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**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR
LUNA DI LUSSO CONDOMINIUM**

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EXHIBITS

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<u>EXHIBIT B</u>	Map
<u>EXHIBIT C</u>	Allocated Interests, Expenses and Votes
<u>EXHIBIT D</u>	List of Recorded Easements

**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
LUNA DI LUSSO CONDOMINIUM**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR LUNA DI LUSSO CONDOMINIUM (as amended from time to time, this "**Declaration**") is made as of September 20, 2004, by MonteLago Two Development Company, LLC, a Delaware limited liability company ("**Declarant**").

Recitals

- A. Declarant owns the real property located in the County of Clark, State of Nevada, that is more particularly described on Exhibit A attached hereto and made a part hereof.
- B. Declarant desires to create a condominium on such property pursuant to the Nevada Uniform Common Interest Ownership Act, Nevada Revised Statutes Chapter 116, as the same may be amended from time to time. The Condominium is planned to be developed in two (2) phases.
- C. Declarant deems it necessary and desirable to subject such property to the covenants, conditions, restrictions, reservations, easements, assessments, charges, liens and other provisions set forth in this Declaration.

Declaration

In consideration of the foregoing, Declarant hereby declares as follows:

**ARTICLE 1
DECLARATION**

1.01 Declaration.

Declarant hereby creates a condominium named "Luna di Lusso Condominium" on the Property (as such term is defined below) and declares that the Property shall be held, sold and conveyed subject to the covenants, conditions, restrictions, reservations, easements, assessments, charges, liens and other provisions of this Declaration.

1.02 Covenants Running with the Land.

All covenants, conditions, restrictions, reservations, easements, assessments, charges, liens and other provisions of this Declaration are covenants running with the land, or equitable servitudes, as the case may be. The obligations, burdens and benefits created by this Declaration shall bind and inure to the benefit of Declarant, each Owner (as such term is defined below), the Association (as such term is defined below), and each of their respective successors, assigns, heirs, devisees, executors, administrators and/or personal representatives.

**ARTICLE 2
DEFINITIONS**

2.01 Definitions.

As used in this Declaration, the following terms have the meanings given to them in this *Section 2.01.*

(a) **"Act"** means the Nevada Uniform Common Interest Ownership Act, Nevada Revised Statutes, Chapter 116, as the same may be amended from time to time.

(b) **"Additional Unit"** means the area reserved by Declarant for future development that is designated as the "Additional Unit" on the Map.

(c) **"Area"**, when reference is made to a Unit or Units, means the total number of square feet of floor space thereof as shown on the Map, or if such square footage is not shown on the Map, then "Area", when reference is made to a Unit or Units, means the total number of square feet of such Unit as determined by the Executive Board.

(d) **"Assessment"** means a General Assessment, a Special Assessment, or a Default Assessment levied and assessed pursuant to *Article 7*.

(e) **"Assessment Lien"** has the meaning given to that term in *Section 7.08*.

(f) **"Association"** means Luna di Lusso Homeowners' Association, Inc., a Nevada nonprofit corporation, and its successors and assigns.

(g) **"Association Articles"** means the articles of incorporation of the Association, as the same may be amended from time to time.

(h) **"Association Documents"** means this Declaration, the Association Articles, the Bylaws and the Rules.

(i) **"Bylaws"** means the bylaws of the Association, as the same may be amended from time to time.

(j) **"Clark County Records"** means the official records of the County Recorder of Clark County, Nevada.

(k) **"Common Elements"** means the General Common Elements and the Limited Common Elements.

(l) **"Common Expenses"** means:

(i) any and all costs, expenses and liabilities incurred by or on behalf of the Association, including, without limitation, costs, expenses and liabilities for (A) managing, operating, insuring, improving, repairing, replacing and maintaining the Common Elements, the H.O.A. Unit and the Mechanical Units; (B) providing facilities, services and other benefits to Owners; (C) administering and enforcing the covenants, conditions, restrictions, reservations and easements created hereby; (D) levying, collecting and enforcing the Assessments, charges and liens imposed pursuant hereto; (E) regulating and managing the Condominium; and (F) operating the Association; and

(ii) reserves for any such costs, expenses and liability, including, without limitation, reserves to be placed in the Reserve Fund.

(m) **"Condominium"** means Luna di Lusso Condominium, the common interest community created on the Property by this Declaration, consisting of the Units and the Common Elements.

(n) **"Declarant"** means MonteLago Two Development Company, LLC, a Delaware limited liability company.

(o) **"Declarant Control Period"** has the meaning given to that term in *Section 6.03*.

(p) **"Declaration"** means this Declaration of Covenants, Conditions and Restrictions for Luna di Lusso Condominium, as the same may be supplemented or amended from time to time.

(q) **"Default Assessment"** has the meaning given to that term in *Section 7.06*.

(r) **"Design Review Board"** means MonteLago Village Design Review Board.

(s) **"Design Review Board Documents"** means the rules and regulations of the Design Review Board, and any additional rules, guidelines or regulations of the Design Review Board, as the same may be amended from time to time.

(t) **"Development Declaration"** means that certain Declaration of Development Covenants, Conditions and Restrictions recorded as Instrument No. 02391 in Book 20031021 of the Clark County Records, as the same may be amended from time to time.

(u) **"Director"** means a duly elected or appointed member of the Executive Board.

(v) **"Executive Board"** means the Association's board of directors.

(w) **"First Mortgage"** means any Mortgage that is not subordinate to any other lien or encumbrance, except liens for taxes or other liens that are given priority by statute.

(x) **"First Mortgagee"** means a Mortgagee under a First Mortgage.

(y) **"General Assessment"** has the meaning given to that term in *Section 7.04*.

(z) **"General Common Elements"** means all of the Condominium, other than the Units and the Limited Common Elements. Without limiting the generality of the preceding sentence, General Common Elements include, without limitation:

(i) all Improvements, including, without limitation, the foundations, columns, girders, beams, supports, perimeter and supporting walls, utility systems, mechanical systems, sprinkler systems, exhaust and ventilation systems, elevators, exercise rooms, parking facilities, waiting areas, restrooms, storage areas, roofs, chimneys, drainage facilities, patios, balconies, decks, porches, courtyards, stoops, exits and entrances, except for those improvements that are designated by the Act, by this Declaration or by the Map as a Unit, a Limited Common Element, an "LCE" or a portion thereof; and

(ii) any parcels of real property and improvements and fixtures located thereon that are:

(A) owned by the Association for the benefit of, and made available by the Association for use by, all the Owners; or

(B) owned by a Person other than the Association, but in which the Association has rights of use or possession pursuant to this Declaration or a lease, license, easement or other agreement, and that are used or possessed by the Association for the benefit of all the Owners.

(aa) **"Guest"** means any family member, employee, agent, independent contractor, lessee, customer or invitee of an Owner.

(bb) **"H.O.A. Unit"** means the Unit designated an "H.O.A. Unit" on the Map.

(cc) **"Improvement"** means any building, structure or other installation (including, without limitation, all fixtures and improvements contained therein) located on the Property.

(dd) **"Interest in Common Elements"** means the undivided interest in the Common Elements appurtenant to each Unit, determined in accordance with the terms and conditions of *Section 3.02*.

(ee) **"Lake Las Vegas Master Association"** means the Lake Las Vegas Master Association, a Nevada nonprofit corporation, and its successors and assigns.

(ff) **"Limited Common Elements"** means those portions of the Condominium allocated by this Declaration, the Map or by operation of the Act for the exclusive use of one or more Units, but fewer than all of the Units. Without limiting the generality of the foregoing, **"Limited Common Elements"** include, without limitation:

(i) any shutters, awnings, window boxes, windows and doors located at the boundaries of Units, utility systems, mechanical systems, exhaust and ventilation systems, fireplaces, patios, balconies, decks, porches, courtyards, storage spaces, entrances, exits and walkways and other areas and Improvements that are designed to serve fewer than all of the Units;

(ii) any parcels of real property and improvements and fixtures located thereon that are:

(A) owned by the Association for the benefit of, and made available by the Association for use by, Owners of fewer than all of the Units; or

(B) owned by a Person other than the Association, but in which the Association has rights of use or possession pursuant to this Declaration or a lease, license, easement or other agreement, and that are used or possessed by the Association for the benefit of Owners of fewer than all of the Units; and

(iii) any physical portion of the Condominium that is designated on the Map as a "Limited Common Element," or an "LCE".

If any chute, flue, duct, wire, conduit, bearing wall, bearing column or other structural component, any portion of a utility or mechanical system or any fixture lies partially within and partially outside of the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element allocated solely to that Unit, and any portion thereof serving more than one Unit or any portion of the Common Elements is a part of the General Common Elements. Nonstructural walls located wholly within a Unit are Limited Common Elements appurtenant to the Units in which they are located.

(gg) **"Major Components"** has the meaning given to that term in *Section 7.11*.

(hh) **"Majority,"** regardless of whether capitalized, means any percentage greater than 50 percent.

(ii) **"Map"** means the Final Map of Luna di Lusso Condominium attached to and made a part of this Declaration as Exhibit B, as the same may be amended or supplemented from time to time.

(jj) **"Master Declaration"** means the Amended and Restated Master Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Lake Las Vegas recorded as Instrument No. 02012 in Book 990930 of the Clark County Records, as hereafter supplemented and amended.

(kk) **"Master Documents"** means the Master Declaration, together with (i) the articles of incorporation and the bylaws of the Lake Las Vegas Master Association, and (ii) the "Development Regulations" and the "Rules and Regulations" as such terms are defined in the Master Declaration.

(ll) **"Master Supplemental Declaration"** means that certain Supplemental Declaration recorded as Instrument 02389 in Book 20031021 of the Clark County Records, as the same may be amended from time to time.

(mm) **"Mechanical Unit"** means each Unit identified as a "Mechanical Unit" or an "M.U." on the Map, and, after the Subdivision Date, shall include any Mechanical Unit constructed in the Additional Unit.

(nn) **"MonteLago Village"** means that certain common interest community created pursuant to the Village Declaration.

(oo) **"Mortgage"** means any mortgage, deed of trust or other document pledging any Unit or interest therein as security for payment of a debt or obligation.

(pp) **"Mortgagee"** means any Person named as a mortgagee or beneficiary in any Mortgage and any successor to the interest of any such Person under a Mortgage.

(qq) **"Office Unit"** means any Unit identified as an "Office Unit" on the Map, and, after the Subdivision Date, shall include any Office Unit constructed in the Additional Unit.

(rr) **"Officer"** means a duly elected or appointed officer of the Association.

(ss) **"Owner"** means the record holder of legal title to the fee simple interest in any Unit or portion thereof. If there is more than one record holder of legal title to a Unit, each record holder shall be an Owner. The term "Owner" includes Declarant to the extent that Declarant is the record holder of legal title to the fee simple interest in a Unit.

(tt) **"Person"** means any natural person, corporation, partnership, limited liability company, association, trust, trustee, governmental or quasi-governmental entity or any other entity capable of owning real property under the laws of the State of Nevada.

(uu) **"Phase Two Supplemental Declaration"** means an executed and acknowledged instrument that, upon its recordation in the Clark County Records, will supplement this Declaration, to effect, among other things, the subdivision of the Additional Unit, as provided in *paragraph 3.01(b)* and *Article 15*.

(vv) **"Property"** means:

(i) the real property located in Clark County, Nevada, that is more particularly described on Exhibit A attached hereto and made a part hereof; and

(ii) any real property that is later made subject to this Declaration in accordance with the terms and conditions contained herein.

(ww) **"Purchaser"** means a Person, other than Declarant or a Successor Declarant, who acquires legal title to the fee simple interest in any Unit or portion thereof.

(xx) **"Reserve Analyst"** has the meaning given to that term in *Section 7.11*.

(yy) **"Reserve Component"** has the meaning given to that term in *Section 7.03*.

(zz) **"Reserve Fund"** has the meaning given to that term in *Section 7.11*.

(aaa) **"Reserve Study"** has the meaning given to that term in *Section 7.11*.

(bbb) **"Residential Parking Areas"** has the meaning given to that term in *Section 10.13*.

(ccc) **"Residential Unit"** means any Unit, other than an Office Unit, a Mechanical Unit, the H.O.A. Unit or the Additional Unit, and, after the Subdivision Date, shall include the Residential Units constructed in the Additional Unit.

(ddd) **"Rules"** means any instruments adopted by the Association for the regulation and management of the Condominium, if any, as the same may be amended from time to time.

(eee) **"Share of Common Expenses"** means the share of Common Expenses allocated to each Unit in accordance with the terms and conditions of *Section 7.02*.

(fff) **"Special Assessment"** has the meaning given to that term in *Section 7.05*.

(ggg) **"Special Declarant Rights"** means all "special declarant's rights" (as such term is defined in the Act) that Declarant reserves for itself in this Declaration, including, without limitation, those set forth in *Article 15*.

(hhh) **"Subdivision Date"** shall mean the date that the Phase Two Supplemental Declaration is recorded in the Clark County Records, which recordation shall occur prior to the first conveyance to a third party purchaser of a Residential Unit constructed in the Additional Unit.

(iii) **"Successor Declarant"** means any Person who succeeds to any right(s) of Declarant hereunder, on the condition that Declarant's rights and powers may be assigned only by a recorded instrument expressly assigning such rights and powers.

(jjj) **"Total Condominium Area"** means the Area of all Units in the Condominium, as determined in accordance with *paragraph 2.01(c)*.

(kkk) **"Unit"** means a physical portion of the Condominium that:

- (i) is created by this Declaration;
- (ii) is created by the Phase Two Supplemental Declaration;
- (iii) is designated for separate ownership; and
- (iv) has boundaries that are described in this Declaration, the Phase Two Supplemental Declaration, or shown on the Map.

If walls, floors or ceilings are designated as boundaries of a Unit, all paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any portion of the finished surfaces thereof are part of the Unit, and all other portions of the walls, floors and ceilings are part of the Common Elements.

(lll) **"Village Company"** means MonteLago Village Association, Inc., a Nevada nonprofit corporation, and its successors and assigns.

(mmm) **"Village Declaration"** means the Declaration of Covenants, Conditions and Restrictions for MonteLago Village, recorded as Instrument No. 03417 in Book 20030801 in the Clark County Records, as amended by that certain First Amendment to Declaration of Covenants, Conditions and Restrictions for MonteLago Village, recorded as Instrument No. 02186 in Book 20031119 in the Clark County Records, as the same may be further amended from time to time.

(nnn) **"Village Documents"** means the Village Declaration and the articles of incorporation, the bylaws, and all rules and regulations of the Village Company, as the same may be amended from time to time.

2.02 Gender and Number.

Wherever the context of this Declaration so requires, words used in the:

- (a) masculine gender shall include the feminine and neuter genders;
- (b) neuter gender shall include the masculine and feminine genders;
- (c) feminine gender shall include the masculine and neuter genders;
- (d) singular shall include the plural; and
- (e) plural shall include the singular.

ARTICLE 3
UNITS AND COMMON ELEMENTS

3.01 Creation of Units and Common Elements.

(a) Declarant hereby creates 85 Residential Units, one Office Unit, two Mechanical Units, one H.O.A. Unit, one Additional Unit and the Common Elements within the Condominium, the boundaries and identifying numbers of which are shown on the Map.

(b) Declarant hereby reserves for itself and any Successor Declarant(s) the right to subdivide the Additional Unit and develop additional Units and additional Common Elements within the Additional Unit or any other real estate Declarant may add to the Condominium pursuant to *paragraph 15.02(a)(i)*.

(c) No Owner may alter its Unit, subdivide its Unit or relocate the boundaries between its Unit and an adjacent Unit, except as expressly provided otherwise by this Declaration.

(d) Except as expressly provided to the contrary in this Declaration, the Interest in Common Elements and the right to use Limited Common Elements appurtenant to a Unit may not be partitioned or separated from the Unit or any part thereof.

(e) Nothing in *paragraph 3.01(c)*, *paragraph 3.01(d)* or elsewhere in this Declaration shall prevent or limit Declarant's exercise or enjoyment of any Special Declarant Right.

(f) Notwithstanding anything to the contrary contained in *paragraph 3.01(c)*, *paragraph 3.01(d)* or elsewhere in this Declaration:

(i) Declarant, or any Successor Declarant that becomes the Owner of the Additional Unit, may alter the Additional Unit or subdivide the Additional Unit in furtherance of the rights reserved to Declarant in *paragraph 3.01(b)* and *Article 15*.

(ii) an Owner may grant its rights to use any General Common Element or any Limited Common Element appurtenant to the Owner's Unit to the Owner's Guests; and

(iii) the Owner of an Office Unit, a Mechanical Unit or the H.O.A. Unit may construct partitions within its Unit and lease separate portions of its Unit to one or more lessees.

3.02 Interests in Common Elements.

(a) The Interest in Common Elements appurtenant to:

- (i) each Mechanical Unit shall be .001 percent (.001%);

(ii) the H.O.A. Unit shall be .001 percent (.001%);

(iii) until the Subdivision Date, the Additional Unit shall be .001 percent (.001%);

and

(iv) every other Unit (other than the Mechanical Units, the H.O.A. Unit and the Additional Unit) shall be expressed as a percentage and calculated in accordance with the following formula:

$$\text{Interest in Common Elements} = \frac{(\text{Area of the Unit})}{(\text{total Condominium Area minus the Area of the Mechanical Units, the H.O.A. Unit and the Additional Unit})} \times 99.996\%$$

(b) The Interest in Common Elements appurtenant to each of the Units as of the date first set forth above is set forth on Exhibit C attached hereto and made a part hereof.

(c) If any Units are added to or withdrawn from the Condominium (including, without limitation, the addition (after the Subdivision Date) of Units that may be created within the Additional Unit), or if the Area of one or more Units (other than the Mechanical Units and the H.O.A. Unit) is increased or decreased, the Interest in Common Elements for all Units within the Condominium after such addition or withdrawal, increase or decrease shall be recalculated in accordance with *paragraph 3.02(a)*.

(d) Any purported conveyance, encumbrance or transfer of an Interest in Common Elements made without the Unit to which the Interest in Common Elements is appurtenant shall be void.

3.03 Allocation of Limited Common Elements.

Except as expressly provided to the contrary in this Declaration, the allocation of the Limited Common Elements appurtenant to the Units pursuant to this Declaration, the Map or by operation of the Act may not be altered without the consent of all Owners whose Units would be affected by such reallocation, and then only in accordance with the terms and conditions of the Act.

3.04 Separate Taxation of Units.

Pursuant to the Act, each Unit constitutes a separate parcel of real estate and will be separately assessed and taxed. The Association shall allocate all tax expenses for Units owned by it among the Residential Units and Office Unit(s) and charge the Owners of such Units in accordance with their Shares of Common Expenses as General Assessments.

3.05 Description of Units.

To convey, encumber or otherwise affect legal title to a Unit an instrument must describe the Unit substantially as follows:

PARCEL I:

UNIT _____ ("UNIT"), AS SHOWN ON THE FINAL MAP OF LUNA DI LUSSO CONDOMINIUM, FILED IN BOOK 117 OF PLATS, PAGE 0069, IN THE OFFICIAL RECORDS OF THE COUNTY RECORDER, CLARK COUNTY, NEVADA (AS MAY BE AMENDED OR SUPPLEMENTED, THE "MAP"), AND AS DEFINED AND SET FORTH IN AND SUBJECT TO THAT CERTAIN DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR LUNA DI LUSSO CONDOMINIUM, RECORDED AS INSTRUMENT NO. _____ IN BOOK 2004 _____, OFFICIAL

RECORDS, CLARK COUNTY, NEVADA (AS MAY BE AMENDED OR SUPPLEMENTED, THE "LUNA DI LUSSO DECLARATION").

PARCEL II:

TOGETHER WITH AN UNDIVIDED ALLOCATED FRACTIONAL INTEREST IN AND TO THE COMMON ELEMENTS, AS SET FORTH IN, AND SUBJECT TO, THE MAP AND THE LUNA DI LUSSO DECLARATION.

PARCEL III:

TOGETHER WITH AN EXCLUSIVE RIGHT TO USE THOSE LIMITED COMMON ELEMENTS, IF ANY, APPURTENANT TO THE UNIT, AS SET FORTH IN, AND SUBJECT TO, THE MAP AND THE LUNA DI LUSSO DECLARATION.

PARCEL IV:

TOGETHER WITH A NON-EXCLUSIVE EASEMENT OF REASONABLE INGRESS TO AND EGRESS FROM THE UNIT, AND OF ENJOYMENT OF THE GENERAL COMMON ELEMENTS, AS SET FORTH IN, AND SUBJECT TO, THE MAP AND THE LUNA DI LUSSO DECLARATION.

ARTICLE 4

THE ASSOCIATION

4.01 Formation of the Association.

On or before the date on which Declarant conveys the first Residential Unit to a Purchaser, Declarant shall form the Association.

4.02 Purposes and Powers.

(a) The Association's purposes are to:

(i) manage, operate, insure, construct, improve, repair, replace, alter and maintain the Common Elements, the H.O.A. Unit and the Mechanical Units;

(ii) provide certain facilities, services and other benefits to the Owners;

(iii) administer and enforce the covenants, conditions, restrictions, reservations and easements created hereby;

(iv) levy, collect and enforce the Assessments, charges and liens imposed pursuant hereto;

(v) enter into agreements with other Persons, including, without limitation, easements, licenses, leases and other agreements with one or more condominium associations, the Lake Las Vegas Master Association, and/or the Village Company, which agreements may contemplate the sharing of expenses among the Association and other condominium associations, the Lake Las Vegas Master Association and/or the Village Company for facilities and services that serve the Association and other condominium associations, the Lake Las Vegas Master Association and/or the Village Company;

(vi) take any action that it deems necessary or appropriate to protect the interests and general welfare of Owners; and

(vii) regulate and manage the Condominium.

(b) Unless expressly prohibited by law or any of the Association Documents, the Association may:

(i) take any and all actions that it deems necessary or advisable to fulfill its purposes;

(ii) exercise any powers conferred on it by the Act or any Association Document; and

(iii) exercise all powers that may be exercised in Nevada by nonprofit corporations.

(c) Without in any way limiting the generality of *paragraph 4.02(b)*, the Association may, but unless otherwise specifically required elsewhere in this Declaration, is not obligated to:

(i) provide certain facilities and services to the Owners and others, such as (A) recreational facilities and services, (B) water, chilled and heated water for the interior climate control system, sewer, gas, electric, cable television and other utility facilities and services, (C) parking facilities and services (including without limitation, valet parking services), and (D) trash collection facilities and services;

(ii) acquire, sell, lease and grant easements over, across and through Common Elements, the H.O.A. Unit and the Mechanical Units;

(iii) borrow monies and grant security interests in the Common Elements, the H.O.A. Unit, the Mechanical Units and in the assets of the Association as collateral therefor;

(iv) make capital improvements, repairs and replacements to Common Elements, the H.O.A. Unit and the Mechanical Units; and

(v) hire and terminate managing agents and other employees, agents and independent contractors.

4.03 Association Documents.

(a) This Declaration creates the Condominium and sets forth certain covenants, conditions, restrictions, reservations, easements, assessments, charges, liens and other provisions applicable to the Property. The Association Articles create the Association. The Bylaws provide for the regulation and management of the Association, and the Rules provide for the regulation and management of the Condominium.

(b) If there is any conflict or inconsistency between the terms and conditions of this Declaration and the terms and conditions of the Association Articles, the Bylaws or the Rules, the terms and conditions of this Declaration shall control. If there is any conflict or inconsistency between the terms and conditions of the Association Articles and the terms and conditions of the Bylaws or the Rules, the terms and conditions of the Association Articles shall control. If there is any conflict or inconsistency between the terms and conditions of the Bylaws and the terms and conditions of the Rules, the terms and conditions of the Bylaws shall control.

4.04 Books and Records.

Upon request, the Association shall allow Owners, Mortgagees and each of their respective agents to inspect current copies of the Association Documents and the books, records, budgets and financial statements of

the Association during normal business hours and under other reasonable circumstances. The Association may charge a reasonable fee for copying such materials.

ARTICLE 5

VOTING

5.01 Membership.

Every Owner shall be a member of the Association, and a Person who is not an Owner may not be a member of the Association.

5.02 Allocation of Votes.

- (a) The total number of votes allocated to the Units shall be determined as follows:
 - (i) the Mechanical Units shall not be entitled to any votes;
 - (ii) the H.O.A. Unit shall not be entitled to any votes;
 - (iii) until the Subdivision Date, the Additional Unit shall be entitled to one vote;
 - (iv) each Residential Unit shall be entitled to one vote; and
 - (v) each Office Unit shall be entitled to one vote.

(b) The votes allocated to the Units as of the date first set forth above are set forth on Exhibit C attached to this Declaration.

(c) If any Units are added to or withdrawn from the Condominium (including, without limitation, the addition (after the Subdivision Date) of Units that may be created within the Additional Unit) then the total number of votes allocated to all Units and the allocation thereof after such addition, withdrawal, increase or decrease shall be recalculated in accordance with *paragraph 5.02(a)*.

(d) Each Unit shall be entitled to the number of votes allocated to it in accordance with *paragraph 5.02(a)* regardless of the number of Owners of each Unit. Fractional voting shall not be allowed. If the Owners of a Unit cannot agree among themselves how to cast their vote on a particular matter, they shall lose their right to vote on such matter. If any Owner casts a vote representing a Unit, it will thereafter be presumed for all purposes that the Owner was acting with the authority and consent of all other Owners with whom such Owner owns that Unit, unless objection thereto is made by an Owner of that Unit to the Person presiding over the meeting at the time the vote is cast. If more than the number of allocated votes is cast on behalf of any particular Unit, none of such votes shall be counted and all of such votes shall be deemed null and void.

(e) The Association shall have no voting rights for any Unit owned by the Association.

(f) Cumulative voting shall not be allowed in the election of Directors, or for any other purpose.

5.03 Proxies.

An Owner entitled to vote pursuant to this *Article 5* may appoint an agent to vote the votes allocated to the Owner's Unit at a given meeting of the Owners by filing a duly executed proxy, in such form as the Association may reasonably require, timely delivered to the Association (but in all events prior to the meeting to which it pertains). An Owner may give a proxy only to a member of such Owner's immediate family, a tenant of such Owner that occupies a Unit in the Condominium, or another Owner who resides in the Condominium. No proxy shall be valid after the conclusion of the meeting (including a continuation of the meeting) for which such

proxy was executed. Any form of proxy or written ballot shall afford an opportunity therein to specify a choice between approval and disapproval of each matter or group of matters intended, at the time the written ballot or proxy is distributed, to be acted upon at the meeting for which the proxy or written ballot is solicited, and shall provide, subject to reasonably specified conditions, that where the person solicited specifies a choice with respect to any such matter, the vote shall be cast in accordance with such specification. Unless applicable Nevada law provides otherwise, a proxy is void if (i) it is not dated or purports to be revocable without notice, (ii) it does not designate the votes that must be cast on behalf of the Owner who executed it, or (iii) the holder of the proxy does not disclose at the beginning of the meeting (for which the proxy is executed) the number of proxies pursuant to which the proxy holder will be casting votes and the voting instructions received for each proxy. If and for so long as prohibited by Nevada law, a vote may not be cast pursuant to a proxy for the election of a Director. The proxy powers granted to Owners herein may be exercised by the legal guardian of any Owner or such Owner's conservator, or in the case of a minor having no guardian, by the parent legally entitled to permanent custody, or during the administration of any Owner's estate where the interest in the Unit is subject to administration in the estate, by the Owner's executor or administrator.

ARTICLE 6

EXECUTIVE BOARD

6.01 Number and Election of Directors.

(a) The Executive Board shall consist of three Directors. The Directors shall be elected by the Owners of the Residential Units, the Office Unit(s) and, until the Subdivision Date, the Additional Unit, or appointed by Declarant pursuant to *Section 6.03*. The Owner of any Mechanical Unit or the H.O.A. Unit shall not be entitled to vote for the election of Directors (or for any other purpose) as a result of such ownership.

(b) Two of the initial Directors shall hold office until the election or appointment of each such Director's successor at the second annual meeting of the Association. The other initial Director shall hold office until the election or appointment of such Director's successor at the third annual meeting. Thereafter, subject to the terms and conditions of *Sections 6.03* and *6.04*: (i) each Director shall hold office for a term of two years, and (ii) at each annual meeting of the Owners thereafter, the successor to each Director whose term expires at that meeting shall be elected or appointed to hold office for a term expiring at the annual Meeting of Owners held at the second year following the year of each such Director's election.

(c) In any election of Directors, each Unit (other than the Mechanical Units and the H.O.A. Unit) shall be entitled to the number of votes that is equal to the product obtained by multiplying:

- (i) the number of votes allocated to that Unit in accordance with *paragraph 5.02(a)*, by
- (ii) the number of Directors to be elected.

6.02 Powers of the Executive Board.

(a) Except as otherwise provided by law or in this Declaration, the Association Articles or the Bylaws, the Executive Board may act on behalf of the Association in all instances.

- (b) The Executive Board may not act on behalf of the Association to:
- (i) amend this Declaration;
 - (ii) terminate the Association, this Declaration or the Condominium;
 - (iii) elect Directors; or
 - (iv) determine the qualifications, powers and duties, or terms of office, of Directors.

6.03 Declarant Control Period.

(a) Subject to the terms and conditions of *paragraph 6.03(b)* and *paragraph 6.03(c)*, but notwithstanding anything else to the contrary contained in this Declaration or in any other Association Document, Declarant shall have the exclusive right to appoint and remove all Directors and Officers during the Declarant Control Period. The phrase "**Declarant Control Period**" means the period commencing on the date that Declarant forms the Association and ending on the earliest to occur of the date that is:

- (i) sixty days after conveyance to Purchasers of 75 percent of the maximum number of Units that may be created by Declarant under this Declaration, as provided in *Section 15.02*;
- (ii) five years after the last conveyance of a Unit by Declarant or any Successor Declarant(s) in the ordinary course of business; or
- (iii) five years after any right to add new Units was last exercised.

(b) Declarant may voluntarily surrender its right to appoint and remove Directors and Officers prior to the expiration of the Declarant Control Period, but, in that event, Declarant may require, for the remainder of the Declarant Control Period, that specific actions of the Association or the Executive Board, as described in a recorded instrument executed by Declarant, be approved by the Declarant before they become effective.

(c) Notwithstanding anything to the contrary contained in *paragraph 6.03(a)*, not later than 60 days after the conveyance of 25 percent of the Units that may be created under this Declaration to Purchasers, one Director appointed by Declarant shall be replaced with one Director elected by Owners other than Declarant.

(d) During the 30 day period immediately preceding the date on which the Declarant Control Period expires, the Owners shall elect an Executive Board of three Directors, at least a majority of whom must be Owners other than Declarant or designated representatives of Owners other than Declarant. Such Directors shall take office upon election.

6.04 Removal of Directors.

Notwithstanding any provision of this Declaration or any other Association Document to the contrary:

- (a) Directors appointed by Declarant may be removed, with or without cause, solely by Declarant.
- (b) Each Director, other than Directors appointed by Declarant, may be removed, with or without cause, by a 67 percent or greater vote of all Owners present or represented and entitled to vote at any Owner's meeting at which a quorum is present.

6.05 Replacement of Directors.

- (a) Vacancies on the Executive Board created by the removal, resignation or death of a Director appointed by Declarant shall be filled by a Director appointed by Declarant.
- (b) Except with respect to a Director appointed by Declarant, a vacancy on the Executive Board created by the removal, resignation or death of a Director shall be filled by a Director elected by the Owners of the Units (other than the Mechanical Units and the H.O.A. Unit).
- (c) Any Director appointed or elected pursuant to this *Section 6.05* shall hold office for the remainder of the unexpired term of the Director that was replaced.

ARTICLE 7
ASSESSMENTS, COMMON EXPENSES, BUDGETS AND LIENS

7.01 Obligations for Assessments.

(a) Except as otherwise expressly provided herein, each Owner, by accepting a deed to a Unit (regardless of whether it shall be expressly stated in such deed), shall be deemed to have covenanted and agreed to pay to the Association all:

- (i) General Assessments;
- (ii) Special Assessments;
- (iii) Default Assessments; and
- (iv) other charges,

that the Association is required or permitted to levy or impose on such Owner or such Owner's Unit pursuant to this Declaration or any other Association Document.

(b) Notwithstanding *paragraph 7.01(a)*, the Owner of (i) any Mechanical Unit, (ii) the H.O.A. Unit, and (iii) during the period prior to the Subdivision Date, the Additional Unit, shall not be required to pay any Assessments, except that the Owner of the Additional Unit shall pay to the Association any actual expense incurred by the Association for the provision of certain utility services to the Additional Unit pursuant to the provisions of *paragraph 8.01(b)*.

(c) Notwithstanding the definition of the term "Owner":

(i) a Person who acquires a Unit in a foreclosure sale shall be personally liable for all Assessments and other charges that the Association is required or permitted to levy or impose on that Unit or on the Owner of that Unit commencing on the date of the foreclosure sale; and

(ii) a Person who acquires a Unit by deed-in-lieu of foreclosure shall be personally liable for all Assessments and other charges that the Association is required or permitted to levy or impose on that Unit or on the Owner of that Unit commencing on the date on which the Owner of the Unit executes the deed-in-lieu of foreclosure.

(d) No Owner shall be exempt from liability for any Assessment or other charge by waiving the use or enjoyment of any Common Element, the H.O.A. Unit or the Mechanical Units or by abandoning a Unit against which Assessments or other charges are made.

(e) Each Owner shall be personally liable for all Assessments and other charges levied on such Owner or such Owner's Unit during the period of such Owner's ownership of the Unit. If there is more than one Owner of a Unit, each Owner shall be jointly and severally liable with the other Owners of the Unit for all Assessments and other charges levied on the Unit or any Owner of the Unit.

(f) Each Assessment or other charge, together with interest and penalties thereon and all costs and expenses incurred by the Association to collect such Assessment or other amount, including all fees and disbursements of attorneys, accountants, appraisers, receivers and other professionals engaged by the Association in connection therewith, may be recovered by a suit for a money judgment by the Association without foreclosing or waiving any Assessment Lien securing the same.

7.02 Shares of Common Expenses.

Except as otherwise set forth in this Declaration, the Association's Common Expenses shall be allocated among the Units as set forth in this Section 7.02.

- (a) The Mechanical Units shall not be allocated any Share of Common Expenses.
- (b) The H.O.A. Unit shall not be allocated any Share of Common Expenses.
- (c) Until the Subdivision Date, the Additional Unit shall not be allocated any Share of Common Expenses.
- (d) The Share of Common Expenses allocated to a Residential Unit or an Office Unit shall be expressed as a percentage and calculated in accordance with the following formula:

$$\begin{array}{lcl} \text{Share of Common} & & \\ \text{Expenses} & = & \left(\frac{\text{Area of the Unit}}{\text{(Total Condominium Area minus the Area of the Mechanical Units, the H.O.A. Unit and the Additional Unit)}} \right) \times 100\% \end{array}$$

The Shares of Common Expenses attributable to the Units as of the date first set forth above are set forth on Exhibit C attached hereto and made a part hereof.

- (e) If (i) any Units are added to or withdrawn from the Condominium (including, without limitation, the addition (after the Subdivision Date) of any Units that may be created within the Additional Unit), or (ii) the Area of one or more Units (other than the Mechanical Units and the H.O.A. Unit) is increased or decreased, the Shares of Common Expenses for all Units within the Condominium after such addition, withdrawal, increase or decrease shall be recalculated in accordance with the formulas set forth in paragraphs 7.02(a) through 7.02(d).
- (f) Until the Association levies an Assessment, Declarant shall pay all Common Expenses.
- (g) Notwithstanding any other provision herein, from and after the Subdivision Date, the Owner of the Additional Unit shall pay all Common Expenses allocable to each Unit created therein until such time as each such Unit is conveyed to a third party purchaser.

7.03 Budgets.

(a) Prior to the first levy of an Assessment, and, thereafter, not less than 30 nor more than 60 days prior to the commencement of each fiscal year, the Executive Board shall adopt a proposed annual budget (including a Reserve Component) for the Association for the upcoming fiscal year (or portion thereof with respect to the Association's first fiscal year) that sets forth:

(i) the Executive Board's estimates of Common Expenses for the next fiscal year (or remainder of the Association's first fiscal year, as applicable);

(ii) the amount of funds for such Common Expenses that the Executive Board proposes to raise through General Assessments;

(iii) the amount of funds for such Common Expenses that the Executive Board proposes to raise through Special Assessments; and

(iv) a separate component (the "Reserve Component") setting forth the budget to maintain the Reserve Fund, which Reserve Component must include, without limitation:

(1) the current estimated replacement cost, estimated remaining life and estimated useful life of each Major Component;

(2) as of the end of the fiscal year for which the budget is prepared, the current estimate of the amount of cash reserves that are necessary, and the current amount of accumulated cash reserves that are set aside, to repair, replace and restore the Major Components;

(3) a statement as to whether the Executive Board has determined or anticipates that the levy of one or more Assessments will be required to repair, replace or restore any Major Component or to provide adequate reserves for that purpose; and

(4) a general statement describing the procedures used for the estimation and accumulation of cash reserves pursuant to *paragraph 7.03(a)(iv)(2)*, including, without limitation, the qualifications of the Reserve Analyst.

(b) Within 30 days after adopting a proposed budget, the Executive Board shall deliver a summary of the proposed budget to all Owners and set a date for a meeting of the Owners to consider ratification of the proposed budget. The date of such meeting shall not be less than 14 days, nor more than 30 days, after the delivery of the summary of the proposed budget to the Owners. Unless at that meeting 80% or more of all votes within the Association, regardless of whether a quorum is present, are cast rejecting the proposed budget, the proposed budget shall be deemed ratified. If the proposed budget is rejected, the budget last ratified by the Owners shall be deemed renewed for the next fiscal year and shall remain in full force and effect until such time as the Owners ratify a subsequent budget proposed by the Executive Board.

(c) If the Executive Board deems it necessary or advisable to amend a budget that has been ratified by the Owners under *paragraph 7.03(b)*, the Executive Board may adopt a proposed amendment to such budget, deliver a summary of the proposed amendment to all Owners and set a date for a meeting of the Owners to consider ratification of the proposed amendment. The date of such meeting shall not be less than 14 days, nor more than 30 days, after the delivery of the summary of the proposed amendment. Unless at that meeting 80% or more of all votes within the Association, regardless of whether a quorum is present, are cast rejecting the proposed amendment, the proposed amendment shall be deemed ratified.

(d) Notwithstanding the provisions of *paragraphs 7.03(b)* or *7.03(c)* or any other provision of this Declaration to the contrary, the Executive Board shall provide written notice to the Owners at least 21 calendar days prior to the date of any meeting set to consider or to take action on any Assessment for a capital improvement, excluding Assessments used to fund the Reserve Fund in accordance with any approved budget.

7.04 General Assessments.

(a) After the Owners ratify the proposed budget pursuant to *paragraph 7.03(b)*, the Association shall levy an assessment for Common Expenses (a "General Assessment") on each Unit (other than (i) any Mechanical Unit, (ii) the H.O.A. Unit, and (iii) prior to the Subdivision Date, the Additional Unit). The amount of the General Assessment levied against a Unit (other than the Mechanical Units, the H.O.A. Unit and the Additional Unit) shall equal the product obtained by multiplying:

(i) the amount set forth in the budget ratified by the Owners as the amount of Common Expenses to be raised by General Assessments, by

(ii) that Unit's Share of Common Expenses.

(b) The Owners shall pay the General Assessments levied against their respective Units in such periodic installments as may be required by the Association.

(c) If the Owners ratify an amendment to the General Assessment portion of the budget pursuant to *paragraph 7.03(c)*, the amount of the General Assessment levied against each Unit shall be adjusted accordingly, as shall the amount of each Owner's periodic installments.

(d) If the Owners fail to ratify a proposed budget prior to the beginning of a new fiscal year, the Owners shall continue to pay periodic installments of the General Assessment to the Association at the rate payable during the prior fiscal year until such time as the Owners ratify a new proposed budget for the then current fiscal year. Once the Owners ratify a new proposed budget, the Association shall levy against each Unit the General Assessment for the then current fiscal year and each Owner's periodic installments shall be adjusted as necessary to pay the new General Assessment in equal periodic installments over the remainder of such fiscal year, giving the Owners credit, in such manner as the Executive Board deems necessary or appropriate, for any installments that the Owners have previously paid to the Association during such fiscal year.

(e) The failure of the Association to levy a General Assessment for any fiscal year shall not be deemed a waiver, modification or release of an Owner's liability for the Share of Common Expenses allocated to such Owner's Unit.

7.05 Special Assessments.

(a) Any Assessment that the Association may levy pursuant to this *Section 7.05* is referred to in this Declaration as a "Special Assessment."

(b) Notwithstanding anything to the contrary contained in *Section 7.04*, if any Common Expense is attributable to:

(i) the operation, maintenance, repair, replacement, alteration or improvement of a Limited Common Element; or

(ii) the provision of services, or expenditure of expenses, that benefits fewer than all of the Units,

then, subject to the limitation set forth in *paragraph 7.05(d)*, the Association may levy an Assessment for such Common Expense against the Unit(s) to which that Limited Common Element is assigned, the utility or other service or expenditure is provided, or is attributable or benefits, as appropriate, equally, in proportion to the Shares of Common Expenses attributable to such Unit(s) or in any other equitable proportion as the Association reasonably deems appropriate.

(c) Each Special Assessment levied against any Unit shall be shown on the budget, or an amendment to the budget, ratified by the Owners pursuant to *Section 7.03* and shall be paid as and when required by the Association.

(d) Notwithstanding the foregoing or anything else to the contrary in this Declaration, in no event shall any Special Assessments ever be levied against (i) any Mechanical Unit or (ii) the H.O.A. Unit.

7.06 Default Assessments.

(a) Notwithstanding anything to the contrary contained herein, if any Common Expense is caused by:

(i) the negligence or misconduct of an Owner or an Owner's Guest; or

(ii) a violation of any covenant or condition of an Association Document by an Owner or an Owner's Guest,

then, subject to the limitation set forth in *paragraph 7.06(d)*, the Association may levy an Assessment for such Common Expense against such Owner's Unit. Any such Assessment levied by the Association and each fine, penalty, fee or other charge imposed upon an Owner for the Owner's violation of any covenant or condition of any Association Document are each referred to herein as a "Default Assessment."

(b) Default Assessments need not be shown on the budget, or on an amendment to the budget, ratified by the Owners pursuant to *Section 7.03*.

(c) With respect to any Default Assessment, or portion thereof, levied other than as a late charge, the Owner of the Unit against which the Association seeks to levy the Default Assessment shall be provided notice and an opportunity to be heard. Owners of Units against which Default Assessments have been levied shall pay such Default Assessments as and when required by the Association.

(d) Notwithstanding the foregoing or anything else to the contrary in this Declaration, in no event shall any Default Assessment ever be levied against (i) any Mechanical Unit, (ii) the H.O.A. Unit, or (iii) during the time period prior to the Subdivision Date, the Additional Unit.

7.07 Assignment of Assessments.

The Association shall have the unrestricted right to assign its right to receive Assessments and other future income, either as security for obligations of the Association or otherwise, on the condition that any such assignment is approved by a majority of the votes allocated to Units present at a meeting at which a quorum is present.

7.08 Assessment Lien.

(a) The Association shall have a lien on each Unit for any Assessment levied against that Unit and for any fines, late charges, penalties, interest and attorneys' fees, disbursements and costs of collection imposed against the Owner of such Unit under any Association Document (the "Assessment Lien"). The Assessment Lien shall secure all of the foregoing obligations of an Owner from the time such obligations become due. If an Assessment is payable in installments, the Assessment Lien shall secure each installment from the time it becomes due, including the due date set by any valid Association acceleration of installment obligations.

(b) An Assessment Lien is prior to all other liens and encumbrances on a Unit, except:

- (i) liens and encumbrances recorded prior to the recordation of this Declaration;
- (ii) liens for real estate taxes and other governmental assessments or charges against the Unit; and
- (iii) a First Mortgage that was recorded before the date on which the Assessment sought to be enforced became delinquent.

(c) Notwithstanding the terms and conditions of *paragraph 7.08(b)(iii)*, an Assessment Lien is prior to a First Mortgage recorded before the date on which the Assessment sought to be enforced became delinquent to the extent permitted by the Act.

(d) The recording of this Declaration constitutes record notice and perfection of an Assessment Lien on each Unit. No further recordation of any claim of any Assessment Lien is required.

(e) An Assessment Lien is extinguished unless proceedings to enforce the Assessment Lien are instituted within six years after the full amount of the Assessment secured thereby becomes due.

(f) This *Section 7.08* does not prohibit actions or suits to recover sums secured by an Assessment Lien or the Association from taking a deed in lieu of foreclosure.

(g) In any action by the Association to collect Assessments or to foreclose an Assessment Lien for unpaid Assessments, the court may appoint a receiver of the Owner to collect all sums alleged to be owed by the Owner prior to or during the pendency of the action. A court may order the receiver to pay any sums held by the receiver to the Association during the pendency of the action to the extent of the Association's Assessments.

(h) An Assessment Lien may be foreclosed in like manner as a mortgage on real estate. Periodic Assessments shall be payable during the period of foreclosure of an Assessment Lien.

7.09 Waiver of Homestead Exemptions.

By acceptance of the deed or other instrument of transfer of a Unit, an Owner irrevocably consents to the Assessment Lien and waives the homestead exemption provided by Chapter 115, Nevada Revised Statutes, as amended, as the same may apply to the Assessment Lien.

7.10 Estoppel Certificates; Notices to Mortgagees.

(a) The Association shall furnish to an Owner or such Owner's designee or to a Mortgagee or its designee upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the Association's registered agent, a statement setting forth the amount of unpaid Assessments currently levied against such Owner's Unit. The statement shall be furnished within 14 calendar days after receipt of the request and is binding on the Association, the Executive Board and every Owner. If no statement is furnished to the Owner, the Mortgagee or their designee, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the inquiring party, then the Association shall have no right to assert the priority of its Assessment Lien upon the Unit for unpaid Assessments that were due as of the date of the request.

(b) If a First Mortgagee delivers to the Association a written request for notice of unpaid Assessments levied against a Unit subject to a First Mortgage held by that First Mortgagee, the Association shall report to the First Mortgagee any unpaid Assessments levied against such Unit that remain unpaid for more than 60 days after the same shall have become due. The First Mortgagee may pay any such unpaid Assessment, together with any and all costs and expenses incurred with respect to the Assessment Lien securing such unpaid Assessment, and upon such payment, such First Mortgagee shall have a lien on the Unit for the amounts paid with the same priority as a lien of the First Mortgage held by such First Mortgagee.

7.11 Reserve Fund; Reserve Studies.

(a) Notwithstanding any provision in this Declaration to the contrary:

(i) the Association shall establish a reserve fund (the "Reserve Fund"), to be used only for capital repairs, restoration, and replacement of major components of the Common Elements, the H.O.A. Unit and the Mechanical Units ("Major Components");

(ii) in no event whatsoever shall the Reserve Fund be used for regular maintenance recurring on an annual or more frequent basis, or as the source of funds to institute, prosecute, maintain and/or intervene in any legal proceeding, or for any other purpose whatsoever other than those permitted under *paragraph 7.11(a)(i)*;

(iii) the Reserve Fund shall be kept in a segregated account, withdrawals from which shall only be made for the purposes permitted under this *Section 7.11* and only upon specific approval of the Executive Board; and

(iv) funds in the Reserve Fund may not be withdrawn without the signatures of at least two members of the Executive Board or the signatures of at least one member of the Executive Board and one Officer of the Association who is not a member of the Executive Board.

(b) At least as frequently as required by this *paragraph 7.11(b)*, the Executive Board shall retain the services of a Person qualified by training and experience to perform reserve studies (which Person may, but need not, be a member of the Executive Board, an Owner or any property manager retained by the Association who is so qualified) (the "Reserve Analyst") to prepare and provide to the Association a reserve study (a "Reserve Study"). The Executive Board shall cause a Reserve Study to be prepared at such times as the Executive Board deems reasonable and prudent, but in any event initially within one year after the closing on the first sale of a Unit to

a Purchaser, and thereafter at least once every five (5) years (or at such other intervals as may be required from time to time by applicable Nevada law). The Executive Board shall review the results of the most current Reserve Study at least annually to determine if those reserves are sufficient, and shall make such adjustments as the Executive Board deems reasonable and prudent to maintain the required reserves from time to time (e.g., by adjusting Assessments).

(c) The Reserve Study must include, without limitation:

(i) a summary of an inspection of the Major Components that the Association is obligated to repair, replace or restore;

(ii) an identification of the Major Components that the Association is obligated to repair, replace or restore that have a remaining useful life of less than 30 years;

(iii) an estimate of the remaining useful life of each Major Component identified in *paragraph 7.11(c)(ii)*;

(iv) an estimate of the cost of repair, replacement or restoration of each Major Component identified in *paragraph 7.11(c)(ii)* during and at the end of its useful life; and

(v) an estimate of the total annual Assessments that may be required to cover the cost of repairing, replacing or restoring the Major Components identified in *paragraph 7.11(c)(ii)* (after subtracting amounts in the Reserve Fund as of the date of the Reserve Study).

(d) Each Reserve Study shall be prepared in accordance with any legal requirements from time to time applicable, applied in each instance on a prospective basis. Subject to the foregoing sentence, the Association (upon recordation of this Declaration) and each Owner (by acquiring title to a Unit) shall be deemed to have unequivocally agreed that the following, among other methods, shall be deemed reasonable and prudent for and in connection with preparation of each Reserve Study:

(i) utilization, by a Reserve Analyst, of the "pooling" or "cash flow" method; and/or

(ii) utilization or reliance, by a Reserve Analyst, of an assumption that there will be future increases in amounts from time to time allocated to the Reserve Fund of up to 10% annually, plus a reasonable annual inflationary factor, with corresponding increases in Assessments.

ARTICLE 8

UTILITY AND OTHER SERVICES

8.01 Water, Sewer, Gas and Electric Services.

(a) The Association shall be responsible for obtaining water (including, without limitation, water for the interior climate control system), sewer, gas and electric services for, as applicable, the Residential Units, any Office Unit, the Mechanical Units, the H.O.A. Unit and the Limited Common Elements appurtenant only to one or more of such Units and for the General Common Elements. The Association shall allocate all Common Expenses for water, sewer, gas and electric services provided to the Residential Units, any Office Unit, the Mechanical Units, the H.O.A. Unit and the Limited Common Elements appurtenant only to one or more of such Units, and for the General Common Elements, among the Residential Units and Office Unit(s) and charge the Owners of such Units in accordance with their Shares of Common Expenses as General Assessments.

(b) Except as hereinafter provided, the Association shall obtain water, sewer, gas and electric services for the Additional Unit and shall allocate all expenses incurred in connection with providing such services to the Owner of the Additional Unit. Notwithstanding the foregoing, during the time period prior to the Subdivision Date, the Owner of the Additional Unit may elect to obtain water, sewer, gas and/or electric services for the

Additional Unit directly from the utility company or other Person providing the same, in which event the Owner of the Additional Unit shall pay all costs, expenses, fees, rates and other charges incurred in connection with obtaining such services, including, without limitation, any connection fees related thereto, directly to the utility company or other Person providing the same; provided, however, that from and after the Subdivision Date, the Association shall be responsible for providing water, sewer, gas and electric services, and allocating all Common Expenses therefor, as provided in *Section 8.01(a)* above.

(c) Each Owner shall ensure that its Unit is sufficiently heated to prevent the freezing of water and sewer lines serving the Condominium.

8.02 Cable Television.

(a) The Association shall be responsible for obtaining basic cable television services for the Residential Units and the H.O.A. Unit (if deemed appropriate by the Association) and the Limited Common Elements appurtenant only to one or more of such Units.

(b) The Association shall allocate all Common Expenses for basic cable television services provided to the Residential Units, the H.O.A. Unit and the Limited Common Elements appurtenant only to such Units equally among all the Residential Units and shall charge the Owners of the Residential Units an equal amount therefor as Special Assessments.

(c) The Owner of each Office Unit shall be responsible for obtaining cable television services for its Unit and the Limited Common Elements appurtenant only to such Unit and shall pay all costs, expenses, fees, rates and other charges incurred in connection therewith, including, without limitation, any connection fees, directly to the cable company providing the same.

8.03 Telephone; High-Speed Internet Access.

(a) Each Owner (other than the Owner of any Mechanical Unit or the H.O.A. Unit) shall be responsible for obtaining telephone and high-speed Internet access services for its Unit and the Limited Common Elements designed to serve only its Unit and shall pay all costs, expenses, fees, rates and other charges incurred in connection therewith, including, without limitation, any connection fees, directly to the service company providing the same.

(b) The Association shall determine what, if any, telephone and high-speed Internet access services are necessary for the Mechanical Units, the H.O.A. Unit, the General Common Elements and the Limited Common Elements designed to serve more than one Unit and shall be responsible for obtaining those services. The Common Expenses incurred by the Association for those services shall be allocated among the Residential Units and Office Unit(s) as General Assessments or Special Assessments, as appropriate.

8.04 Trash Removal.

(a) Unless otherwise directed by the Association, the Owner of each Unit (other than (i) any Mechanical Unit, (ii) the H.O.A. Unit and (iii) the Additional Unit) and such Owner's Guests shall remove trash from its Unit and the Limited Common Elements that are designed to serve its Unit and place such trash in one of the trash collection facilities designated by the Association in accordance with the rules, regulations and other requirements of the Village Company. The Association shall be responsible for removing trash from the Mechanical Units and the H.O.A. Unit, the General Common Elements and the Limited Common Elements appurtenant to more than one Unit and placing such trash in the appropriate collection facility. The Association shall be responsible for obtaining trash removal services to remove trash from all such collection facilities.

(b) The Association shall allocate all Common Expenses for trash removal services, among the Residential Units and Office Unit(s) and charge the Owners of such Units in accordance with their Share of Common Expenses as General Assessments.

(c) The Owner of the Additional Unit shall be responsible for obtaining trash removal services for its Unit during the time period prior to the Subdivision Date.

8.05 Other Utilities.

If the Association incurs Common Expenses for any utility service not described above, or if the manner of providing or metering any utility service described above changes from the manner in which such service is provided or metered as of the date of this Declaration, the Association may allocate the Common Expenses incurred for such new utility service or changed utility service in any reasonable and equitable manner.

ARTICLE 9
MAINTENANCE OF COMMON ELEMENTS AND UNITS

9.01 Maintenance of Common Elements, the H.O.A. Unit and the Mechanical Units.

Except as otherwise provided in this Declaration, the Association, or its duly designated agent, shall maintain the Common Elements, H.O.A. Unit, the Mechanical Units and the other Association property in good order and condition and shall otherwise manage and operate the Common Elements, the H.O.A. Unit and the Mechanical Units as it deems necessary or appropriate. In addition, the Association shall ensure that all interior Common Elements are sufficiently heated to prevent the freezing of water and sewer lines serving the Condominium. In this regard the Association may:

- (a) construct, modify, add to, repair, replace or renovate any Improvements that are located on or constitute a part of any Common Element, the H.O.A. Unit or the Mechanical Units;
- (b) plant and replace trees, shrubs and other vegetation on any Common Element or the H.O.A. Unit;
- (c) place, maintain and replace signs upon any Common Element, the H.O.A. Unit or the Mechanical Units;
- (d) adopt and enforce Rules regulating the use of Common Elements and the H.O.A. Unit; and
- (e) take any other actions as the Association deems necessary or advisable to protect, maintain, operate, manage or regulate the use of the Common Elements, the H.O.A. Unit and the Mechanical Units.

9.02 Maintenance of Other Units.

Except with respect to the H.O.A. Unit and the Mechanical Units, the maintenance of which shall be provided by the Association pursuant to Section 9.01, each Owner, at such Owner's sole cost and expense, shall maintain in good order and repair its Unit (including all fixtures located therein) and the Limited Common Elements assigned solely to its Unit, other than those Limited Common Elements that the Association chooses to maintain for reasons of uniformity or structural considerations. Without limiting the generality of the preceding sentence, the Association may maintain all exterior patios, roofs, decks, trellises, skylights and other such exterior portions of the Condominium, even if such portions are Limited Common Elements appurtenant to a single Unit, and all costs incurred by the Association in that regard shall be charged to Owners as Special Assessments.

9.03 Mechanics' Liens and Indemnification.

No labor performed or materials furnished and incorporated into a Unit with the consent, at the request of, or on behalf of, an Owner or an agent, contractor or subcontractor of an Owner shall be the basis either for filing a lien against the Unit of any other Owner not expressly requesting or consenting to the same, or against the Common Elements. Each Owner shall indemnify and hold harmless the Association, each of the other Owners and any Mortgagee from and against all liability arising from any claim or lien against the Unit of any other Owner

or against the Common Elements for construction performed or for labor, materials, services or supplies incorporated in the Owner's Unit at the Owner's request. The Association may enforce this indemnity by collecting from the Owner who suffers or allows such a lien the amount necessary to discharge the lien and all costs of enforcement incidental thereto. If such amount is not promptly paid, the Association shall have all rights and remedies available to it for a failure to pay an Assessment.

9.04 Priority.

The rights and obligations of the Association and the Owners under this *Article 9* and *Section 10.07* are subject to (a) the rights of the Design Review Board; (b) the provisions of the Village Documents; (c) the provisions of the Master Documents; and (d) the provisions of the Development Declaration and the Master Supplemental Declaration.

ARTICLE 10
COVENANTS, CONDITIONS AND RESTRICTIONS

10.01 Applicability of Covenants, Conditions and Restrictions.

Except as otherwise expressly provided in this Declaration, the covenants, conditions and restrictions set forth in this *Article 10* shall apply to all Units and the Common Elements.

10.02 Association Documents.

Each Owner shall comply strictly with, and shall ensure that its Guests comply with, all provisions of the Association Documents that apply to the Owner or such Owner's Unit.

10.03 Other Documents and Restrictions.

Each Owner shall comply with, and shall ensure that its Guests comply with, the following, as the same may be amended from time to time:

- (a) the terms and conditions of the Design Review Board Documents;
- (b) the terms and conditions of the Village Documents;
- (c) the terms and conditions of the Master Documents; and
- (d) any and all protective covenants, easements, reservations and restrictions of record, including, without limitation, the Development Declaration and the Master Supplemental Declaration.

10.04 Notice of Conveyance, Assignment or Encumbrance.

- (a) Promptly after a conveyance of a fee simple interest in a Unit or portion thereof, the grantee shall furnish a copy of the conveyance deed to the Association.
- (b) Promptly after an encumbrance of a fee simple interest in a Unit or portion thereof, the Owner shall furnish the Association with a copy of the Mortgage creating the encumbrance.
- (c) Notwithstanding the foregoing provisions of this *Section 10.04*, the Owner of the Additional Unit shall not be required to furnish to the Association a copy of its conveyance deed or its Mortgage.

10.05 Use of Residential Units.

- (a) Except as otherwise expressly permitted by this Declaration, an Owner of a Residential Unit may use such Residential Unit only as a permanent or vacation residence for itself and its Guests. No Owner

shall lease its Residential Unit for a term longer than 60 days, or for consecutive terms of less than 60 days if such terms, when aggregated, exceed 60 days, without the prior written consent of the Association. The foregoing restriction shall not apply to consecutive short-term rentals for vacations. No Owner of a Residential Unit shall conduct any business, profession, occupation or trade from its Unit, including, without limitation, the operation of a so-called "bed and breakfast".

(b) Notwithstanding the restrictions set forth in *paragraph 10.05(a)*:

(i) an Owner may use its Residential Unit as its private office on the condition that the Owner does not invite others to its Unit to conduct business; and

(ii) the Association and, during the Declarant Control Period, Declarant, may use any Residential Unit owned or leased by it as a management office, or a combined management office and residence for a resident manager, for the Condominium.

10.06 Use of Common Elements.

All Owners and their Guests may use the General Common Elements and the Limited Common Elements designed to serve their Units for the purposes for which such Common Elements are intended. Notwithstanding the preceding sentence, neither an Owner nor a Guest may use any Common Element in any manner that unreasonably interferes with the rights of other Owners in and to such Common Element. Without limiting the generality of the foregoing, no Owner shall cause, or permit its Guests to cause, waste to any Common Element. The Owners' rights to use the Common Elements are subordinate and subject to all of the rights and powers of the Association with respect to the Common Elements, including, without limitation, the Association's right and power to adopt rules regulating the use of the Common Elements.

10.07 Alterations.

(a) Except as otherwise expressly provided in this Declaration, an Owner of a Unit may not make any improvement or alteration to a Common Element or any improvement or alteration to its Unit that affects any Common Element or any other Unit, without the prior written consent of the Association, and then only in strict accordance with the terms and conditions of the Design Review Board Documents, the Village Documents, the Master Documents, the Development Declaration and the Master Supplemental Declaration.

(b) Notwithstanding *paragraph 10.07(a)*, an Owner who owns adjoining Units may remove or alter any intervening partition, even if the partition in whole or in part is a Common Element, on the condition that those acts do not impair the structural integrity, electrical systems, or mechanical systems, or lessen the support of any portion of the Condominium.

(c) Except (i) with respect to the Additional Unit, and (ii) as otherwise expressly provided in this Declaration, no new Improvement shall be constructed on the Property and no construction, alteration, installation or other work affecting the exterior surface of any existing Improvement shall be made without the prior written consent of the Association, and then only in strict accordance with the terms and conditions of the Design Review Board Documents, the Village Documents, the Master Documents, the Development Declaration and the Master Supplemental Declaration.

(d) Without limiting the generality of *paragraphs 10.07(a)* through *10.07(c)*, an Owner of a Unit may not, without the prior written consent of the Association, install or erect any Improvement, mechanical system or fixture that either:

(i) protrudes beyond the boundaries of the Owner's Unit; or

(ii) is located wholly outside the Owner's Unit (even if located within a Limited Common Element that is assigned to solely the Owner's Unit).

or against the Common Elements for construction performed or for labor, materials, services or supplies incorporated in the Owner's Unit at the Owner's request. The Association may enforce this indemnity by collecting from the Owner who suffers or allows such a lien the amount necessary to discharge the lien and all costs of enforcement incidental thereto. If such amount is not promptly paid, the Association shall have all rights and remedies available to it for a failure to pay an Assessment.

9.04 Priority.

The rights and obligations of the Association and the Owners under this *Article 9* and *Section 10.07* are subject to (a) the rights of the Design Review Board; (b) the provisions of the Village Documents; (c) the provisions of the Master Documents; and (d) the provisions of the Development Declaration and the Master Supplemental Declaration.

ARTICLE 10
COVENANTS, CONDITIONS AND RESTRICTIONS

10.01 Applicability of Covenants, Conditions and Restrictions.

Except as otherwise expressly provided in this Declaration, the covenants, conditions and restrictions set forth in this *Article 10* shall apply to all Units and the Common Elements.

10.02 Association Documents.

Each Owner shall comply strictly with, and shall ensure that its Guests comply with, all provisions of the Association Documents that apply to the Owner or such Owner's Unit.

10.03 Other Documents and Restrictions.

Each Owner shall comply with, and shall ensure that its Guests comply with, the following, as the same may be amended from time to time:

- (a) the terms and conditions of the Design Review Board Documents;
- (b) the terms and conditions of the Village Documents;
- (c) the terms and conditions of the Master Documents; and
- (d) any and all protective covenants, easements, reservations and restrictions of record, including, without limitation, the Development Declaration and the Master Supplemental Declaration.

10.04 Notice of Conveyance, Assignment or Encumbrance.

- (a) Promptly after a conveyance of a fee simple interest in a Unit or portion thereof, the grantee shall furnish a copy of the conveyance deed to the Association.
- (b) Promptly after an encumbrance of a fee simple interest in a Unit or portion thereof, the Owner shall furnish the Association with a copy of the Mortgage creating the encumbrance.
- (c) Notwithstanding the foregoing provisions of this *Section 10.04*, the Owner of the Additional Unit shall not be required to furnish to the Association a copy of its conveyance deed or its Mortgage.

10.05 Use of Residential Units.

- (a) Except as otherwise expressly permitted by this Declaration, an Owner of a Residential Unit may use such Residential Unit only as a permanent or vacation residence for itself and its Guests. No Owner

shall lease its Residential Unit for a term longer than 60 days, or for consecutive terms of less than 60 days if such terms, when aggregated, exceed 60 days, without the prior written consent of the Association. The foregoing restriction shall not apply to consecutive short-term rentals for vacations. No Owner of a Residential Unit shall conduct any business, profession, occupation or trade from its Unit, including, without limitation, the operation of a so-called "bed and breakfast".

(b) Notwithstanding the restrictions set forth in *paragraph 10.05(a)*:

(i) an Owner may use its Residential Unit as its private office on the condition that the Owner does not invite others to its Unit to conduct business; and

(ii) the Association and, during the Declarant Control Period, Declarant, may use any Residential Unit owned or leased by it as a management office, or a combined management office and residence for a resident manager, for the Condominium.

10.06 Use of Common Elements.

All Owners and their Guests may use the General Common Elements and the Limited Common Elements designed to serve their Units for the purposes for which such Common Elements are intended. Notwithstanding the preceding sentence, neither an Owner nor a Guest may use any Common Element in any manner that unreasonably interferes with the rights of other Owners in and to such Common Element. Without limiting the generality of the foregoing, no Owner shall cause, or permit its Guests to cause, waste to any Common Element. The Owners' rights to use the Common Elements are subordinate and subject to all of the rights and powers of the Association with respect to the Common Elements, including, without limitation, the Association's right and power to adopt rules regulating the use of the Common Elements.

10.07 Alterations.

(a) Except as otherwise expressly provided in this Declaration, an Owner of a Unit may not make any improvement or alteration to a Common Element or any improvement or alteration to its Unit that affects any Common Element or any other Unit, without the prior written consent of the Association, and then only in strict accordance with the terms and conditions of the Design Review Board Documents, the Village Documents, the Master Documents, the Development Declaration and the Master Supplemental Declaration.

(b) Notwithstanding *paragraph 10.07(a)*, an Owner who owns adjoining Units may remove or alter any intervening partition, even if the partition in whole or in part is a Common Element, on the condition that those acts do not impair the structural integrity, electrical systems, or mechanical systems, or lessen the support of any portion of the Condominium.

(c) Except (i) with respect to the Additional Unit, and (ii) as otherwise expressly provided in this Declaration, no new Improvement shall be constructed on the Property and no construction, alteration, installation or other work affecting the exterior surface of any existing Improvement shall be made without the prior written consent of the Association, and then only in strict accordance with the terms and conditions of the Design Review Board Documents, the Village Documents, the Master Documents, the Development Declaration and the Master Supplemental Declaration.

(d) Without limiting the generality of *paragraphs 10.07(a) through 10.07(c)*, an Owner of a Unit may not, without the prior written consent of the Association, install or erect any Improvement, mechanical system or fixture that either:

(i) protrudes beyond the boundaries of the Owner's Unit; or

(ii) is located wholly outside the Owner's Unit (even if located within a Limited Common Element that is assigned to solely the Owner's Unit).

(e) The Association shall perform or make, or cause to be performed or made, any Improvement, construction, alteration, installation or other work on, to or affecting the exterior of any Improvement on the Property that the Design Review Board or the Village Company requires, in writing, to be performed or made. If the Association fails to perform any such work, the Design Review Board or the Village Company, as appropriate, may, but shall not be obligated to, enter upon the Property and perform such work at the Association's cost, and the Association shall pay to the Design Review Board or the Village Company, as appropriate, an amount equal to 110 percent of all costs and expenses incurred by the Design Review Board or the Village Company in connection therewith within thirty days after the Association receives an invoice therefor.

10.08 Nuisances, Hazardous Activities and Unsightliness.

- (a) No Person shall conduct any activity on the Property that creates a nuisance.
- (b) No Person shall conduct any activity on the Property that is or might be hazardous to any Person or property.
- (c) No unsightliness shall be permitted on the Property.
- (d) Normal construction activities shall not be considered to violate the terms and conditions of this *Section 10.08*. By accepting a deed to a Unit, an Owner acknowledges that the Condominium is a part of MonteLago Village and the overall Lake Las Vegas development and that noises, lights and odors common to commercial activities and/or construction activities (including, without limitation, construction activities on the Additional Unit) may exist on or near the Property, at any time and from time to time.

10.09 Signs.

- (a) No signs whatsoever shall be erected or maintained on the Property, except, subject to the requirements of the Development Declaration and the Master Supplemental Declaration, signs required by legal proceedings and signs expressly permitted in other provisions of this Declaration, and those permitted or approved by the Design Review Board. Any and all signs permitted or approved by the Design Review Board, and permitted or approved under the Development Declaration and the Master Supplemental Declaration, and erected or maintained on the Property must be erected and maintained in accordance with the Design Review Board Documents, the Village Documents, the Development Declaration and the Master Supplemental Declaration.
- (b) Without limiting the generality of *paragraph 10.09(a)*, no "For Sale" or "For Rent" signs shall be displayed on the exterior or interior of a Unit.

10.10 Compliance with Laws.

Nothing shall be done or kept on the Property in violation of any law, ordinance, rule, regulation or other requirement of any governmental or quasi-governmental authority.

10.11 Compliance with Insurance.

Except as may be approved in writing by the Association, nothing shall be done or kept on the Property that may result in the cancellation of any insurance maintained by the Association or that may result in an increase in the rates of any such insurance. Activities incident to or necessary for the development and construction of Improvements on the Additional Unit shall not be deemed to violate the terms of this *Section 10.11* even if such activities result in an increase in rates of insurance.

10.12 Restrictions on Subdivision, Rezoning and Timesharing.

- (a) No Unit may be subdivided, unless the subdivision has been approved by 100 percent of the votes allocated to all Units.

(b) No application for rezoning any portion of the Property, and no applications for variances or use permits, shall be filed with any governmental or quasi-governmental authority, unless 100 percent of the votes allocated to all Units are cast in favor of the proposed zoning and the uses that would be permitted under the rezoning comply with this Declaration and the other Association Documents.

(c) No Owner shall offer or sell any timeshare or interval ownership interest in any Unit.

(d) The covenants, conditions and restrictions set forth in *paragraphs 10.12(a) through (c)* shall not apply to Declarant's development, use and operation of the Property, to Declarant's or any Successor Declarant's exercise of any Special Declarant Right, or to the Owner of the Additional Unit with respect to its subdivision of, creation of Units and Common Elements within, or development and construction of Improvements on, the Additional Unit.

10.13 Vehicles and Parking.

(a) No motor vehicle classed by manufacturer rating as exceeding three-quarter ton and no mobile home, trailer, detached camper or camper shell, boat or other similar equipment or vehicle may be kept or parked on the Property or any Residential Parking Area. Notwithstanding the foregoing, the Owner of the Additional Unit may keep or park any vehicle necessary or convenient to its development and construction of Improvements on the Additional Unit until such activities are complete, as determined by the Owner of the Additional Unit in its reasonable discretion.

(b) No motor vehicle shall be constructed, repaired or serviced on the Property.

(c) An Owner of a Residential Unit or its Guests may use one unassigned parking space in either (i) the parking facility located below grade at the Condominium, or (ii) the adjacent at-grade parking facility (combined, the "Residential Parking Areas") during any period that such Owner or one or more of its Guests are staying in the Owner's Unit, to the extent available. At no time may one or more Owners of a Residential Unit and such Owners' Guests use more than one parking space in the Residential Parking Areas. An Owner may not park a car in the Residential Parking Areas for more than seven consecutive days when the Owner or its Guest is not staying in the Owner's Unit. Each Owner of a Residential Unit and its Guests may also use other parking facilities located in MonteLago Village in which the Association has obtained rights of possession or use for parking purposes for Owners and Guests by lease, easement, license or other agreement, subject to the provisions of such lease, easement, license or other agreement.

(d) The Owner of any Office Unit, any Mechanical Unit, the H.O.A. Unit or the Additional Unit shall not have the right to use, nor shall it permit its Guests to use, any portion of the Residential Parking Areas.

(e) An Owner shall not sell, lease or otherwise convey all or any part of the parking rights it has by virtue of its ownership of a Unit except in connection with the sale, lease or other conveyance of its Unit, and then only to the purchaser or lessee of such Unit.

10.14 Deliveries, Trash Removal Other Services.

(a) Each Owner acknowledges that MonteLago Village is intended to be a pedestrian village and that vehicular traffic will be restricted in MonteLago Village. Accordingly, by acceptance of a deed to a Unit, an Owner agrees that all deliveries and all trash removal services, and other such services to that Owner or its Unit may be effected only at those locations designated by the Village Company from time to time for such purposes. Unless otherwise directed by the Association, Owners of Residential Units and any Office Unit and their Guests shall place all trash and other waste from their Units in one of the trash collection facilities designated by the Association in accordance with the rules, regulations and other requirements of the Village Company.

(b) Owners shall not, and shall not permit their Guests to, litter. No burning of trash, garbage or other waste materials will be permitted on the Property.

(c) Notwithstanding *paragraph 10.14(a)*, the Owner of the Additional Unit may receive deliveries to, and remove trash from, the Additional Unit in any manner necessary or convenient to its development and construction of Improvements on the Additional Unit provided that such delivery and removal (i) does not unreasonably interfere with any other Owner's use and enjoyment of its Unit and (ii) complies with applicable law.

10.15 Storage at the Condominium.

No Owner shall store any materials or items on or in any Common Element, other than those Common Elements, if any, designed for that purpose, and then only in strict accordance with the terms and conditions of the Association Documents and the Master Supplemental Declaration.

10.16 Animals.

No animals of any kind shall be raised, bred or kept on the Property or within any Unit except as permitted pursuant to the terms of the Master Supplemental Declaration, and subject to the Rules established by the Executive Board from time to time. Notwithstanding the forgoing, seeing-eye dogs and other service animals for people with disabilities shall be permitted on the Property.

10.17 Solid-Fuel Burning Devices; Grills.

(a) No solid-fuel burning devices shall be used, kept or stored on the Property except (i) such devices as may be located within the H.O.A. Unit, and (ii) that the Owner of the Additional Unit may use, keep or store such devices on the Additional Unit in furtherance of its development of the Additional Unit until such development activities are complete, as determined by the Owner of the Additional Unit in its reasonable discretion.

(b) Except as may be located within the H.O.A. Unit, no gas-fueled, electric or other barbeque grill or similar grill or cooking apparatus shall be kept, stored or used on any balcony or deck appurtenant to any Unit.

10.18 Trees.

No trees on the Property shall be truncated, cut (except for customary maintenance pruning) or removed without the prior written approval of the Design Review Board.

10.19 Temporary Structures.

No temporary structure, excavation, basement, trailer, travel trailer, mobile home, camper, motor home, shack, tent or other living unit shall be erected, placed or maintained on the Property except as permitted by the Development Declaration and Master Supplemental Declaration and authorized by the Design Review Board in an area or lot specifically designated for such use by the Design Review Board or as may be necessary and authorized during construction of Improvements. Notwithstanding the forgoing but subject to the Development Declaration and the Master Supplemental Declaration, the Owner of the Additional Unit may perform any such activities necessary or convenient for the development and construction of Improvements on the Additional Unit without the consent of the Design Review Board or the Association.

10.20 Use of the Office Unit(s).

Notwithstanding any provision to the contrary in this Declaration, but subject to the provisions of the Master Supplemental Declaration, the Owner of any Office Unit shall be permitted to use its Office Unit for office and administrative activities, storage, and the provision of services to owners of any property and their guests, which activities may occur at any or all times of the day or night during any or all days of the year and the same shall be deemed not to violate any provision of this Declaration or any other Association Document. The rights of the Owner of any Office Unit, as set forth in this *Section 10.20*, may not be reduced or otherwise changed by the Executive Board or by a vote of the other Owners without the prior written consent of the Owner of any such Office Unit.

10.21 Use of the Mechanical Units.

(a) The Mechanical Units may be used and occupied for the purpose of installing, maintaining, operating, repairing and replacing fire panels, water pumps and any related equipment and facilities. The Owner of any Mechanical Unit may lease all or any portion of such Unit for such purpose.

(b) Except as otherwise provided in *paragraph 10.21(d)*, and *Section 11.05*, the Owner of a Mechanical Unit shall not use, and shall not permit its Guests to use, any portion of the Condominium that is (i) designated on the Map or in this Declaration for exclusive use by Owners of Residential Units, including, without limitation, any entrance, exit, waiting area, stairway, elevator, patio, walkway, hallway, hot tub, spa, pool, storage area, Residential Parking Areas, restroom or health club space designated for exclusive use by Owners of Residential Units or (ii) not designated on the Map or in this Declaration for use by such Owner and such Owner's Guests.

(c) Notwithstanding anything to the contrary contained in this Declaration, the Owner of a Mechanical Unit may make Improvements or alterations to the Mechanical Unit or the Limited Common Elements designed to serve only the Mechanical Unit, without the consent of any Owner or the Association, on the condition that:

(i) the Improvement or alteration does not impair any other Unit or any Limited Common Element designed to serve any other Unit;

(ii) the Owner of the Mechanical Unit repairs any damage to any Common Element caused thereby at its cost and expense; and

(iii) the Improvement or alteration complies with all applicable requirements of the Design Review Board Documents, the Village Documents, the Master Documents, the Development Declaration, the Master Supplemental Declaration and all laws, rules, regulations, ordinances or other requirements of any governmental or quasi-governmental authority.

If any such Improvement or alteration will impair any other Unit or any Limited Common Element assigned to serve any other Unit, the Owner of a Mechanical Unit may not make the Improvement or alteration without the prior written consent of the Owner(s) of the Unit(s), or the Owner(s) of the Unit(s) served by the Limited Common Elements that will be impaired thereby, as the case may be.

(d) Notwithstanding anything to the contrary contained in this Declaration, and in addition to the rights of an Owner of a Mechanical Unit under *paragraph 10.21(c)*, the Owner of a Mechanical Unit shall have the right to install, operate, maintain, repair and replace machinery, equipment, utility lines (including, without limitation, electric and water lines), wires, circuits, cables, pipes and conduits serving such Mechanical Unit or serving other Units or other premises (whether located within or outside the boundaries of the Condominium) from the Mechanical Unit along, across and through any and all General Common Elements and all Limited Common Elements, and through any other Mechanical Unit, the H.O.A. Unit and the underground parking facility within the Condominium (including the Residential Parking Areas located therein), without the consent of any other Owner or the Association on the conditions that (A) said Owner of the Mechanical Unit, at its sole cost and expense, shall repair, replace and restore any damage caused to the Common Elements, the other Mechanical Unit, the H.O.A. Unit and the underground parking facility, and (B) such installation, operation, maintenance, repair or replacement complies with all applicable requirements of the Design Review Board Documents, the Village Documents, the Master Documents, the Development Declaration, the Master Supplemental Declaration and all laws, rules, regulations, ordinances or other requirements of any governmental or quasi-governmental authority.

(e) Notwithstanding anything to the contrary in this *Article X*, but subject to the provisions of the Master Supplemental Declaration, the Owner of a Mechanical Unit may perform such activities within the Mechanical Unit as are common to or necessary for the installation, operation, maintenance, repair and replacement of fire panels, water pumps and any related lines, equipment and other appurtenances, and any lights, sounds and odors that result from such activities shall not violate the terms of this *Article X* or the Association Documents.

10.22 Use of the H.O.A. Unit.

The H.O.A. Unit may be used for any lawful purpose otherwise permissible under the Association Documents, the Village Documents, the Master Documents, the Development Declaration and the Master Supplemental Declaration. All Owners and their Guests may use the H.O.A. Unit for the purposes for which the H.O.A. Unit is intended. Notwithstanding the preceding sentence, neither an Owner nor a Guest may use the H.O.A. Unit in any manner that unreasonably interferes with the rights of other Owners to use the H.O.A. Unit. Without limiting the generality of the foregoing, no Owner shall cause, or permit its Guests to cause, waste to the H.O.A. Unit. The Owners' rights to use the H.O.A. Unit are subordinate and subject to all of the rights and powers of the Association with respect to the H.O.A. Unit, including, without limitation, the Association's right and power to adopt rules regulating the use of the H.O.A. Unit.

10.23 Use of the Additional Unit.

Subject to the Development Declaration and the Master Supplemental Declaration but notwithstanding any provision in this Declaration to the contrary, the Additional Unit may be developed and used for the purposes described in *paragraph 3.01(b)* by the Owner thereof. On and after the Subdivision Date, the Units and the Common Elements created in the Additional Unit shall become fully subject to the provisions of this Declaration and the Additional Unit, including the boundaries thereof, shall be deemed dissolved.

10.24 Declarant's Exemption.

Nothing contained in this Declaration or in any other Association Document shall be construed to prevent:

(a) Declarant's exercise and enjoyment of any Special Declarant Right or any other rights of Declarant under this Declaration or any other Association Document; or

(b) the conduct by Declarant or its employees or agents of any activity, including, without limitation, the erection or maintenance of temporary structures, trailers, improvements or signs, necessary or convenient to the development, construction, marketing or sale of property within or adjacent to the Property (including, without limitation, the Additional Unit).

ARTICLE 11
EASEMENTS AND RESERVATIONS

11.01 Declarant's Easements.

(a) Declarant hereby reserves for itself and any Successor Declarant(s) a general easement over, across, through and under the Mechanical Units, the H.O.A. Unit, the Additional Unit and the Common Elements to:

- (i) discharge Declarant's obligations under this Declaration;
- (ii) exercise any of Declarant's rights under this Declaration;
- (iii) make improvements on the Property (including, without limitation, developing the Additional Unit) or any other real estate owned by Declarant;
- (iv) install, connect, modify and/or remove systems and structures (including, without limitation, walls and fencing) related to constructing or integrating Improvements on the Property; and
- (v) make repairs to the Improvements, to the extent Declarant may be required to do so by applicable law or any contractual obligation.

(b) Declarant hereby reserves for itself and any Successor Declarant(s) a general easement over, across, through and under the Residential Units and any Office Unit for the purpose of performing repairs on any Improvements to the extent Declarant may be required to do so by applicable law or any contractual obligation, and for the purpose of completing construction of any Improvements; provided, however, that Declarant shall not exercise such easement right except after notice, or a reasonable attempt to provide notice, to the affected Residential Unit Owner or Office Unit Owner.

(c) Declarant hereby reserves for itself and any Successor Declarant(s) the right to establish from time to time utility, drainage and other easements, permits or licenses over, across, through and under the Mechanical Units, the H.O.A. Unit, the Additional Unit and the Common Elements.

(d) Declarant hereby reserves for itself, any Successor Declarant(s) or any third party designated by Declarant or any Successor Declarant(s) a general easement over, across, through and under the Common Elements for the purpose of providing valet services to Owners and their Guests.

(e) Declarant hereby reserves for itself, any Successor Declarant(s) or any third party designated by Declarant or any Successor Declarant(s) a general easement upon, over and across the H.O.A. Unit and the Common Elements for the purpose of serving food and/or beverages (including alcoholic beverages) to Owners and their Guests within the H.O.A. Unit, the Common Elements and at the Owners' Units, to the extent permitted by applicable law.

(f) In addition to the reservations set forth above in this *Section 11.01*, Declarant hereby reserves for itself and any Successor Declarant(s) the right to create other reservations, exceptions and exclusions for the best interest of the Association.

11.02 Utility Easement.

(a) Subject to the terms and conditions of this Declaration, Declarant hereby reserves for itself and any Successor Declarant and creates for the benefit of any utility or service company designated by Declarant, a general easement over, across, through and under the Property for ingress to, egress from, and installation, replacement, repair and maintenance of, all utility and service lines and systems, including, without limitation, water, chilled and heated water, fire suppression, sewer, gas, telephone, electricity, fiber optic and cable communication that service the Property or any portion thereof, as well as any such lines and systems that service property owned by the Village Company or other property or improvements designated by Declarant. Declarant may, but is not obligated to, authorize the release of portions of the general easement reserved or created pursuant to this *Section 11.02* upon the request of any Owner showing good cause therefor.

(b) Pursuant to the easement reserved or created by *paragraph 11.02(a)*, Declarant or a utility or service company designated by Declarant may install and maintain facilities and equipment on the Property and affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of Improvements to provide service to the Units or the Common Elements or other property designated by Declarant. Any Person accessing the Property pursuant to this general easement shall use good-faith efforts to install, repair, replace and maintain its lines and systems without disturbing the uses of Owners, the Association, Declarant and other utility and service companies.

(c) If Declarant or any utility or service company designated by Declarant furnishing utilities or services to the Property or any portion thereof or property of the Village Company or other property or improvements designated by Declarant as permitted under *paragraph 11.02(a)* requests a specific easement by separate recordable document, Declarant shall have the right and authority, but not the obligation, to grant such easement over, across, through and under any portion of the Property.

11.03 Association's Easement.

(a) The Association shall have a general easement over, across, through and under each Unit (other than the Additional Unit) and the Common Elements to:

(i) exercise any right held by the Association under this Declaration or any other Association Document; and

(ii) perform any obligation imposed upon the Association by this Declaration or any other Association Document.

(b) Notwithstanding the foregoing, the Association shall not enter any Unit without reasonable prior notice to the Owner thereof, except in cases of emergency.

11.04 Easements to Residential Owners.

All Residential Owners and their Guests shall have an easement upon, over and across the H.O.A. Unit for the purpose of using and enjoying the same and all improvements and amenities located thereon for the purposes that the same are intended. Notwithstanding the preceding sentence, neither an Owner nor a Guest may use the H.O.A. Unit in any manner that unreasonably interferes with the rights of other Owners in and to the H.O.A. Unit. Without limiting the generality of the foregoing, no Owner shall cause, or permit its Guests to cause, waste to any portion of the H.O.A. Unit or any improvements or amenities located thereon.

11.05 Easements to the Owners of Office and Mechanical Units.

(a) The Owner of any Office Unit shall have (i) for itself and its Guests an easement over, across and through the H.O.A. Unit and all General Common Elements for purposes of ingress and egress to and from such Office Unit and all Limited Common Elements appurtenant to such Office Unit and (ii) a general easement over, across, through and under the H.O.A. Unit and all Common Elements for access to and egress from such Office Unit, at any and all times of the day or night during any or all days of the year, for the purpose of providing check-in and related services for owners and guests of owners of any property.

(b) The Owner of any Mechanical Unit shall have those rights of easement as set forth in *paragraph 10.21(d)*.

(c) Notwithstanding any other provision of this Declaration to the contrary, no termination, alteration or other change in the easement rights granted to the Owner of any Office Unit or Mechanical Unit pursuant to *paragraphs 11.05(a) or 11.05(b)* shall be permitted without the prior written consent of the beneficiary thereof.

11.06 Easements for Encroachments.

To the extent that any Unit or Common Element encroaches on any other Unit or Common Element, an easement shall exist for that encroachment, but such easement shall not relieve an Owner of liability in the case of willful misconduct.

11.07 Emergency Access Easement.

Declarant hereby grants a general easement to all police, sheriff, fire protection, ambulance and all other similar emergency agencies or Persons to enter upon the Property in the proper performance of their duties.

11.08 Recorded Easements and Licenses.

The Property shall be subject to all easements and licenses as shown on any recorded plat affecting the Property and to any other easements or licenses of record or of use as of the date of recordation of this Declaration. The data for all recorded easements and licenses appurtenant to, or included with, the Property as of the date first set forth above has been set forth on Exhibit D attached hereto. In addition, the Property is subject to all easements created or permitted by this Declaration.

ARTICLE 12 **INSURANCE**

12.01 Insurance Required to be Obtained by the Association.

The Association shall obtain and maintain all insurance required to be obtained and maintained by the Association under the Act, this Declaration and any additional insurance that the Executive Board deems necessary.

12.02 Property Insurance for Improvements.

(a) The Association shall obtain and maintain property insurance for all Improvements located on or forming a part of the H.O.A. Unit, the Mechanical Units or the Common Elements, including, without limitation, the structural and mechanical components serving the Units, in accordance with the requirements set forth in *Section 12.01*. The deductible amount shall be considered a Common Expense of the Association; provided, however, that the Association may levy a Default Assessment to recover any deductible amount paid by the Association to the extent that such payment shall have been caused by the negligence, misuse or neglect of an Owner.

(b) Each Owner shall be responsible for obtaining and maintaining any property insurance that it desires for (i) any Improvements located in or forming a part of its Unit, (ii) any fixtures, furnishings and equipment, other than fixtures and equipment that are part of the Common Elements located within its Unit and (iii) personal property of the Owner and its Guests.

12.03 Adjustments.

Any loss covered by insurance maintained by the Association shall be adjusted with the Association in accordance with the terms and conditions of the Act. The insurance proceeds for any such loss shall be paid in accordance with the terms and conditions of the Act.

ARTICLE 13 **CASUALTY**

13.01 Casualty to Common Elements.

The Association shall respond to any damage to, or the destruction of, the H.O.A. Unit, the Mechanical Units or any Common Elements in accordance with the terms and conditions of the Act.

13.02 Casualty to a Unit.

To the extent that the Association is not obligated to make any such repairs or replacements, each Owner shall repair or replace any damage to or destruction to the interior of its Unit, as soon as is reasonably practical after such damage or destruction occurs.

ARTICLE 14 **CONDEMNATION**

14.01 Condemnation of All Units.

If the entire Condominium is taken by condemnation or similar proceeding, the Condominium shall terminate as of the date of the taking and any condemnation award payable in connection therewith shall be paid to the Association and then disbursed by the Association in accordance with the terms and conditions of the Act.

14.02 Condemnation of Fewer Than All Units.

If one or more Units, but less than the entire Condominium, is taken by condemnation or similar proceeding, then

- (a) any condemnation award payable in connection therewith shall be paid;
- (b) the Interest in Common Elements appurtenant to the remaining Units shall be reallocated in accordance with the terms and conditions of the Act; and
- (c) the Shares of Common Expenses allocated to the remaining Units shall be reallocated in accordance with the terms and conditions of the Act.

14.03 Condemnation of Common Elements.

(a) If the H.O.A. Unit or any Common Element is taken by condemnation or similar proceeding, any condemnation award payable in connection therewith shall be paid to the Association and used by the Association:

- (i) first, to repair any damage to the H.O.A. Unit or Common Elements resulting from the condemnation or similar taking; and
- (ii) second, for any other Common Expenses.

(b) The Association shall not be required to pay all or any portion of the condemnation award received for the condemnation or similar taking of a Limited Common Element to the Owners of the Units served by such Limited Common Element, unless the Association deems it necessary or appropriate to do so.

ARTICLE 15
SPECIAL DECLARANT RIGHTS

15.01 Improvements.

Declarant hereby reserves for itself and any Successor Declarant(s) the right, but shall not be obligated, to construct, install, operate, maintain, repair and replace:

- (a) any Improvements shown on the Map;
- (b) any fire suppression systems serving the Condominium or any other property designated by Declarant;
- (c) telephone lines and systems and fiber optic or other computer network or telecommunications lines and systems, together with related facilities and equipment that Declarant desires to construct, install or maintain on the Property; and
- (d) any other Improvements (including, without limitation, physical connections between such buildings, structures and improvements) that Declarant desires to construct on the Property (including, without limitation, the Additional Unit), or any other real estate owned by Declarant, regardless of whether the same ever become part of the Condominium.

15.02 Development Rights.

- (a) Declarant hereby reserves for itself and any Successor Declarant(s) the right to:

(i) amend this Declaration to add additional real estate to the Condominium as permitted pursuant to Section 116.2122 of the Act;

(ii) subdivide any Unit owned by Declarant, including, without limitation, the creation of additional Units and Common Elements within the Additional Unit;

(iii) combine any Units owned by Declarant;

(iv) convert any Unit owned by Declarant into Common Elements;

(v) create a maximum of two hundred (200) Units on the Property;

(vi) create additional Common Elements on all or any portion of the Property (including, without limitation, the Additional Unit) or any other real estate that Declarant may add to the Condominium pursuant to *paragraph 15.02(a)(i)*;

(vii) withdraw from the Condominium any real property owned by Declarant and located within the Property (including, without limitation, the Additional Unit) at any time prior to the conveyance of a Unit located in such portion to a Purchaser and, after the addition of any other real property to the Condominium, the right to withdraw any real property owned by Declarant and located within such portion at any time prior to the conveyance of any Unit located in such portion to a Purchaser; and

(viii) create easements, permits, licenses, and other property rights and reservations as described in *Article 11*.

(b) In exercising any development right reserved in this *Section 15.02*, Declarant or any Successor Declarant(s) shall execute and record an amendment to this Declaration in accordance with the requirements of the Act.

15.03 Signs; Sales Offices and Models.

Declarant hereby reserves for itself and any Successor Declarant(s) the right to maintain signs, sales offices, management offices and models on or within, as applicable, any Unit owned or leased by Declarant or any Successor Declarant(s). Declarant also reserves for itself and any Successor Declarant(s) the right to construct and maintain signs advertising the Condominium on any and all Common Elements and the H.O.A. Unit.

15.04 Use of Common Elements, the H.O.A. Unit and the Mechanical Units.

Declarant hereby reserves for itself and any Successor Declarant(s), and each of their employees, agents, independent contractors and invitees, the right to use the H.O.A. Unit, the Mechanical Units and all facilities and areas of the Condominium shown on the Map as General Common Elements or Limited Common Elements to the extent that use of the H.O.A. Unit, the Mechanical Units or such other facilities and areas is necessary or useful to Declarant in gaining access to the Additional Unit or in exercising its reserved rights to complete its subdivision of, and development and construction of Improvements on, the Additional Unit.

15.05 Merger.

Declarant hereby reserves for itself and any Successor Declarant(s) the right to merge or consolidate the Condominium with any other condominium.

15.06 Exercising Special Declarant Rights.

Declarant may exercise its Special Declarant Rights at any time prior to the later to occur of the date that the Declarant Control Period expires or the date that is 50 years after the date that this Declaration is recorded in the Clark County Records. Declarant may exercise its Special Declarant Rights in any order, and no

assurance is given as to the order in which Declarant may exercise its Special Declarant Rights. If Declarant exercises any Special Declarant Right with respect to any portion of the Property, Declarant may, but is not obligated to, exercise that Special Declarant Right with respect to any other portion of the Property. Notwithstanding anything to the contrary contained in this Declaration, Declarant may exercise any Special Declarant Right described in this *Article 15* and any other right reserved to Declarant in this Declaration, without the consent of the Association or any of the Owners.

15.07 Interference with Special Declarant Rights.

Neither the Association nor any Owner may take any action or adopt any rule or regulation that interferes with or diminishes any Special Declarant Right, without Declarant's prior written consent. Any action taken in violation of this *Section 15.07* shall be null and void and have no force or effect.

15.08 Rights Transferable.

Declarant may transfer any Special Declarant Right reserved to it under this *Article 15*, or under any other provision of this Declaration, in accordance with the terms and conditions of the Act.

15.09 Other Rights.

Without limiting the foregoing provisions of this *Article 15*, Declarant reserves all other rights, powers and authority of Declarant set forth in this Declaration, and to the maximum extent not expressly prohibited under the Act, Declarant further reserves all other rights, powers and authority (which Declarant may elect to exercise or not exercise in Declarant's sole discretion) of a declarant under the Act (including, but not limited to, all "Developmental rights" as defined in Section 116.11034 of the Act, and all "Special declarant's rights" defined in Section 116.110385 of the Act).

ARTICLE 16
MORTGAGEE PROTECTIONS

16.01 Benefit of Mortgagees.

This *Article 16* establishes certain standards and covenants that are for the benefit of Mortgagees. This *Article* is supplemental to, and not in substitution of, any other provisions of this Declaration, but in the case of any conflict, this *Article* shall control.

16.02 Notice of Actions.

If requested in writing to do so, the Association shall give prompt written notice of the following to each First Mortgagee making such request:

- (a) any condemnation loss or any casualty loss that affects a material portion of the H.O.A. Unit, the Mechanical Units, the Common Elements or any Unit in which an interest is held by the First Mortgagee;
- (b) any delinquency in the payment of Assessments that remains uncured for sixty days by an Owner whose Unit is encumbered by a First Mortgage held by such First Mortgagee;
- (c) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;
- (d) any proposed action that would require the consent of First Mortgagees as set forth in this *Article 16*; and
- (e) any judgment rendered against the Association.

16.03 Consent Required.

Notwithstanding anything to the contrary contained in this Declaration, the Association may not take any of the following actions without the consent of 67 percent of the First Mortgagees (based on one vote for each Unit covered by a First Mortgage):

- (a) by act or omission seek to abandon or terminate the Condominium, except after condemnation or substantial casualty;
- (b) except as provided herein for condemnation, casualty and the exercise of Special Declarant Rights (including, but not limited to, the subdivision and development of the Additional Unit), change the Interests in Common Elements, Shares of Common Expenses or votes in the Association of any Unit;
- (c) subdivide, partition, or relocate the boundaries of any Residential Unit, except as permitted with respect to Special Declarant Rights;
- (d) abandon, subdivide, partition, encumber, sell, or transfer the H.O.A. Unit, the Mechanical Units or the Common Elements (provided, however, that the granting of easements for public utilities or for other purposes provided for in this Declaration shall not be deemed transfers or encumbrances);
- (e) use hazard insurance proceeds for losses to any portion of the H.O.A. Unit, the Mechanical Units or the Common Elements for other than repair, replacement, or reconstruction of the H.O.A. Unit, the Mechanical Units or such Common Elements, as appropriate, except as provided by the Act; or
- (f) merge the Condominium with any other common interest community, except as permitted with respect to Special Declarant Rights; provided, however, that the forgoing shall not be deemed to restrict the exercise by Declarant or any Successor Declarant(s) of the Special Declarant Rights.

16.04 Notice of Objection.

Unless a First Mortgagee provides the Association with written notice of its objection, if any, to any proposed amendment or action requiring the approval of First Mortgagees within thirty days following the receipt of notice of such proposed amendment or action, the First Mortgagee will be deemed conclusively to have consented to or approved the proposed amendment or action.

16.05 First Mortgagees' Rights.

- (a) First Mortgagees, jointly or singly, may pay taxes or other charges that are in default and that may or have become a charge against the H.O.A. Unit, the Mechanical Unit or any of the Common Elements or improvements thereon, and may pay overdue premiums on hazard insurance policies, for the H.O.A. Unit, the Mechanical Units or the Common Elements. First Mortgagees making such payment shall be owed immediate reimbursement from the Association.
- (b) A First Mortgagee shall be entitled to cure any delinquency of the Owner of a Unit encumbered by its First Mortgage in the payment of Assessments. In that event, the First Mortgagee shall be entitled to obtain a release from the lien imposed or perfected by reason of such delinquency.

16.06 Limitations on First Mortgagees' Rights.

No requirement for approval or consent by a First Mortgagee provided in this *Article 16* shall operate to:

- (a) deny or delegate control over the general administrative affairs of the Association by the Owners or the Executive Board;

(b) prevent the Association or the Executive Board from commencing, intervening and/or settling any legal proceeding; or

(c) prevent any insurance trustee or the Association from receiving and distributing any insurance proceeds in accordance with the requirements of *Article 12*.

16.07 Declarant Rights.

No provision or requirement of this *Article 16* may restrict or limit any Special Declarant Rights or other rights reserved to Declarant or any Successor Declarant(s) in this Declaration.

ARTICLE 17
ENFORCEMENT AND REMEDIES

17.01 Enforcement.

(a) Each provision of this Declaration with respect to the Association, the H.O.A. Unit, the Mechanical Units or the Common Elements shall be enforceable by Declarant or by any Owner through a proceeding for injunctive relief.

(b) Each provision of this Declaration with respect to an Owner or a Unit (other than the H.O.A. Unit and the Mechanical Units) shall be enforceable by Declarant or by the Association by:

(i) a proceeding for injunctive relief;

(ii) a suit or action to recover damages; or

(iii) in the discretion of the Association, for so long as an Owner fails to comply with any such provisions, exclusion of such Owner and its Guests from the use of the H.O.A. Unit and any Common Elements and from participation in any Association affairs.

(c) By acceptance of a deed to a Unit, an Owner agrees to be bound by the terms and conditions of this Declaration. In addition to all other remedies provided to the Association in this Declaration, if an Owner fails to perform or observe any covenant or condition to be performed or observed by such Owner under this Declaration or any other Association Document, the Association shall have the following rights and remedies:

(i) The Association may, but is not obligated to, cure such failure to comply at the Owner's sole cost and expense. If the Association cures any such failure to comply, the Owner shall pay to the Association the amount of all costs incurred by the Association in connection therewith within thirty days after the Owner receives a written invoice therefor from the Association.

(ii) The Association may, after notice and an opportunity to be heard, fine the Owner, as a Default Assessment, an amount equal to the then-maximum amount permitted under Nevada law for each violation. The Owner shall pay any such fine to the Association within thirty days after the Owner receives written invoice therefor from the Association.

(iii) With respect to an Owner's failure to pay an installment of any Assessment, the Association may accelerate the due date for the payment of the full amount of the Assessment.

(iv) The Association shall have all other rights and remedies available to it under this Declaration, at law or in equity.

(d) All rights and remedies of the Association shall be cumulative and the exercise of one right or remedy shall not preclude the exercise of any other right or remedy.

(c) The Association may adopt such Rules as the Executive Board deems necessary or appropriate to administer and enforce the terms and conditions of this Declaration and the other Association Documents.

17.02 Attorneys' Fees.

In the event of any dispute under or with respect to this Declaration or any other Association Document, the prevailing party shall be entitled to recover from the nonprevailing party all of its costs and expenses in connection therewith, including, without limitation, the fees and disbursements of any attorneys, accountants, engineers, appraisers or other professionals engaged by the prevailing party.

17.03 Interest.

If an Owner fails to pay to the Association any Assessment or other amount due to the Association as and when the same becomes due, the Owner shall pay to the Association interest on such unpaid amount at the rate of 18 percent per annum, or such other legal rate as the Executive Board may establish from time to time, from the due date of such unpaid amount until the date paid.

17.04 Right to Notice and Hearing.

Whenever an Association Document requires that an action be taken after "notice and hearing," the following procedure shall be observed. The party proposing to take the action (e.g., the Executive Board or a committee or officer of the Association) shall give at least three days' prior written notice of the proposed action to all Owners whose interests would be significantly affected by the proposed action, as reasonably determined by the proposing party. The notice shall include a general statement of the proposed action and the date, time and place of the hearing. At the hearing, the party proposing to take the action, and all significantly affected Owners may give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the party conducting the hearing to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the decision makers. Any significantly affected Owner shall be notified of the decision in the same manner in which notice of the hearing was given. Any Owner having a right to notice and hearing shall have the right to appeal to the Executive Board from a decision of a proposing party other than the Executive Board. Such right of appeal may be exercised within ten days after an Owner receives notice of the decision, by filing a written notice of appeal with the Executive Board. The Executive Board shall conduct a hearing within forty-five days thereafter, giving the same notice and observing the same procedures as were required for the original hearing.

17.05 Nonwaiver.

Failure by Declarant, the Association or any Owner to enforce any covenant, condition, restriction, reservation, easement, assessment, charge, lien or other provision of this Declaration or any other Association Document shall in no way be deemed to be a waiver of the right to do so thereafter.

ARTICLE 18
TERM AND AMENDMENTS

18.01 Term.

The covenants, conditions, restrictions, reservations, easements, assessments, charges, liens and other provisions set forth in this Declaration shall run with and bind the Property until this Declaration is terminated pursuant to Section 18.02.

18.02 Termination.

(a) Subject to the rights of Mortgagees under Article 16, and except as provided in paragraph 18.02(b), the Owners may terminate the Condominium and this Declaration if at least 80 percent of the votes allocated to all Units are cast in favor of such termination. If the necessary votes are obtained, the agreement

of the Owners to terminate the Condominium and this Declaration shall be evidenced by a termination agreement or ratification thereof, executed by the required number of Owners in accordance with the Act. Upon recordation of the termination agreement in the Clark County Records, the Condominium shall be terminated, this Declaration shall have no further force or effect, and the Association shall be dissolved.

(b) Notwithstanding the foregoing provisions of *paragraph 18.02(a)*:

(i) The Owners may not terminate the Condominium during the Declarant Control Period without Declarant's prior written consent, which consent Declarant may withhold in its sole discretion.

(ii) A termination of the Condominium and this Declaration shall not release the Property from the easements, covenants, conditions and restrictions set forth in *Article 11* hereof and such easements, covenants, conditions and restrictions shall survive the termination of this Declaration unless Declarant consents to the release thereof in writing.

(iii) A termination of the Condominium and this Declaration shall not release the Property from the burdens created by *Article 15* hereof and such Special Declarant Rights shall survive the termination of this Declaration unless Declarant consents to the release thereof in writing.

18.03 Amendments.

(a) Except for provisions of this Declaration regarding the rights and obligations of Declarant, which may not be amended without Declarant's prior written consent, and subject to the rights of Mortgagees under *Article 16* and Section 2.1 of the Master Declaration, Owners may amend any provision of this Declaration or the Map if at least 67 percent of the votes allocated to all Units are cast in favor of such amendment, unless, by its terms, such provision requires a greater vote of the Owners for its amendment. If the necessary votes and/or consent(s) are obtained, the Association shall cause an amendment to the Declaration or the Map, as applicable, to be recorded in the Clark County Records in accordance with the terms and conditions of the Act. Notwithstanding the foregoing, (i) the Owners may not amend this Declaration or the Map during the Declarant Control Period without Declarant's prior written consent, which consent Declarant may withhold in its sole discretion, and (ii) the Owners may not amend this Declaration or the Map at any time in any manner that would materially affect the rights or obligations hereunder of the Owner of any Office Unit, any Mechanical Unit or the Additional Unit unless such amendment is approved in writing by the Owner of such Unit.

(b) In addition to Declarant's other rights to amend this Declaration and the Map as set forth in this Declaration and the Act, Declarant may:

(i) amend this Declaration and/or the Map to correct clerical, typographical, technical or other errors; and

(ii) amend this Declaration and/or the Map to comply with the requirements, standards or guidelines of recognized secondary mortgage markets, the Department of Housing and Urban Development the Federal Housing Administration, the Veteran's Administration, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association or the Federal National Mortgage Association.

(c) Notwithstanding the terms and conditions of *paragraph 18.03(a)*, Declarant may amend this Declaration and the Map as provided in *paragraph 18.03(b)* and elsewhere in this Declaration or the Act, without the approval of the Owners.

**ARTICLE 19
MISCELLANEOUS**

19.01 Interpretation of the Declaration.

Except for judicial construction, the Association, by its Executive Board, shall have the exclusive right to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Association's construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all Persons and property benefited or bound by the covenants and the provisions hereof.

19.02 Irrevocable Power of Attorney.

Each Owner of a Unit, by accepting a deed to a Unit, hereby irrevocably appoints Declarant as its attorney-in-fact, for itself and each of its Mortgagees, optionees, grantees, licensees, trustees, receivers, lessees, tenants, judgment creditors, heirs, legatees, devisees, administrators, executors, legal representatives, successors and assigns, whether voluntary or involuntary, and hereby grants to Declarant an irrevocable limited power of attorney coupled with an interest for Declarant to act as his attorney-in-fact in connection with any modification to the development plans of all or any portion of the Condominium. Each Owner hereby acknowledges and agrees that this irrevocable limited power of attorney is: (a) retained for the benefit of the Declarant and not the Owner; and (b) created by Owner's acceptance of a deed to a Unit and as part of the consideration for the purchase and sale of a Unit. Based on the foregoing, each Owner further acknowledges and agrees that this irrevocable limited power of attorney is "coupled with an interest" and may not be terminated by: (x) the Owner's revocation of such limited power of attorney; (y) the Owner's death; or (z) the Owner's incapacity to contract. In furtherance thereof and subject to the limitations and restrictions set forth in this *Section 19.02*, Declarant shall have the right and power as a duly authorized attorney-in-fact to perform any of the following actions:

(a) To prepare, execute, acknowledge and record any map, lot line adjustment, certificate of compliance or record of survey affecting the Condominium required or permitted by the laws of the State of Nevada as in effect on the date of the recording of this Declaration, and as thereafter amended, and any ordinances, rules or regulations of the City of Henderson, and any other governmental entities and authorities having jurisdiction over the Condominium, in effect on the date of the recording of this Declaration, and as thereafter enacted or amended, or which may be required or permitted by any title insurer, and, in connection therewith, to perform all conditions, undertake any obligations and execute all agreements and documentation required or permitted by any federal, State and local governmental entities and authorities; to appear before any such governmental entities and authorities; and to execute, acknowledge and deliver any improvement agreements and bonds, and post deposits securing the performance of any such conditions and obligations.

(b) To prepare, execute, acknowledge and record any amendment to the Map, including, without limitation, any amendments necessary to cause such Map to conform with the Improvements as actually built, which may be required or permitted by the laws of the State of Nevada as in effect on the date of the recording of this Declaration, as thereafter enacted or amended, and any ordinances, rules and regulations of the City of Henderson, and any other governmental entities and authorities having jurisdiction over the Condominium, as in effect on the date of the recording of this Declaration, and as thereafter enacted or amended, or which may be required or permitted by any title insurer, and, in connection therewith, to perform all conditions, undertake any obligations and execute all agreements and documentation required or permitted by any federal, State and local governmental entities and authorities; and to execute, acknowledge and deliver any improvement agreements and bonds, and post deposits securing the performance of any such conditions and obligations.

(c) To prepare, execute, acknowledge and file for approval any application for zoning or setback changes or lot line adjustments, or variance or conditional use permits, or any other permits or reports required or permitted by the laws of the State of Nevada as in effect on the date of the recording of this Declaration, as thereafter enacted or amended, and any ordinances, rules and regulations of the City of

Henderson, and any other governmental entities and authorities having jurisdiction over the Condominium, as in effect on the date of the recording of this Declaration, and as thereafter enacted or amended, or which may be required or permitted by any title insurer, and, in connection therewith, to perform all conditions, undertake any obligations and execute all agreements and documentation required or permitted by any federal, State and local governmental entities and authorities; and to execute, acknowledge and deliver any improvement agreements and bonds, and post deposits securing the performance of any such conditions and obligations.

(d) To make applications for any public offering statements, property reports or public reports, or amendments thereto, or exemption from the requirements therefor required or permitted by federal and State statutes, rules and regulations relating to the sale, lease, transfer or other disposition of subdivided lands, and, in connection therewith, to perform all conditions, undertake any obligations and execute all agreements and documentation required or permitted by any federal, State and local governmental entities and authorities; and to execute, acknowledge and deliver any improvement agreements and bonds, and post deposits securing the performance of any such conditions and obligations;

(e) To deliver any public offering statements, public reports or property reports, or amendments thereto, obtain receipts and offer and administer rescission rights required by law;

(f) To prepare, execute, acknowledge and file for approval any registration or application for any permit, approval, exemption, ruling or entitlement, which registration or application is required or permitted pursuant to any law or regulation in effect as of the date of the recording of this Declaration, and as hereafter enacted or amended by any federal, State and local governmental entities and authorities, and, in connection therewith, to perform all conditions, undertake any obligations and execute all agreements and documentation required or permitted by such governmental body, and by any such laws and regulations; to appear before any such governmental bodies, and to execute and deliver any improvement agreements and bonds, and post deposits securing the performance of any such conditions and obligations; and do all other things now or thereafter permitted or required by any such governmental body and any such laws and regulations; and

(g) To prepare, execute, acknowledge and record any deeds, waivers, releases, reconveyances or other documentation which may be permitted or required to clear title to any constructed or unconstructed portion of the Condominium.

Each Owner of a Unit, by accepting a deed to a Unit, shall be deemed to have covenanted and agreed to execute any document or perform such other actions as may be reasonably required by Declarant to effect or consummate the matters set forth in Section 19.02(a) through (h) above.

19.03 Severability.

Any determination by any court of competent jurisdiction that any provision of this Declaration is invalid or unenforceable shall not affect the validity and enforceability of any other provision hereof.

19.04 Disclaimer of Representations.

Notwithstanding anything to the contrary contained in this Declaration, Declarant makes no warranties or representations whatsoever that the plan presently envisioned for the complete development of the Property can or will be carried out or that any land now owned or hereafter acquired by Declarant is or will be subject to this Declaration, or that any such land, regardless of whether it has been subjected to this Declaration, is or will be committed to or developed for a particular use, or that if such land is once used for a particular use, that such use will continue in effect.

19.05 Reference to Declaration and Deeds.

Deeds to and instruments affecting any Unit or any other part of the Condominium may contain the provisions set forth herein by reference to this Declaration, but regardless of whether any such reference is made

in any deed or instrument, each and all of the covenants, conditions, restrictions, reservations, easements, assessments, charges, liens and other provisions set forth herein shall be binding upon the grantee-owner or other person claiming through any deed or other instrument and his heirs, executors, administrators, successors and/or assigns.

19.06 Successors and Assigns of Declarant.

Any reference in this Declaration to Declarant shall include any successors or assignees of Declarant's rights and powers hereunder on the condition that Declarant's rights and powers may be assigned only by a recorded instrument expressly assigning such rights and powers.

19.07 Captions and Titles.

All captions and titles of headings of Articles and Sections in this Declaration are for the purpose of reference and convenience and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof or to be used in determining the intent or context thereof.

19.08 Exhibits.

All exhibits attached to this Declaration are a part of, and are hereby incorporated into, this Declaration.

19.09 Governing Law.

This Declaration shall be governed by and construed in accordance with Nevada law.

19.10 Notices.

All Owners of each Unit shall have one and the same registered mailing address to be used by the Association or other Owners for notices, demands, and all other communications regarding Association matters. The Owner or the representative of the Owners of a Unit shall furnish such registered address to the secretary of the Association within ten days after (a) transfer of title to the Unit to such Owner or Owners, or (b) change of address. Such registration shall be in written form and signed by all of the Owners of the Unit or by such persons as are authorized to represent the interests of all Owners of the Unit. If no address is registered or if all of the Owners cannot agree, then the address of the Unit shall be deemed the registered address of such Owner(s), and any notice shall be deemed duly given if delivered to the Unit. All notices and demands intended to be served upon the Association shall be sent to the following address or such other address as the Association may designate from time to time by notice to the Owner(s):

Luna di Lusso Homeowners' Association, Inc.
c/o Intrawest Hospitality Management, Inc.
29 Grand Mediterra Boulevard
Henderson, Nevada 89011
Attention: Owner Services

19.11 Priority of Master Documents.

This Declaration and the other Association Documents shall be subject and subordinate to the Master Documents. If there is any conflict or inconsistency between the terms and conditions of this Declaration or any other Association Documents and the terms and conditions of the Master Documents, the terms and conditions of the Master Documents shall control. The terms and conditions of this Section 19.11 may not be amended or deleted without the prior written consent of the Lake Las Vegas Master Association.

19.12 Priority of the Village Documents.

This Declaration and the other Association Documents shall be subject and subordinate to the Village Documents. If there is any conflict or inconsistency between the terms and conditions of this Declaration or any of the other Association Documents and the terms and conditions of the Village Documents, the terms and conditions of the Village Documents shall control. The terms and conditions of this *Section 19.12* may not be amended or deleted without the prior written consent of the Village Company.

19.13 Waivers.

No waivers by the Association of any right of the Association shall constitute a waiver by the Village Company of any right of the Village Company.

19.14 Internal References.

Each reference in this Declaration to an "Article", "Section" or "paragraph" shall be deemed to refer to an Article, Section or paragraph, as appropriate, in this Declaration unless specifically stated otherwise.

* * * * *

Declarant has caused its name to be signed by the signature of a duly authorized official as of the day and year first written above.

MonteLago Two Development Company, LLC, a Delaware limited liability company

By: Intrawest California Holdings, Inc., a California corporation, its sole member

By:

Name: Doug Ogilvy

Title: Vice President

STATE OF NEVADA)
 Clark) ss.
COUNTY OF ~~WASHOE~~)

This instrument was acknowledged before me on September 30th 2004, by Doug Ogilvy, as Vice President of Intrawest California Holdings, Inc., a California corporation and sole member of MonteLago Two Development Company, a Delaware limited liability company.

Terril L. Greer

Notary Public

My Commission Expires: Jan. 7, 2006

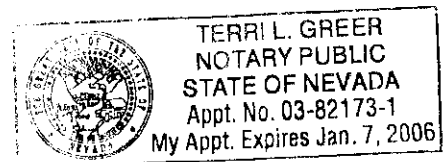


EXHIBIT A

(Attached to and forming a part of the
Declaration of Covenants, Conditions and Restrictions
for Luna di Lusso Condominium)

Description of the Property

That certain parcel of real property located in the City of Henderson, County of Clark, Nevada identified as "Lot 3" on that certain Record of Survey of MonteLago Village at Lake Las Vegas recorded on October 15, 2003 as shown on File 133 of Surveys, Page 67.

EXHIBIT B

(Attached to and forming a part of the
Declaration of Covenants, Conditions and Restrictions
for Luna di Lusso Condominium)

Map

A reduced copy follows this cover sheet. A full-sized
copy of the Map has been recorded separately.

EXHIBIT C

(Attached to and forming a part of the
Declaration of Covenants, Conditions and Restrictions
for Luna di Lusso Condominium)

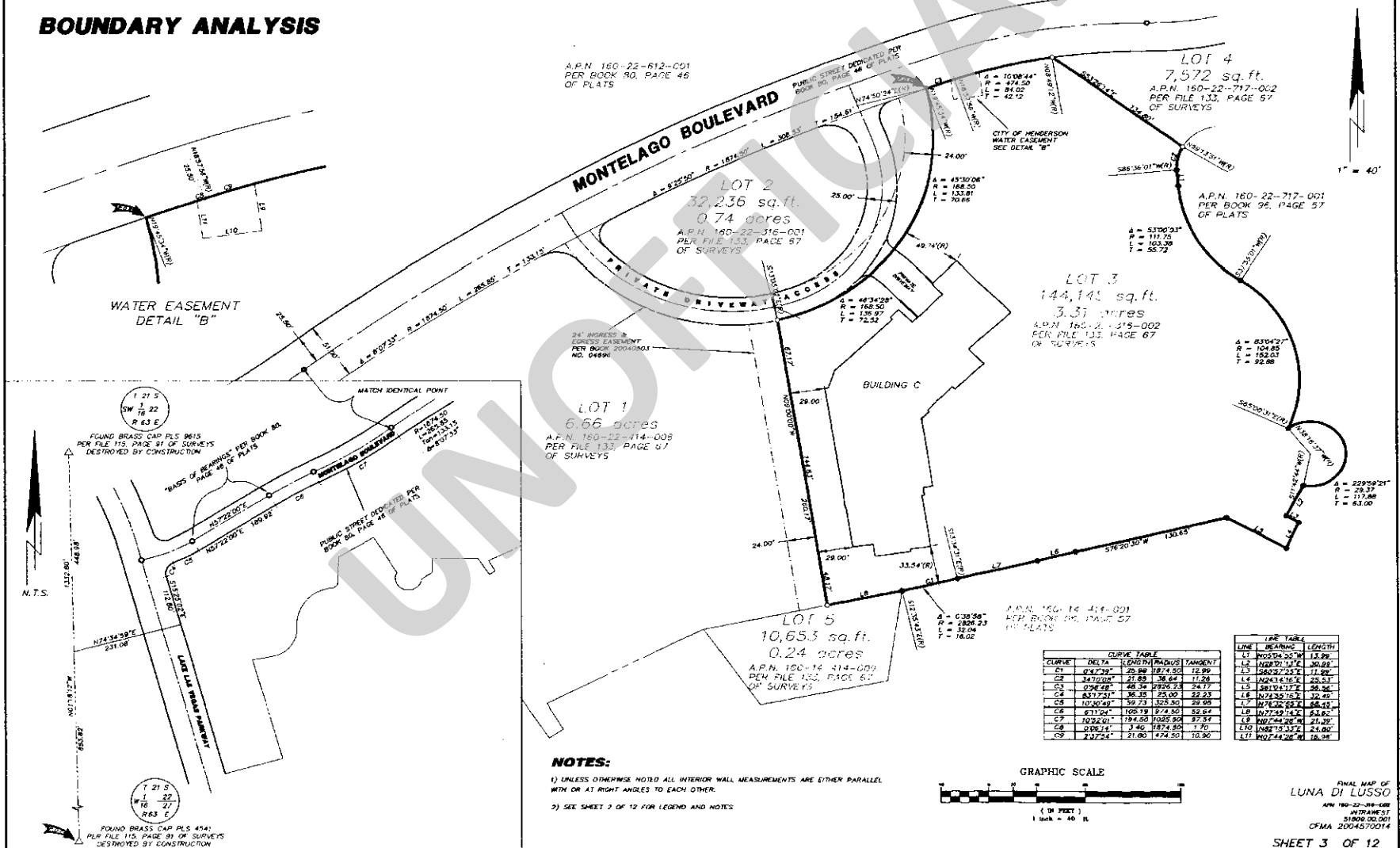
Allocated Interests, Expenses and Votes

SEE ATTACHED CHART

UNOFFICIAL

**FINAL MAP OF
LUNA DI LUSSO CONDOMINIUM**
A CONDOMINIUM SUBDIVISION AND COMMON INTEREST COMMUNITY
FORMERLY KNOWN AS MONTELAGO II
BEING ALL OF LOT 3, AS SHOWN ON RECORD OF SURVEY
RECORDED IN FILE 133, PAGE 57 OF SURVEYS IN THE CLARK COUNTY, NEVADA
RECORDER'S OFFICE, LYING IN THE SOUTH HALF (S 1/2) OF SECTION 22,
TOWNSHIP 21 SOUTH, RANGE 63 EAST, M.D.M. CITY OF HENDERSON,
CLARK COUNTY, NEVADA

BOUNDARY ANALYSIS



LINE	BEARING	LENGTH
L1	N05°34'22"W	13.89
L2	N28°20'11"E	30.82
L3	S60°52'23"E	11.89
L4	N24°16'16"E	25.53
L5	S81°24'17"E	26.06
L6	N74°35'16"E	12.49
L7	N76°32'52"E	58.42
L8	N77°33'14"E	54.66
L9	N07°44'40"E	51.02
L10	N88°15'31"E	24.82
L11	N07°44'28"E	16.78

**FINAL MAP OF
LUNA DI LUSSO CONDOMINIUM**
A CONDOMINIUM SUBDIVISION AND COMMON INTEREST COMMUNITY
FORMERLY KNOWN AS MONTELAGO II
BEING ALL OF LOT 3, AS SHOWN ON RECORD OF SURVEY
RECORDED IN FILE 133, PAGE 67 OF SURVEYS IN THE CLARK COUNTY, NEVADA
RECORDER'S OFFICE, LYING IN THE SOUTH HALF (S 1/2) OF SECTION 22,
TOWNSHIP 21 SOUTH, RANGE 63 EAST, M.D.M., CITY OF HENDERSON,
CLARK COUNTY, NEVADA

ADDITIONAL UNIT

UPPER ELEVATION = 1532.50
LOWER ELEVATION = 1367.00

A.P.N. 160-22-512-001
PER BOOK 95, PAGE 48
OF PLATS

PUBLIC STREET DEDICATED PER
BOOK 80, PAGE 46 OF PLATS

$\Delta = 1008.94'$
 $R = 474.50'$
 $L = 86.03'$
 $T = 42.12'$

MONTELAGO BOULEVARD
LOT 2

A.P.N. 160-22-316-001
PER FILE 133, PAGE 67
OF SURVEYS

LOT 4
7,572 sq.ft.

A.P.N. 160-22-717-007
PER FILE 133, PAGE 67
OF SURVEYS

ADDITIONAL UNIT
LOWER ELEVATION = 1367.00
UPPER ELEVATION = 1532.50
65,014 S.F.

A.P.N. 160-22-717-001
PER BOOK 95, PAGE 56
OF PLATS

$\Delta = 5390.01'$
 $R = 111.75'$
 $L = 103.38'$
 $T = 55.72'$

$\Delta = 8704.27'$
 $R = 104.85'$
 $L = 152.03'$
 $T = 92.99'$

$\Delta = 22938.71'$
 $R = 29.17'$
 $L = 117.88'$
 $T = 92.99'$

CURVE TABLE				
CURVE	DELTA	LENGTH	RADIUS	TANGENT
C1	0°47'39"	25.88	1874.50	12.99
C2	34°10'08"	21.60	30.64	11.26
C3	0°58'49"	48.34	2458.23	24.17

LINE TABLE		
LINE	BEARING	LENGTH
L1	S08°14'35.7"	13.89
L2	S08°17'13.7"	30.29
L3	S09°17'30.2"	11.89
L4	S2°14'16.7"	25.57
L5	N61°04'17.7"	56.56
L6	S74°55'11.7"	32.40
L7	S76°32'53.7"	68.42
L8	S77°40'14.7"	63.82
L9	N74°00'20.7"	48.92

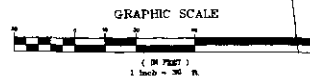
LOT 1
6.66 acres
A.P.N. 160-22-414-008
PER FILE 133, PAGE 67
OF SURVEYS

NOTES:

1) UNLESS OTHERWISE NOTED ALL INTERIOR WALL MEASUREMENTS
ARE EITHER PARALLEL WITH OR AT RIGHT ANGLES TO EACH OTHER.

2) SEE SHEET 2 OF 12 FOR LEGEND AND NOTES

LOT 5
10,653 sq.ft.
0.24 acres
A.P.N. 160-22-414-009
PER FILE 133, PAGE 67
OF SURVEYS



A.P.N. 160-22-414-001
PER BOOK 95, PAGE 56
OF PLATS

FINAL MAP OF
LUNA DI LUSSO
A.P.N. 160-22-316-000
IN THE WEST
51800.00.001
CFMA 2004570014

SHEET 4 OF 12

BOOK 117 PAGE 0069

H.O.A. UNIT

UPPER ELEVATION = 1502.50
LOWER ELEVATION = 1402.00

FINAL MAP OF
LUNA DI LUSSO CONDOMINIUM
A CONDOMINIUM SUBDIVISION AND COMMON INTEREST COMMUNITY
FORMERLY KNOWN AS MONTELAGO II

BUILDING C

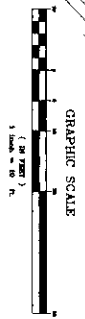
BUILDING C

H.O.A. UNIT
15,860 S.F.

RESIDENTIAL UNIT
LOWER ELEVATION = 1502.50
UPPER ELEVATION = 1502.20
62,814 S.F.

GCE

GCE
6,217 S.F.



NOTES:

- 1) DIMENSIONS SHOWN ARE MEASURED FROM THE EXTERIOR WALLS OF BUILDINGS AND OTHER STRUCTURES TO THE CENTER OF EACH DRIVE
- 2) SEE SHEET 2 OF 12 FOR LEGEND AND NOTES

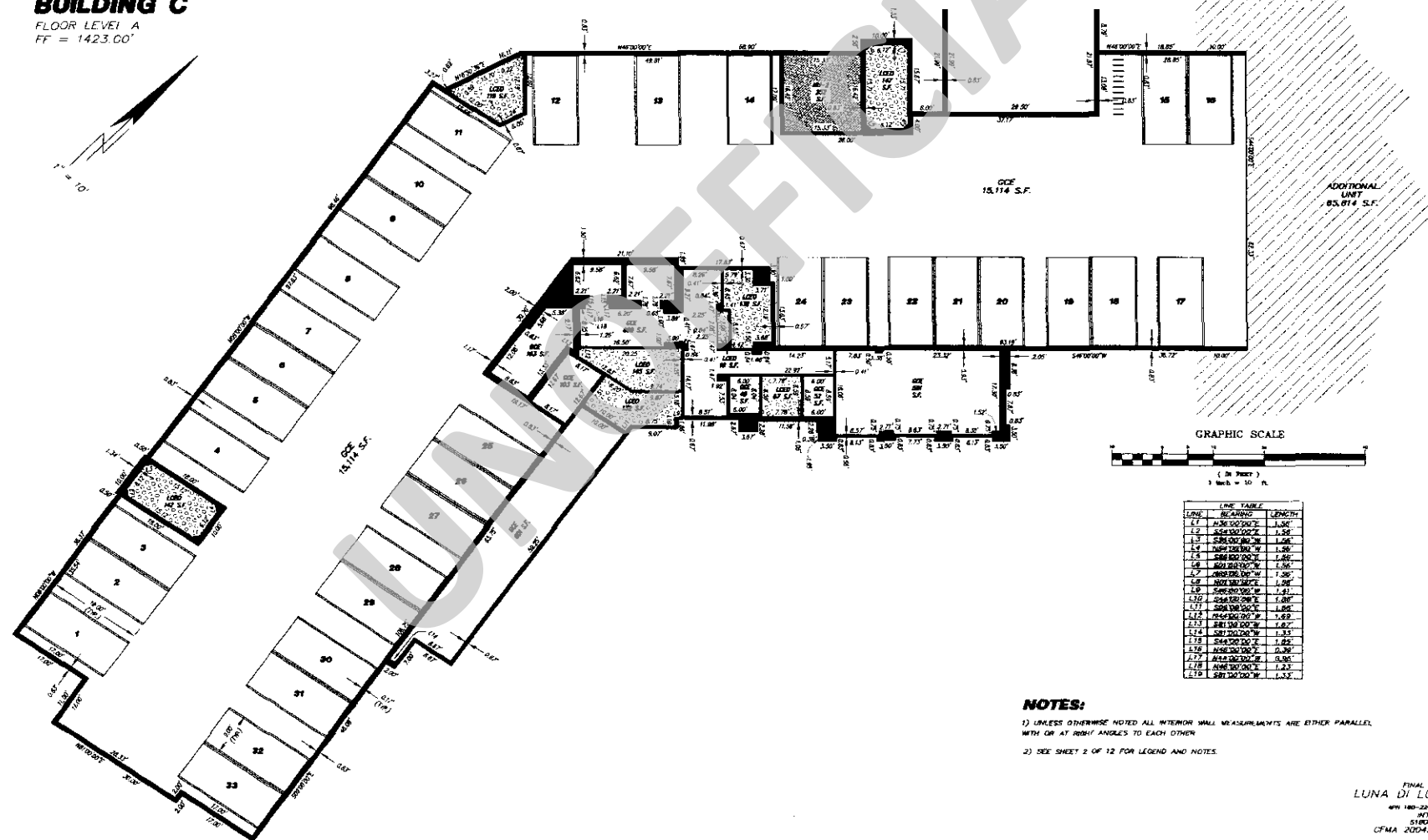
FINAL MAP OF
LUNA DI LUSSO
AND MONTELAGO II
CONDOMINIUM
CPLA 2008-00014

SHEET 5 OF 12

OVERALL GARAGE FLOOR PLAN A BUILDING C

FLOOR LEVEL A
FF = 1423.00'

FINAL MAP OF
LUNA DI LUSSO CONDOMINIUM
A CONDOMINIUM SUBDIVISION AND COMMON INTEREST COMMUNITY
FORMERLY KNOWN AS MONTELAGO II
BEING ALL OF LOT 3, AS SHOWN ON RECORD OF SURVEY
RECORDED IN FILE 153, PAGE 67 OF SURVEYS IN THE CLARK COUNTY, NEVADA
RECORDER'S OFFICE, LYING IN THE SOUTH HALF (S 1/2) OF SECTION 22,
TOWNSHIP 21 SOUTH, RANGE 6S EAST, M.D.M., CITY OF HENDERSON,
CLARK COUNTY, NEVADA

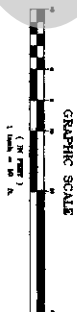
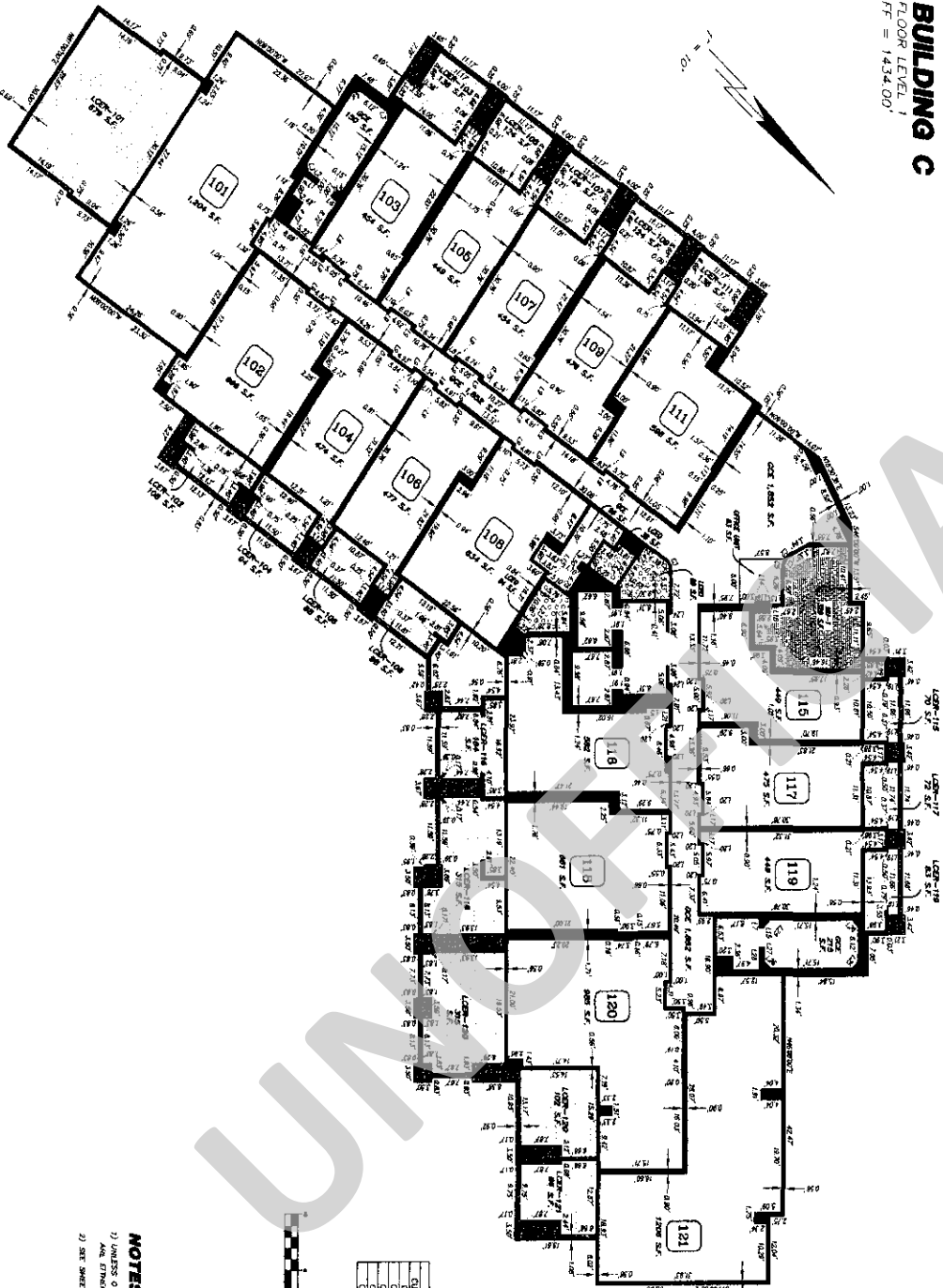


FINAL MAP OF
LUNA DI LUSSO
APN 180-22-34-000
NTRM#E57
518030.00.001
CFMA 20045.70014
SHEET 6 OF 12

OVERALL FLOOR PLAN LEVEL ONE BUILDING C

FLOOR LEVEL 1
FF = 1434.00'

FINAL MAP OF
LUNA DI LUSSO CONDOMINIUM
A CONDOMINIUM SUBDIVISION AND COMMON INTEREST COMMUNITY
FORMERLY KNOWN AS MONTELAGO II
RECORD ALL OF LOT 3, AS SHOWN ON RECORD OF SURVEY
RECORDED IN FILE 533, PAGE 87 OF SURVEYS IN THE CLARK COUNTY, NEVADA
RECORDERS OFFICE, LYING IN THE SOUTH HALF (S 1/2) OF SECTION 22,
TOWNSHIP 31 SOUTH, RANGE 63 EAST, M.D.M., CITY OF HENDERSON,
CLARK COUNTY, NEVADA



CHURCH	UNIT	COMMON	COMMON	COMMON
101	102	103	104	105
106	107	108	109	110
111	112	113	114	115
116	117	118	119	120
121	122	123	124	125

UNIT	COMMON	COMMON	COMMON	COMMON
101	102	103	104	105
106	107	108	109	110
111	112	113	114	115
116	117	118	119	120
121	122	123	124	125

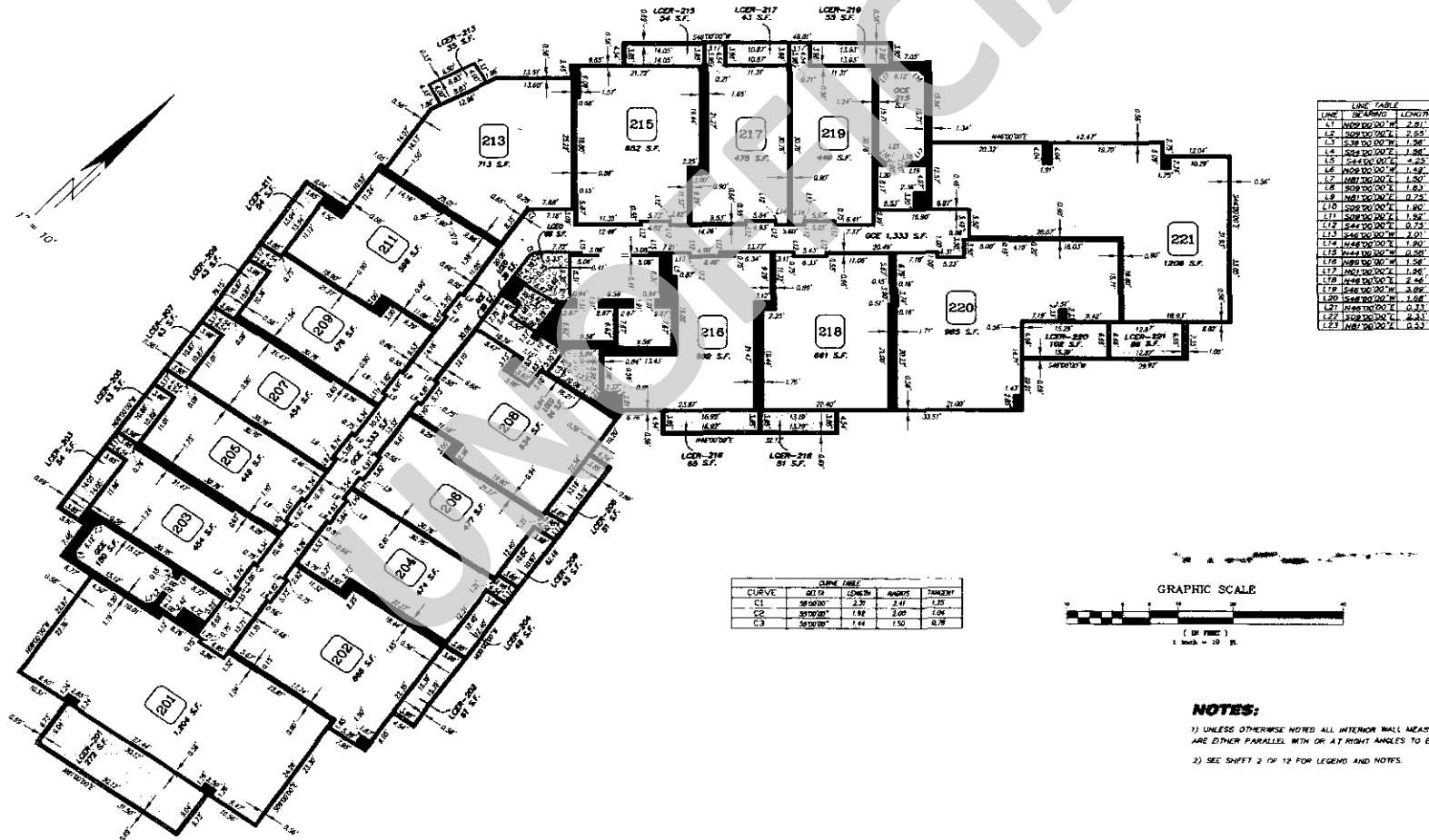
NOTES:

- 1) UNLESS OTHERWISE NOTED, ALL INTERIOR WALL, PARTITION, AND OTHER PARALLEL WITH OR AT RIGHT ANGLES TO EACH OTHER.
- 2) SEE SHEET 2 OF 12 FOR LEGEND AND NOTES.

FINAL MAP OF
LUNA DI LUSSO CONDOMINIUM
 A CONDOMINIUM SUBDIVISION AND COMMON INTEREST COMMUNITY
 FORMERLY KNOWN AS MONTELAGO II
 BEING ALL OF LOT 3, AS SHOWN ON RECORD OF SURVEY
 RECORDED IN FILE 153, PAGE 67 OF SURVEYS IN THE CLARK COUNTY, NEVADA
 RECORDER'S OFFICE, LYING IN THE SOUTH HALF (S 1/2) OF SECTION 22,
 TOWNSHIP 21 SOUTH, RANGE 63 EAST, M.D.M., CITY OF HENDERSON,
 CLARK COUNTY, NEVADA

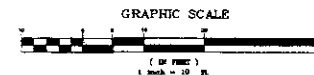
**OVERALL FLOOR PLAN
 LEVEL TWO
 BUILDING C**

FLOOR LEVEL 2
 FF = 1443.50'



LINE	DESCRIPTION	LENGTH
1	INTERIOR WALL	2.81'
2	INTERIOR WALL	2.65'
3	INTERIOR WALL	1.58'
4	INTERIOR WALL	1.58'
5	INTERIOR WALL	2.25'
6	INTERIOR WALL	1.48'
7	INTERIOR WALL	1.50'
8	INTERIOR WALL	1.83'
9	INTERIOR WALL	0.75'
10	INTERIOR WALL	1.80'
11	INTERIOR WALL	1.80'
12	INTERIOR WALL	0.75'
13	INTERIOR WALL	2.01'
14	INTERIOR WALL	1.80'
15	INTERIOR WALL	0.50'
16	INTERIOR WALL	1.58'
17	INTERIOR WALL	1.86'
18	INTERIOR WALL	2.46'
19	INTERIOR WALL	3.00'
20	INTERIOR WALL	1.68'
21	INTERIOR WALL	0.33'
22	INTERIOR WALL	0.33'
23	INTERIOR WALL	0.33'

CURVE	BEARING	LENGTH	ANGLES	TANGENT
C1	30°00'00"	2.30'	2.41'	1.25'
C2	30°00'00"	1.44'	2.00'	1.06'
C3	30°00'00"	1.44'	1.50'	0.78'

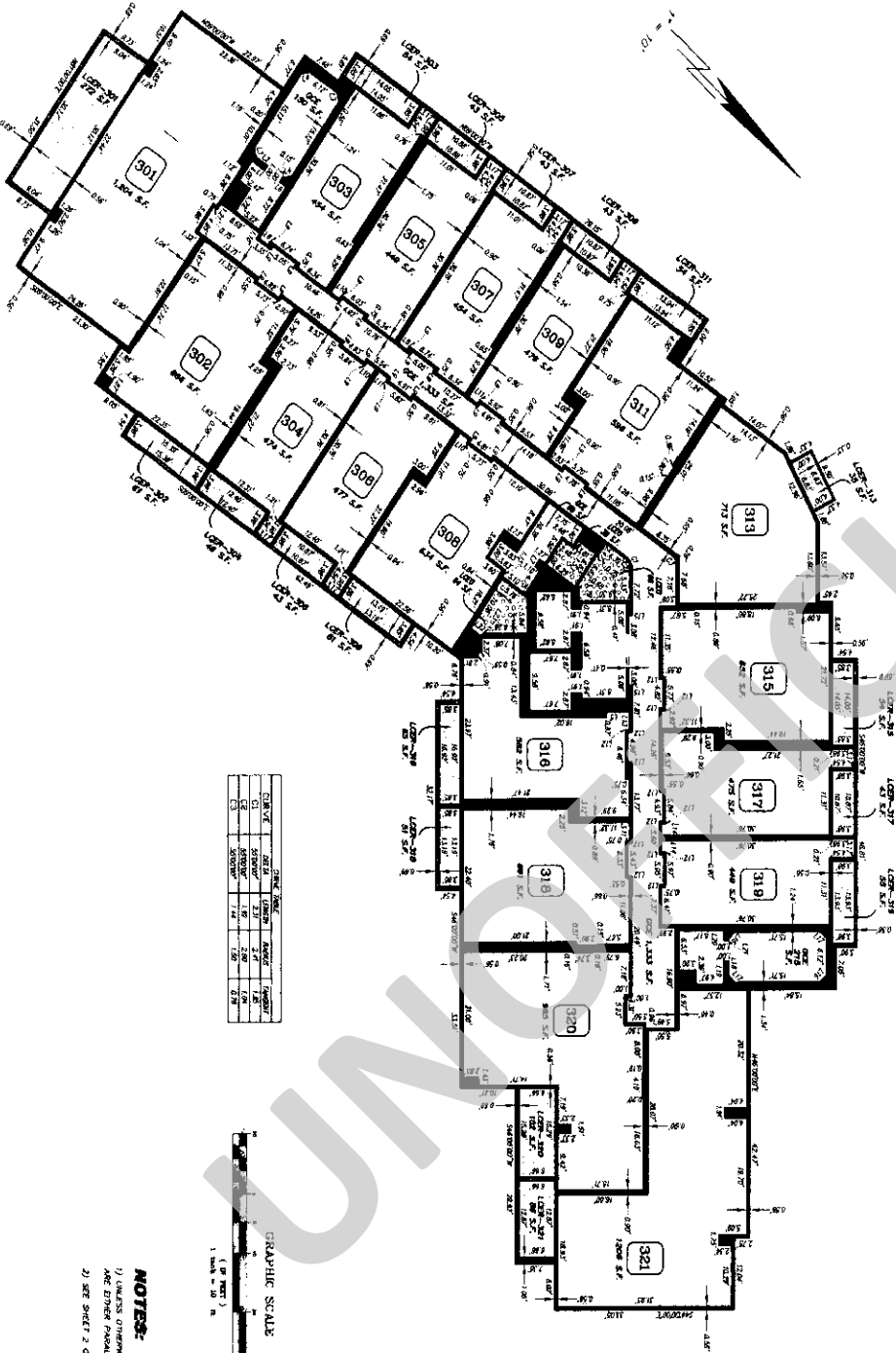


- NOTES:**
- 1) UNLESS OTHERWISE NOTED ALL INTERIOR WALL MEASUREMENTS ARE EITHER PARALLEL WITH OR AT RIGHT ANGLES TO EACH OTHER.
 - 2) SEE SHEET 2 OF 12 FOR LEGEND AND NOTES.

OVERALL FLOOR PLAN LEVEL THREE BUILDING C

FLOOR LEVEL 3
TF = 1453.00'

FINAL MAP OF
LUNA DI LUSSO CONDOMINIUM
A CONDOMINIUM SUBDIVISION AND COMMON INTEREST COMMUNITY
FORMERLY KNOWN AS MONTELAGO II
RECORDS IN FILE 553, PAGE 87 OF SURVEYS ON RECORD OF SURVEY
RECORDS OFFICE, LYING IN THE SOUTH HALF (S 1/2) OF SECTION 22,
TOWNSHIP 31 SOUTH, RANGE 60 EAST, N.D.M., CITY OF HENDERSON,
CLARK COUNTY, NEVADA



CL. NO.	CL. NAME	AREA	PERCENT
1	COMMON	1.71	1.00
2	UNIT 301	1.71	1.00
3	UNIT 302	1.71	1.00
4	UNIT 303	1.71	1.00
5	UNIT 304	1.71	1.00
6	UNIT 305	1.71	1.00
7	UNIT 306	1.71	1.00
8	UNIT 307	1.71	1.00
9	UNIT 308	1.71	1.00
10	UNIT 309	1.71	1.00
11	UNIT 310	1.71	1.00
12	UNIT 311	1.71	1.00
13	UNIT 312	1.71	1.00
14	UNIT 313	1.71	1.00
15	UNIT 314	1.71	1.00
16	UNIT 315	1.71	1.00
17	UNIT 316	1.71	1.00
18	UNIT 317	1.71	1.00
19	UNIT 318	1.71	1.00
20	UNIT 319	1.71	1.00
21	UNIT 320	1.71	1.00
22	UNIT 321	1.71	1.00



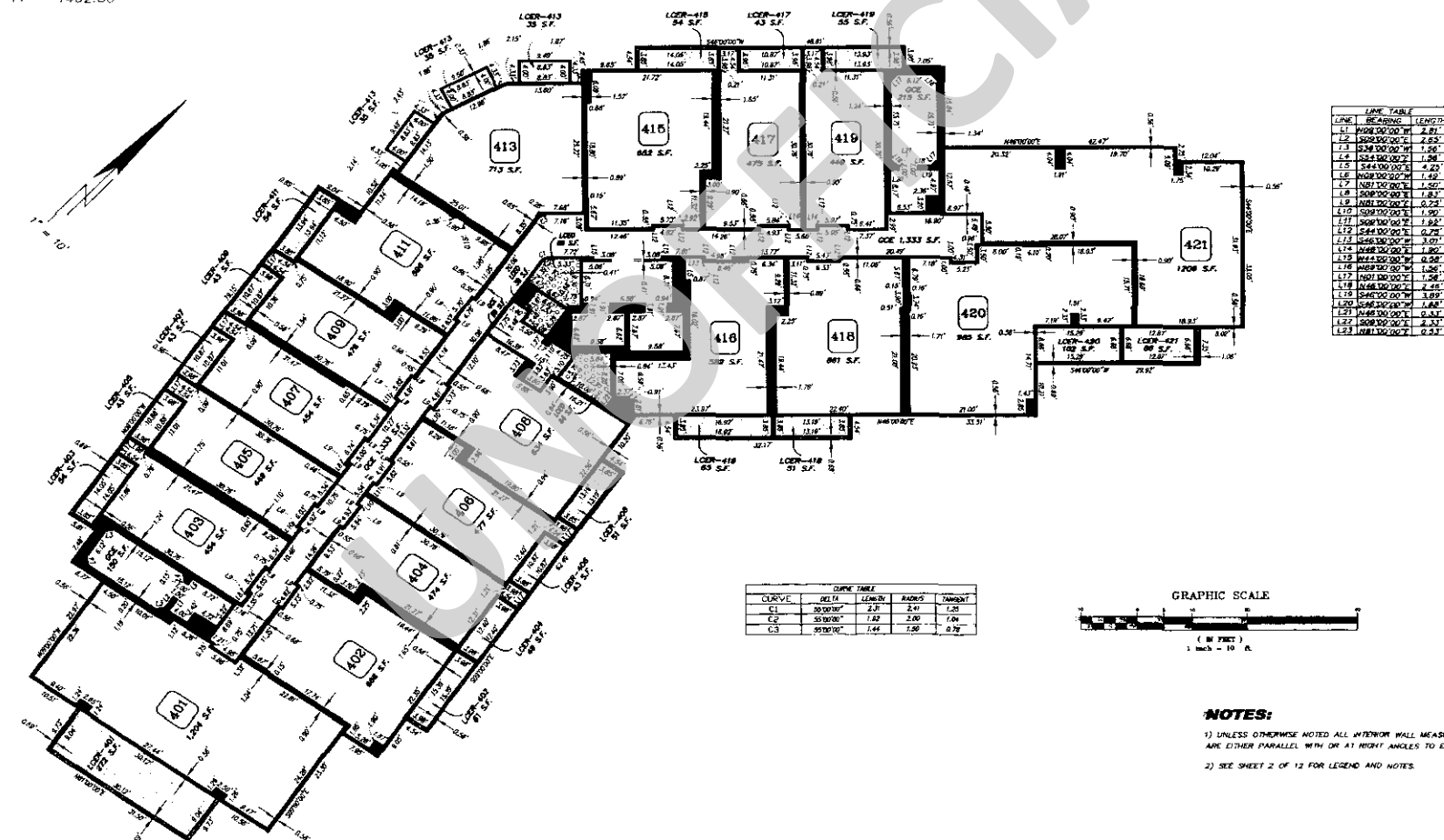
NOTES:
1) UNITS SHOWN WITH ALL INTERIOR WALL APPOINTMENTS
ARE EITHER PARALLEL WITH OR AT RIGHT ANGLES TO EACH OTHER
2) SEE SHEET 2 OF 12 FOR LEGEND AND NOTES

UNIT	AREA	PERCENT
1	1.71	1.00
2	1.71	1.00
3	1.71	1.00
4	1.71	1.00
5	1.71	1.00
6	1.71	1.00
7	1.71	1.00
8	1.71	1.00
9	1.71	1.00
10	1.71	1.00
11	1.71	1.00
12	1.71	1.00
13	1.71	1.00
14	1.71	1.00
15	1.71	1.00
16	1.71	1.00
17	1.71	1.00
18	1.71	1.00
19	1.71	1.00
20	1.71	1.00
21	1.71	1.00
22	1.71	1.00

OVERALL FLOOR PLAN LEVEL FOUR BUILDING C

FLOOR LEVEL 4
FF - 1462.50'

FINAL MAP OF
LUNA DI LUSSO CONDOMINIUM
A CONDOMINIUM SUBDIVISION AND COMMON INTEREST COMMUNITY
FORMERLY KNOWN AS MONTELAGO II
BEING ALL OF LOT 3, AS SHOWN ON RECORD OF SURVEY
RECORDED IN FILE 153, PAGE 67 OF SURVEYS IN THE CLARK COUNTY, NEVADA
RECORDER'S OFFICE, LYING IN THE SOUTH HALF (S 1/2) OF SECTION 22,
TOWNSHIP 21 SOUTH, RANGE 63 EAST, M.D.M., CITY OF HENDERSON,
CLARK COUNTY, NEVADA



FINAL MAP OF
LUNA DI LUSSO
APP 100 22-214-022
INSTRUMENT
SUNBOR 001001
CFMA 2004370014

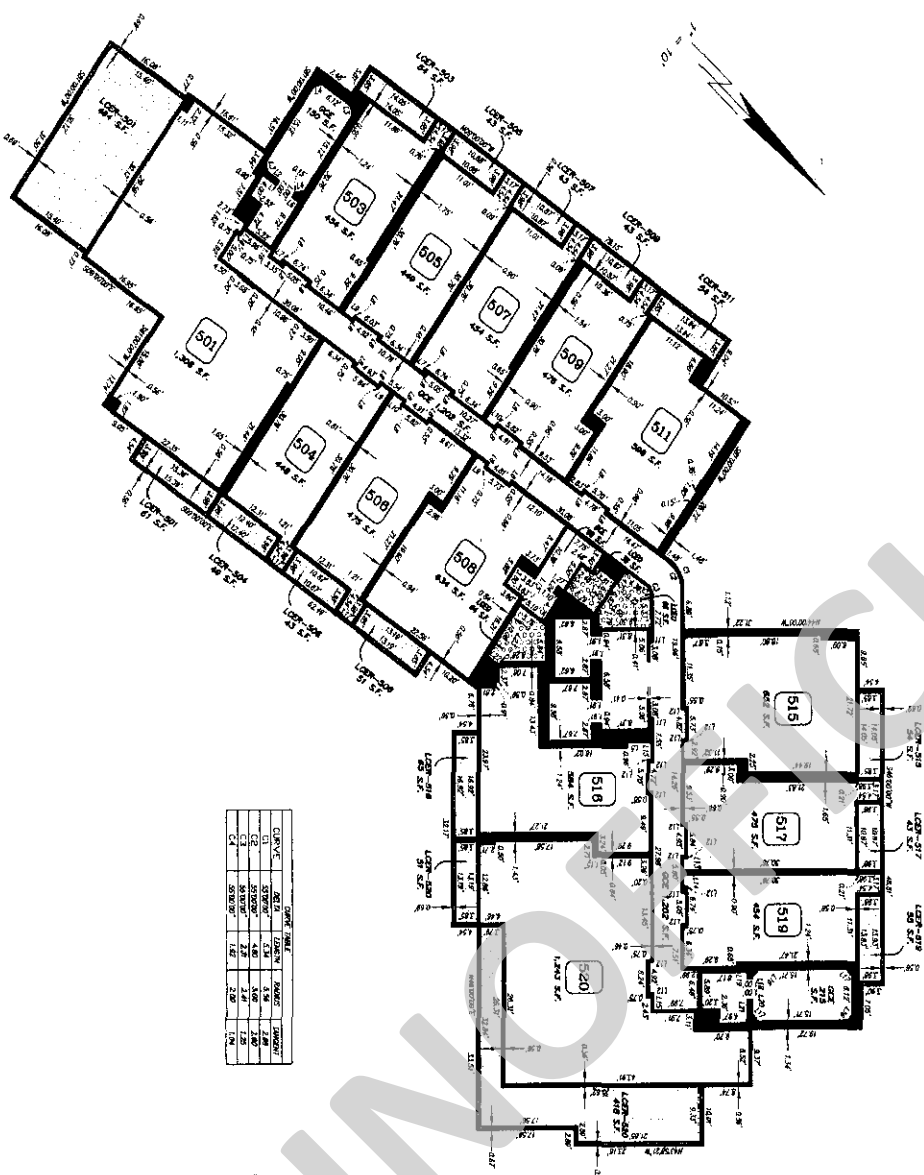
SHEET 10 OF 12

BOOK PAGE
117 0069

OVERALL FLOOR PLAN LEVEL FIVE BUILDING C

FLOOR LEVEL: 5
FF = 1472.00

**FINAL MAP OF
LUNA DI LUSSO CONDOMINIUM**
A CONDOMINIUM SUBDIVISION AND COMMON INTEREST COMMUNITY
FORMERLY KNOWN AS MONTELAGO II
RECORDS IN FILE 524, PAGE 87 OF SURVEYS IN THE CLARK COUNTY, NEVADA
RECORDING OFFICE, LYING IN THE SOUTH HALF (S 1/2) OF SECTION 22,
TOWNSHIP 31 SOUTH, RANGE 68 EAST, NDM, CITY OF HENDERSON,
CLARK COUNTY, NEVADA



UNIT	AREA	COMMON	TOTAL
CLARK	501.00	1.00	502.00
CLARK	502.00	1.00	503.00
CLARK	503.00	1.00	504.00
CLARK	504.00	1.00	505.00
CLARK	505.00	1.00	506.00
CLARK	506.00	1.00	507.00
CLARK	507.00	1.00	508.00
CLARK	508.00	1.00	509.00
CLARK	509.00	1.00	510.00
CLARK	510.00	1.00	511.00
CLARK	511.00	1.00	512.00
CLARK	512.00	1.00	513.00
CLARK	513.00	1.00	514.00
CLARK	514.00	1.00	515.00
CLARK	515.00	1.00	516.00
CLARK	516.00	1.00	517.00
CLARK	517.00	1.00	518.00
CLARK	518.00	1.00	519.00
CLARK	519.00	1.00	520.00



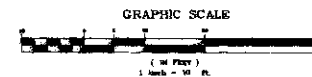
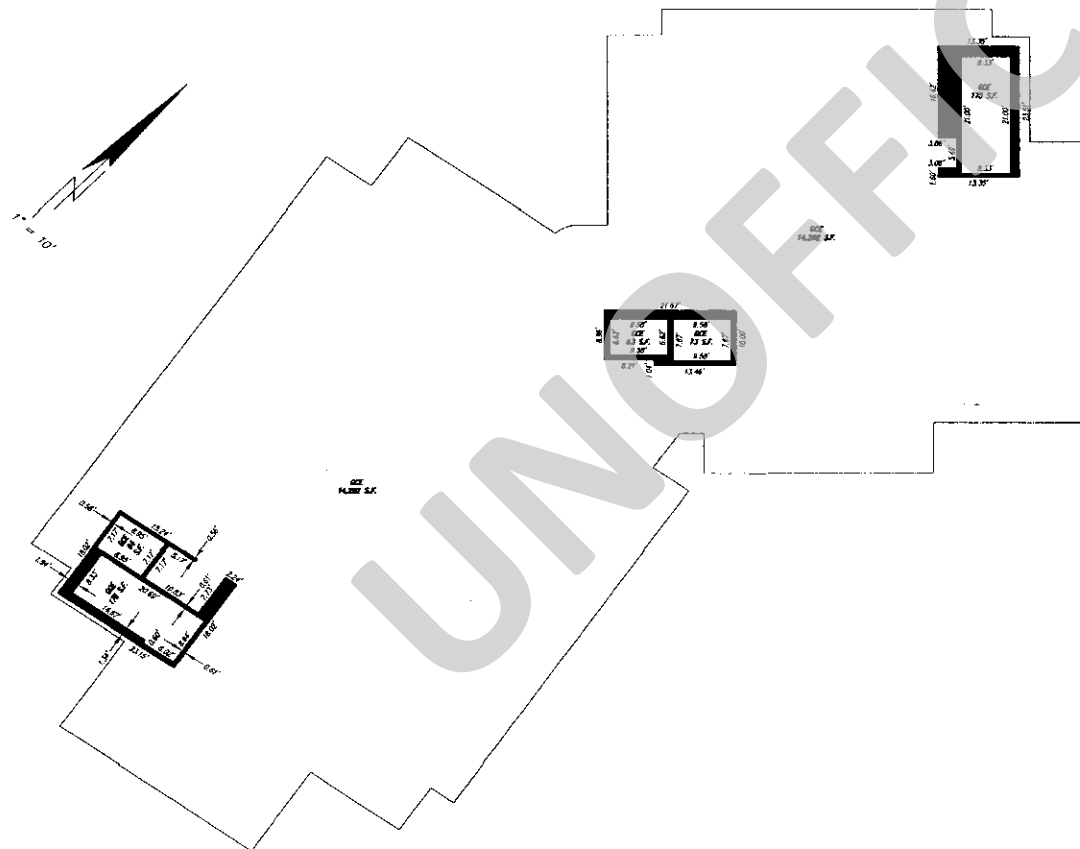
NOTES:
1) UNLESS OTHERWISE NOTED ALL INTERIOR WALL MEASUREMENTS
ARE EITHER PARALLEL WITH OR AT RIGHT ANGLES TO EACH OTHER.
2) SEE SHEET 2 OF 12 FOR LEGEND AND NOTES.

UNIT	AREA	COMMON	TOTAL
CLARK	501.00	1.00	502.00
CLARK	502.00	1.00	503.00
CLARK	503.00	1.00	504.00
CLARK	504.00	1.00	505.00
CLARK	505.00	1.00	506.00
CLARK	506.00	1.00	507.00
CLARK	507.00	1.00	508.00
CLARK	508.00	1.00	509.00
CLARK	509.00	1.00	510.00
CLARK	510.00	1.00	511.00
CLARK	511.00	1.00	512.00
CLARK	512.00	1.00	513.00
CLARK	513.00	1.00	514.00
CLARK	514.00	1.00	515.00
CLARK	515.00	1.00	516.00
CLARK	516.00	1.00	517.00
CLARK	517.00	1.00	518.00
CLARK	518.00	1.00	519.00
CLARK	519.00	1.00	520.00

FINAL MAP OF
LUNA DI LUSSO CONDOMINIUM
 A CONDOMINIUM SUBDIVISION AND COMMON INTEREST COMMUNITY
 FORMERLY KNOWN AS MONTELAGO II
 BEING ALL OF LOT 3, AS SHOWN ON RECORD OF SURVEY
 RECORDED IN FILE 133, PAGE 67 OF SURVEYS IN THE CLARK COUNTY, NEVADA
 RECORDER'S OFFICE, LYING IN THE SOUTH HALF (S 1/2) OF SECTION 22,
 TOWNSHIP 21 SOUTH, RANGE 6S EAST, M.D.M., CITY OF HENDERSON,
 CLARK COUNTY, NEVADA

**OVERALL FLOOR PLAN
 ROOF LEVEL
 BUILDING C**

ROOF LEVEL
 FF = 1482.50'



NOTES:

- 1) UNLESS OTHERWISE NOTED ALL INTERIOR WALL MEASUREMENTS ARE EITHER PARALLEL WITH OR AT RIGHT ANGLES TO EACH OTHER.
- 2) SEE SHEET 2 OF 12 FOR LEGEND AND NOTES

FINAL MAP OF
LUNA DI LUSSO
 APR 180-23-318 ORD
 INTEREST
 \$1809.00.001
 CFMA 20045.00014

SHEET 12 OF 12

BOOK 117 PAGE 0069

Luna di Lusso
Phase 1
Allocated Interests, Expenses and Votes

Residential Unit Count	Building & Unit #	Square Feet	Percent Interest in Common Elements	Percent Share of Common Expenses	Votes
	Building C		Phase 1	Phase 1	
1	101	1,204	2.218%	2.218%	1
2	102	666	1.227%	1.227%	1
3	103	454	0.836%	0.836%	1
4	104	474	0.873%	0.873%	1
5	105	449	0.827%	0.827%	1
6	106	477	0.879%	0.879%	1
7	107	454	0.836%	0.836%	1
8	108	634	1.168%	1.168%	1
9	109	476	0.877%	0.877%	1
10	111	598	1.102%	1.102%	1
11	115	449	0.827%	0.827%	1
12	116	582	1.072%	1.072%	1
13	117	475	0.875%	0.875%	1
14	118	661	1.218%	1.218%	1
15	119	449	0.827%	0.827%	1
16	120	985	1.814%	1.814%	1
17	121	1,206	2.222%	2.222%	1
18	201	1,204	2.218%	2.218%	1
19	202	666	1.227%	1.227%	1
20	203	454	0.836%	0.836%	1
21	204	474	0.873%	0.873%	1
22	205	449	0.827%	0.827%	1
23	206	477	0.879%	0.879%	1
24	207	454	0.836%	0.836%	1
25	208	634	1.168%	1.168%	1
26	209	476	0.877%	0.877%	1
27	211	598	1.102%	1.102%	1
28	213	713	1.313%	1.313%	1
29	215	652	1.201%	1.201%	1
30	216	582	1.072%	1.072%	1
31	217	475	0.875%	0.875%	1
32	218	661	1.218%	1.218%	1
33	219	449	0.827%	0.827%	1
34	220	985	1.814%	1.814%	1
35	221	1,206	2.222%	2.222%	1
36	301	1,204	2.218%	2.218%	1
37	302	666	1.227%	1.227%	1
38	303	454	0.836%	0.836%	1
39	304	474	0.873%	0.873%	1
40	305	449	0.827%	0.827%	1
41	306	477	0.879%	0.879%	1
42	307	454	0.836%	0.836%	1
43	308	634	1.168%	1.168%	1
44	309	476	0.877%	0.877%	1
45	311	598	1.102%	1.102%	1
46	313	713	1.313%	1.313%	1
47	315	652	1.201%	1.201%	1
48	316	582	1.072%	1.072%	1
49	317	475	0.875%	0.875%	1

Luna di Lusso
Phase 1
Allocated Interests, Expenses and Votes

Residential Unit Count	Building & Unit #	Square Feet	Percent Interest in Common Elements	Percent Share of Common Expenses	Votes
50	318	661	1.218%	1.218%	1
51	319	449	0.827%	0.827%	1
52	320	985	1.814%	1.814%	1
53	321	1,206	2.222%	2.222%	1
54	401	1,204	2.218%	2.218%	1
55	402	666	1.227%	1.227%	1
56	403	454	0.836%	0.836%	1
57	404	474	0.873%	0.873%	1
58	405	449	0.827%	0.827%	1
59	406	477	0.879%	0.879%	1
60	407	454	0.836%	0.836%	1
61	408	634	1.168%	1.168%	1
62	409	476	0.877%	0.877%	1
63	411	598	1.102%	1.102%	1
64	413	713	1.313%	1.313%	1
65	415	652	1.201%	1.201%	1
66	416	582	1.072%	1.072%	1
67	417	475	0.875%	0.875%	1
68	418	661	1.218%	1.218%	1
69	419	449	0.827%	0.827%	1
70	420	985	1.814%	1.814%	1
71	421	1,206	2.222%	2.222%	1
72	501	1,306	2.406%	2.406%	1
73	503	454	0.836%	0.836%	1
74	504	448	0.825%	0.825%	1
75	505	449	0.827%	0.827%	1
76	506	475	0.875%	0.875%	1
77	507	454	0.836%	0.836%	1
78	508	634	1.168%	1.168%	1
79	509	476	0.877%	0.877%	1
80	511	598	1.102%	1.102%	1
81	515	652	1.201%	1.201%	1
82	516	584	1.076%	1.076%	1
83	517	475	0.875%	0.875%	1
84	519	454	0.836%	0.836%	1
85	520	1,243	2.290%	2.290%	1
	Office Unit 1	63	0.116%	0.116%	1
Building C Subtotal:		54,285	99.996%	100.000%	86
Building C	Mechanical #1	329	0.001%	0.000%	0
Building C	Mechanical #2	252	0.001%	0.000%	0
	H.O.A. Unit	15,980	0.001%	0.000%	0
	Additional Unit	65,814	0.001%	0.000%	1
Phase 1 Total:		136,660	100.000%	100.000%	87

EXHIBIT D

(Attached to and forming a part of the
Declaration of Covenants, Conditions and Restrictions
for Luna di Lusso Condominium)

List of Recorded Easements

1. Reservations and provisions as contained in Patent from the United States of America, recorded July 25, 1966, in Book 733 of Official Records, as Instrument No. 589133, Clark County Records
2. Covenants, conditions, restrictions and easements in the document recorded September 30, 1999 in Book No. 990930 as Instrument No. 02012 and which purports to amend and restate in its entirety that certain instrument recorded December 30, 1991 in Book 911230 of Official Records, Clark County, Nevada as Instrument No. 01134 and any subsequent amendments thereto, and also which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, marital status, ancestry, disability, handicap, familial status, or national origin, to the extent such covenants, conditions or restrictions violate Title 42 U.S.C. Section 3604(C).
 - The right to levy certain charges or assessments against the land which shall become a lien if not paid as set forth in the above Declaration of Restrictions, and is conferred upon the Master Association.
 - An assignment of Declarant's Rights in and to said covenants, conditions and restrictions as recorded November 12, 2002 in Book 20021112 as Instrument No. 01092 of Official Records, Clark County, Nevada.
3. A document entitled "Alternative Procedure Agreement", executed by and between Lake at Las Vegas Joint Venture et al and City of Henderson, recorded June 5, 1998 in Book 980605 as Instrument No. 01132 of Official Records, Clark County, Nevada, which creates a City of Henderson Improvement District Assessment in the original amount of \$ (to be determined), as disclosed by the Final Assessment Roll Local Improvement District No. T-12, recorded June 5, 1998 in Book 980605 of Official Records, Clark County, Nevada, as Instrument No. 01133 and recorded as Instrument No. 01134.
 - And as amended by apportionment report recorded May 23, 2002 in Book 20020523 as Instrument No. 01352.
4. Covenants, conditions, and restrictions in a Supplemental Declaration recorded October 21, 2003, in Book 20031021 as Instrument No. 02389 of Official Records.
5. Covenants, conditions, and restrictions in a Declaration of Development Covenants, Conditions and Restrictions recorded October 21, 2003, in Book 20031021 as Instrument No. 02391 of Official Records.

6. Easements as shown and/or dedicated upon the FINAL MAP OF LUNA DI LUSSO CONDOMINIUM, A CONDOMINIUM SUBDIVISION AND COMMON INTEREST COMMUNITY FORMERLY KNOWN AS MONTELAGO II, on file in Book 117 of Plats, Page 69, of Official Records.
7. Covenants, conditions, and restrictions in Declaration of Covenants, Conditions and Restrictions for MonteLago Village recorded August 1, 2003 in Book 20030801 as Instrument No. 03417 of Official Records, as amended by First Amendment thereto recorded November 19, 2003 in Book 20031118 as Instrument No. 02186 of Official Records, as further amended by Second Amendment thereto recorded October 01, 2004, in Book 20041001 as Instrument No. 4584 of Official Records.

LEGIBILITY NOTICE

The Clark County Recorder's Office has determined that the attached document may not be suitable for recording by the method used by the Recorder to preserve the Recorder's records. The customer was advised that copies produced from the recorded document would not be legible and may affect legal rights and entitlements. However, the customer demanded that the document be recorded without delay. Therefore, pursuant to NRS 247.120 (3), the County Recorder accepted the document conditionally, subject to submission of a suitable copy at a later date. Standard recording fees will apply at the time of recording of the clarification.

By my signing below, I acknowledge that I have been advised that once the document has been microfilmed, it may not reproduce a legible copy and may therefore adversely affect legal rights and entitlements.

Tiah Brooks
Signature

Oct 1, 2004
Date

Tiah Brooks
Printed Name