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HOWARD HUGHES PROPERTIES,
LIMITED PARTNERSHIP
3800 Howard Hughes Parkway
Las Vegas, Nevada 89109
Attention: Legal Department

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SUPPLEMENTAL DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND
RESERVATION OF EASEMENTS FOR
COUNTRY CLUB HILLS
COMMUNITY ASSOCIATION

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RESERVATION OF EASEMENTS FOR
COUNTRY CLUB HILLS
COMMUNITY ASSOCIATION

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SUPPLEMENTAL DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND
RESERVATION OF EASEMENTS FOR
COUNTRY CLUB HILLS
COMMUNITY ASSOCIATION

THIS SUPPLEMENTAL DECLARATION is made on this 16th day of December, 1991, by HOWARD HUGHES PROPERTIES, LIMITED PARTNERSHIP, a Delaware limited partnership ("Declarant").

R E C I T A L S

A. Declarant is the owner of certain property in the County of Clark, State of Nevada, which is more particularly described in Exhibit "A" attached hereto (the "Initial Property"), and is the owner of other real property, which is more particularly described in Exhibit "B" attached hereto (the "Annexable Area") which may from time to time be annexed to the Initial Property pursuant to the terms of this Declaration. The Initial Property, together with such portions of the Annexable Area which are annexed to the property subject to this Declaration is hereinafter referred to as the "Development".

B. Declarant did, on September 25, 1990, cause to be recorded in the office of the County Recorder of Clark County, Nevada, in Book 900925 as Instrument No. 01274, a Master Declaration of Covenants, Conditions, Restrictions, and Reservation of Easements for Summerlin Community Association (the "Master Declaration") pertaining to certain property located within Clark County, Nevada, as described therein and referred to herein as Summerlin, in order 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 subject to the Master Declaration and jurisdiction of the Master Association (as hereinafter defined) pursuant to a general plan for the maintenance, care, use and management of the property within Summerlin.

C. The Development is a part of Summerlin, and is subject to the Master Declaration and the jurisdiction of the Master Association. Consistent with Declarant's intent to establish a balanced community within the Development, and to develop and convey all of the properties within the Development pursuant to a general plan for the maintenance, care, use and management of the Development, Declarant has deemed it desirable to establish certain protective covenants, conditions, restrictions, reservations, easements, equitable servitudes, liens and charges, all supplemental and in addition to those contained in the Master Declaration, upon the properties within the Development, all for the purpose of enhancing and protecting the value, desirability and attractiveness of the Development and enhancing the quality of life therein. All property within the Development shall be held and

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conveyed subject to such covenants, conditions, restrictions, reservations, easements, equitable servitudes, liens and charges.

D. In furtherance of its desire for efficient management and preservation of the values and amenities in the Development, Declarant has deemed it desirable to create a corporation to which shall be delegated and assigned the powers of owning, maintaining and administering the Sub-Association Property (as hereinafter defined) for the private 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 Development.

E. Country Club Hills Community Association, a Nevada non-profit corporation (the "Sub-Association"), the Members of which shall be the respective Owners (as hereinafter defined) of Lots (as hereinafter defined) in the Development, has or will be 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 premises, 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 Development 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, in addition to those contained in the Master Declaration, all of which are for the purpose of uniformly enhancing and protecting the value, attractiveness and desirability of the Development, in furtherance of a general plan for the protection, maintenance, improvement, sale and lease of the Development, or any portion thereof. The protective covenants, conditions, restrictions, reservations, easements, and equitable servitudes set forth herein shall run with the Development and shall be binding upon all Persons (as hereinafter defined) having any right, title or interest in the Development, or any part thereof, their heirs, successive Owners and assigns; shall inure to the benefit of every portion of the Development and any interest therein; and shall inure to the benefit of and be binding upon Declarant and any Participating Builders (as hereinafter defined) and their respective successor owners or assigns, and each Owner and his respective successors-in-interest; and may be enforced by any Owner or by the Sub-Association.

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ARTICLE I

DEFINITIONS

Section 1.1. "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 XI hereof.

Section 1.2. "Annexed Territory" shall mean those portions of the Annexable Area, if any, from time to time added to the Initial Property covered by this Declaration.

Section 1.3. "Articles" shall mean the Articles of Incorporation of the Sub-Association as filed or to be filed in the Office of the Secretary of State of the State of Nevada, as such Articles may from time to time be amended or supplemented.

Section 1.4. "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.

Section 1.5. "Beneficiary" shall mean a Mortgagee under a Mortgage or a beneficiary under a Deed of Trust and the assignees of such Mortgagee or beneficiary.

Section 1.6. "Board of Directors" shall mean the Board of Directors of the Sub-Association, elected in accordance with the Articles and the Bylaws and this Declaration.

Section 1.7. "Bylaws" shall mean the Bylaws of the Sub-Association which have been or will be adopted by the Board of Directors as such Bylaws may from time to time be amended or supplemented.

Section 1.8. "Capital Improvement Assessment" shall mean a charge against each Owner and his Lot, representing a portion of the costs to the Sub-Association for installation, construction, or reconstruction of any Improvements on any portion of the Sub-Association Property which the Sub-Association may from time to time authorize, pursuant to the provisions of this Declaration.

Section 1.9. "Close of Escrow" shall mean the date on which a Deed conveying a Lot in the Development is Recorded.

Section 1.10. "Common Area" shall mean all common lots or parcels of land shown on any Recorded subdivision or parcel map of the Development which are now or hereafter conveyed by Declarant or a Participating Builder to the Sub-Association, together with all Improvements located thereon, including, without limitation, all shrubs, trees and other landscaping, sidewalks, driveways, pavement, pipes, wires, conduits, public utility lines, and

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appurtenances thereto owned or to be owned by the Sub-Association, for the primary benefit, common use and enjoyment of, and maintenance by the Owners.

Section 1.11. "Common Assessment" shall mean an annual charge representing a portion of the total, ordinary costs of maintaining, improving, repairing, replacing, managing and operating the Sub-Association Property, including all Common Expenses, levied against each Owner and his Lot, to be paid by each Owner to the Sub-Association, as provided herein.

Section 1.12. "Common Expenses" shall mean the actual and estimated costs of:

(a) maintenance, management, operation, repair and replacement of Sub-Association Property; including, without limitation, the Common Areas, Private Streets and Improvements owned by the Sub-Association;

(b) unpaid Special Assessments, including those costs not paid by the Owner responsible for payment;

(c) management and administration of the Sub-Association including, but not limited to, compensation paid by the Sub-Association to managers, accountants, attorneys and other employees;

(d) all utilities, gardening, trash pickup and disposal, and other services benefiting Sub-Association Property;

(e) fire, casualty and liability insurance, workers' compensation insurance, and other insurance covering Sub-Association Property;

(f) any other insurance obtained by the Sub-Association;

(g) bonding the members of the management body, any Manager or other Person handling the funds of the Sub-Association;

(h) taxes paid by the Sub-Association;

(i) amounts paid by the Sub-Association for discharge of any lien or encumbrance levied against Sub-Association Property, or portions thereof;

(j) prudent reserves;

(k) maintenance by the Sub-Association of areas within the public right-of-way of public streets in the vicinity of the Development as provided in this Declaration or pursuant to agreements with the City of Las Vegas or Clark County; and

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

Section 1.13. "Declarant" shall mean Howard Hughes Properties, Limited Partnership, its successors and any other Person to which it shall have assigned any rights hereunder by an express written and Recorded assignment as provided herein. For purposes of the foregoing, no individual, corporation, trust, partnership or other entity who or which has purchased or acquired property within the Development from Declarant, or whose title to such property is derived from a Person who has purchased such property from Declarant, shall, solely as the result of such purchase or acquisition, be deemed to be a successor or assign of Declarant. Any assignment hereunder may include all or only specific rights of the Declarant hereunder and may be subject to such conditions and limitations as Howard Hughes Properties, Limited Partnership, may impose in its sole and absolute discretion.

Section 1.14. "Declaration" shall mean this Supplemental Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for the Country Club Hills Community Association, as amended or supplemented from time to time.

Section 1.15. "Deed" shall mean a deed or other instrument conveying the fee simple title in a Lot.

Section 1.16. "Delegate" shall mean a Delegate as described in Article IV, Section 4.6 of the Master Declaration.

Section 1.17. "Delegate District" shall mean a Delegate District as described in Article IV, Section 4.6 of the Master Declaration.

Section 1.18. "Design Review Committee" shall mean the committee of the Sub-Association to be created pursuant to Article VIII of this Declaration.

Section 1.19. "Design Review Committee Rules" shall mean the rules adopted by the Design Review Committee pursuant to Article VIII of this Declaration.

Section 1.20. "Development" shall mean and refer to all the real property subject to this Declaration consisting of the Initial Property together with such portions of the Annexable Area which are annexed hereafter to the property subject to this Declaration pursuant to Article XI of this Declaration.

Section 1.21. "First Mortgage" shall mean a Mortgage or Deed of Trust with first priority over other Mortgages or Deeds of Trust on a Lot.

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Section 1.22. "First Mortgagee" shall mean the holder of a First Mortgage.

Section 1.23. "Government Mortgage Agency" shall mean the Federal Housing Administration, the Veterans Administration, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association or the Federal National Mortgage Association or any similar entity, public or private, authorized, approved or sponsored by any governmental agency to insure, guaranty, make or purchase mortgage loans.

Section 1.24. "Improvements" shall mean all structures and other improvements now or hereafter situated within the Development of every type and kind and all appurtenances thereto, 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, security gates, 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.

Section 1.25. "Initial Property" shall mean the real property described in Exhibit "A" to this Declaration.

Section 1.26. "Lot" shall mean and refer to the numbered legal lots or parcels of land shown upon any Recorded subdivision or parcel map of the Development including any lots or parcels within any Annexed Territory, with the exception of the Common Areas, together with all appurtenances, and Improvements, including any Residence now or hereafter built or placed thereon.

Section 1.27. "Lot" shall mean and refer to the numbered legal lots or parcels of land shown upon any Recorded subdivision or parcel map of the Development including any lots or parcels within any Annexed Territory, with the exception of the Common Areas, together with all appurtenances, and Improvements, including any Residence now or hereafter built or placed thereon.

Section 1.28. "Manager" shall mean the Person, if any, whether an employee or independent contractor, employed by the Sub-Association pursuant to the Bylaws, and delegated the authority to implement the duties, powers or functions of the Sub-Association as the same may be limited by the Restrictions.

Section 1.29. "Master Association" shall mean and refer to the Summerlin Community Association, a Nevada non-profit corporation, and its successors and assigns.

Section 1.30. "Master Declaration" shall mean and refer to the Master Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Summerlin Community Association, which has been executed by Howard Hughes Properties, Limited Partnership,

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a Delaware limited partnership, and recorded in the Office of the County Recorder of Clark County on September 25, 1990, in Book 900925 as Instrument Number 01274, as the same may be amended from time to time.

Section 1.31. "Member" shall mean every Person holding a Membership in the Sub-Association, pursuant to Section 5.3 hereof.

Section 1.32. "Membership" shall mean a membership in the Sub-Association pursuant to Section 5.3 hereof.

Section 1.33. "Mortgage" shall mean any unreleased mortgage or deed of trust or other similar instrument of Record, given voluntarily by the Owner of a Lot, encumbering the Lot 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 a Government Mortgage Agency is identified as the seller, whether such contract is owned by or has been assigned by such Government Mortgage Agency. "Mortgage" shall not include any judgment lien, mechanic's lien, tax lien or other similarly involuntary lien or encumbrance on a Lot.

Section 1.34. "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."

Section 1.35. "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."

Section 1.36. "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.

Section 1.37. "Notice of Annexation" shall mean a Notice of Annexation as described in Section 11.1 hereof in the form of Exhibit "C" attached hereto.

Section 1.38. "Notice of Lien" shall mean a notice of lien as described in Section 7.12 hereof.

Section 1.39. "NRS" shall mean the Nevada Revised Statutes.

Section 1.40. "Occupant" shall mean any Person, other than an Owner, in rightful possession of a Lot.

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Section 1.41. "Owner" shall mean the Person who is the Record holder of legal title to the fee simple interest in any Lot including executory contract sellers, but excluding Persons holding title merely as security for the performance of an obligation other than such executory contact sellers. In the case of a Lot in which the fee simple title is vested of Record in a trustee, legal title shall be deemed to be in the trustor. An Owner shall include any Person who holds Record title to a Lot in joint ownership with any other Person or holds an undivided fee interest in any Lot.

Section 1.42. "Parcel Seven" shall mean that certain real property described on Exhibit "D", which is currently owned by Declarant.

Section 1.43. "Parcel Seven Community Association" shall mean and refer to the sub-association to be organized by Declarant to be comprised of the owners of lots within Parcel Seven as shown on any subdivision map thereof hereafter Recorded by Declarant.

Section 1.44. "Participating Builder" shall mean a Person who acquires a portion of the Development consisting of one or more Lots for the purpose of improving such portion for resale to the general public; provided, however that such term shall not mean or refer to Declarant or its successors or assigns.

Section 1.45. "Person(s)" shall mean a natural individual, a corporation or any other entity with the legal right to hold title to real property.

Section 1.46. "Private Streets" shall mean those areas of the Development which are shown as private streets on any subdivision or parcel map Recorded by Declarant or by a Participating Builder for an area of the Development unless and until such streets are conveyed by the Sub-Association to a public agency or entity in accordance with the provisions of this Declaration.

Section 1.47. "Record," "Recorded" and "Recordation" shall mean, with respect to any document, the recordation or filing of such document in the Office of the County Recorder of Clark County, Nevada.

Section 1.48. "Residence" shall mean a dwelling on a Lot intended for use and occupancy by a Single Family.

Section 1.49. "Restrictions" shall mean this Declaration, the Articles, the Bylaws, and the Rules and Regulations of the Sub-Association with respect to the property covered by this Declaration.

Section 1.50. "Rules and Regulations" shall mean the rules and regulations of the Sub-Association adopted by the Board of Directors pursuant to Section 6.2 hereof, as they may be amended and supplemented from time to time.

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Section 1.51. "Single Family" shall mean a group of one or more Persons each related to the other by blood, marriage or legal adoption, or a group of not more than three (3) Persons not all so related, who maintain a common household in a Residence.

Section 1.52. "Special Assessment" shall mean a charge against a particular Owner and his Lot, directly attributable to or reimbursable by the Owner, equal to the cost incurred by the Sub-Association for corrective action taken pursuant to the provisions of this Declaration or in bringing the Owner and his Lot into compliance with the provisions of this Declaration, or a charge levied by the Board of Directors as a reasonable fine or penalty for non-compliance with the Restrictions, plus interest and other charges on such Special Assessment as provided for in this Declaration. Special Assessments shall not include any late payment penalties, interest charges, attorneys' fees or other costs incurred by the Sub-Association in its efforts to collect Common Assessments or Capital Improvements Assessments.

Section 1.53. "Sub-Association" shall mean and refer to the Country Club Hills Community Association comprised of the Owners of Lots covered by this Declaration and created pursuant to Article V of this Declaration, and its successors and assigns.

Section 1.54. "Sub-Association Property" shall mean all the real and personal property, including without limitation, all Improvements, all the Common Area, and Private Streets, now or hereafter owned or leased by the Sub-Association, or with respect to which the Sub-Association has a non-exclusive easement for the use, care or maintenance thereof, held for the common benefit, use and enjoyment of all Members as further provided in Article III hereof.

ARTICLE II

SPECIFIC EASEMENTS

Section 2.1. Non-Build and Maintenance Easement. The Common Area is hereby dedicated and designated as a non-build easement. No construction or placement of any structure of any kind shall be permitted within the Common Area, nor shall an Owner attach any structure to the exterior wall or fence of any Residence or Improvement which will extend into the Common Area; provided, however, the Common Area may be landscaped and Improvements installed by Declarant, a Participating Builder or by the Sub-Association.

Section 2.2. Easement of Encroachment. There are hereby created reciprocal appurtenant easements of encroachment and for maintenance of encroachments as between each Lot and such portion or portions of any Private Street or Common Area adjacent thereto or as between adjacent Lots due to the unintentional placement or settling or shifting of any Improvements constructed,

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reconstructed, or altered thereon to a distance of not more than three feet (3'), as measured from any point on the common boundary between each Lot and the adjacent portion of the Private Street or Common Area or as between said adjacent Lots, as the case may be, along a line perpendicular to such boundary at such point; provided, however, (i) in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of an Owner or the Sub-Association, or (ii) if such encroachment is the result of any construction, reconstruction or alteration performed by an Owner (except Declarant) without the approval of the Design Review Committee or the Board of Directors as required by this Declaration. The Sub-Association shall at all times have the right to maintain any Private Street and any Improvement located in the Common Area now existing or hereafter constructed, regardless of any encroachment now or hereafter existing by such Private Street or Improvement upon any Lot.

Section 2.3. Utility Easement. There is hereby created a blanket easement upon, across, over, and under all Lots, the Common Area and all Sub-Association Property for the installation, replacement, repair, and maintenance of utilities, including, but not limited to water, sewer, gas, telephone, electricity, and master and cable television antenna systems, if any, provided that said easement shall not extend beyond, across, over, or under any structure located on any Lot. By virtue of this easement, it shall be expressly permissible to erect and maintain the necessary facilities, equipment, and appurtenances in the Development and to install, repair, and maintain water, sewer and gas pipes, electric, telephone and television wires, circuits, conduits and meters. Notwithstanding anything to the contrary contained in this Section, no sewer, electric, water or gas lines or other utilities or service lines may be installed or relocated on the Development except as approved by Declarant. This easement shall in no way affect any other Recorded easements in the Development.

Section 2.4. Construction Easement. An easement is hereby retained by and granted to Declarant, any Participating Builder, and their respective successors and assigns, for access, ingress, and egress over, in, upon, under, and across the Sub-Association Property, including but not limited to the right to store materials thereon and to make such other use thereof as may be reasonable, necessary, or incidental to Declarant's or such Participating Builder's construction on the Development; provided, however, that no such rights or easements shall be exercised by Declarant or a Participating Builder in such a manner as to unreasonably interfere with the occupancy, use, enjoyment, or access by any Owner, his Family members, guests, or invitees, of or to that Owner's Lot. This easement shall terminate immediately upon sale by Declarant of the last Lot within the Development to a member of the public other than Declarant or a Participating Builder.

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Section 2.5. Easement for Golf Balls. Every Lot and the Common Areas are burdened with an easement permitting golf balls unintentionally to come upon the Lots and Common Areas, and for golfers at reasonable times and in a reasonable manner to come upon the Common Areas, or the exterior portions of a Lot to retrieve errant golf balls; provided, however, if any Lot is fenced or walled, the golfer must obtain the Owner's permission before entry.

ARTICLE III

SUB-ASSOCIATION PROPERTY EASEMENTS AND RIGHTS OF ENJOYMENT

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

(a) The right of the Sub-Association to establish uniform Rules and Regulations pertaining to the use of the Sub-Association Property and any recreational and other facilities, if any, located thereon, including, without limitation, the right of the Sub-Association to enforce all parking restrictions within the Sub-Association Property as set forth in Section 3.3;

(b) The right of the Sub-Association to charge uniform and reasonable admission and other fees for the use of any recreational or other facilities, if any, situated upon the Sub-Association Property;

(c) The right of the Sub-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 Sub-Association, to borrow money for the purpose of improving the Sub-Association Property and, subject to the provisions of Sections 15.3 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;

(d) The right of the Sub-Association to suspend the voting rights and rights and easements of any Member except Declarant, and the Persons deriving such rights and easements from any Member except Declarant, to use the Sub-Association Property and any recreational facilities located thereon (i) for any period during which any assessment against such Member's Lot remains unpaid and delinquent; (ii) for a period not to exceed sixty (60) days for any infraction of this Declaration, the published Rules and Regulations of the Sub-Association, the Master Declaration or the published rules and regulations of the Master Association; and, (iii) for successive sixty (60) day periods if any such infraction

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is not corrected during any prior sixty (60) day suspension period. Any suspension of voting rights or rights to use the Sub-Association Property and facilities shall be made only by the Board of Directors, after Notice and Hearing as provided in the Bylaws;

(e) Subject to the provisions of Section 15.3, the right of the Sub-Association to dedicate, release, alienate, transfer or grant easements, licenses, permits and rights-of-way in all or any portion of the Sub-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 Sub-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 map, no such dedication, release, alienation, transfer or grant shall be effective unless (i) such action is approved by two-thirds (2/3) of the voting power of the Sub-Association and a certificate signifying such approval is executed by two (2) officers of the Sub-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 Development, if required by regulations or ordinances thereof. Recordation of the certificate required in this subsection 3.1(e) shall constitute prima facie evidence that such approval has been given.

Notwithstanding anything to the contrary in this Declaration, and without limiting the immediately preceding paragraph, the Board of Directors, shall have unilateral authority to transfer or grant to any such 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 Sub-Association Property for public utilities, roads and/or for other purposes consistent with the intended use of the Sub-Association Property or as provided in this Declaration and which (A) are reasonably necessary or useful for the proper use, maintenance or operation of the Development, are intended to benefit the Development and will not have any substantial adverse effect on the enjoyment of the Sub-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 Development.

(f) The right of Declarant or any Participating Builder, but not the obligation, to construct additional Improvements on the Sub-Association Property at any time and from time to time for the improvement and enhancement thereof and for the benefit of the Sub-Association and the Owners, so long as such construction does not

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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 is through such Sub-Association Property, then any such construction by Declarant or the Participating Builder shall be made subject to an easement of ingress and egress for the benefit of the Owner of such Lot. Declarant or the Participating Builder shall convey or transfer such Improvements to the Sub-Association and the Sub-Association shall be obligated to accept title to, care for and maintain the same as elsewhere provided in this Declaration;

(g) The right of Declarant (and its sales agents, prospective customers, guests and representatives) to the non-exclusive use of the Sub-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 Development, subject to the time limitation set forth in Section 12.2 hereof. Such use shall not unreasonably interfere with the rights of enjoyment of the other Members as provided herein;

(h) The right of any Participating Builder (and its sales agents, prospective customers, guests and representatives) to the non-exclusive use of portions of the Sub-Association Property immediately adjacent to such Participating Builder's property and the facilities thereon, without charge, for sales, display, access, ingress, egress, exhibits and other purposes deemed useful by the Participating Builder and its representatives in advertising and promoting the Development, subject to the time limitation set forth in Section 12.2 hereof and shall cease, in any event, on the date such Participating Builder no longer owns a Lot in the Development. Such use shall not unreasonably interfere with the rights of enjoyment of the other Owners as provided herein;

(i) The right of Declarant and any Participating Builder to an easement for encroachments over the Sub-Association Property created by construction and overhangs as designed or constructed by Declarant or a 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 Sub-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 Sub-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.

(j) The right of the Sub-Association to replace, refurnish, reconstruct or repair any Improvement, destroyed trees or other vegetation on Sub-Association Property and to plant trees,

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shrubs and ground cover thereon, and the right of the Sub-Association to close or limit the use of such Sub-Association Property, or portions thereof, while maintaining and repairing the same;

(k) The right of the Sub-Association to regulate the use of the Sub-Association Property and the facilities thereon through the Rules and Regulations and to prohibit access to Sub-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 and preserve the Sub-Association Property, promote the safety and convenience of the users thereof, and otherwise serve the best interests of the Members;

(l) The power and right of the Sub-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 Sub-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 Sub-Association at a meeting of the Sub-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 Sub-Association Property.

Section 3.2. Delegation of Use. Any Owner may delegate, subject to reasonable Rules and Regulations and the provisions of Section 5.3 hereof, his right of enjoyment to the Sub-Association Property to the members of his family, his tenants, or contract purchasers under a Recorded installment sale contract provided such contract purchasers reside in or occupy his Lot. Guests of an Owner may use the Sub-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 Sub-Association Property and the facilities thereon. The Board of Directors may also promulgate Rules and Regulations limiting the use of the Sub-Association Property and facilities thereon to one co-owner and his immediate family with respect to any Lot in co-ownership.

Section 3.3. Easements for Parking. Temporary guest or recreational parking shall be permitted within Sub-Association Property only within spaces and areas clearly marked for such purpose. The Sub-Association, through its officers, committees and agents is hereby empowered to establish Rules and Regulations regulating vehicle parking including designating "parking" and "no parking" areas within Sub-Association Property, including the Private Streets, as well as to enforce such parking limitations by

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all means lawful for such enforcement on public streets, including the removal of any violating vehicle by those so empowered.

Section 3.4. Easements for Vehicular Traffic. In addition to the general easements for use of Sub-Association Property reserved herein, there shall be reserved to Declarant, all future Owners, Occupants 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 Sub-Association Property, subject to the parking provisions set forth in Section 3.3 of this Article.

Section 3.5. Waiver of Use. No Owner may exempt himself from personal liability for Common Assessments or Special Assessments duly levied by the Sub-Association, or release the Lot owned by him from the liens and charges thereof, by waiver of the use and enjoyment of the Sub-Association Property and the facilities thereon or by abandonment of his Lot or any other property in the Development.

Section 3.6. Taxes. Each Owner shall execute such instruments and take such action as may reasonably be specified by the Sub-Association to obtain a separate real estate tax assessment of his Lot. If any taxes or assessments may, in the opinion of the Sub-Association, constitute a lien on the Sub-Association Property, or any part thereof, they may be paid by the Sub-Association and each Owner shall be obligated to pay or to reimburse the Sub-Association for, the taxes and assessments assessed by the County Assessor or other taxing authority against the Sub-Association Property, or portions thereof, and attributable to his own Lot and/or interest in the Sub-Association Property.

ARTICLE IV

USE RESTRICTIONS

Subject to the exemptions of the Declarant as set forth herein, all real property within the Development shall be held, used and enjoyed subject to the limitations, restrictions and other provisions set forth in this Declaration. The strict application of the limitations and restrictions in this Article IV may be modified or waived in whole or in part by the Design Review Committee or the Board of Directors in specific circumstances where such strict application would be unduly harsh. Any such waiver or modification will not be valid, however, unless it is in writing executed by the Board of Directors or by the Design Review Committee. Neither the Declarant, the Sub-Association, its Board of Directors and Design Review Committee, the Master Association, its Design Review Committee, nor their respective members, officers, agents or employees shall be liable to any Owner or other Person as a result of the failure to enforce any use restriction or for granting or withholding a waiver or modification of a use restriction.

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Section 4.1. Residential Use. All Lots, other than the Common Area, shall be improved and used solely for Single-Family residential use. No Lot shall ever be used or caused to be used or allowed, suffered or authorized to be used in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storage, vending, or other such non-residential purpose; except that Declarant and Participating Builders, and their respective successors and assigns, may use any portion of the Development for a model home site and display, sales office and construction office.

Section 4.2. Improvements.

(a) No Owner's Lot shall be improved except with a Residence designed to accommodate no more than a Single Family and its servants and occasional guests, plus a garage, fencing and such other Improvements as are necessary or customarily incident to a Single-Family Residence. No projections of any type shall be placed or permitted to remain above the roof of any Residence or Improvement within the Development, except one or more chimneys or vent stacks. No basketball backboard or other sports apparatus shall be constructed or maintained in the Development without the prior written approval of the Design Review Committee. No patio cover, wiring or air conditioning fixture, water softeners or other devices shall be installed on the exterior of a Residence or be allowed to protrude through the walls or roof of the Residence (with the exception of those items installed during original construction), without the prior written approval of the Design Review Committee.

(b) All utility and storage areas and all laundry rooms, including all areas in which clothing or other laundry is hung to dry, must be completely covered and concealed from view of other areas of the Development.

(c) No fence or wall shall be erected or altered without prior written approval of the Design Review Committee. All alterations or modifications of existing fences or walls of any type shall require the prior written approval of the Design Review Committee.

Section 4.3. Antennae. No exterior radio antenna or aerial, television antenna or aerial, microwave antenna, aerial or dish, "C.B." antenna or other antenna or aerial of any type which is visible from any public or Private Street or from anywhere in the Development shall be erected or maintained anywhere in the Development. Declarant or the Sub-Association may, however, but are in no way obligated to, provide a master antenna or cable television antenna for use of all or some Owners. Declarant may grant easements for maintenance of any such master or cable television service.

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Section 4.4. Insurance Rates. Without the approval of the Board of Directors, nothing shall be done or kept in the Development which is in violation of any law, would result in the increase of insurance rates for any Sub-Association Property or would result in the cancellation of insurance for any Sub-Association Property. The Design Review Committee shall have no power to waive or modify this restriction.

Section 4.5. Signs. No sign, poster, billboard, advertising device or display of any kind shall be erected, displayed or maintained anywhere in the Development without the approval of the Design Review Committee, except that the Design Review Committee need not approve the following: (a) any sign (regardless of size or configuration) used by Declarant or a Participating Builder in connection with the development and sale of Lots, and (b) a sign advertising for sale or lease a privately owned Lot; provided, however, that such sign (i) shall not exceed five feet (5') in height nor shall the face of such sign exceed a size of 8 1/2 by 11 inches and (ii) shall otherwise conform to the specifications promulgated (from time to time) by the Design Review Committee, relating to dimensions, design, number, style and location of display.

Section 4.6. Nuisances. No rubbish, refuse or scrap lumber or metal; and no grass, shrub or tree clippings; and no plant waste, compost, bulk materials or debris of any kind shall be kept, stored or allowed to accumulate on any Lot unless stored within an enclosed structure or container which has been approved by the Design Review Committee, or unless such matter is screened from view in a manner approved by the Design Review Committee. A refuse container, the use of which has been approved by the Design Review Committee, containing such materials, may be placed outside at times reasonably necessary to permit garbage or trash pickup. Reasonably necessary time shall not extend more than twelve (12) hours before scheduled pickup. No sound or odor shall be emitted from any area of the Development, which is noxious or unreasonably offensive to any Person. Without limiting the generality of any of the foregoing provisions, no horns, whistles, bells or other sound devices (other than devices used exclusively for safety, security or fire protection purposes), noisy or smokey vehicles, unlicensed off-road motor vehicles or other items which may unreasonably disturb other Owners or Occupants shall be located, used or placed on any property within the Development without the prior written approval of the Design Review Committee.

Section 4.7. Exterior Maintenance and Repair. No property anywhere within the Development shall be permitted to fall into disrepair, and all property including any Residence, Improvements thereon or landscaping thereon shall at all times be kept in a clean, safe, and attractive condition. Without limiting the generality of the foregoing, each Owner shall maintain, repair and replace as necessary any Improvements, including trees, landscaping and sidewalks constructed or planted by Declarant on such Owner's

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Lot. If any Owner shall permit any Lot, which it is the responsibility of such Owner to maintain, to fall into disrepair so as to create a dangerous, unsafe, unsightly or unattractive condition, the Design Review Committee, after Notice and Hearing to such Owner, shall have the right, but in no way the obligation, to correct such condition, and to enter upon such Owner's Lot for the purpose of doing so. Such Owner shall promptly reimburse the Sub-Association for the cost thereof. Such cost shall be cause for a Special Assessment enforceable in the manner set forth in this Declaration and the Owner of the offending Lot shall be personally liable for all such corrective acts, plus all costs incurred in collecting the amounts due. Each Owner shall pay all amounts due for such work within ten (10) days after receipt of written demand therefor, or action shall be taken against the Owner in the manner set forth in this Declaration. The Sub-Association shall have no liability, whatsoever, for any damage done to an Owner's Lot as a result of its entrance and repair, provided, however, that the Sub-Association was acting in good faith and without negligence.

Section 4.8. Drainage. There shall be no interference with the established drainage pattern over any Lot, so as to affect any other Lot, unless an adequate alternative provision is made for proper drainage and is first approved in writing by the Design Review Committee. For the purpose hereof, the "established drainage pattern" of a Lot shall mean the drainage pattern which exists at the time the grading of such Lot is completed by Declarant or a Participating Builder and shall include any grading changes shown on plans approved by the Design Review Committee.

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Section 4.9. Water and Sewer Systems. No individual water supply system, cesspool, septic tank or other sewage disposal system shall be permitted on any Lot.

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Section 4.10. No Hazardous Activities. No activities shall be conducted nor shall any Improvements be constructed anywhere in the Development which are or might be unsafe or hazardous to any Person or Lot in the Development. Without limiting the generality of the foregoing, no firearms shall be discharged upon any property within the Development and no open fire shall be lighted or permitted on any Lot within the Development except in a contained barbecue unit while attended and in use for cooking purposes or in an interior or exterior fireplace designed to prevent the disbursal of burning embers.

Section 4.11. Unsightly Articles. No unsightly articles, facilities, equipment, objects or conditions (including but not limited to clotheslines, and garden and maintenance equipment) shall be permitted to remain on any Lot in the Development so as to be visible from any public or Private Street or from any other Lot in the Development.

Section 4.12. Temporary Structures. Unless approved in writing by the Design Review Committee, no tent, shed, shack or

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other temporary or portable building, Improvement or structure shall be placed upon any portion of the Development.

Section 4.13. Mining and Drilling. No area of the Development shall be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing water, oil, gas or other hydrocarbons, minerals, rocks, stones, gravel or earth, nor shall oil wells, tanks, tunnels or mineral excavations or shafts be permitted upon the surface of any portion of the Development or within five hundred fifty (550) feet below the surface of the Development.

Section 4.14. Improvements and Alterations. There shall be no excavation, construction, alteration or erection of any Improvement (including any projection) which in any way alters the exterior appearance of any Residence, existing Improvement or any public or private street or any portion of a Lot without the prior approval of the Design Review Committee. This Section 4.16 shall not be deemed to prohibit minor repairs or rebuilding which are for the purpose of maintaining or restoring a Lot at or to its existing condition.

Section 4.15. View Restrictions. No vegetation, Improvement, or other obstruction shall be planted, constructed, or maintained on any Lot in such location or of any such height as to obstruct unreasonably the view from any other Lot. Each Owner of a Lot and the Sub-Association shall be responsible for periodic trimming, pruning and thinning of all hedges, shrubs and trees located on his or its Lot or Common Area which is subject to his or its control or maintenance, so as not to unreasonably obstruct the view of adjacent Owners. If an Owner fails to perform necessary trimming, pruning or thinning, the Sub-Association shall have the right, but not the obligation, after Notice and Hearing by the Design Review Committee, to enter upon such Lot for the purpose of performing such work. Notwithstanding the foregoing, each Owner, by accepting a Deed to a Lot, hereby acknowledges that any construction or installation by Declarant may impair the view of such Owner, and hereby consents to such impairment.

Section 4.16. Landscaping. All landscaping improvements on those portions of the front and side yards of any Lot which are visible from any Private Street, public street within or outside the Development, or the Common Area must be approved by the Design Review Committee prior to installation or construction.

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Amendment*

Section 4.17. Parking and Vehicular Restrictions. No Owner shall park, store or keep on any Private Street within the Development any commercial type vehicle (including, but not limited to, any dump truck, cement-mixer truck, oil or gas truck or delivery truck); any recreational vehicle (including, but not limited to, any camper unit, house/car or motor home); any bus, trailer, trailer coach, camp trailer, boat, aircraft or mobile home; or any inoperable vehicle or other similar vehicle. The

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foregoing restrictions shall not apply to (i) camper trucks and similar vehicles less than or equal to three-quarter (3/4) ton weight, and (ii) vans which are used for everyday-type transportation, provided, that the acceptability of such vehicles shall be subject to approval by the Board of Directors, and (iii) trailers and vehicles stored within an enclosed garage. In addition, no Owner shall park, store, or keep anywhere within the Development any vehicle or vehicular equipment, mobile or otherwise, for a period of time exceeding forty-eight hours, or for any time, or in any manner, deemed to be a nuisance by the Board of Directors. Garages shall be kept closed at all times, except as reasonably required for ingress to and egress therefrom. No Owner of a Lot shall conduct repairs or restorations of any motor vehicle, boat, trailer, aircraft or other vehicle upon any portion of any Lot or elsewhere within the Development, except wholly within the Owner's garage; provided, however, that such activity shall at no time be permitted if it is determined by the Board of Directors to be a nuisance. Vehicles owned, operated or within the control of an Owner or of a Occupant shall be placed in the garage to the extent of the space available therein and each Owner shall maintain his garage in a manner which ensures that it is capable of accommodating as many vehicles as it was designed to accommodate.

Section 4.18. Further Subdivision. Subject to the exemption of Declarant and Participating Builders as provided in Article XII, no Lot in the Development may be further subdivided (including division into time-share estates or time-share uses) without the prior written approval of the Board of Directors.

Section 4.19. Animals. No animals, fowl, reptiles, poultry, fish or insects of any kind ("Animals") shall be raised, bred or kept within the Development except that dogs, cats or other common household pets may be kept, provided that they are not bred or maintained for any commercial purpose, or in numbers deemed unreasonable by the Board of Directors. As used in this Declaration, "unreasonable quantities" shall ordinarily but not necessarily mean more than two (2) pets per household. No Animals may be kept on any Lot which, in the good faith judgment of the Board of Directors or a committee selected by the Board of Directors for this purpose, result in an annoyance or are found to be dangerous or obnoxious to Owners or Occupants in the vicinity. All Animals permitted to be kept pursuant to this Section shall be kept under control on a leash when on any portion of the Development except within a Lot, at which time all Animals must be kept within an enclosure, or an enclosed yard. To the extent permitted by law, any Owner of an Animal shall be absolutely liable to all others for any unreasonable noise or damage to any Person or property caused by any Animal within the Owner's responsibility. It shall be the absolute duty and responsibility of each Owner to clean up after such Animals which have used any portion of the Sub-Association Property.

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Section 4.20. Leasing Restrictions. All leases and rental agreements for individual Residences shall be in writing and specifically shall be subject to each and every requirement, covenant and condition of this Declaration, the Articles, the Bylaws, duly adopted Rules and Regulations, the Master Declaration, and the articles, bylaws and duly adopted rules and regulations of the Master Association.

ARTICLE V

SUB-ASSOCIATION

Section 5.1. Organization. The Country Club Hills Community Association (the "Sub-Association") has been or will be organized as a non-profit corporation under Chapter 81 of NRS as the Sub-Association to which reference is made in this Declaration. The Sub-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.

Section 5.2. Board of Directors. The affairs of the Sub-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 comprised of at least three (3) and no more than nine (9) directors. The initial Board of Directors shall be composed of three (3) directors and Declarant shall appoint all three (3) in accordance with the Articles and the Bylaws. The initial Board of Directors shall serve until the first meeting of the Members of the Sub-Association which meeting shall be held within forty-five (45) days after the closing of the sale of fifty-one percent (51%) of the Lots covered by this Declaration. Within forty-five (45) days after at least fifty-one percent (51%) of the Lots have been sold and transferred, Declarant shall call a meeting of the Members of the Sub-Association where, among other business, the Board of Directors of the Sub-Association shall be elected. 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 Sub-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 Sub-Association Property and facilities thereon, including those powers and duties specifically listed in Article VI hereof and elsewhere in this Declaration. Action by or on behalf of the Sub-Association may be taken by the Board of Directors or any duly authorized

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executive committee, officer, Manager, agent or employee without a vote of the Members, except as otherwise specifically provided in the Articles, Bylaws or this Declaration.

Section 5.3. Membership. The Members of the Sub-Association shall be each Owner (including Declarant and any Participating Builder) of one (1) or more Lots in the Development. The Person or Persons who constitute the Owner of a Lot shall automatically be the holder of the Membership in the Sub-Association, which Membership shall be appurtenant to the Lot. Such Membership shall automatically pass with fee simple title to the Lot. Ownership of a Lot shall be the sole qualification for an Owner's Membership in the Sub-Association. Declarant and each Participating Builder shall hold a separate Membership for each Lot owned by Declarant or such Participating Builder.

Any attempt to make a prohibited Membership transfer shall be void and will not be reflected on the books of the Sub-Association. Membership in the Sub-Association shall be in addition to membership in the Master Association as provided in the Master Declaration. A Member who has sold his Lot to a contract purchaser under a Recorded installment sale contract shall be entitled to delegate to such contract purchaser his Membership rights in the Sub-Association; provided, however, that such Member-contract seller shall not be entitled to the use and enjoyment of the recreational or other facilities of the Sub-Association Property during the term of such delegation. 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 Sub-Association Property. The contract seller, however, shall remain liable for all assessments attributable to his Lot until fee title to the Lot sold is transferred. If the Owner of any Lot fails or refuses to transfer the Membership registered in his name to the purchaser of such Lot upon transfer of fee title thereto, the Board of Directors shall, nonetheless, have the right to record the transfer upon the books of the Sub-Association. The Sub-Association may levy a reasonable transfer fee against new Owners and their Lots (which fee shall be added to the Common Assessment chargeable to such new Owner) to reimburse the Sub-Association for the administrative costs of transferring, on the records of the Sub-Association, the Memberships to the new Owners.

Section 5.4. Voting Rights.

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

(1) Class A. Class A Members shall originally be all Owners of Lots in the Development with the exception of Declarant and Participating Builders for so long as there exists a Class B Membership in the Development. Each Class A Member shall (subject to the terms of Section 4.21) be

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entitled to cast one (1) vote for each Lot owned by such Member in the Development;

(2) Class B. The Class B Members shall be Declarant and the Participating Builders. Each Class B Member shall be entitled to cast four (4) votes for each Lot owned by Declarant or such Participating Builder, as the case may be, in the Development. The Class B Membership shall cease with respect to the Development and be converted to Class A Membership when the total votes outstanding in the Class A Membership in the Development equal the total votes outstanding in the Class B Membership in the Development; provided, however, that the Class B Membership shall be reinstated if a sufficient number of Lots within any Annexed Territory are thereafter added to the Development so that the total number of Class B votes once again exceeds the total number of Class A votes; and

(3) 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 Sub-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 (i) any Lot within the Development, or (ii) any portion of the Annexable Area.

(b) Vote Distribution.

(1) Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for Membership. When more than one Person holds such interest or interests in any Lot ("co-owners"), all such co-owners shall be Members and may attend any meetings of the Sub-Association, but only one such co-owner shall be entitled to exercise the vote to which the Lot 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 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 shall be exercised as mutually agreed upon by the majority of the co-owners of the Lot. 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 where the majority of the co-owners, present in person or by proxy, owning the majority interests in such Lot, 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 and shall be entitled to all other benefits of ownership. All agreements and determinations lawfully made by the Sub-Association in accordance with the voting percentages established herein, or in the Bylaws, shall be

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deemed to be binding on all Owners, their successors and assigns;

(2) Any Mortgagee who acquires title to a Lot 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 would otherwise have had; and

(3) 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 the Declarant by virtue of said assignment, the absolute voting rights of the Declarant as provided herein shall not be terminated thereby, and such lender shall hold the Declarant's Memberships and voting rights on the same terms as they were held by Declarant.

Section 5.5. 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 one (1) vote 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 5.4(a)(3) of this Article still exists, in which case each Class A Member shall have one (1) vote 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 Member shall have the same voting rights as the Class A Members, except that the Class B Member shall have four (4) votes for each Lot owned by the Class B Member times the number of directors that Class A and Class B Members together 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 any number of candidates. 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 together with the directors elected by the Class C Member.

Section 5.6. Master Association Voting.

(a) As provided in the Master Declaration, each Member of the Sub-Association is also a Member of the Master Association, entitled to vote in Master Association matters in accordance with the voting procedures contained in the Master Declaration.

(b) As of the date of commencement of a "Delegate Voting System" pursuant to Article IV, Section 4.6 of the Master Declaration, the Development shall be considered a "Delegate District" pursuant to Article IV, subsection 4.6(b) of the Master Declaration for purposes of voting under the Master Declaration. As a Delegate District, the Development's Class A Members are entitled to elect one (1) Class A Delegate to the Master Association to

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exercise the voting power of all the Development's Class A Members in the Development. The Development's Class A Delegate shall be elected in accordance with Article IV, subsection 4.6(b) of the Master Declaration. In addition, the Class B Members shall appoint one (1) Class B Delegate to exercise the voting power of the Development's Class B Members.

(c) Each Class A Member shall have the right to cast all votes to which he is entitled by property ownership within the Development, for the Development's Class A Delegate to the Master Association to exercise the Class A voting power of the Development.

(d) The Development's Class A Delegate shall cast one (1) vote for every Class A vote entitlement of the Development calculated pursuant to the terms of the Master Declaration. The Development's Class B Delegate shall cast one (1) vote for every Class B vote entitlement of the Development calculated pursuant to the terms of the Master Declaration. At each meeting of Delegates, the Development's 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 the Development; provided, however, that if a Delegate District meeting is held at which an issue is decided by a majority of a quorum of the Development's Class A Members, the majority's decision shall control the vote of the Development's Class A Delegate on that issue. The Development's Class A Delegate shall have the authority, in his sole discretion, to call a special meeting of the Development's Class A Members in the manner provided in the Bylaws for the purpose of obtaining instructions as to the manner in which the Development's Class A Delegate is to vote on any issue to be voted on by the Delegates. At each meeting of the Delegates, the Development's Class B Delegate shall cast the votes which he represents in accordance with the instructions of the Class B Members. It shall be conclusively presumed for all purposes of the Master Association business that any Development Delegate casting votes on behalf of (i) the Development's Class A Members, or (ii) the Development's Class B Member will have acted with the authority and consent of all such Members. All agreements and determinations lawfully made by the Sub-Association and Master 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.

ARTICLE VI

FUNCTIONS OF THE SUB-ASSOCIATION

Section 6.1. Powers and Duties. The Sub-Association shall have all of the powers of a Nevada non-profit corporation, subject only to such limitations upon the exercise of such powers as are