THAT PORTION OF LOT 2 OF "THE CROSSING AT SUMMERLIN VILLAGE 8 UNIT 1 PHASE 1" AS SHOWN BY MAP THEREOF ON FILE IN BOOK 58, PAGE 84 OF PLATS IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA, LYING WITHIN SECTION 30, TOWNSHIP 20 SOUTH, RANGE 60 EAST, M.D.M., CLARK COUNTY, NEVADA. (CONTAINING 14.497 ACRES; MORE OR LESS.)

AND

THAT PORTION OF PARCEL 2 AS SHOWN BY MAP THEREOF ON FILE IN FILE 74, PAGE 14 OF PARCEL MAPS, LYING WITHIN SECTION 30, TOWNSHIP 20 SOUTH, RANGE 60 EAST, M.D.M., CLARK COUNTY, NEVADA. (CONTAINING 2.127 ACRES; MORE OR LESS.)

TOGETHER WITH

THAT PORTION OF PARCEL 2 IN BLOCK B OF "THE CROSSING AT SUMMERLIN VILLAGE 8 UNIT 1 PHASE 2" AS SHOWN BY MAP THEREOF ON FILE IN BOOK 59, PAGE 73 OF PLATS IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA, LYING WITHIN SECTION 30, TOWNSHIP 20 SOUTH, RANGE 59 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA. (CONTAINING 5.46 ACRES; MORE OR LESS.)

TOGETHER WITH

ALL OF LOTS 3 AND 6 AS SHOWN ON THE SUBDIVISION MAP OF SUMMERLIN VILLAGE 8 - UNIT NUMBER 2, ON FILE IN BOOK 64 OF PLATS, PAGE 67, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

TOGETHER WITH

THAT PORTION OF PARCEL 2 IN BLOCK B OF "THE CROSSING BUSINESS CENTER" AS SHOWN BY MAP THEREOF ON FILE IN BOOK 62, PAGE 90 OF PLATS IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA, LYING WITHIN SECTION 30, TOWNSHIP 20 SOUTH, RANGE 60 EAST, M.D.M., CLARK COUNTY, NEVADA. (CONTAINING 1.605 ACRES; MORE OR LESS.)

TOGETHER WITH

ALL OF LOTS 1 THROUGH 6 AS SHOWN ON THE SUBDIVISION MAP OF "THE CROSSING AT SUMMERLIN VILLAGE 8 - UNIT NO. 1 - PHASE 3," ON FILE IN BOOK 63 OF PLATS AT PAGE 92, IN THE OFFICE OF THE COUNTY CLERK OF CLARK COUNTY, NEVADA.

TOGETHER WITH

THAT PORTION OF PARCEL 1 AND PARCEL 2 OF "THE CROSSING BUSINESS CENTER," A COMMERCIAL SUBDIVISION AS SHOWN BY MAP THEREOF ON FILE IN BOOK 62, PAGE 90 OF PLATS IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA, LYING WITHIN SECTION 30, TOWNSHIP 20 SOUTH, RANGE 60 EAST, M.D.M., CLARK COUNTY, NEVADA.

TOGETHER WITH

ALL OF LOTS 1, 2, 3, 4, 6, AND 7 CONTAINING APPROXIMATELY 22.508 ACRES, AS SHOWN ON THE SUBDIVISION MAP OF "THE CROSSING AT SUMMERLIN VILLAGE 8 -- UNIT NO. 3," ON FILE IN BOOK 69 OF PLATS AT PAGE 99, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

EXCLUDING THEREFROM

ALL OF LOT "7B", CONTAINING 7.031 ACRES MORE OR LESS, OF BLOCK "A", AS SHOWN ON THE AMENDED PLAT OF A PORTION OF SUMMERLIN VILLAGE 2 - UNIT NO. 2, A PLANNED RESIDENTIAL COMMUNITY AND COMMON INTEREST COMMUNITY, ON FILE IN BOOK 56 OF PLATS, PAGE 68, OF CLARK COUNTY NEVADA RECORDS; LYING WITHIN SECTION 21, OF TOWNSHIP 20 SOUTH, RANGE 60 EAST, M.D.M., IN THE CITY OF LAS VEGAS, CLARK COUNTY, NEVADA.

AND

ALL OF LOT 1, CONTAINING 10.085 ACRES MORE OR LESS, OF BLOCK "A," AS SHOWN ON SUMMERLIN VILLAGE 2 - UNIT NUMBER 3, A PLANNED RESIDENTIAL COMMUNITY, ON FILE IN BOOK 50 OF PLATS, PAGE 19, OF CLARK COUNTY NEVADA RECORDS; LYING WITHIN SECTION 21, OF TOWNSHIP 20 SOUTH, RANGE 60 EAST, M.D.M., IN THE CITY OF LAS VEGAS, CLARK COUNTY, NEVADA.

AND

(LOT NO. 4) A PARCEL OF LAND BEING A PORTION OF THE SOUTH HALF (S 1/2) OF THE NORTHEAST QUARTER (NE 1/4) OF SECTION 20, TOWNSHIP 20 SOUTH, RANGE 60 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, ALSO BEING A PORTION OF LOT 2 OF BOOK 53 PAGE 87 OF PLATS.

AND

ALL OF LOT 1 OF BLOCK A, CONTAINING APPROXIMATELY 16.41 ACRES, AS SHOWN ON THE SUBDIVISION MAP OF SUMMERLIN VILLAGE 3 -- UNIT 1A, ON FILE IN BOOK 71 OF PLATS AT PAGE 10, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

AND

ALL OF LOTS 5 AND 6 OF BLOCK A, CONTAINING APPROXIMATELY 35.87 ACRES, AS SHOWN ON THE SUBDIVISION MAP OF SUMMERLIN VILLAGE 3 -- UNIT 2, ON FILE IN BOOK 74 OF PLATS AT PAGE 56, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

EXHIBIT "B"
DESCRIPTION OF ANNEXABLE PROPERTY

ALL OF SECTIONS 1, 2, 12, 13, 14, 23, AND 24, TOWNSHIP 21 SOUTH, RANGE 59 EAST, M.D.M., CLARK COUNTY, NEVADA.

TOGETHER WITH ALL OF GOVERNMENT LOTS 3, 4, 5, 6, 7, 8, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 24, 25, 26 AND 27 OF SECTION 11, TOWNSHIP 21 SOUTH, RANGE 59 EAST, M.D.M., CLARK COUNTY, NEVADA.

ALSO TOGETHER WITH ALL OF GOVERNMENT LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 17, 18, 19 AND 20 OF SECTION 25, TOWNSHIP 21 SOUTH, RANGE 59 EAST, M.D.M., CLARK COUNTY, NEVADA.

ALSO TOGETHER WITH ALL OF GOVERNMENT LOTS 1, 2, 3, 18, 20 AND 22 OF SECTION 36, TOWNSHIP 21 SOUTH, RANGE 59 EAST, M.D.M., CLARK COUNTY, NEVADA.

ALSO TOGETHER WITH THAT PORTION OF GOVERNMENT LOTS 1, 2 AND 3 OF SECTION 3, TOWNSHIP 21 SOUTH, RANGE 59 EAST, M.D.M., CLARK COUNTY, NEVADA LYING SOUTH OF THE CENTERLINE OF NEVADA STATE ROAD 159.

CONTAINING 6138 GROSS ACRES, MORE OR LESS.

TOGETHER WITH

SECTIONS 15, 21, 22, 27, 28, 29 AND 33, AND THAT PORTION OF SECTIONS 14, 16, 17, 20, 23, 26, 32, 34 AND 35, TOWNSHIP 20 SOUTH, RANGE 59 EAST, AND THAT PORTION OF SECTIONS 3 AND 4, TOWNSHIP 21 SOUTH, RANGE 59 EAST, M.D.M., CLARK COUNTY, NEVADA, AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF PARCEL 1 AS SHOWN BY MAP THEREOF ON FILE IN FILE 84, PAGE 70 OF PARCEL MAPS IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA; THENCE ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF CHARLESTON BOULEVARD THE FOLLOWING SEVEN (7) COURSES: SOUTH 89°48'28" WEST, 5653.85 FEET; THENCE CURVING TO THE LEFT ALONG THE ARC OF A 1575.00 FOOT RADIUS CURVE, CONCAVE SOUTHEASTERLY, THROUGH A CENTRAL ANGLE OF 47°52'51", AN ARC LENGTH OF 1316.19 FEET; THENCE SOUTH 41°55'37" WEST, 243.07 FEET; THENCE NORTH 82°46'06" WEST, 464.52 FEET; THENCE SOUTH 07°13'54" WEST, 100.00 FEET; THENCE SOUTH 82°46'06" EAST, 395.29 FEET; THENCE SOUTH 41°55'37" WEST, 742.92 FEET TO AN INTERSECTION WITH THE SOUTH LINE OF GOVERNMENT LOT 3 OF SECTION 3, TOWNSHIP 21 SOUTH, RANGE 59 EAST; THENCE ALONG THE SOUTH LINE OF GOVERNMENT LOT 3 AND ALONG THE SOUTH LINE OF GOVERNMENT LOT 4 OF SAID SECTION 3, NORTH 89°40'23" WEST, 2004.86 FEET TO THE SOUTHEAST CORNER OF GOVERNMENT LOT 1 OF SECTION 4, TOWNSHIP 21 SOUTH, RANGE 59 EAST; THENCE ALONG THE SOUTH LINE OF GOVERNMENT LOT 1 AND ALONG THE SOUTH LINE OF GOVERNMENT LOT 2 OF SAID SECTION 4, SOUTH 89°17'20" WEST, 2672.22 FEET TO THE SOUTHWEST CORNER OF SAID GOVERNMENT LOT 1; THENCE NORTH 60°16'18" WEST, 2513.04 FEET TO THE SOUTHWEST CORNER OF SECTION 33, TOWNSHIP 20 SOUTH, RANGE 59 EAST; THENCE NORTH 58°20'20" WEST, 2584.21 FEET TO AN ANGLE POINT ESTABLISHED BY THE BUREAU OF LAND MANAGEMENT; THENCE NORTH 66°34'14" WEST, 3713.62 FEET TO THE WEST QUARTER (W 1/4) CORNER OF SECTION 32, TOWNSHIP 20 SOUTH, RANGE 59 EAST; THENCE ALONG THE WEST LINE OF SAID SECTION 32, NORTH 05°28'00"

WEST, 2847.56 FEET TO THE SOUTHWEST CORNER OF SECTION 29, TOWNSHIP 20 SOUTH, RANGE 59 EAST; THENCE ALONG THE WEST LINE OF SAID SECTION 29, NORTH 02°16'41" EAST, 2632.06 FEET TO THE WEST QUARTER (W 1/4) CORNER OF SAID SECTION 29; THENCE CONTINUING ALONG SAID WEST LINE, NORTH 02°38'27" EAST, 2633.34 FEET TO THE SOUTHWEST CORNER OF SECTION 20, TOWNSHIP 20 SOUTH, RANGE 59 EAST; THENCE ALONG THE WEST LINE OF SAID SECTION 20, NORTH 02°24'39" WEST, 2631.68 FEET TO THE WEST QUARTER (W 1/4) CORNER THEREOF; THENCE ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER (SW 1/4) OF SAID SECTION 20, SOUTH 89°33'03" EAST, 2605.65 FEET TO THE SOUTHWEST CORNER OF THE NORTHEAST (NE 1/4) QUARTER OF SAID SECTION 20; THENCE ALONG THE WEST LINE THEREOF, NORTH 02°30'48" WEST, 2629.25 FEET TO THE SOUTH QUARTER (S 1/4) CORNER OF SECTION 17, TOWNSHIP 20 SOUTH, RANGE 59 EAST; THENCE ALONG THE WEST LINE OF THE SOUTHEAST QUARTER (SE 1/4) OF SAID SECTION 17, NORTH 00°22'56" WEST, 2633.39 FEET TO THE NORTHWEST CORNER THEREOF; THENCE ALONG THE NORTH LINE OF SAID SOUTHEAST QUARTER (SE 1/4), SOUTH 89°34'11" EAST, 2628.84 FEET TO THE WEST QUARTER (W 1/4) CORNER OF SECTION 16, TOWNSHIP 20 SOUTH, RANGE 59 EAST; THENCE ALONG THE NORTH LINE OF THE SOUTH (S 1/2) HALF OF SAID SECTION 16, NORTH 88°43'13" EAST, 5356.98 FEET TO THE WEST QUARTER (W 1/4) CORNER OF SECTION 15, TOWNSHIP 20 SOUTH, RANGE 59 EAST; THENCE ALONG THE WEST LINE OF SAID SECTION 15, NORTH 00°42'42" EAST, 2718.82 FEET TO THE NORTHWEST CORNER OF SAID SECTION 15; THENCE ALONG THE NORTH LINE OF SAID SECTION 15, NORTH 89°48'42" EAST, 5353.83 FEET TO THE NORTHWEST CORNER OF SECTION 14, TOWNSHIP 20 SOUTH, RANGE 59 EAST; THENCE ALONG THE NORTH LINE OF SAID SECTION 14, NORTH 89°05'14" EAST, 1415.89 FEET TO THE NORTHWEST CORNER OF THE AFOREMENTIONED PARCEL 1 (FILE 84, PAGE 70 OF PARCEL MAPS); THENCE ALONG THE WESTERLY LINE OF SAID PARCEL 1 THE FOLLOWING EIGHT (8) COURSES: SOUTH 00°03'30" WEST, 4049.20 FEET; THENCE SOUTH 74°00'00" EAST, 1978.63 FEET; THENCE FROM A TANGENT BEARING SOUTH 13°47'28" WEST CURVING TO THE LEFT ALONG THE ARC OF A 4275.00 FOOT RADIUS CURVE, CONCAVE EASTERLY, THROUGH A CENTRAL ANGLE OF 07°51'12", AN ARC LENGTH OF 585.96 FEET; THENCE SOUTH 05°56'16" WEST, 5027.29 FEET; THENCE CURVING TO THE LEFT ALONG THE ARC OF A 6675.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY, THROUGH A CENTRAL ANGLE OF 25°51'36", AN ARC LENGTH OF 3012.71 FEET; THENCE SOUTH 19°55'20" EAST, 2219.26 FEET; THENCE CURVING TO THE RIGHT ALONG THE ARC OF A 6325.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY, THROUGH A CENTRAL ANGLE OF 17°56'51", AN ARC LENGTH OF 1981.26 FEET; THENCE SOUTH 01°58'29" EAST, 4356.77 FEET TO THE POINT OF BEGINNING.

CONTAINING 8350.27 ACRES.

EXCEPTING THEREFROM PARCEL 2 AS SHOWN BY MAP THEREOF ON FILE IN FILE 82, PAGE 01 OF PARCEL MAPS IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA.

ALSO EXCEPTING THEREFROM PARCEL 2 AS SHOWN BY MAP THEREOF ON FILE IN FILE 84, PAGE 71 OF PARCEL MAPS IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA.

TOTAL ANNEXATION AREA CONTAINS 8318.64 ACRES.

EXCEPTING THEREFROM ALL OF LOTS 1-11 INCLUSIVE AS SHOWN ON THE FINAL MAP OF SUMMERLIN 14A EAST PHASE 1A RECORDED ON NOVEMBER 20, 1996 IN BOOK 961120, BOOK 77, PAGE 7 OF PLATS AS INSTRUMENT NUMBER 01225 IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

HOWARD HUGHES PROPERTIES,
LIMITED PARTNERSHIP
1645 Village Center Circle, Suite 200
Las Vegas, Nevada 89134
Attention: Angie Shope

(Space above line for Recorder's use)

NOTICE OF ANNEXATION

This Notice of Annexation ("Notice") is made on _____, 19____, by HOWARD HUGHES PROPERTIES, LIMITED PARTNERSHIP, a Delaware limited partnership ("HHP"), and with reference to the following facts:

RECITALS

A. HHP is the owner of the following real property located in the City of Las Vegas, County of Clark, State of Nevada, described as:

See Exhibit "A" attached hereto

(hereinafter the "Annexed Territory"). Such Annexed Territory has the Land Classification of _____ as described in Section _____ of the Master Declaration (defined in Recital B below).

B. On September 25, 1990, a Master Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Summerlin Community Association (the "Master Declaration") was recorded in the Office of the Recorder of Clark County, Nevada, as Book 900925, Instrument No. 01274, as amended by that certain Amended and Restated Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Summerlin North Community Association by HHP on _____, 19____ in Book _____ as Instrument No. _____ ("Amended and Restated Master Declaration") covering certain real property described therein and referred to herein as Summerlin, collectively referred to herein as the "Master Declaration."

C. Article II of the Master Declaration provides for the annexation of the Annexed Territory to Summerlin.

NOW, THEREFORE, HHP hereby declares that the Annexed Territory is and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied, and improved subject to the Master Declaration and to the following provisions, covenants, conditions, restrictions, reservations and limitations (collectively, the "CC&Rs"), all of which are declared and agreed upon for the purpose of enhancing and protecting the value, desirability, and attractiveness of the Annexed Territory and every part and portion thereof, as follows:

1. Establishment of Restrictions and Enforcement All of the CC&Rs in the Master Declaration and this Notice are hereby established and imposed upon the Annexed Territory for the benefit of the Annexed Territory and each and every portion thereof and each and every Owner of an interest of any kind or character

therein. Each and all of the CC&Rs shall run with the land in the Annexed Territory and shall be binding on all parties (whether owners, occupants or otherwise) having or acquiring a right, title or interest in the Annexed Territory or any part thereof. Every person or entity who now or hereafter owns or acquires any right, title or interest in or to any portion of the Annexed Territory is and shall be conclusively deemed to have consented and agreed to each and all of the CC&Rs, whether or not any reference to the CC&Rs or this Notice is contained in the instrument by which such person acquired an interest in the Annexed Territory. Each and all of said CC&Rs shall be enforceable by the Declarant (and any Owner and the Master Association) as provided in the Master Declaration.

2. Construction of Instruments. The provisions of the Master Declaration and this Notice shall be liberally construed to effectuate the purposes contained herein. To the extent that any provision of this Notice conflicts with the provisions of the Master Declaration, the latter shall control. Any initially capitalized term used herein not otherwise defined herein shall have the meaning assigned thereto in the Master Declaration.

IN WITNESS WHEREOF, HHP has hereunto caused the name to be signed by the signature of its duly authorized official as of the day and year first above written.

HHP:

HOWARD HUGHES PROPERTIES, LIMITED
PARTNERSHIP, a Delaware limited partnership

By its sole general partner: THE HOWARD
HUGHES CORPORATION, a Delaware
corporation

By: _____

Name: _____

Title: _____

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

This instrument was acknowledged before me on _____, 19____, by _____
_____ as _____ of The Howard Hughes
Corporation.

Notary Public

970815.00692

EXHIBIT "C"

Articles of Incorporation of
Summerlin North Community Association

[To be attached]

FILED
IN THE OFFICE OF THE
SECRETARY OF STATE OF THE
STATE OF NEVADA

970815.0069Z 07 0

JUL 17 1997
No. C 8840-90
Dean Heller
DEAN HELLER, SECRETARY OF STATE

CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION
SUMMERLIN COMMUNITY ASSOCIATION

We the undersigned NANCY COOK and JEFFERY S. GEEN of SUMMERLIN COMMUNITY ASSOCIATION
do hereby certify:

That the Board of Directors of said corporation at a meeting duly convened and held on the 17th day of July,
1987, adopted a resolution to amend the original articles as follows:

Article I is hereby amended to read as follows:

ARTICLE I

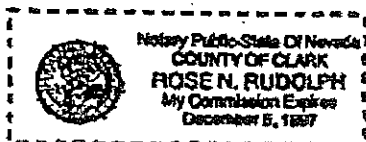
NAME

The name of the Corporation shall be SUMMERLIN NORTH COMMUNITY ASSOCIATION.

Nancy Cook
President
Jeffery S. Geen
Secretary

STATE OF NEVADA)
COUNTY OF CLARK) ss.

On July 17, 19 97 personally appeared before me, a Notary Public, NANCY COOK and JEFFERY
S. GEEN who acknowledged that they executed the above instrument.



Rose N. Rudolph
Signature of Notary

970815.00692

EXHIBIT "A"

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

NEVADA TITLE COMPANY

08-15-97 10:06 CPD 125
OFFICIAL RECORDS

BOOK: 970815 INST: 00692

FEE: 131.00 RPTT: .00