

Burson Ranch Homeowners Association

Bylaws



**BYLAWS
OF
BURSON RANCH HOMEOWNERS' ASSOCIATION**

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Table of Contents

Page

**ARTICLE 1
IDENTITY**

1.1	Declaration.....	1
1.2	Defined Terms.....	1
1.3	Principal Office.....	1

**ARTICLE 2
MEMBERSHIP**

2.1	Members.....	1
2.2	Meetings.....	1
2.3	Procedures for Meetings of Members.....	1
2.4	Minutes of Meetings.....	2
2.5	Proxies.....	2
2.6	Notice.....	3
2.7	Voting for Board Members.....	4
2.8	Quorum.....	4
2.9	Special Meetings.....	4
2.10	Adjourned Meetings.....	5
2.11	Action of Members.....	5

**ARTICLE 3
BOARD OF DIRECTORS**

3.1	Number and Qualification.....	5
3.2	Notice of Eligibility; Disclosure of Business Affiliations; Ineligibility.....	6
3.3	Election and Term of Office.....	7
3.4	Certification.....	7
3.5	Removal.....	7
3.6	Vacancies.....	8
3.7	Compensation.....	8
3.8	Regular Meetings.....	8
3.9	Minutes of Meetings.....	8
3.10	Notice.....	9
3.11	Special and Emergency Meetings.....	9
3.12	Right of Members to Speak at Meetings.....	10
3.13	Complaints Against Board of Directors.....	10
3.14	Executive Sessions.....	10
3.15	Quorum.....	11

3.16	Adjournments.	11
3.17	Action Taken Without a Meeting.	11
3.18	Powers and Duties.	11
3.19	Duty to Provide Reserve Study.	12
3.20	Duty to Conduct Audit.	12
3.21	Community Manager.	12
3.22	Fidelity Insurance.	13
3.23	Committees.	13

ARTICLE 4 OFFICERS

4.1	Designation and Qualifications.	13
4.2	Election of Officers.	13
4.3	Removal of Officers.	14
4.4	Resignation of Officers.	14
4.5	Vacancies.	14
4.6	President.	14
4.7	Vice President.	14
4.8	Secretary.	14
4.9	Treasurer.	14
4.10	Compensation.	15

ARTICLE 5

INDEMNIFICATION	15
-----------------------	----

ARTICLE 6 MISCELLANEOUS

6.1	Books and Accounts.	15
6.2	Contracts; Conflict of Interest.	16
6.3	Execution of Corporate Documents.	16
6.4	Change in Governing Documents.	17
6.5	Fiscal Year.	17
6.6	Conflict in Documents.	17
6.7	Conflict with N.R.S. Chapter 116.	17

ARTICLE 7

AMENDMENT OF THE BYLAWS	17
-------------------------------	----

ARTICLE 8 FINES

8.1	Power of Board of Directors to Impose Fines.	17
-----	---	----

8.2	Schedule of Fines for Respective Violations.....	18
8.3	Notification of Governing Documents,	18
8.4	Notice of Violation.	18
8.5	Fines Levied without Notice and Hearing.....	19

**BYLAWS
OF
BURSON RANCH HOMEOWNERS' ASSOCIATION**

**ARTICLE 1
IDENTITY**

1.1 Declaration. These Bylaws will govern the operation of the Burson Ranch Homeowners' Association (the "Association"), a Nevada nonprofit corporation, which was created pursuant to the Declaration of Covenants, Conditions and Restrictions for Burson Ranch recorded on June 25, 2007 in as Instrument No. 688808 in the records of Nye County, Nevada, (the "Declaration"). Any amendments to the Declaration will automatically be incorporated in these Bylaws, and all references in these Bylaws to the Declaration will include any amendments.

1.2 Defined Terms. Wherever a capitalized word appears in these Bylaws, you should refer to **Section 1.2** of the Declaration or the Uniform Common-Interest Ownership Act, N.R.S. § 116.001, et seq., as amended from time to time (the "Act"), for its meaning.

1.3 Principal Office. The principal office of the Association will be located at the place designated in the Articles or such other place as the Association may designate from time to time, but meetings of Members and directors may be held at any other place within the State of Nevada designated by the Board of Directors.

**ARTICLE 2
MEMBERSHIP**

2.1 Members. Each Unit Owner is a Member of the Association. Membership may not be separated from ownership of the Unit, and joint ownership or ownership of undivided interests in a Unit will not create more Memberships than the number established by the Declaration.

2.2 Meetings. Meetings of Members may be held at the principal place of business of the Association or at any other convenient place designated by the Board of Directors. The first annual meeting of the Members may be held at any time set by the Board of Directors, but it must not be held later than the earliest to occur of (i) sixty (60) days after twenty-five percent (25%) of the total number of Units that Declarant reserves the right to create have been conveyed to the home buying public, or (ii) one (1) year after the Articles have been filed with the Nevada Secretary of State. After the first annual meeting, meetings of the Members must be held at least once each year no later than one (1) year after the date of the last meeting held, as determined by the Board of Directors. If the Members have not held a meeting for one (1) year, a meeting of the Members must be held on the following March 1.

2.3 Procedures for Meetings of Members. The President (or Vice President or any other officer of the Association if the President is unable to attend the meeting) will call the meeting to order and introduce each agenda item to be discussed. Except as provided in **Section 2.11**, any action taken at the meeting must be pursuant to an agenda item properly noticed

according to Section 2.6. Any Member may speak at a meeting but a Member must be recognized by the presiding officer before speaking. The Board of Directors may establish limitations on the time any one Member may speak at a meeting. Except when voting for directors as described in Section 2.7 below, voting on Association business may be by either a show of hands or by secret written ballot, whichever the Board of Directors considers to be appropriate. Adjournment of a meeting will be initiated by a motion from a Member, followed by a second to the motion by another Member, and then a majority vote of the Members by a show of hands.

2.4 Minutes of Meetings. The Secretary of the Association shall cause minutes to be recorded or otherwise taken at each meeting of the Members. Not more than thirty (30) days after each such meeting, the Secretary shall cause the minutes or a summary of the minutes of the meeting to be made available to the Members upon payment to the Association of the cost of providing the copy to the Members. Except as otherwise provided in this Section, the minutes of each meeting of the Members must include (i) the date, time and place of the meeting, (ii) the substance of all matters proposed, discussed or decided at the meeting, and (iii) the substance of remarks made by any Member at the meeting if he requests that the minutes reflect his remarks or, if he has prepared written remarks, a copy of his prepared remarks if he submits a copy for inclusion. The Board of Directors may establish reasonable limitations on materials, remarks or other information to be included in the minutes of a meeting of the Members. The Association shall maintain the minutes of each meeting of the Members until the Community is terminated. A Member may record on audiotape or any other means of sound reproduction a meeting of the Members if the Member, before recording the meeting, provides notice of his intent to record the meeting to the other Members who are in attendance at the meeting. The Members may approve, at the annual meeting of the Members, the minutes of the prior annual meeting of the Members and the minutes of any prior special meetings of the Members. A quorum is not required to be present when the Members approve the minutes.

2.5 Proxies. At all meetings of the Members, each Member may vote in person or by proxy, except that a vote may not be cast by a proxy for the election of a director. A proxy may be granted by any Member in favor of only a person in that Member's immediate family, another Member residing in the Community or the tenant of the Member's Unit. Only a Member signing a cancellation notice and giving it to the person presiding over the meeting may cancel a proxy. Every proxy may be canceled at any time prior to the commencement of a meeting and the cancellation will be effective upon the receipt of such cancellation by the person presiding over the meeting. A facsimile, telegram or cablegram transmitted by a Member or by his authorized attorney-in-fact may be accepted as a valid proxy if it complies with this Section. Before a vote may be cast pursuant to a proxy, (i) the proxy must be dated; (ii) the proxy must not purport to be revocable without notice; (iii) the proxy must designate the meeting for which it is executed; (iv) the proxy must designate each specific item on the agenda of the meeting for which the Member has executed the proxy, except that the Member may execute the proxy without designating any specific items on the agenda of the meeting if the proxy is to be used solely for determining whether a quorum is present for the meeting. If the proxy designates one or more specific items on the agenda of the meeting for which the Member has executed the proxy, the proxy must indicate, for each specific item designated in the proxy, whether the holder of the proxy must cast a vote in the affirmative or the negative on behalf of the Member. If the proxy does not indicate whether the holder of the proxy must cast a vote in the affirmative or the negative for a

particular item on the agenda of the meeting, the proxy must be treated, with regard to that particular item, as if the Member were present but not voting on that particular item; and (v) the holder of the proxy must disclose at the beginning of the meeting for which the proxy is executed the number of proxies pursuant to which the holder will be casting votes. A proxy terminates immediately after the conclusion of the meeting for which it is executed. A vote may not be cast pursuant to a proxy for the election or removal of a director. The holder of a proxy may not cast a vote on behalf of the Member who executed the proxy in a manner that is contrary to the proxy. A proxy is void if the proxy or the holder of the proxy violates any provision of this Section. If any votes are allocated to a Unit that is owned by the Association, those votes may not be cast, by proxy or otherwise, for any purpose.

2.6 Notice.

2.6.1 Notice of all meetings of the Members stating the time and place of the meeting and any other matters required by Nevada law, must be given by the President, Vice President or Secretary unless notice is waived in writing. Each notice given under this Section must include:

(i) notification of the rights of a Member to have a copy of the minutes or a summary of the minutes of the meeting provided to a Member upon request if the Member pays the Association the cost of providing the copy to the Member;

(ii) notification of the rights of a Member to speak to the Association;
and

(iii) the agenda for the meeting, which must consist of (a) a clear and complete statement of the topics scheduled to be considered during the meeting, including, without limitation, any proposed amendment to the Declaration or Bylaws, any fees or Assessments to be imposed or increased by the Association, any budgetary changes and any proposal to remove an officer of the Association or a director, (b) a list describing the items on which action may be taken and clearly denoting that action may be taken on those items, and (c) a period devoted to comments by Members and discussion of those comments.

2.6.2 The notice must be in writing and addressed to each Member entitled to vote at the meeting at the address of the Member as it appears on the books of the Association (or if no address appears, then at the Member's last known address). The notice must be hand-delivered or sent prepaid United States mail not less than fifteen (15) days nor more than sixty (60) days prior to the date of the meeting. Notice of meetings may be waived before, during or after the meeting, by each Member entitled to vote at the meeting.

2.6.3 The Association must give written notice to each Member at least twenty-one (21) days before any meeting at which an Assessment for a capital improvement is to be considered or a vote is to be taken on such an Assessment.

2.6.4 The Association must give written notice to each Member at least twenty-one (21) calendar days before any meeting at which a proposed civil action is to be considered or action is to be taken on such a civil action. This paragraph does not apply to the following civil actions:

- (i) enforcement of the payment of an Assessment;
- (ii) enforcement of the Governing Documents;
- (iii) enforcement of a contract with a vendor;
- (iv) proceeding with a counterclaim; or
- (v) protection of the health, safety and welfare of the Members.

2.7 Voting for Board Members.

2.7.1 In any election for the members of the Board of Directors, every Member entitled to vote at the election may have its number of votes multiplied by the number of directors to be elected. Each Member may have the right to cumulate these votes for one (1) candidate or to divide the votes among any number of the candidates. The candidates receiving the highest number of votes, up to the number of directors to be elected, will be elected. A quorum is not required for the election of any director.

2.7.2 Directors must be elected by secret written ballot. The Secretary of the Association shall cause to be sent prepaid by United States mail to the mailing address of each Member a secret ballot and a return envelope. The ballot must specify the time by which it must be delivered to the Association in order to be counted, which time shall not be less than fifteen (15) days after the date that the Association mailed the ballot. Once a ballot has been received by the Association, the ballot may not be revoked.

2.7.3 Votes cast for the election of a director must be opened and counted in public at a meeting of the Members of the Association. A quorum is not required to be present when the secret written ballots are opened and counted. Only the secret written ballots that are returned to the Association may be counted to determine the outcome of the election.

2.7.4 The incumbent directors and each person whose name is placed on the ballot as a candidate for a director may not possess, be given access to or participate in the opening or counting of the secret written ballots that are returned to the Association before those secret written ballots have been opened and counted at a meeting of the Members of the Association.

2.8 Quorum. A quorum of Members for any meeting must consist of at least ten percent (10%) of the votes entitled to be cast at the meeting. Except for the election of directors, the votes may be represented in person or by proxy. The vote of a majority of the Members represented at a meeting will be considered as the act of all Members, unless the vote of a greater number is required by these Bylaws, the Articles, the Declaration or Nevada law.

2.9 Special Meetings. Special meetings of the Members may be called by the President, a majority of the Board of Directors or upon receipt of a written request for a special meeting signed by Members constituting at least ten percent (10%) of the total number of voting Members of the Association. The same number of Members may also call a removal election pursuant to **Subsection 3.5.1** of these Bylaws. To call a special meeting or a removal election,

the Members must submit a written petition signed by the required percentage of the total number of voting Members of the Association pursuant to this Section, which must be mailed, return receipt requested, or served by a process server to the Board of Directors or the Community Manager (defined in **Section 3.21** of these Bylaws). If the petition calls for a special meeting, the Board of Directors shall set the date for the special meeting so that the special meeting is held not less than fifteen (15) days or more than sixty (60) days after the date on which the petition is received. If the petition calls for a removal election, the secret written ballots for the removal election must be sent in the manner required by **Subsection 3.5.1** not less than fifteen (15) days or more than sixty (60) days after the date on which the petition is received, and the Board of Directors shall set the date for the meeting to open and count the secret written ballots so that the meeting is held not more than fifteen (15) days after the deadline for returning the secret written ballots.

2.10 Adjourned Meetings. If any meeting of Members cannot be held because a quorum has not attended, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum is present.

2.11 Action of Members. Except in emergencies, no action may be taken at any meeting of the Association on any matter that is not specifically included on the agenda. As used in this Section, "emergency" means any occurrence or combination of occurrences that (i) could not have been reasonably foreseen, (ii) affects the health, welfare and safety of the Members or Residents, (iii) requires the immediate attention of, and possible action by, the Board of Directors, and (iv) makes it impracticable to comply with the notice provisions for meetings of Members.

ARTICLE 3 BOARD OF DIRECTORS

3.1 Number and Qualification. The business, property and affairs of the Association will be managed, controlled and conducted by the Board of Directors. The Board of Directors initially will consist of three (3) members. The number of directors may be increased from time to time by a majority vote of the Board of Directors, or by a majority vote of the Members at any regular or special meeting called for that purpose, but the number of directors shall not be less than three (3) and shall always be an odd number. If the Board of Directors or the Members vote to increase the number of directors, each additional director will be elected by the current members of the Board of Directors and each new director will hold office until his successor is elected. Each director must be a Member or other eligible person as set forth in **Section 3.2** of these Bylaws, except the directors originally named to the Board of Directors in the Articles and any director elected or appointed by Declarant. Declarant has the right to appoint and remove the members of the Board of Directors subject to the following limitations:

(i) at least one (1) director and not less than twenty-five percent (25%) of the total directors must be elected by Members other than Declarant not later than sixty (60) days after conveyance of twenty-five percent (25%) of the total number of Units that may be created to Unit Owners other than the Declarant;

(ii) at least thirty-three and one-third percent (33-1/3%) of the total directors must be elected by Members other than Declarant not later than sixty (60) days after conveyance of fifty percent (50%) of the total number of Units that may be created to Unit Owners other than the Declarant; and

(iii) the power reserved in these Bylaws to Declarant to appoint or remove a majority of the members of the Board of Directors will terminate on the earlier of: (a) sixty (60) days after conveyance of seventy-five percent (75%) of the total number of Units that may be created to Unit Owners other than the Declarant; (b) five (5) years after Declarant has ceased to offer any Units for sale in the ordinary course of business; or (c) five (5) years after any right to add new Units was last exercised.

3.2 Notice of Eligibility; Disclosure of Business Affiliations; Ineligibility.

3.2.1 Not less than thirty (30) days before the preparation of a ballot for the election of directors, the Secretary of the Association must give notice to each Member of his/her eligibility to serve as a director. Each Member who is qualified to serve as a director may have his/her name placed on the ballot along with nominees selected by the Board of Directors, provided that Unit Owners of the same Unit may not serve on the Board of Directors at the same time. In addition to a Member, an officer, employee, agent or director of a corporate Unit Owner, a trustee or designated beneficiary of a trust that owns a Unit, a partner of a partnership that owns a Unit, a member or manager of a limited liability company that owns a Unit and a fiduciary of an estate that owns a Unit (collectively, an "Entity Agent") may be a director. In all events where the person serving or offering to serve as a director is not the record Unit Owner, he/she must file proof in the records of the Association that he/she is associated with the corporate Unit Owner, trust, partnership, limited liability company or estate as required by this Subsection and identify the Unit or Units owned by the corporate Unit Owner, trust, partnership, limited liability company or estate.

3.2.2 Each person whose name is placed on the ballot as a candidate for a director must (i) make a good faith effort to disclose any financial, business, professional or personal relationship or interest that would result or would appear to a reasonable person to result in a potential conflict of interest for the candidate if the candidate were to be elected to serve as a director, and (ii) disclose whether the candidate is a Member in good standing. For the purposes of this Section, a candidate shall not be deemed to be in "good standing" if the candidate has any unpaid and past due Assessments, fees, charges or construction penalties that are required to be paid to the Association or if the candidate is not in compliance with any other provisions of the Governing Documents. The candidate must make all disclosures required pursuant to this Subsection in writing to the Association with his candidacy information. The Association shall distribute the disclosures to each Member of the Association with the ballot at the address of the Member as it appears on the books of the Association (or if no address appears, then at the Member's last known address). The disclosure must be hand-delivered or sent prepaid United States mail not less than two (2) days after the date that the Association has mailed the ballots for election of directors.

3.2.3 Unless a person is appointed by the Declarant, a person is not eligible to serve on the Board of Directors if (i) the person, his spouse or his parent or child, by blood,

marriage or adoption, performs the duties of Community Manager for the Association, or (ii) at the time a person's name is proposed to be placed on a ballot for election of directors, such person (or the Unit Owner if such person is an Entity Agent) is not deemed to be in "good standing."

3.3 Election and Term of Office. Directors appointed by the Declarant will serve until their successors are elected. After the Period of Declarant Control has ended, the directors elected by the Members will be divided into two groups with staggered terms of office of one or two years. The directors will be assigned to one of the groups of directors based on the total number of votes each director receives with the directors receiving the highest total number of votes being assigned to the class with the longest term. In the case of a tie in the number of votes received by candidates, election and assignment of the term of the director will be decided by lot. In each election of directors thereafter, directors will be elected for a term of two years. If the number of directors is increased by the Board, the Board will assign each of the newly created directorships to one of the groups of directors so that the number of directorships in each group is reasonably consistent. Directors may succeed themselves.

3.4 Certification. At the time of his/her appointment or election, each member of the Board of Directors will, within ninety (90) days after his/her appointment or election, certify in writing to the Association, on a form prescribed by the Administrator of the Real Estate Division of the Department of Business and Industry of the State of Nevada, that he/she has read and understands the Governing Documents and the provisions of the Act to the best of his/her ability.

3.5 Removal.

3.5.1 Any director, other than a director appointed by the Declarant, may be removed from the Board of Directors, with or without cause, if at a removal election held pursuant to this Subsection the number of votes cast in favor of removal constitutes (i) at least thirty-five percent (35%) of the total number of voting Members of the Associations, and (ii) at least a majority of all votes cast in such removal election. The removal of any director not appointed by the Declarant must be conducted by secret written ballot. The Secretary of the Association shall cause a secret ballot and a return envelope to be sent, prepaid by United States mail, to the mailing address of each Unit within the Community or to any other mailing address designated in writing by the Member. Each Member must be provided with at least fifteen (15) days after the date the secret written ballot is mailed to the Member to return the secret written ballot to the Association. Only the secret written ballots that are returned to the Association may be counted to determine the outcome. The secret written ballots must be opened and counted at a meeting of the Members of the Association. A quorum is not required to be present when the secret written ballots are opened and counted at the meeting. The incumbent directors, including, without limitation, the director who is subject to the removal, may not possess, be given access to or participate in the opening or counting of the secret written ballots that are returned to the Association before those secret written ballots have been opened and counted at a meeting of the Members of the Association.

3.5.2 Any director may be removed from office, with cause, by a majority vote of the Board of Directors at any regular or special meeting of the Board of Directors called for that purpose. It is cause for removal if a director is absent from more than three (3) consecutive

meetings of the Board of Directors and those absences are not excused by the President of the Association prior to the meetings in question.

3.6 Vacancies. Vacancies on the Board of Directors caused by any reason may be filled by vote of the majority of the remaining directors even though a quorum may not exist, or by the remaining director if there is only one director, and each person elected will be a director until his successor is elected by the Members.

3.7 Compensation. Directors will not receive compensation for their services as directors. Directors will not receive compensation for any other services performed by a director in any other capacity unless all other directors approve of the payment before the services are performed. Even though compensation for a director for other services may be approved by all other directors, no compensation, gratuity or other remuneration may be accepted by a director that would improperly influence or would appear to a reasonable person to improperly influence the decisions made by that director or would result or would appear to a reasonable person to result in a conflict of interest for that director. Directors may be reimbursed for any actual expenses incurred in connection with their duties as directors.

3.8 Regular Meetings. Regular meetings of the Board of Directors may be held at the time and place as determined, from time to time, by a majority of the directors, but at least one (1) meeting (including an organizational meeting within ten (10) days of election of directors by the Members of the Association) must be held each ninety (90) days. At least once every ninety (90) days the Board of Directors must review at one of its meetings:

- (i) a current year-to-date financial statement of the Association;
- (ii) a current year-to-date schedule of revenues and expenses for the operating account and the reserve account, compared to the budget for those accounts;
- (iii) a current reconciliation of the operating account of the Association;
- (iv) a current reconciliation of the reserve account of the Association;
- (v) the latest account statements prepared by the financial institutions in which the accounts of the Association are maintained; and
- (vi) the current status of any civil action or claim submitted to arbitration or mediation in which the Association is a party.

3.9 Minutes of Meetings. The Secretary of the Association shall cause minutes to be recorded or otherwise taken at each meeting of the Board of Directors. Not more than thirty (30) days after each such meeting, the Secretary shall cause the minutes or a summary of the minutes of the meeting to be made available to the Members upon payment to the Association of the cost of providing the copy to the Members. Except as otherwise provided in this Section and N.R.S. § 116.31085, the minutes of each meeting of the Board of Directors must include (i) the date, time and place of the meeting, (ii) those directors who were present and those directors who were absent at the meeting; (iii) the substance of all matters proposed, discussed or decided at the

meeting, (iv) a record of each director's vote on any matter decided by vote at the meeting, and (v) the substance of remarks made by any Member who addresses the Board of Directors at the meeting if he requests that the minutes reflect his remarks or, if he has prepared written remarks, a copy of his prepared remarks if he submits a copy for inclusion. The Board of Directors may establish reasonable limitations on materials, remarks or other information to be included in the minutes of its meetings. The Association shall maintain the minutes of each Board of Directors meeting until the Community is terminated. A Member may record on audiotape or any other means of sound reproduction a meeting of the Board of Directors unless the Board of Directors is meeting in executive session, if the Member, before recording the meeting, provides notice of his intent to record the meeting to the directors and the other Members who are in attendance at the meeting.

3.10 Notice.

3.10.1 Notice of all meetings of the Board of Directors stating the time and place of the meeting and any other matters required by Nevada law must be given to all Members by the Secretary or President unless notice is waived in writing. Each notice given under this Section must include:

(i) notification of the rights of a Member to have a copy of the minutes or a summary of the minutes of the meeting provided to a Member upon request if the Member pays the Association the cost of providing the copy to the Member;

(ii) notification of the rights of a Member to speak to the Board of Directors unless the Board of Directors is meeting in executive session; and

(iii) the agenda for the meeting, which must consist of (a) a clear and complete statement of the topics scheduled to be considered during the meeting, (b) a list describing the items on which action may be taken and clearly denoting that action may be taken on those items, and (c) a period devoted to comments by Members and discussion of those comments, which period must be scheduled for the beginning of each meeting. If at a meeting of the Board of Directors an item not listed on the agenda as an item for which action may be taken requires a vote due to an emergency, the Board of Directors may take action on that item. Instead of mailing the agenda for the meeting, the Secretary or President may include in the notice the date on which and the locations where copies of the agenda may be conveniently obtained by the Members.

3.10.2 Except as provided in **Section 3.11** below, the notice must be in writing and sent prepaid by U.S. mail or published in a newsletter or other similar publication that is circulated to each Member. If the notice is mailed, it must be addressed to each Member at the address of the Member as it appears on the books of the Association (or if no address appears, then at the Member's last known address) and sent not less than ten (10) days prior to the date of the meeting. Notice of meetings may be waived before, during or after the meeting, by each Member.

3.11 Special and Emergency Meetings. The President or Secretary may call special meetings of the Board of Directors. Upon the written request of at least two (2) of the directors,

the President or Secretary will call special meetings of the Board of Directors. All notice provisions in **Section 3.10** of these Bylaws also apply to special meetings of the Board of Directors unless the special meeting is called for emergency purposes, and in that event the notice must be hand-delivered to each Unit within the Community or posted in a prominent place or places within the Common Elements of the Association. As used in this Section and in **Subsection 3.10.1(iii)**, "emergency" means any occurrence or combination of occurrences that (i) could not have been reasonably foreseen, (ii) affects the health, welfare and safety of the Members or Residents, (iii) requires the immediate attention of, and possible action by, the Board of Directors, and (iv) makes it impracticable to comply with the notice provisions for meetings of the Board of Directors.

3.12 Right of Members to Speak at Meetings. A Member may attend any regular or special Board of Directors meeting and speak at the meeting; however, except as provided in **Section 3.14** below, Members may not attend executive sessions of the Board of Directors that may be called to discuss matters that, by law, are permitted to be discussed in executive session.

3.13 Complaints Against Board of Directors. If the Board of Directors receives a written complaint from a Member alleging that the Board of Directors has violated any provision of the Act or any provision of the Governing Documents, the Board of Directors shall, if action is required by the Board of Directors, place the subject of the complaint on the agenda of the next regularly scheduled meeting of the Board of Directors. Not later than ten (10) business days after the date that the Association receives such a complaint, the Board of Directors or an authorized representative of the Association shall acknowledge the receipt of the complaint and notify the Member that, if action is required by the Board of Directors, the subject of the complaint will be placed on the agenda of the next regularly scheduled meeting of the Board of Directors.

3.14 Executive Sessions.

3.14.1 During any meeting of the Board of Directors, the Board of Directors may call for an executive session only to (i) consult with the attorney for the Association on matters relating to proposed or pending litigation if the contents of the discussion would otherwise be governed by the privilege set forth in N.R.S. §§ 49.035 to 49.115, inclusive, or to enter into, renew, modify, terminate or take any other action regarding a contract between the Association and the attorney, (ii) discuss the character, alleged misconduct, professional competence or physical or mental health of a Community Manager or an employee of the Association, (iii) except as otherwise provided in **Subsection 3.14.2**, discuss a violation of the Governing Documents, including, without limitation, the failure to pay an Assessment, and (iv) discuss the alleged failure of a Unit Owner to adhere to a schedule established by the Association pursuant to the Declaration if the alleged failure may subject the Unit Owner to a construction penalty. The Board of Directors may not meet in executive session to enter into, renew, modify, terminate or take any other action regarding a contract, unless it is a contract between the Association and an attorney.

3.14.2 The Board of Directors must meet in executive session to hold a hearing on an alleged violation of the Governing Documents unless the person who may be sanctioned for the alleged violation requests in writing that an open hearing be conducted by the Board of

Directors. If the person who may be sanctioned for the alleged violation requests in writing that an open hearing be conducted, the person is entitled to attend all portions of the hearing related to the alleged violation, including, without limitation, the presentation of evidence and the testimony of witnesses, but the person is not entitled to attend the deliberations of the directors.

3.14.3 Any decision made on matters discussed by the Board of Directors in executive session must be generally noted in the minutes of the meeting of the Board of Directors. The Board of Directors shall maintain minutes of any decision made pursuant to **Subsection 3.14.2** concerning an alleged violation and, upon request, provide a copy of the decision to the person who was subject to being sanctioned at the hearing or to his designated representative.

3.14.4 Except as otherwise provided in **Subsection 3.14.2**, a Member is not entitled to attend or speak at a meeting of the Board of Directors held in executive session.

3.15 Quorum. A majority of the Board of Directors will constitute a quorum for the transaction of business, but if at any meeting of the Board of Directors there is less than a quorum present, a majority of those present may adjourn the meeting from time to time. Every act or decision done or made by a majority of the directors at a duly held meeting at which a quorum is present is regarded as the act of the Board of Directors unless the Articles, the Bylaws or the Declaration otherwise specifically requires the affirmative vote of a different number of directors on a specific matter.

3.16 Adjournments. The Board of Directors may adjourn any meeting from time to time when it is in the best interests of the Association, provided that no meeting may be adjourned for a period longer than thirty (30) days.

3.17 Action Taken Without a Meeting. Unless specifically prohibited under the Act and/or N.R.S. Chapter 82, the directors may have the right to take any action in the absence of a meeting that they could take at a meeting by obtaining the written approval of all of the directors. Any action approved in writing has the same effect as if it were taken at a meeting of the directors.

3.18 Powers and Duties. The Board of Directors has the powers and duties necessary for the administration of the affairs of the Association. The Board of Directors may do all things necessary to operate the Association unless these Bylaws, the Articles, the Declaration or law requires a vote of the Members. The powers of the Board of Directors include, but are not limited to, all of the rights and duties of the Board of Directors stated elsewhere in these Bylaws, the Articles, the Declaration and Nevada law, and also include the power to adopt Rules pertaining to the rights and duties of Members of the Association. These Rules may include, without limitation, reasonable fines, penalties and/or fees for violating the Governing Documents. The Board of Directors may delegate to one (1) or more committees appointed by the Board of Directors, and to other persons, duties and powers that may appear to the Board of Directors to be in the best interests of the Association but only to the extent permitted by law. All the powers and duties of the Association will be exercised by the Board of Directors, except those powers and duties requiring a vote of the Members as stated in the Declaration, the Articles, the Bylaws or by law. To the extent permitted under Nevada law, these powers and

duties include, without limitation, the authority, but not the obligation, to suspend voting rights and any rights of a Member to use the Common Elements if that Member has failed to pay any regular or special Assessment. The Board of Directors may also suspend voting and Common Element use rights for a reasonable time after notice and a hearing for violating the provisions of the Governing Documents.

3.19 Duty to Provide Reserve Study. In order to provide adequate funding of the reserve accounts of the Association, the Board of Directors must cause to be conducted at least once every five (5) years a study of the reserve funds required to repair, replace and restore the major components of the Areas of Common Responsibility. The Board of Directors will review the results of that study at least annually to determine if those reserves are sufficient and make any adjustments it deems necessary to maintain the required reserves. The study must be conducted by a person who holds a permit issued by the Nevada Real Estate Division of the Department of Business and Industry (the "Division") to perform the services of a "reserve study specialist." A summary of the study of the reserves, which shall include the following information, must be submitted to the Division not later than forty-five (45) days after adoption by the Board of Directors:

- (i) a summary of an inspection of the major components of the Areas of Common Responsibility;
- (ii) identification of the major components of the Areas of Common Responsibility that have a remaining useful life of less than 30 years;
- (iii) an estimate of the remaining useful life of each major component of the Areas of Common Responsibility identified in paragraph (ii);
- (iv) an estimate of the cost of repair, replacement or restoration of each major component of the Areas of Common Responsibility identified in paragraph (ii) during and at the end of its useful life;
- (v) an estimate of the total annual Assessment that may be necessary to cover the cost of repairing, replacing or restoring the major components of the Areas of Common Responsibility identified in paragraph (ii), after subtracting the reserves of the Association as of the date of the study; and
- (vi) an estimate of the funding plan that may be necessary to provide adequate funding for the required reserves.

3.20 Duty to Conduct Audit. The Board of Directors must cause the financial statement of the Association to be audited by an independent certified public accountant at such times as required by the Act and in compliance with the requirements for auditing or reviewing financial statements of the Association that are adopted pursuant to law.

3.21 Community Manager. The Board of Directors may employ for the Association and the Community a "Community Manager" at a compensation established by the Board of Directors. The Community Manager must be qualified, according to the standards of applicable law, to manage the Association and the Community and may perform those duties and services

authorized by the Board of Directors, except for the following duties, which may be performed only by the Board of Directors:

- Assessments;
- (i) adopt the annual budgets, any amendments to the budgets or levy
 - (ii) adopt, repeal or amend Rules;
 - (iii) designate signatories on Association bank accounts;
 - (iv) borrow money on behalf of the Association; and
 - (v) acquire real property.

Any contract signed by the Association for services to be performed by a Community Manager must be for a term not to exceed one (1) year and contain a provision that the contract can be terminated without cause or penalty upon no more than ninety (90) days notice.

3.22 Fidelity Insurance. The Board of Directors may require, in its discretion, and must require to the extent required by the Declaration, that all officers and employees of the Association handling or responsible for the Association's funds furnish fidelity insurance. In the event fidelity insurance is required by the Board of Directors, the premiums for the insurance will be paid by the Association.

3.23 Committees. The Board of Directors may appoint committees of the Board of Directors, which committees will have the powers and authority designated in the resolution or resolutions establishing them.

ARTICLE 4 OFFICERS

4.1 Designation and Qualifications. The principal officers of the Association will be a President, a Secretary and a Treasurer, all of whom will be elected by the Board of Directors. Each officer must be a Member, an Entity Agent (as defined in Subsection 3.2.1) or a representative designated by Declarant. The directors may appoint one (1) or more Vice Presidents, an Assistant Secretary and an Assistant Treasurer and any other officers as in their judgment may be necessary. Any one (1) person may hold two (2) or more offices at the same time, except that no one person may simultaneously hold the office of President and Secretary. Except for a person that is elected as an officer during the Period of Declarant Control, a person may not be an officer of the Association if (i) the person, his spouse or his parent or child, by blood, marriage or adoption, performs the duties of Community Manager for the Association, or (ii) the person (or the Unit Owner if such person is an Entity Agent) is not in "good standing," as defined in Subsection 3.2.2.

4.2 Election of Officers. The officers of the Association will be elected from time to time by the Board of Directors. The election of officers will take place at the first meeting of the Board of Directors following each annual meeting of the Members.

4.3 Removal of Officers. Any officer may be removed, either with or without cause, and his successor elected upon an affirmative vote of a majority of the members of the Board of Directors.

4.4 Resignation of Officers. Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. A resignation by an officer will take effect on the date of receipt of the resignation notice or at any later time specified in the notice. The acceptance of an officer's resignation will not be necessary to make it effective, unless otherwise specified in the notice.

4.5 Vacancies. A vacancy in any office may be filled by vote of a majority of the Board of Directors. The officer elected to fill the vacancy will serve for the remainder of the term of the officer being replaced.

4.6 President. The President will be the chief executive officer of the Association. The President will preside at all meetings of the Members of the Association and of the Board of Directors and will have all of the general powers and duties that are normally given to the office of the President of a corporation. These duties and power include, but are not limited to, the powers to appoint committees from among the Members of the Association from time to time as the President may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association. The President will prepare (or instruct someone to prepare), execute, certify and Record any amendments to the Governing Documents on behalf of the Association.

4.7 Vice President. The Vice President (or the most senior Vice President, if there is more than one) will take the place of the President and perform the President's duties whenever the President is absent, unable to act or refuses to act. If neither the President nor a Vice President is able to act, the Board of Directors will appoint some other member of the Board of Directors to do so on an interim basis. A Vice President will also perform any other duties that may be imposed from time to time upon the Vice President by the Board of Directors. The Vice President will prepare (or instruct someone to prepare), execute, certify and Record any amendments to the Governing Documents on behalf of the Association if the President is absent, unable to act or refuses to act.

4.8 Secretary. The Secretary will keep the minutes of the meetings of the Board of Directors and the minutes of all meetings of the Members of the Association. The Secretary will have custody of the seal of the Association and will have charge of the membership books and any other books and papers that the Board of Directors considers appropriate. The Secretary may direct, and will, in general, perform all the duties normally given to the office of the Secretary of a corporation.

4.9 Treasurer. The Treasurer will have the responsibility for the Association's funds and securities and will be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer will be responsible for the deposit of all moneys and other valuable effects in the name and to the credit of the Association in such banks or savings and loans designated from time to time by the Board of Directors.

4.10 Compensation. Officers will not receive compensation for their services as officers. Officers will not receive compensation for any other services performed by an officer in any other capacity unless all members of the Board of Directors approve of the payment before the services are performed. Even though compensation for an officer for other services may be approved by the Board of Directors, no compensation, gratuity or other remuneration may be accepted by an officer that would improperly influence or would appear to a reasonable person to improperly influence the decisions made by that officer or would result or would appear to a reasonable person to result in a conflict of interest for that officer. Officers may be reimbursed for any actual expenses incurred in connection with their duties as officers.

ARTICLE 5 INDEMNIFICATION

To the extent it has the power to do so under the Nevada law governing nonprofit corporations, the Association will indemnify any and all of its directors and officers, and former directors and officers, against expenses incurred by them in a legal action brought against any such person for (i) acts or omissions alleged to have been committed by any such person while acting within the scope of authority as a director or officer of the Association, or (ii) exercising the powers of the Board of Directors, provided that the Board of Directors will determine in good faith that such person did not act, fail to act, or refuse to act with gross negligence or with wrongful, fraudulent or criminal intent in regard to the matter involved in the action. The expenses included in this indemnification include legal fees, judgments and penalties rendered or levied against any such person, except the Board of Directors will have the right to refuse indemnification of expenses in any instance in which the person to whom indemnification would otherwise have been applicable has incurred expenses without approval by the Board of Directors that are, according to the Board of Directors, excessive and unreasonable under the circumstances. The Board of Directors also will have the right to refuse indemnification of expenses, judgments, or penalties in any instance in which a person has refused unreasonably to permit the Association, at its own expense and through counsel of its own choosing, to defend the person in the action or to compromise and settle the action. The Association will also indemnify the employees, committee members and direct agents of the Association in the same manner and with the same limitations as provided above with respect to directors and officers.

ARTICLE 6 MISCELLANEOUS

6.1 Books and Accounts.

6.1.1 The Board of Directors at all times will keep, or will instruct the Treasurer to keep, true and correct records of account in accordance with generally accepted accounting principles and sufficiently detailed to enable the Association to comply with N.R.S. § 116.4109. The Board of Directors will have available for the inspection of all Members and their authorized agents at reasonable times, the books that will specify in reasonable detail all expenses incurred and funds accumulated from Assessments or otherwise, including, without limitation, the most current versions of the balance sheet, profit and loss statement and operational and reserve budgets. The membership records of the Association, the Governing Documents, the most current reserve study, all contracts to which the Association is a party and all records filed with a

court relating to a civil or criminal action to which the Association is a party also will be available for inspection by any Member and the Member's authorized agents at the principal offices of the Association. The Board of Directors will provide copies of any books and records to any Member within fourteen (14) days (or any shorter period of time required by law) after receiving a written request from a Member and may charge a reasonable amount not to exceed the amount allowed by applicable law for copies of books, records, minutes, summary of minutes or other documents requested by any Member. This information may be used by the Member only in connection with the business and affairs of the Association, and not for any other purposes (including, but not limited to, the solicitation of Members). The obligation of the Association to make available for inspection and to provide copies of the books and records of the Association does not apply to (i) personnel records of employees of the Association, except for those records relating to the number of hours worked and the salaries and benefits of those employees, (ii) records of the Association relating to a specific Member, except for those records described in **Subsection 6.1.2** below, (iii) a contract between the Association and an attorney, and (iv) any other information that by law may be withheld from the Members.

6.1.2 The Board of Directors shall maintain a general record concerning each violation of the Governing Documents, other than a violation involving a failure to pay an Assessment, for which the Board of Directors has imposed a fine, a construction penalty or any other sanction. The general record (i) must contain a general description of the nature of the violation and the type of the sanction imposed. If the sanction imposed was a fine or construction penalty, the general record must specify the amount of the fine or construction penalty; (ii) must not contain the name or address of the person against whom the sanction was imposed or any other personal information that may be used to identify the person or the location of the Unit, if any, that is associated with the violation; and (iii) must be maintained in an organized and convenient filing system or data system that allows a Member to search and review the general records concerning violations of the Governing Documents.

6.2 Contracts; Conflict of Interest. Except as otherwise provided in this Section, a director or an officer of an Association shall not: (i) enter into a contract or renew a contract with the Association to provide goods or services to the Association; or (ii) otherwise accept any commission, personal profit or compensation of any kind from the Association for providing goods or services to the Association. The provisions of this Section do not prohibit the Declarant, an affiliate of the Declarant or an officer, employee or agent of the Declarant or an affiliate of the Declarant from: (a) receiving any commission, personal profit or compensation from the Association, the Declarant or an affiliate of the Declarant for any goods or services furnished to the Association; (b) entering into contracts with the Association, the Declarant or affiliate of the Declarant; or (c) serving as a member of the Board of Directors or as an officer of the Association.

6.3 Execution of Corporate Documents. All notes, checks and contracts or other obligations of the Association will be signed on behalf of the Association by an officer or officers of the Association designated by the Board of Directors with the prior authorization of the Board of Directors; provided, however, the Board of Directors must require that money in reserve accounts may not be withdrawn without the signatures of at least two (2) directors or the signatures of at least one (1) director and one officer of the Association who is not a director.

6.4 Change in Governing Documents. If any change is made to the Governing Documents, the Secretary of the Association will, within thirty (30) days after the change is made, prepare and cause to be hand-delivered or sent prepaid by U.S. Mail to the address of each Unit or to any other mailing address as designated in writing by a Member a copy of the change that was made.

6.5 Fiscal Year. The fiscal year of the Association will be January 1 through December 31, or any other period set by the Board of Directors. However, the first fiscal year of the Association will begin on the date of incorporation of the Association and end on December 31 of the same year as incorporation.

6.6 Conflict in Documents. In the case of any conflict between the Articles and these Bylaws, the Articles will control. In the case of any conflict between the Declaration and these Bylaws, or between the Articles and the Declaration, the Declaration will control.

6.7 Conflict with N.R.S. Chapter 116. To the extent that any provision of the Bylaws conflicts with the Act, the Bylaws shall be deemed to comply with those provisions by operation of law, giving as much meaning to the intent of the Bylaws as is possible, and the Bylaws shall not be required to be amended to conform to such provisions. The inclusion of a provision that violates any provision of the Act does not render any other provisions of the Bylaws invalid or otherwise unenforceable if the other provisions can be given effect in accordance with their original intent and provisions of the Act.

ARTICLE 7 AMENDMENT OF THE BYLAWS

These Bylaws may be amended with or without a meeting of the Members by the affirmative vote or written consent of more than fifty percent (50%) of the voting power of the Members. However, an amendment of any provision of these Bylaws that requires specific voting and quorum percentages must have the same voting and quorum requirements for the amendment of the provision. These Bylaws may not be amended to contain any provisions that would be contrary to or inconsistent with the Declaration, and any provisions of or purported amendment to these Bylaws that is contrary to or inconsistent with the Declaration will be void to the extent of such inconsistency. The Declarant, so long as the Declarant owns any Unit, and thereafter, the Board of Directors, without a vote of the Members, may amend these Bylaws in order to conform these Bylaws to the requirements or guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration or any federal, state or local governmental agency whose approval of the Governing Documents is required by law or requested by the Declarant or the Association. So long as the Declarant owns any Unit, any amendment of these Bylaws must be approved in writing by the Declarant.

ARTICLE 8 FINES

8.1 Power of Board of Directors to Impose Fines. Pursuant to the power granted to the Board of Directors by the Declaration and to the extent permitted under Nevada law, the

Board of Directors has the right to impose reasonable fines against a Member for a violation of any provision of the Governing Documents by the Member, his family, tenants or guests.

8.2 Schedule of Fines for Respective Violations. From time to time, the Secretary of the Association may prepare and cause to be hand-delivered or sent pre-paid by United States mail to the mailing address of each Member or to any other mailing address designated in writing by the Member, a schedule of fines that may be imposed by the Association for violations of any provision of the Governing Documents.

8.3 Notification of Governing Documents. The Board of Directors may not impose a fine against a Member unless not less than thirty (30) days before the violation, the Member against whom the fine will be imposed had been provided with copies of all Governing Documents that may contain the basis of the violation, and within a reasonable time after the discovery of the violation, the Member has been provided with the written Notice of Violation described in Section 8.4 below.

8.4 Notice of Violation.

8.4.1 The Board of Directors, or any person designated by the Board of Directors, may serve a "Notice of Violation" against a Member for a violation of any provision of the Governing Documents by the Member, his family, tenants or guests. A Notice of Violation must contain (i) a description of the violation, (ii) the approximate time and place at which the violation was observed, (iii) the amount of the fine to be paid by the Member for the violation, (iv) the name of the person issuing the Notice of Violation, and (v) the date, time and location for a hearing on the violation so that the Person against whom the fine will be imposed is provided with a reasonable opportunity to prepare for the hearing and to be present at the hearing.

8.4.2 A Notice of Violation will be considered served if delivered personally to the Member named in the Notice of Violation or sent to the Member by registered or certified United States mail, return receipt requested, postage prepaid. A Notice of Violation served by mail will be considered received by the Member to whom the notice was addressed on the earlier of the date the notice is actually received or three (3) days after the notice is deposited in the United States mail. A Notice of Violation given by mail must be addressed to the Member at the address of the Member as shown on the records of the Association. If a Unit is owned by more than one Person, a Notice of Violation to one of the Members will be considered notice to all of the joint Members.

8.4.3 The Board of Directors must hold a hearing before it may impose the fine, unless the person against whom the fine will be imposed (i) pays the fine; (ii) executes a written waiver of the right to the hearing; or (iii) fails to appear at the hearing after being provided with proper notice of the hearing.

8.4.4 If the hearing on the violation is before the Board of Directors, then the minutes of the meeting of the Board of Directors at which the hearing is held must reflect the fact that the hearing on the violation was held and the action taken by the Board of Directors on the violation. If the hearing is held before a hearing officer or a committee appointed by the Board

of Directors, then the hearing officer of the committee conducting the hearing must, within ten (10) days after the conclusion of the hearing, make a written recommendation to the Board of Directors on what action the Board of Directors should take in the violation. Upon receipt of the recommendation from the hearing officer or the committee, the Board of Directors must act upon the recommendation. Any fine that is approved by the Board of Directors following a hearing pursuant to this Section must be paid by the offending Member within ten (10) days after a notice of the action of the Board of Directors is served upon the Member. Service of the notice from the Board of Directors must be made in the same manner as service of a Notice of Violation pursuant to **Subsection 8.4.2** above.

8.4.5 If the Member executes a written waiver of the right to the hearing or fails to appear at the hearing after being provided with proper notice of the hearing, the Member must pay the fine stated in the Notice of Violation to the Association within ten (10) days after the date set for the hearing.

8.4.6 Any fines imposed pursuant to this **Article 8** are the joint and several liability of all of the joint Unit Owners of a Unit and, to the extent permitted under Nevada law, are secured by the Assessment Lien.

8.5 **Fines Levied without Notice and Hearing.** If a violation for which a fine has been levied in accordance with the notice and hearing provisions of **Section 8.4** has not been cured within fourteen (14) days, the violation is considered a continuing violation. The Board of Directors may levy additional fines without any notice and hearing for a continuing violation for each seven (7) day period or any portion thereof after the initial fourteen (14) day period that the violation is not cured.

Burson Ranch Homeowners Association

Design Documents



ARCHITECTURAL GUIDELINES

FOR

BURSON RANCH HOMEOWNERS ASSOCIATION

c/o Colonial Property Management
8595 S Eastern Ave., Las Vegas, NV, 89123
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DATE ADOPTED: June 6, 2022

BURSON RANCH
ARC GUIDELINES
Table of Contents

ARTICLE 1

INTRODUCTION AND GENERAL COMMENTS

1.1	Introduction.....	1
1.2	General Comments.....	1

ARTICLE 2

SUBMITTAL PROCESS; GENERAL REQUIREMENTS

2.1	Required Materials.....	2
2.2	Review Fees	4
2.3	Process	4
2.4	Time to Complete	4
2.5	Compliance with Requirements of Governmental Authorities.....	4
2.6	Warranty Disclaimer	4
2.7	Responsibility for Compliance	4
2.8	Review Criteria; Variances	4

ARTICLE 3

GENERAL IMPROVEMENTS AND ALTERATIONS

3.1	Additions and Alterations	5
3.2	Concrete	5
3.3	Fireplaces and Barbeques	5
3.4	Flags	5
3.5	Holiday Decorations	6
3.6	Lighting.....	6
3.7	Mechanical Equipment Installed on the Ground	6
3.8	Mechanical Equipment Installed on the Roof.....	6

3.9	Trash Containers.....	6
3.10	Paint.....	6
3.11	Play Equipment.....	6
3.12	Sport Equipment.....	6
3.13	Security Doors.....	7
3.14	Security Signs.....	7
3.15	Window Coverings.....	7
3.16	Solar Screens.....	7
3.17	Pools and Spas.....	7
3.18	Air Conditioning Units or Equipment.....	7
3.19	Rain Gutters and Downspouts.....	8
3.20	RV Parking.....	8
3.21	Permitted Pets.....	8
3.22	Antennas and Satellite Dishes.....	9

ARTICLE 4

LANDSCAPING, WALLS, FENCES, GATES

4.1	Initial Landscaping.....	9
4.2	Plant Material Specifications.....	9
4.3	Fencing, Gates, and Walls.....	10
4.4	Decks and Balconies	10
4.5	Patio Slabs, Patio Covers, and Gazebos	10
4.6	Maintenance of Landscaping	10

ARTICLE 5

MISCELLANEOUS

5.1	Non-Liability for Approval of Plans	11
5.2	Modification	11
5.3	Conflict.....	11

ARTICLE 1

INTRODUCTION AND GENERAL COMMENTS

1.1 Introduction. The Burson Ranch Homeowners Association **Board of Directors** and the Burson Ranch Homeowners Association **Architectural Review Committee (ARC)** have developed and adopted Architectural Guidelines.

Though few of us initially like the fact that we must submit our plans to an ARC for review and approval, many homeowners discover that the ARC review process is very helpful. Through the review process homeowners may discover that a particular improvement they are proposing will interfere with or alter drainage and cause flooding or water damage to the foundation, stucco, block walls, or other property belonging to the homeowner or his neighbors. At other times homeowners are grateful that an improvement that was not properly permitted and constructed next door to them will have to be removed and redone in accordance with building codes and duly inspected by the building department, because the CC&R's do require compliance with all governing agencies regulations and codes. The ARC's purpose is NOT to impose the personal likes and dislikes of the members of the ARC on their neighbors.

THE FOLLOWING INFORMATION IS INTENDED AS A HELPFUL GUIDE TO THE MOST COMMONLY ASKED QUESTIONS REGARDING INSTALLING SOME TYPES OF IMPROVEMENTS TO A HOME. THIS LIST IS NOT MEANT TO BE ALL INCLUSIVE. PLEASE REFER TO ARTICLE 4 OF THE CC&R'S FOR MORE DETAILED INFORMATION.

Beginning construction prior to receiving written approval from the ARC, or failure to complete improvements in accordance with the approved plans and in compliance with all applicable governing agencies and building departments codes, ordinances and requirements are violations of the CC&R's. Always keep in mind that violations of the CC&R's and these Architectural Guidelines are subject to action by the Board of Directors, which may include fines, penalties, or immediate restoration of the property to its condition prior to the unapproved work being done.

Please be reminded that **work must NOT begin** on any construction, alteration, addition, grading, excavation, removal, relocation, exterior repainting, demolition, installation, modification, exterior decoration, exterior redecoration, reconstruction of an improvement, improvement, or structure (be it permanent or temporary) **UNTIL** the homeowner submits a completed Architectural Request Form to the ARC, in care of the Management Company shown on the cover page, along with all required information about the proposed plan(s), drawings and specifications that describe in sufficient detail what it is that you propose to do, processing fees and deposits required by the ARC, **AND receives written approval of proposed plan from the ARC.** *(Please see Section 2.3 of the CC&R's).*

1.2 General Comments. The function of the ARC is to review each submittal for conformity to the intent and provisions of the CC&R's. The ARC has **45 days** from the date of receipt of the completed ARC Application to approve or disapprove the application. If the ARC fails to respond in writing within the **45 days**, then the item is deemed disapproved. *(Please see Section 4.1.5 of CC&R's)*

After the ARC application is reviewed by the ARC, The Management Company will send you written notification of the ARC Committee's decision and advise you of the allotted time frame you have to complete your project. Homeowners must start work on the approved improvements within this amount of time.

ARTICLE 2

SUBMITTAL PROCESS; GENERAL REQUIREMENTS

2.1 Required Materials. The owner of a Unit (an "Owner") shall submit a Request for Architectural Approval in the form attached hereto, along with any additional information required by this Section 2.1, and receive written approval therefor prior to construction or installation of any Improvement that requires the approval of the ARC:

2.1.1 Owner information as follows:

- (i) Owner's name, address, telephone number and e-mail address;
- (ii) Description of Dwelling (model name or description including number of bedrooms and square feet);
- (iii) Statement as to whether the Unit abuts a Common Element;
- (iv) Time frame for beginning and completion of the work to construct or install the Improvement

2.1.2 Nature of request, for example:

- (i) Addition to an existing Dwelling;
 - (ii) Landscape plans, including any excavation or grading work;
 - (iii) Concrete work;
 - (iv) Walls, fences or gates;
 - (v) Patio cover or patio screening;
 - (vi) Pool and/or spa;
-
- (vii) Antenna and/or exterior satellite receiver requiring approval pursuant to these ARC Guidelines;
 - (viii) Other addition, alteration, repair, change or other work that is not prohibited by the Governing Documents.

2.1.3 A copy of the plans and specifications for the proposed work, including, if applicable:

- (i) **Site plan** (a minimum of 8-1/2" X 11" in size) showing the size of the Unit, the size of the Dwelling and the finished floor elevation

of the Dwelling. The site plan shall include, as applicable, any proposed driveway widths, dimensions for proposed paving, parking, concrete curbs, planters, sidewalks, location of trash enclosures, lighting (size and type) etc. and include the square footage of any additional concrete. The site plan must also show the grading and drainage of the Unit and must adequately describe the proposed Improvement.

- (ii) **Floor plans** as necessary to show the Improvement requested and its relation to the existing structure, if applicable, indicating dimensions and type of materials.
- (iii) **Exterior elevations** as necessary to show the Improvement requested and its relation to the existing structure, if applicable, indicating type of materials and color of surfaces.
- (iv) **Roof plan** as necessary to show the Improvement requested and its relation to the existing structure, if applicable, indicating type and color of materials.
- (v) **Building section** as necessary to show the Improvement requested and its relation to the existing structure, if applicable.
- (vi) **Landscaping plan** showing location, size and type of trees, shrubs and groundcover, protection of existing vegetation, use of approved plants and other landscaping details, including irrigation facilities and hardscape Improvements.
- (vii) **Wall and fencing plans**, which must include plans and elevations of walls showing heights to surrounding grade, locations of retaining walls and the grade height between the Owner's Unit and all adjacent Units: Wall and fence designs must comply with all requirements of these ARC Guidelines.

2.1.4 Additional information may be requested by the ARC;

Example. In the event construction requires use of adjoining property, the applicant must first obtain written permission from the adjoining property owners and submit that written permission with the ARC.

Until all requested information has been submitted, a request for review is considered incomplete and not approved.

Each Owner should review Article 4 of the Declaration prior to submitting a request to the ARC. Article 4 sets forth the general architectural control restrictions and other use restrictions affecting the Units.

2.2 Review Fees. The Association may charge a review fee to reimburse the Association for the cost of hiring consultants if the ARC deems it necessary to have plans and specifications for major improvements reviewed by professional consultants (including, but not limited to, architects and engineers). *(Please see Section 4.1.9 of CC&R's)*

2.3 Process. Owners may not rely on verbal approvals or indications from any person that Improvements will be approved by the ARC. 6325The ARC shall either approve or disapprove in writing each request within 45 days after receipt of the request. If no notice is sent by the ARC within the 45 days, then the proposed Improvement is deemed disapproved. If a request is denied within such 45 day period, then written denial shall be forwarded to the Owner stating the reason for denial. If the ARC requests additional information, then the 45 day period will not commence until all required information has been submitted. It is an Owner's responsibility to make sure that a request and all additional information required by the ARC is received by the ARC.

2.4 Time to Complete. The ARC may impose a schedule for the completion of construction of the proposed Improvement and for other matters as set forth therein. If the approval of a proposed Improvement received from the ARC contains a time schedule for any matter set forth in Subsection 4.1.7 of the Declaration, the Owner will be required to agree in writing to adhere to such time schedule prior to commencing construction. The ARC may impose a construction penalty against the Owner in accordance with Subsection 4.1.7 of the Declaration if the Owner fails to comply with any time schedule imposed by the ARC.

2.5 Compliance with Requirements of Governmental Authorities. The ARC approvals required pursuant to the Declaration and these ARC Guidelines shall be in addition to, and not in lieu of, any approvals or PERMITS that may be required under any federal, state or local law, statute, ordinance, rule or regulation, including, without limitation, all requirements of the Town of Pahrump. An approval by the ARC shall not be construed in any way to be an approval by any applicable federal, state or local governmental authority. To the extent that any governmental standard is less restrictive than the Declaration or these ARC Guidelines, the Declaration and ARC Guidelines shall prevail.

2.6 Warranty Disclaimer. Owners are advised that the construction of or modifications to certain Improvements may void all or a portion of the warranty given to Owners by Declarant or Declarant's subcontractors upon acquiring a Unit. Prior to commencing construction or modifying an Improvement, an Owner should investigate any effect such construction or modification will have on the warranty. The ARC will not be responsible for any warranty that is deemed void as a result of the ARC approving any such construction or modification.

2.7 Responsibility for Compliance. Owners are responsible for ensuring compliance with all provisions of the Declaration and these ARC Guidelines whether an Improvement is installed by an Owner or a contractor employed by the Owner.

2.8 Review Criteria; Variances. The ARC Guidelines are intended to provide a framework for Improvements but they are not all-inclusive. In its review process, the ARC may

consider the quality of workmanship and design, harmony of external design with existing structures, and location in relation to surrounding structures, topography, and finish grade elevation, among other things. ARC decisions may be based on purely aesthetic considerations. However, the ARC shall not grant approval for proposed construction that is inconsistent with the ARC Guidelines unless a variance is granted.

ARTICLE 3

GENERAL IMPROVEMENTS AND ALTERATIONS

3.1 Additions and Alterations. Architectural design and materials used in exterior additions and alterations shall be the same as the original Dwelling. The roofline of any addition or alteration shall not exceed (i) the height of the original roof line of the Dwelling, or (ii) 24 feet, both measured at the ridgeline of the roof: whichever is less. No addition shall be built outside of the original setback requirements originally established by Declarant even though the requirements of any local governmental authority may be less restrictive.

3.2 Concrete. Excessive use of concrete (as determined by the ARC) in front and street side yards will not be allowed. Requests for concrete installation in addition to the concrete that was installed by Declarant will be considered on a case-by-case basis.

3.3 Fireplaces and Barbecues. Fire pits and barbecues are permitted in the back yard only. Proposals for the installation of the permanent outdoor fireplaces, barbecues and fire pits must include materials, colors and the location and distance from neighboring Units. The style, color and materials of the proposed improvement should complement the style, color, and materials of the Dwelling. Outdoor fireplaces are permitted to a maximum height of 10 feet in the rear yard. If the Units abut a common element, the fireplace must be located at least 10 feet from the property line abutting the common element. Except for front yard courtyard areas, outdoor fireplaces are not permitted in front yards. Each owner is responsible for assuring that the operation of the facility is in compliance with all applicable ordinances and laws.

3.4 Flags. The American flag, Army, Navy, Air Force, Marine Corps, Coast Guard, POW/MIA, Commemorative flags, and Sport team flags are permitted without ARC approval. Even though Unit Owners may not be required to obtain written approval from the ARC for the display of the above listed flags, Unit Owners are required to comply with the design guidelines to the extent that the design guidelines and/or the Association Rules set forth in regards to flagpoles. All other flags are prohibited.

3.4.1 Flagpoles require prior written ARC approval. A request for approval of a flagpole must include the materials and color of the flagpole and the proposed location of the installation. The height of the flagpole may not exceed 20 feet. No flag (including, without limitation, the United States flag) displayed on a unit may be larger than 4 vertical feet by 6 horizontal feet. Display of flags also shall be permitted by a bracket mounted on the Dwelling or by other methods approved by the ARC. Brackets must be painted to match the color of the Dwelling where the bracket is attached.

3.5 Holiday Decorations. Holiday decorations will not require approval if installed no earlier than 45 days before the holiday and removed no later than 45 days after the holiday. Any variation from these time periods will require approval from the ARC. The ARC reserves the right to request reasonable modifications to holiday decorations if deemed appropriate.

3.6 Lighting. No spotlights, flood lights or other high intensity lighting shall be placed or utilized upon any Unit that in any manner will allow light to be directed or reflected unreasonably upon any other Unit or Common Element. Security lighting on a Unit that is attached to the exterior of a Dwelling or other structure and is intended to operate after dusk/dark shall be limited to lighting that is triggered by motion on the Unit (but not by motion on neighboring properties) and reasonably illuminates the area of the Unit immediately surrounding the Dwelling. Such lighting shall not be directed at any neighboring properties and shall be mounted no higher than 10 feet above ground. The motion detector shall be programmed to shut off the light(s) no longer than 5 minutes after motion is detected and the light has been illuminated.

3.7 Mechanical Equipment Installed on the Ground. Owners shall screen all ground-mounted mechanical equipment originally provided with the Unit from street view. All mechanical equipment installed on the ground by an Owner shall be screened so as not to be Visible from Neighboring Property. Equipment including, but not limited to, solar equipment, pool, spa, fountain and/or waterfall equipment/pumps and generators shall be screened by a structure at least as high as the equipment to be screened or by a block wall where permitted. Screening structures shall be of a material and color compatible with the design of the Dwelling.

3.8 Mechanical Equipment Installed on the Roof. Except for solar heating equipment, any mechanical equipment installed on the roof must be installed so as not to be Visible from Neighboring Property. The installation of solar heating equipment on the roof of a Unit requires the approval of the ARC.

3.9 Trash Containers. No garbage or trash shall be placed or kept on a Unit, except in covered containers. *(See Section 4.9 of CC&R's)* Trash bins should be stored where they are not visible from the street or common areas.

3.10 Paint. Prior written ARC approval is required for any proposed CHANGE to the original exterior paint colors originally established by builder. No ARC approval is required for repainting the exterior of your home with the exact same colors established by the builder.

3.11 Play Equipment. Children's play sets, jungle gyms and other play structures will be considered by the ARC. The ARC will require width and height specifications, colors and a picture or graphical display of the proposed structure along with the location where the structure is proposed to be installed.

3.12 Sports Equipment. Basketball poles and backboards (including portables) must receive prior written approval from the ARC. Portable basketball hoops and other portable play

equipment must be put away and out of sight and not visible from neighboring property when not in use. *Permanent basketball fixtures are prohibited.*

3.13 Security Doors. A security screen door may be added to the front and/or back of a Dwelling if it is mounted over the existing door jams and is a color compatible with the Dwelling.

3.14 Security Signs. Signs that indicate a Dwelling is protected by a security system are permitted. Such signs shall be located no further than 4 feet from the face of the Dwelling. One sign per unit may be used, which shall be single sided and a maximum of 150 square inches. The overall height of the sign from finished grade may not exceed 30 inches. Decals of a size to exceed 36 square inches may be displayed in the windows.

3.15 Window Coverings. No window that would be visible from neighboring property shall at any time be covered with aluminum foil, bed sheets, newspapers, or any other like materials. No reflective materials shall be installed or used on any improvement without the prior written consent from the ARC.

3.16 Solar Screens. Do not require prior written approval from the ARC, provided the color of the Solar Screen is a pre-approved color.

3.16.1 Pre-Approved colors: Tan, Sand, Beige, Platinum, Black, Gray, and Brown.

3.17 Pools and Spas. Must receive prior written approval from the ARC. A minimum refundable deposit of \$2,000 check or money order only, must be submitted with the ARC Application and pool/spa contractors plans. It is recommended that the contractor pay the deposit, as these monies will be used to repair any damage the contractor, his subcontractors, agents, or assigns does to the streets, curbs, gutters, and sidewalks. Restrictions governing swimming pools are set forth in Section 4.23 of the Declaration. Above-ground swimming pools will be considered with proper ARC approval so long as they are placed no less than 5 feet from surrounding walls. Spa decks may not exceed 18 inches in height. The total height of the spa, including any spa decking, may not exceed 36 inches above grade. Pools must be constructed at least 5 feet from all other property lines. Any walls or fences removed during construction of a pool, spa or other Improvement shall be fences situated on the Owner's Unit; removal of fences abutting a Common Element shall not be allowed. Any fence removed shall be replaced in its original state immediately after construction is complete, including paint (and stucco, if applicable). Owners also should be aware of the restrictions set forth in Section 4.21 of the CC&R's with respect to maintaining approved drainage for the Unit.

3.18 Air Conditioning Units or Equipment. The ARC must approve exterior air conditioning equipment other than the equipment installed as a part of the original construction. No air conditioning units, evaporative coolers or appurtenant equipment may be mounted, installed, or maintained in any window visible from neighboring property without the prior written consent of the ARC. *Rooftop air conditioners are prohibited.*

3.19 Rain Gutters and Downspouts. Prior written ARC approval is required to install rain gutters on your home. The rain gutters must match the surface they are attached to. For example, if you have them attached to the fascia area, the gutter is to be painted the fascia color. Then the down spout attached will need to be painted to match the body color.

3.20 RV Parking. There is no parking of large commercial vehicles, inoperable vehicles, and unlicensed/unregistered vehicles on the street or on the driveway. No recreational vehicles shall be parked on the street. There shall be no parking at any time of any recreational vehicle in any driveway or along any curb or street, except for reasonable temporary loading/unloading in front of the Owner's Residence not to exceed seventy-two (72) hours. Designated RV / Boat parking areas may **not** be utilized for additional passenger vehicle parking.

3.21 Permitted Pets. Permitted household pets may be kept on any Unit if they are kept, bred, or raised solely as domestic pets and not for commercial purposes. Household pets are as follows: dogs, cats, rabbits, mice, hamsters, gerbils, parakeets, canaries, finches and other songbirds, reptiles, amphibians, fish and other similar animals kept for companionship or for personal enjoyment without interfering with the health, safety and welfare of adjacent residents. Chickens and/or Ducks are NOT permitted on any Unit. *(Please see Section 4.14 of the CC&R's)*

- (i) All Permitted Pets shall be confined to a Resident's Unit except that a dog or cat may be permitted to leave a Residents Unit if such dog or cat is at all times kept on a leash by a person capable of controlling such animal and is not permitted to enter upon any other Unit.
 - (ii) Permitted Pets are required to be up to date on rabies shots and other vaccinations.
 - (iii) Permitted Pets are prohibited from being tethered on any unit visible from neighboring properties.
 - (iv) Permitted Pets are prohibited to roam free out front, on porches, patios, or any other portion of a unit without being secured behind approved fences and/or gates.
-
- (v) Permitted Pets cannot make an unreasonable amount of noise or become a nuisance.
 - (vi) The Owner of a pet shall assume full responsibility for personal injury or property damage caused by such pet and shall be responsible to defend, indemnify and hold harmless the Association, its Board of Directors, Management, and Owners and Occupants of the various units against loss, claim or liability of any kind or character arising from or growing out of any act of such pet, including responsible attorney fees.

- (vii) Any Unit Owner, Resident or other person who brings or permits an animal to be on the Common Elements or any Unit shall be responsible for immediately removing any feces deposited by such animal.
- (viii) No structure for the care, housing or confinement of a Permitted Pet shall be visible from neighboring property without the prior written consent of the ARC.

3.22 Antennas and Satellite Dishes. In accordance with the Telecommunications ACT of 1996 and subsequent addendum, Satellite and Wi-Fi dishes may be installed on homes without ARC approval. SATELLITE DISHES NO LARGER THAN **39"** IN DIAMETER **may** be installed without prior written ARC approval (*Please see 4.7 of the CC&R's*): (i) The dish is installed in a professional manner and cord, cables, wires and dish are properly mounted and secured; (ii) Cable, cord or wiring is not draped, strung or hanging in a manner that is visible from the street fronting home; (iii) The dish is located in the most discreet location possible in order to receive adequate signal (behind the block wall, at ground level within the backyard is the least objectionable location).

3.22.1 If a dish must be located above ground level outside the confines of the backyard, the homeowner must provide written documentation from the licensed installer that the dish must be located in a specific location in order to receive adequate signal.

3.22.2 All other satellite dishes which exceed 39" in diameter, as well as antennas, cables, towers, or other poles must be submitted to the arc for prior written approval before any work or installation may begin.

ARTICLE 4

LANDSCAPING, WALLS, FENCES, GATES

4.1 Initial Landscaping. Homeowner must submit an ARC Application for and obtain approval of plans for rear yard landscaping and complete installation of such landscaping within **six months (180 days)** from the close of escrow date. The ARC Committee will take under consideration the time of year when considering extensions for completion dates. However, plans must be submitted and approved by the ARC prior to the original deadline for completion. If a landscape proposal includes installation of a pool and/or spa, the ARC may consider reducing the landscape requirements if the ARC deems such a reduction is appropriate. (*Please see section 5.7 of the CC&R's*)

4.2 Plant Material Specifications. Owners should use native or compatible drought-tolerant species for most yard landscaping. The ARC has adopted the permitted plants, shrubs, and trees list recommended and provided by the Pahrump Utility Company Inc. The permitted list is recommended for the Pahrump area by the Division of Forestry. Plants, shrubs, and trees not on this list must be pre-approved by Pahrump Utility Company Inc., and the approval letter

received from Pahrump Utility Company Inc. must be attached/ included with your ARC application.

The following plants will **not** be approved by the ARC:

- (i) Mulberry species;
- (ii) Cottonwood
- (iii) Oleander; and
- (iv) All olive plants that are fruit bearing

To obtain the most up-to-date pre-approved list visit www.pahrumputility.com
Email PahrumpUtility@pucihafen.com for pre-approval.

4.3 Fencing, Gates, and Walls. All gates, fences, block walls, or extensions of the same that were not part of the original construction require prior written ARC approval. If gate screening is needed, you may install a mesh fence painted to match the color of the pedestrian gate wrought iron. **Prohibited materials include**, but are not limited to: baby gates, aluminum, sheet metal, wire, plastic webbing, reeds, and bamboo, glass block, wood, panels, cardboard, or woven board.

4.3.1 Drainage. Owners are advised to read and understand Section 4.21 of the CC&R's with respect to not altering the drainage of a Unit by the construction of any improvements, including walls and fences.

4.4 Decks and Balconies. Must receive prior written approval from the ARC. Any required building permits with the Town of Pahrump will need to be obtained and are the responsibility of the property owner.

4.5 Patio Slabs, Patio Covers, and Gazebos. Must receive prior written approval from the ARC. No portion of a Gazebo shall exceed the height of **thirteen (13') feet** at its highest point. The homeowner must submit a copy of the building permit, where required, BEFORE work begins. Color must coordinate with the color scheme of the residence.

4.6 Maintenance of Landscaping. Changes to the landscaping must be submitted and approved by the ARC **EXCEPT** that: Normal maintenance of landscaping or replacement of dead or dying plants, shrubs or trees does not require approval of the ARC unless you are altering the previously approved landscape plan in any way that might affect drainage, reduce the number of trees and shrubs, or change the dominant elements of the plan. **For example:** If you are adding a raised planter, concrete paths or pads, mounds, or replacing grass with desert landscaping (or vice versa), or reducing the amount of plant material, you must receive written approval from the ARC prior to work beginning. Unit Owners are responsible for maintaining all yard areas in a weed-free and attractive manner.

4.6.1 Landscaping Standards:

- (i) Canopies of those trees abutting or overhanging the community walkways, common areas and private streets shall be kept trimmed to ensure that seven (7) feet above walkways, common areas and private streets are kept clear of foliage and limbs.

- (ii) All shrubs and plant material shall be trimmed to ensure they do not encroach upon community walkways and private streets.
- (iii) Plant material shall not exceed twenty-four (24) inches in sight visibility zones, which are typically located on corner lots. Sight Distance Triangles for corner lots must be maintained in accordance with Nye County Code 17.04.740: Landscaping: Section J.
- (iv) All plant material must remain twelve (12) inches away from any concrete paving.

ARTICLE 5

MISCELLANEOUS

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

5.2 Modification. The foregoing ARC Guidelines may be modified from time to time as may be deemed necessary in the sole discretion of the Architectural Review Committee of the Burson Ranch Homeowners' Association.

5.3 Conflict. In the event of any conflict between these ARC Guidelines and the CC&R's, The CC&R's shall control.

Burson Ranch Homeowners Association

Budgets-2023



Burson Ranch Homeowners Association **2023 Budget** **For the Year Ending December 31, 2023**

	\$	40.00	TOTAL # UNITS 585		2023	Budget 2022
Operating Fund Income			Unit	Per Month	Budget	
Miscellaneous Income		40.00		23,400.00	\$ 280,800.00	\$ 280,800.00
		2.50		833.33	\$ 10,000.00	
Total Operating Revenue	\$	42.50	\$	24,233.33	\$ 290,800.00	\$ 280,800.00
Insurance Liability, D & O, Workers Comp, Umbrella		2.35		783.33	\$ 10,340.00	\$ 9,400.00
Electricity		0.50		166.67	\$ 2,300.00	\$ 2,000.00
Water/Sewer		30.03		10,000.00	\$ 10,000.00	\$ 10,000.00
Lighting Repair/maintenance		0.98		325.00	\$ 3,900.00	\$ 3,900.00
General Maintenance		1.25		416.67	\$ 5,000.00	\$ 5,000.00
Landscape Contract		24.17		8,050.00	\$ 96,600.00	\$ 82,200.00
Landscape Extra -supplies / irrigation repairs		1.83		608.33	\$ 7,300.00	\$ 5,000.00
Landscape Extra -tree trimming		0.90		300.00	\$ 3,600.00	\$ 3,600.00
Landscape- Repairs/maintenance		3.75		1,250.00	\$ 10,000.00	\$ 15,000.00
Pest Control Service		4.45		1,483.33	\$ 17,800.00	\$ 16,800.00
Park Maintenance		0.60		200.00	\$ 2,400.00	\$ 200.00
Park Equipment		0.60		200.00	\$ 2,400.00	\$ 2,400.00
Management Fee		20.65		6,875.00	\$ 82,500.00	\$ 70,200.00
Management Storage		0.03		10.00	\$ 120.00	\$ 120.00
Secretary of State Fee		0.01		2.08	\$ 25.00	\$ 25.00
Legal Expenses		1.25		416.67	\$ 5,000.00	\$ 2,500.00
Audit/Accounting/CPA		0.50		166.67	\$ 2,500.00	\$ 3,600.00
Coupons		0.90		300.00	\$ 3,600.00	
Uncollectable Accts/Bad Debt		0.00			\$ 2,500.00	
Postage/Faxes/Copies		4.00		1,333.33	\$ 16,000.00	\$ 16,000.00
Permits/Business License		0.62		207.92	\$ 2,495.00	\$ 2,495.00
Social Events		1.50		500.00	\$ 3,000.00	
Meeting Expenses		0.25		83.33	\$ 1,500.00	\$ 1,100.00
Reserve Transfer		5.59		1,861.25	\$ 22,292.00	\$ 22,335.00
Total Expenses	\$	106.71	\$	35,539.58	\$ 313,172.00	\$ 273,875.00
						\$ 280,800.00

Burson Ranch Homeowners Association
2023 Proposed Reserve Budget
For the year ending December 31, 2023

RESERVE BUDGET-PER THE RESERVE STUDY

Anticipated Reserve Monies, Beginning of the Year	\$ 156,226.00
Transfers from Operating	\$ 22,292.00
Interest- reserve account	\$ 743.00
2023 Expenses	\$ 38,286.00
TOTAL INCOME	\$ 140,974.00

Anticipated Reserve Monies, End of the year - 2023 actual	\$ 243,663.92
Required Balance Per Reserve Study (fully funded) 108%	\$ 144,752.00

IF FULLY FUNDED

Major Components	Useful Life (years)	Estimated Remaining Life	Current Replacement
Gazebo	5	0	\$ 6,500.00
Bollard Lights	5	3	\$ 575.00
Concrete-repair-replace	15	3	\$ 4,600.00
Monument Signs- replace	20	8	\$ 13,500.00
Flagpole	30	18	\$ 17,500.00
Chain Linke- fencing-	30	18	\$ 13,500.00
Play Structure-replace	16	6	\$ 32,500.00
Safety Padding-replace	8	1	\$ 19,000.00
Safety Padding-seal/repair	2	3	\$ 2,363.00
Park Furniture	15	3	\$ 27,500.00
Gazebo-refurish/replace	30	18	\$ 28,000.00
Pet Waste Station-replace	10	5	\$ 2,500.00
Bollard Lights-replace	20	8	\$ 9,000.00
Groundcover-replenish	3	1	\$ 3,000.00
Landscape-irrigation-renovation	5	1	\$ 30,000.00
TOTAL COMPONENTS			\$ 210,038.00

Reserve Study was prepared by Complex Solutions on December 31, 2020, Prepared by TJ Martin, NV Permit #RSS

196. SEE ATTACHED FOR CREDENTIALS

Currently we are funded at 86%.

2023 Expenses	
Bollard Lights	\$ 628.00
Concrete- Repair/replace	\$ 5,027.00
Safety Padding/repair	\$2,582.00 (done in 2021)
Park Furniture	\$30,050.00

Burson Ranch Homeowners Association

Rules and Regulations

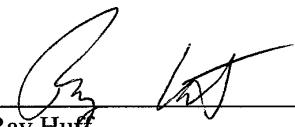


ACTION IN WRITING
OF THE
BOARD OF DIRECTORS
OF
BURSON RANCH HOMEOWNERS' ASSOCIATION

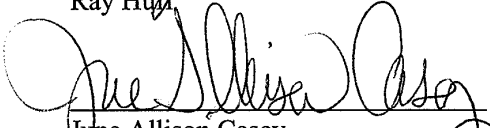
The undersigned, constituting all of the members of the Board of Directors of Burson Ranch Homeowners' Association, a Nevada nonprofit corporation (the "Association"), hereby take the following actions in writing and without a meeting pursuant to NRS 82.271(2), which actions shall have the same force and effect as if taken by the Board at a duly called meeting of the Board:

RESOLVED, that the Burson Ranch Homeowners' Association Rules set forth on Exhibit A attached hereto be and they are hereby adopted.

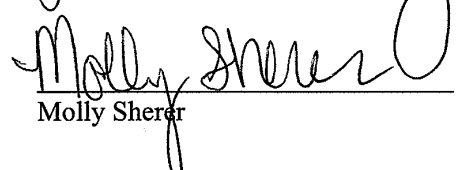
Dated this 25th day of June, 2007.



Ray Huff



June Allison Casey



Molly Sherer

**BURSON RANCH
HOMEOWNERS' ASSOCIATION
RULES**

15337.1
001/05-008

BURSON RANCH HOMEOWNERS' ASSOCIATION

RULES

TABLE OF CONTENTS

Page

ARTICLE 1

PURPOSE, ORGANIZATION AND FINANCE

1.1	Governing Documents.....	1
1.2	Management.....	1
1.3	Finance.....	2

ARTICLE 2

ASSOCIATION PROPERTY AND FACILITIES

2.1	General Rules.....	3
2.2	Responsibility.....	3
2.3	Notices and Advertisements.....	3
2.4	Alcoholic Beverages.....	3

ARTICLE 3

RULES GOVERNING THE USE OF UNITS

3.1	Trash Containers and Collection.....	3
-----	--------------------------------------	---

ARTICLE 4

**POLICY OF CORRECTIVE ACTIONS
AND
SCHEDULE OF FINES**

4.1	General.....	4
4.2	Violations of Section 4.1 of the Declaration, Architectural Control.....	4
4.3	Violations of Section 4.9 of the Declaration, Trash Containers and Collection.....	4
4.4	Violations of Section 4.14 of Declaration, Animals.....	5
4.5	Violations of Sections 4.18 and 4.19 of the Declaration, Trucks, Trailers, Campers and Boats; Motor Vehicles.....	5
4.6	Other Violations of Governing Documents.....	5

**ARTICLE 5
MISCELLANEOUS**

5.1	Complaints Concerning Violations.	6
5.2	Modification of Rules.	6
5.3	Conflict.	6

BURSON RANCH HOMEOWNERS' ASSOCIATION

ASSOCIATION RULES

(Adopted June 25, 2007)

ARTICLE 1

PURPOSE, ORGANIZATION AND FINANCE

1.1 Governing Documents. The Burson Ranch Homeowners' Association (the "Association") was established on January 6, 2006, as a Nevada nonprofit corporation for the purpose of providing management, maintenance and care of the Common Elements and any other Areas of Common Responsibility placed under its jurisdiction. The duties and powers of the Association are defined in the Governing Documents, which are as follows:

- (i) Declaration of Covenants, Conditions and Restrictions for Burson Ranch, as may be amended from time to time (the "Declaration");
- (ii) Articles of Incorporation of Burson Ranch Homeowners' Association;
- (iii) Burson Ranch Homeowners' Association Bylaws;
- (iv) Burson Ranch Homeowners' Association Rules (the "Rules"); and
- (v) Design Guidelines for Burson Ranch

Each Unit Owner in Burson Ranch is provided with a copy of all Governing Documents. By taking title to a Unit within Burson Ranch, a Unit Owner agrees to comply with the provisions of the Governing Documents as they pertain to the Unit Owners and Members. Capitalized words used in these Rules will have the same meanings as described in Article 1 of the Declaration unless they are defined otherwise in this document. These Rules are only a part of the Governing Documents; Unit Owners should read all Governing Documents to gain an understanding of how the Association operates and what restrictions are placed upon their property and the Common Elements.

1.2 Management. The Board of Directors of the Association ("Board") is responsible for the administration of the Association and is authorized to hire personnel necessary for the daily operation of the Association and its Common Elements. During the Period of Declarant Control (as defined in the Declaration), the Declarant under the Declaration has the authority to appoint and remove members of the Board and officers of the Association. Upon the termination of the Period of Declarant Control, the Board will be elected by the Members of the Association. Each Unit Owner is a Member of the Association.

The Board has contracted with a property management company ("Community Manager") to oversee the daily operation of the Association. The Community Manager will work closely with the Board to assure that the Association is being operated in a manner that will

enhance and preserve the Community. The Community Manager's name, telephone number and address will be provided to you at the time you purchase your Unit.

1.3 Finance. The funds necessary to operate the Association and its facilities are provided by the Assessments levied by the Association against each Unit within Burson Ranch. The Board, subject to the provisions of the Declaration and Nevada law, has the authority to levy Common Expense Assessments to provide for the operation and management of the Association and Special Assessments for the cost of any construction, reconstruction, repair or replacement of facilities upon the Common Elements. The financial stability of the Association is dependent upon the timely payment of all Assessments. The following rules shall apply to the payment of Common Expense Assessments:

1st day of month in which payment is due:

Assessment is due and payable to the Burson Ranch Homeowners' Association at the address provided to you by the Community Manager.

15th day of month in which payment is due:

If payment is not received by the Community Manager by the 15th day of the month in which it became due, a \$10.00 charge for late payment is automatically assessed (charges for late payment will be applied on every account showing one full Assessment due with no notice to Unit Owner), and interest will be charged from the due date at the rate of 18% per annum.

60th day after due date:

If payment has not been received within sixty days after its due date, the Board may authorize the Community Manager to record a lien on the Unit and file a lawsuit in Justice Court to collect the past-due Assessments. The amount to be collected under the lawsuit will include amounts to reimburse the Association for all interest due on the past-due Assessments and all costs expended by the Association to record the lien and file the lawsuit. At this point, payment must include the collection costs and be paid by cashiers check, certified check or money order. The lien will remain on the Unit until the account is current.

When judgment is received from Justice Court:

The delinquency and judgment will be referred to an attorney or collection agency for collection. Any additional fees incurred in the collection of the delinquency will be charged to the delinquent Unit Owner.

Returned checks:

There will be a \$25 charge for checks not paid by a Unit Owner's bank.

The fiscal year for the Association is the calendar year. The amount of the Common Expense Assessment will be determined each year by the Board and all Unit Owners will be notified and asked to ratify the budget at an Association meeting called for that purpose. Subsection 7.1.2 of the Declaration sets forth the details of the budget approval process.

ARTICLE 2 ASSOCIATION PROPERTY AND FACILITIES

2.1 General Rules. General rules applicable to all Association Common Elements and facilities are as follows:

2.1.1 All persons must conduct themselves in a civil and courteous manner at all times and must not jeopardize or interfere with the rights and privileges of others.

2.1.2 Loud, profane, indecent or abusive language is prohibited.

2.1.3 Harassment or physical abuse of any person by another is prohibited.

2.1.4 No person's actions shall compromise the safety of another.

2.2 Responsibility. Residents are responsible for their guests while using Association Common Elements and facilities.

2.3 Notices and Advertisements. Notices, advertisements or posters of any kind shall not be placed or distributed on Association Common Elements without the prior written consent of the Board.

2.4 Alcoholic Beverages. No alcoholic beverages may be brought to and/or consumed in or on any Association Common Elements.

ARTICLE 3 RULES GOVERNING THE USE OF UNITS

3.1 Trash Containers and Collection. Trash containers may be left at the curb for pickup no earlier than 5:00 p.m. on the day before the scheduled pickup is to occur and may remain at the curb until no later than 9:00 p.m. on the day the scheduled pickup is to occur.

ARTICLE 4
POLICY OF CORRECTIVE ACTIONS
AND
SCHEDULE OF FINES

4.1 General. No fines will be assessed without notice and an opportunity to be heard. Article 8 of the Bylaws sets forth the notice and hearing procedures for fines. Any fine for which a Unit Owner has waived the right to be heard, or any fine affirmed by the Board after hearing, shall be paid in accordance with Article 8 of the Bylaws. Pursuant to Subsection 3.3.1(v) of the Declaration, the Association is entitled to suspend the rights of a Unit Owner or Resident to use the Common Elements if fines are not paid when due. Pursuant to Subsection 7.9.2 of the Declaration, the Association has a lien on each Unit for any amounts due the Association, including fines, and the Association may use the same remedies to collect fines as it uses to collect Assessments, subject to applicable law. In addition to levying fines as penalties for infractions, the Association also may exercise any other remedy available pursuant to the Declaration or pursuant to Nevada law.

4.2 Violations of Section 4.1 of the Declaration, Architectural Control. The Board shall levy a fine of one hundred dollars (\$100) against a Unit Owner for the failure by the Unit Owner, or by a Resident of the Unit, to obtain written approval from the Architectural Review Committee prior to constructing or installing an Improvement that would require approval pursuant to Section 4.1 of the Declaration, or for the failure to comply with any other provision of Section 4.1 of the Declaration or any provision of the Design Guidelines. A Unit Owner may submit a request for approval to the Architectural Review Committee after the Board levies the fine, but the request will not be considered until the earlier of (i) payment of the fine by the Unit Owner, or (ii) determination by the Board that the fine should not be assessed.

The failure by a Unit Owner or Resident to remove or satisfactorily correct an Improvement for which the Architectural Review Committee has disapproved may result in the Association taking legal action to correct the violation. In any such legal action, the Association will seek to recover all attorneys' fees, costs and expenses resulting from the action pursuant to Section 11.1 of the Declaration and pursuant to Nevada law. In addition, if the Unit Owner fails to cure the violation within fourteen (14) days of receiving notice thereof, then the violation shall be deemed to be a continuing violation pursuant to N.R.S. 116.31031(5) and the Board shall impose an additional fine of \$100 against a Unit Owner for each seven (7) day period or portion thereof that the violation is not cured.

4.3 Violations of Section 4.9 of the Declaration, Trash Containers and Collection. The Board shall levy a fine against a Unit Owner for the failure by such Unit Owner, or by a Resident of such Unit Owner's Unit, to comply with Section 4.9 of the Declaration and the additional rules contained Section 3.1 of these Rules. Failure to comply with Section 4.9 of the Declaration and Section 3.1 of these Rules may result in the Board levying against a Unit Owner a fine equal to ten dollars (\$10) multiplied by the number of days the violation exists, not to exceed a maximum fine of fifty dollars (\$50). A Unit Owner shall be entitled to one (1) warning letter before a fine is levied. If the next violation after a warning letter is committed more than

one (1) year after the warning letter is issued, then another warning letter shall be issued before a fine is levied.

4.4 Violations of Section 4.14 of Declaration, Animals. A Unit Owner shall be subject to a fine of (i) \$25 for the first violation, (ii) \$50 for the second violation and (iii) \$100 for the third violation and each violation thereafter for the following violations of Section 4.14 of the Declaration. The Unit Owner of a Unit shall be entitled to 1 warning letter before the first fine is levied.

- (i) Failure by a Unit Owner or Resident to observe the leash rule;
- (ii) Failure by a Unit Owner or Resident to control an animal so that it does not create an unreasonable annoyance; and
- (iii) Failure by a Unit Owner or Resident to immediately clean up after an animal on any portion of the Common Elements.

No warning letter will be issued on second or subsequent violations occurring less than one year after the first violation. If a violation occurs more than 1 year after a previous violation for which a warning letter was issued, then the warning letter is again applicable and any fine assessed shall be in an amount equal to a first violation.

4.5 Violations of Sections 4.18 and 4.19 of the Declaration, Trucks, Trailers, Campers and Boats; Motor Vehicles. A Unit Owner shall be entitled to one (1) warning letter prior to the Board taking any action. The failure to comply with the warning letter in the time provided therein, or a second or subsequent violation within one (1) year after the previous violation, will result in the Board levying a fine of fifty dollars (\$50) for each time a Unit Owner fails to comply with directions from the Board to correct the violation. No warning letter will be issued on second or subsequent violations. In addition, upon compliance with applicable law, the Board also may exercise its rights pursuant to Section 4.20 of the Declaration by towing the vehicle. The costs and expenses of towing the vehicle shall be charged to the Unit Owner as provided in Section 4.20 of the Declaration.

4.6 Other Violations of Governing Documents. Violations by a Unit Owner of any provision of the Declaration, Bylaws or these Rules not specifically provided for in this Section may result in the Board levying a fine against the Unit Owner in the amount of (i) twenty-five dollars (\$25) for the first violation, (ii) fifty dollars (\$50) for the second violation and (iii) one hundred dollars (\$100) for the third violation and each violation thereafter if the violation is one that is not continuing in nature, or in the amount of ten dollars (\$10) multiplied by the number of days the violation exists if the violation is one that is continuing in nature, not to exceed a maximum fine of one hundred dollars (\$100). Any Unit Owner committing a continuing violation shall be entitled to one (1) warning letter before a fine is levied.

**ARTICLE 5
MISCELLANEOUS**

5.1 Complaints Concerning Violations. A Unit Owner or Resident may report an alleged violation to the Association by a telephone call to the Community Manager.

5.2 Modification of Rules. These Rules may be modified from time to time as may be deemed necessary in the sole discretion of the Board of the Association.

5.3 Conflict. In the event of any conflict between these Rules and the Declaration, the Declaration shall control. In the event of any conflict between these Rules and the Bylaws, the Bylaws shall control.

Burson Ranch Homeowners Association

Reserve Study Reports



Burson Ranch HOA

Level 1 Reserve Study



Report Period - 1/1/2020 to 12/31/2020

Client Reference Number	19253
Property Type	Single Family Homes
Number of Units	380
Fiscal Year End	12/31
Type of Study	Full Study
Date of Site Visit	11/15/2019
Prepared By	TJ Martin
NV Permit #	RSS: 0000196
Analysis Method	Cash Flow
Funding Goal	Full Funding

Report prepared on – December 10, 2019



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Table of Contents

Introduction

- Executive Summary Page 1
- Introduction Page 2
- General Information and Frequently Asked Questions Page 3 - 5

Reserve Analysis

- Funding Summary Page 6
- Percent Funded – Graph Page 7
- Component Funding Information Page 8
- Yearly Summary Page 9
- Reserve Contributions – Graph Page 10
- Significant Components Page 11
- Significant Components – Graph Page 12
- Yearly Cash Flow Page 13 - 14
- Yearly Reserve Expenditures – Graph Page 15
- Projected Reserve Expenditures by Year Page 16 - 18

Component Evaluation

- Component Evaluation Page 19 - 40

Glossary of Commonly used Words and Phrases

- Glossary Page 41 - 42

Executive Summary - Burson Ranch HOA - ID # 19253

Information to complete this Full Study was gathered by performing an on-site visit of the common area elements. In addition, we may also have obtained information by contacting any vendors and/or contractors that have worked on the property recently, as well as communicating with the property representative (BOD Member and/or Community Manager). To the best of our knowledge, the conclusions and recommendations of this report are considered reliable and accurate insofar as the information obtained from these sources.

Projected Starting Balance as of 1/1/2020	\$150,967
Ideal Reserve Balance as of 1/1/2020	\$133,698
Percent Funded as of 1/1/2020	113%
Recommended Reserve Contribution (per month)	\$1,700
Minimum Reserve Contribution (per month)	\$1,525
Recommended Special Assessment	\$0

Property Details

Burson Ranch HOA is a 380-unit single family homes community located in Pahrump, Nevada. The property offers a common area parks, walkways, landscaping, and monuments as amenities. Construction on the community was completed in approximately 2008.

Currently Programmed Projects

Projects programmed to occur this fiscal year (FY 2020) include: Gazebo - Repair/Repaint (Comp #212). We have programmed an estimated \$6,500 in reserve expenditures toward the completion of these projects. (See Page(s) 16 - 18)

Significant Reserve Projects

The association's significant reserve projects include: (Comp #1812), Safety Padding - Replace (Comp #1302), Play Structure - Replace (Comp #1301) and Park Furniture - Replace (Comp #1306). The fiscal significance of these components is approximately 31%, 12%, 10% and 9% respectively. A component's significance is calculated by dividing its replacement cost by its useful life. In this way, not only is a component's replacement cost considered but also the frequency of occurrence. These components most significantly contribute to the total monthly reserve contribution. As these components have a high level of fiscal significance the association should properly maintain them to ensure they reach their full useful lives. (See Page(s) 11)

Reserve Funding

In comparing the projected starting reserve balance of \$150,967 versus the ideal reserve balance of \$133,698 we find the association's reserve fund to be approximately 113% funded. This indicates a fully funded reserve fund position. In order to maintain the account fund, we suggest adopting a monthly reserve contribution of \$1,700 (\$4.47/unit) per month. For comparison purposes, we have also set a minimum reserve contribution of \$1,525 (\$4.01/unit) per month. If the contribution falls below this rate, then the reserve fund may fall into a situation where special assessments, deferred maintenance, and lower property values are likely at some point in the future.

Starting Reserve Balance

The starting reserve balance was provided by the client and was calculated as follows: \$147,566.72 balance as of 10/31/19 plus two months of reserve contributions of \$1,700. Therefore we estimated a starting reserve balance of approximately \$150,966.72 at 1/1/2020.



Introduction

Reserve Study Purpose

The purpose of this Reserve Study is to provide the board with a budgeting tool to help ensure that there are adequate reserve funds available to perform future reserve projects. In this respect our estimates of the current and future Fully Funded balances are less significant than the recommended reserve contribution. The board should weigh carefully our recommendations when setting the Reserve Contribution. The detailed schedules will serve as an advanced warning that major projects will need to be addressed in the future. This will allow the Board of Directors to have ample time to obtain competitive estimates and bids that will result in cost savings to the individual homeowners. It will also ensure the physical well-being of the property and ultimately enhance each owner's investment, while limiting the possibility of unexpected major projects that may lead to special assessments.

Preparer's Credentials

This reserve study was prepared under the responsible charge of TJ Martin. Any persons assisting in the preparation of this study worked under his responsible charge and have appropriate experience and training.

- Senior Project Manager, Nevada Region
- Nevada Reserve Study Specialist permit number RSS.0000196
- Local 720 IATSE union member
- Nevada Real Estate license number S.0174286
- Personally has prepared or assisted in the preparation of over 400 reserve studies.
- Has worked on reserve studies for association's ranging from single family home communities, high-rises, master associations, condominium communities, and townhouse associations.

Budget Breakdown

Every association conducts their business within a budget. There are typically two main parts to this budget, the Operating budget and the Reserve budget. The operating budget typically includes all expenses that occur on an annual basis as well as general maintenance and repairs. Typical Operating budget line items include management fees, maintenance expenses, utilities, etc. The reserves are primarily made up of capital replacement items such as roofing, fencing, mechanical equipment, etc., that do not normally occur on an annual basis. Typically, the reserve contribution makes up 15% - 40% of the association's total budget. Therefore, reserves are considered to be a major part of the overall monthly association assessment.

Report Sections

The **Reserve Analysis** Section contains the evaluation of the association's reserve balance, income, and expenses. It includes a finding of the client's current reserve fund status (measured as percent funded) and a recommendation for an appropriate reserve allocation rate (also known as the funding plan).

The **Component Evaluation** Section contains information regarding the physical status and replacement cost of major common area components the association is responsible to maintain. It is important to understand that while the component inventory will remain relatively "stable" from year to year, the condition assessment and life estimates will most likely vary from year to year.



General Information and Frequently Asked Questions

Is it the law to have a Reserve Study conducted?

The Government requires reserve analyses in approximately 20 States. Even if it is not currently governed by your State, the chances are very good that the documents of the association require the association to have a reserve fund established. This doesn't mean a Reserve Study is required, but how are you going to know if you have enough funds in the reserve account if you don't have the proper information? Some associations look at the Reserve fund and think that \$500,000 is a lot of money and they are in good shape. What they don't know is that the roof is going to need to be replaced within 5 years, and the cost of the roof is going to exceed \$750,000. So while \$500,000 sounds like a lot of money, in reality it won't even cover the cost of a roof, let alone all the other amenities the association is responsible to maintain.

Why is it important to perform a Reserve Study?

As previously mentioned, the reserve allocation makes up a significant portion of the total monthly assessment. This report provides the essential information that is needed to guide the Board of Directors in establishing the reserve portion of the total monthly assessment. The reserve fund is critical to the future of the association because it helps ensure that significant reserve projects can be completed on time with quality contractors. In this way deferred maintenance can be avoided as well as the lower property values that typically accompanies it. It is suggested that a third party professionally prepare the Reserve Study since there is no vested interest in the property.

After we have a Reserve Study completed, what do we do with it?

Hopefully, you will not look at this report and think it is too cumbersome to comprehend. Our intention is to make this Reserve Study easy to read and understand. Please take the time to review it carefully and make sure the "main ingredients" (component information) are complete and accurate. If there are any components that the association feels should be added, removed, or altered as well as any other inaccuracies or changes that should be made, please inform us immediately so we may revise the report. In order to ensure the Board understands its role in the completion of this report, all reports are labeled as "DRAFT" until their input has been given and the report has been approved as finalized.

Note to user: If this report has a "DRAFT" watermark it is not a finalized report and is not to be relied upon or used for budgeting purposes.

Once you feel the report is an accurate tool to work from, use it to help establish your budget for the upcoming fiscal year. The reserve allocation makes up a large portion of the total monthly assessment and this report should help you determine the correct amount of money to go into the reserve fund. Additionally, the Reserve Study should act as a guide to obtain proposals in advance of pending projects. This will give you an opportunity to shop around for the best price available.

How often do we update or review the Reserve Study?

Unfortunately, there is a misconception that these reports are good for an extended period of time since the report has projections for the next 30 years. Just like any major line item in the budget, the Reserve Study should be professionally reviewed (Level III "no site visit" update study) each year before the budget is established. Invariably, some assumptions have to be made during the compilation of this analysis. Anticipated events may not materialize and unpredictable circumstances could occur. Deterioration rates and repair/replacement costs will vary from causes that are unforeseen. Earned interest rates may vary from year to year. These variations could alter the results of the Reserve Study. Because of this projected future Fully Funded balances cannot be relied upon (in other words the Fully Funded balance for the current year of a report prepared 3 years earlier cannot be considered accurate or reliable). Therefore, this analysis should be professionally reviewed annually, and a "site visit" reserve study should be conducted at least once every three years.

What is a "Reserve Component" versus an "Operating Component"?

A "Reserve" component is an item that is the responsibility of the association to maintain, has a limited useful life, predictable remaining useful life, typically occurs on a cyclical basis that exceeds 1 year, and costs above a minimum threshold amount. An "Operating" expense is typically a fixed expense that occurs on an annual basis. For instance, minor repairs to a roof for damage caused by high winds or other weather elements would be considered an "Operating" expense. However, if the entire roof needs to be replaced because it has reached the end of its life expectancy, then the replacement would be considered a reserve expense.

What are the GREY areas of "maintenance" items that are often seen in a Reserve Study?

One of the most popular questions revolves around major "maintenance" items, such as painting the buildings or seal coating the asphalt. You may hear from your accountant that since painting or seal coating is not replacing a "capital" item, it cannot be considered a Reserve issue. However, it is the opinion of several major Reserve Study providers, including Complex Solutions, that these items are considered to be major expenses that occur on a cyclical basis. Therefore, it makes it very difficult to ignore a major expense that meets the criteria to be considered a reserve

component. Once explained in this context, many accountants tend to agree and will include any expenses, such as these examples, as a reserve component.

What are the GREY areas of major expenses that are not included in a Reserve Study?

Some components may appear to satisfy the requirements of being a reserve component but are still not included in the reserve study. Several Reserve Study providers, including Complex Solutions, limit the component list to physical components of the common area that are owned by the association. Certain elements of an association's common area, such as leased items, or non-physical components such as future reserve studies, financial audits, inspection reports etc. are not included in our reserve studies. In addition we typically do not fund for utility systems, plumbing, or components with an extended useful life. Associations that feel any of these components should be included in our reserve study should notify us with their request. These components will be added to help the association better plan and prepare their own budget and will not necessarily reflect the professional opinions of Complex Solutions.

Information and Data Gathered

It is important for the client, homeowners, and potential future homeowners to understand that the information contained in this analysis is based on estimates and assumptions gathered from various sources. Estimated life expectancies and cycles are based upon conditions that were readily visible and accessible at the time of the site visit. No destructive or intrusive methods (such as entering the walls to inspect the condition of electrical wiring, plumbing lines, and telephone wires) were performed. In addition, environmental hazards (such as lead paint, asbestos, radon, etc.), construction defects, and acts of nature have also been excluded from this report. If problem areas were revealed, a reasonable effort has been made to include these items within the report. While every effort has been made to ensure accurate results, this report reflects the judgment of Complex Solutions, Ltd.. and should not be construed as a guarantee or assurance of predicting future events.

What happens during the Site Visit? (Site Visit Studies Only)

The Site Visit was conducted of the common areas as reported by client. There may be certain areas that are not located inside the community but still a part of the association's common area. This may include drainage easements or landscaped areas located outside of the community, such as across a street. It is the responsibility of the Association to inform us of all common area locations. From our site visit we identified those common area components that we have determined require reserve funding. Based on information provided by the client, client's vendors, and our assessment of the components we have developed a component list and life and cost estimates.

What is the Financial Analysis?

We project the starting balance by taking the most recent reserve fund balance as stated by the client and add expected reserve contributions to the end of the fiscal year. We then subtract the expenses of any pending projects. We compare this number to the Fully Funded Balance and arrive at the Percent Funded level. Based on that level of funding we then recommend a Funding Plan to help ensure the adequacy of funding in the future

Percent Funded Breakdown: The percentage of the current reserve fund balance versus the Fully Funded Balance. A "snap-shot" indicator of the general strength of the account at the time of report preparation. Because many variables affect the Fully Funded balance it is more important to maintain the recommended reserve contribution or "cash flow" moving forward rather than striving to attain a certain Fully Funded figure.

Measures of strength are as follows:

0% - 30% Funded is generally considered to be a "weak" financial position. Associations that fall into this category are subject to higher frequencies of special assessments and deferred maintenance, which could lead to lower property values. Furthermore, should components fail sooner than expected our recommendations may not be enough to get the community into a better financial position. In this case additional actions beyond our initial recommendations may be necessary to improve the financial strength of the reserve fund.

31% - 69% Funded is generally considered a "fair" financial position. The majority of associations fall into this category. While this doesn't represent financial strength and stability, the likelihood of special assessments and deferred maintenance is diminished. Effort should be taken to continue strengthening the financial position of the reserve fund.

70% - 99% Funded is generally considered a "strong" financial position. This indicates financial strength of a reserve fund and every attempt to maintain this level should be a goal of the association.

100% Funded is considered an "ideal" financial position. This means that the association theoretically has the exact amount of funds in the reserve account.

100%+ Funded is considered over-funded. This means that the association has more reserve funds than the theoretically ideal amount.

Disclosures:

Information provided to the preparer of a reserve study by an official representative of the association regarding financial, historical, physical, quantitative or reserve project issues will be deemed reliable by the preparer. A reserve study will be a reflection of information provided to the preparer of the reserve study. The total of actual or projected reserves required as presented in the reserve study is based upon information provided that was not audited.

A reserve study is not intended to be used to perform an audit, an analysis of quality, a forensic study or a background check of historical records. A site visit conducted in conjunction with a reserve study should not be deemed to be a project audit or quality inspection.

The results of this study are based on the independent opinion of the preparer and his experience and research during the course of his career in preparing Reserve Studies. In addition any opinions of experts on certain components have been gathered through research within their industry and with client's actual vendors. There is no implied warranty or guarantee regarding our life and cost estimates/predictions. There is no implied warranty or guarantee in any of our work product. Our results and findings will vary from another preparer's results and findings. A Reserve Study is necessarily a work in progress and subsequent Reserve Studies will vary from prior studies.

Estimated life expectancies and life cycles are based upon conditions that were readily accessible and visible at the time of the site visit. We did not destroy any landscape work, building walls, or perform any methods of intrusive investigation during the site visit. In these cases, information may have been obtained by contacting the contractor or vendor that has worked on the property. The physical analysis performed during this site visit is not intended to be exhaustive in nature and may include representative sampling.

The projected life expectancy of the major components and the funding needs of the reserves of the association are based upon the association performing appropriate routine and preventative maintenance for each major component. Failure to perform such maintenance can negatively impact the remaining useful life of the major components and dramatically increase the funding needs of the reserves of the association.

This Reserve Study assumes that all construction assemblies and components identified herein are built properly and are free from defects in materials and/or workmanship. Defects can lead to reduced useful life and premature failure. It was not the intent of this Reserve Study to inspect for or to identify defects. If defects exist, repairs should be made so that the construction components and assemblies at the community reach their full and expected useful lives.

We have assumed any and all components have been properly built and will reach normal, typical life expectancies. In general a reserve study is not intended to identify or fund for construction defects. We did not and will not look for or identify construction defects during our site visit.

Site Visits: Should a site visit have been performed during the preparation of this reserve study no invasive testing was performed. The physical analysis performed during the site visit was not intended to be exhaustive in nature and may have included representative sampling.

Update Reserve Studies: Level II Studies: Quantities of major components as reported in previous reserve studies are deemed to be accurate and reliable. The reserve study relies upon the validity of previous reserve studies. **Level III Studies:** In addition to the above we have not visited the property when completing a Level III "No Site Visit" study. Therefore we have not verified the current condition of the common area components.

Insurance: We carry general and professional liability insurance as well as workers' compensation insurance.

Actual or Perceived Conflicts of Interest: Unless otherwise stated there are no potential actual or perceived conflicts of interest that we are aware of.

Inflation and Interest Rates: The after tax interest rate used in the financial analysis may or may not be based on the clients reported after tax interest rate. If it is we have not verified or audited the reported rate. The interest rate may also be based on an amount we believe appropriate given the 30-year horizon of this study and may or may not reflect current or historical inflation rates.



Funding Summary

Beginning Assumptions

# of units	380
Fiscal Year End	12/31
Budgeted Monthly Reserve Allocation	\$1,700
Projected Starting Reserve Balance	\$150,967
Ideal Starting Reserve Balance	\$133,698

Economic Assumptions

Current Inflation Rate	3.00%
Reported After-Tax Interest Rate	0.50%

Current Reserve Status

Current Balance as a % of Ideal Balance	113%
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Recommendations

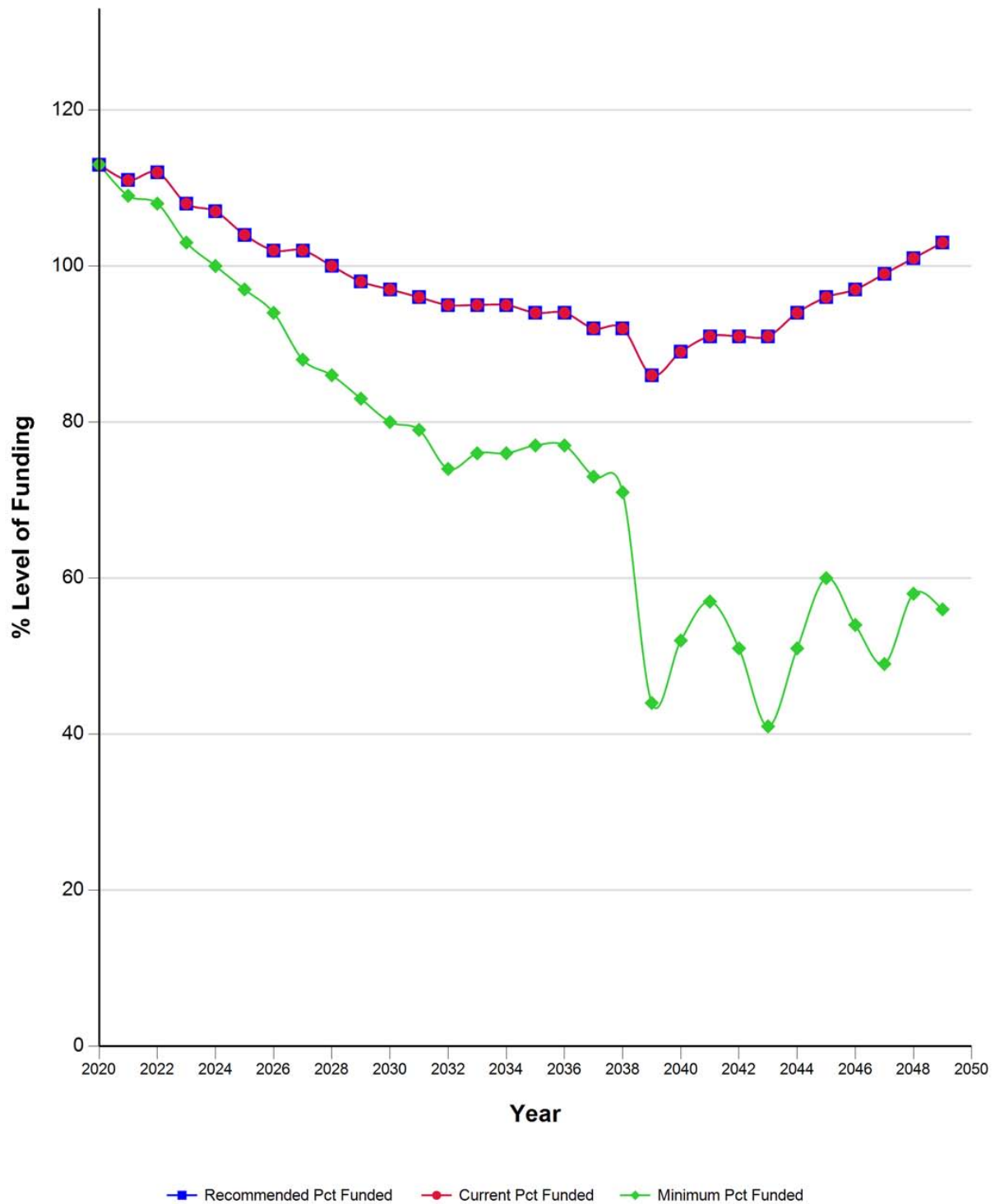
Recommended Special Assessment	\$0
Recommended Monthly Reserve Allocation	\$1,700
Per Unit	\$4.47
Future Annual Increases	3.00%
For number of years:	6
Increases thereafter:	3.75%
Minimum Recommended Monthly Reserve Allocation	\$1,525
Per Unit	\$4.01
Future Annual Increases	3.00%
For number of years:	6
Increases thereafter:	3.75%

Changes From Prior Year

Recommended Increase to Reserve Allocation	\$0
as Percentage	0%
Minimum Recommended Increase to Reserve Allocation	(\$175)
as Percentage	-10%



Percent Funded - Graph



Component Funding Information

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
212	Gazebo - Repair/Repaint	5	0	(4) Gazebo	\$6,500	\$6,500	\$7,340	\$113.43
214	Red Curbing - Repaint (Not HOA)	N/A	0	Approx 420 Linear ft.	\$0	\$0	\$0	\$0.00
219	Bollard Lights - Repaint	5	3	(9) Bollards	\$575	\$230	\$260	\$10.03
401	Asphalt - Seal/Replace (Not HOA)	N/A	0	Approx 145,855 Sq.ft.	\$0	\$0	\$0	\$0.00
403	Concrete - Repair/Replace	15	3	Approx 17,100 Sq.ft.	\$4,600	\$3,680	\$4,155	\$26.76
801	Monument Signs - Replace	20	8	(6) Monuments	\$13,500	\$8,100	\$9,146	\$58.89
803	Mailboxes - Replace (Postal Service)	N/A	0	Numerous	\$0	\$0	\$0	\$0.00
808	Street Signs - Replace (Not HOA)	N/A	0	Numerous	\$0	\$0	\$0	\$0.00
890	Flag Pole - Replace	30	18	(1) Flag pole	\$17,500	\$7,000	\$7,904	\$50.90
1003	Chain Link Fencing - Replace (Dog Run)	30	18	Approx 360 Linear ft.	\$13,500	\$5,400	\$6,098	\$39.26
1005	Block Wall - Repair (Not HOA)	N/A	0	Approx 10,750 Linear ft.	\$0	\$0	\$0	\$0.00
1008	PVC Vinyl Fencing - Replace (Not HOA)	N/A	0	Extensive Linear ft.	\$0	\$0	\$0	\$0.00
1301	Play Structure - Replace	16	6	(1) Play structure	\$32,500	\$20,313	\$22,936	\$177.23
1302	Safety Padding - Replace	8	1	Approx 950 Sq.ft.	\$19,000	\$16,625	\$18,772	\$207.22
1303	Safety Padding - Seal/Repair	2	3	Approx 950 Sq.ft.	\$2,363	\$0	\$0	\$103.06
1306	Park Furniture - Replace	15	3	(28) Pieces	\$27,500	\$22,000	\$24,842	\$159.96
1309	Gazebo - Refurbish/Replace	30	18	(4) Gazebo	\$28,000	\$11,200	\$12,647	\$81.43
1390	Pet Waste Stations - Replace	10	5	(10) Pet waste stations	\$2,500	\$1,250	\$1,411	\$21.81
1605	Bollard Lights - Replace	20	8	(9) Bollards	\$9,000	\$5,400	\$6,098	\$39.26
1801	Groundcover - Replenish	3	1	Allowance	\$3,000	\$2,000	\$2,258	\$87.25
1812	Landscaping / Irrigation - Renovate	5	1	Allowance	\$30,000	\$24,000	\$27,100	\$523.50
2001	Lift Station (Not HOA)	N/A	0	(1) Lift Station	\$0	\$0	\$0	\$0.00
					\$210,038	\$133,698	\$150,967	\$1,700

Current Fund Balance as a percentage of Ideal Balance: 113%

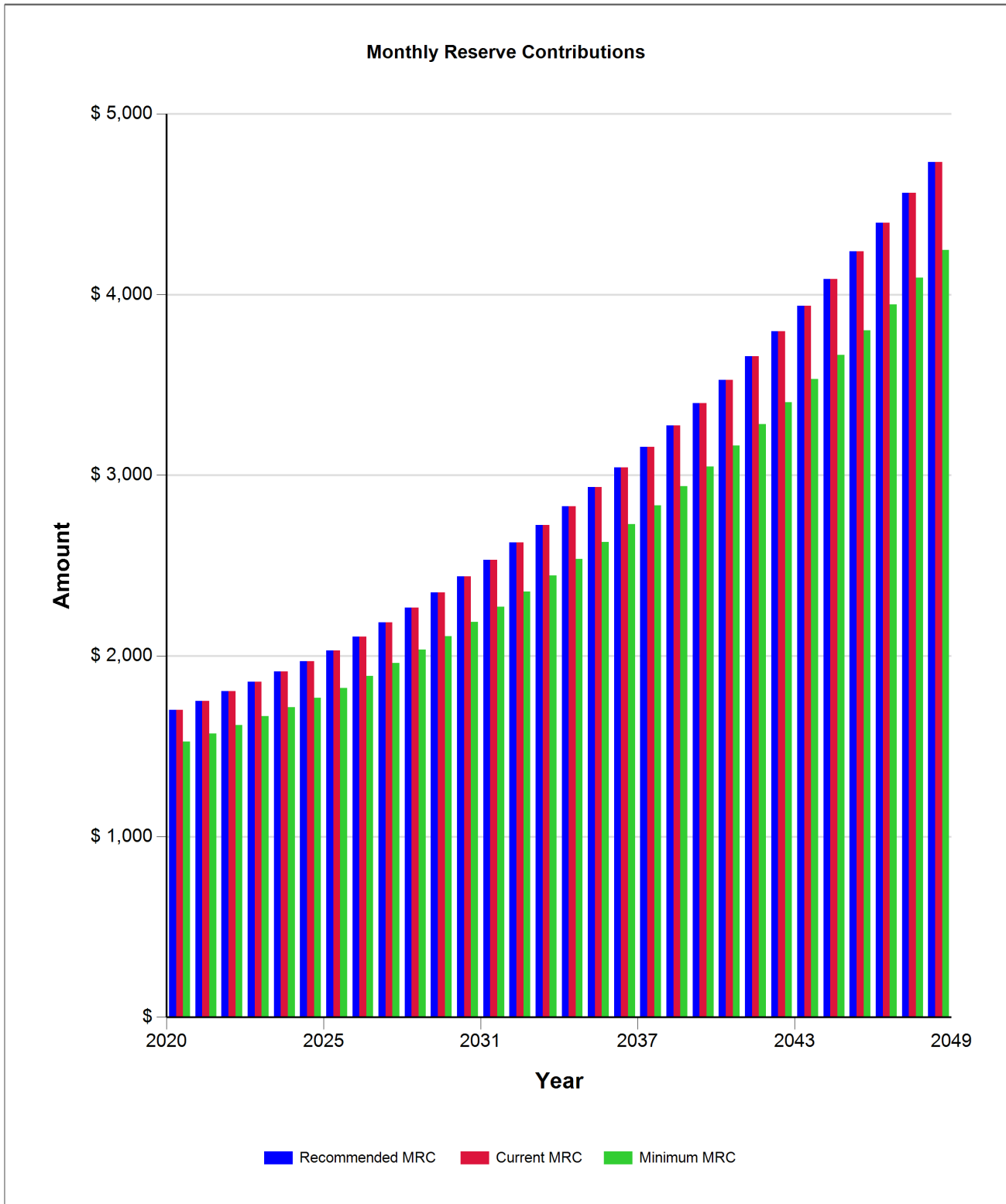


Yearly Summary

Year	Beginning Fully Funded Balance	Beginning Reserve Balance	Beginning % Funded	Reserve Contributions	Interest Income	Reserve Expenses	Ending Reserve Balance
2020	\$133,698	\$150,967	113%	\$20,400	\$791	\$6,500	\$165,658
2021	\$149,865	\$165,658	111%	\$21,012	\$749	\$53,560	\$133,859
2022	\$119,865	\$133,859	112%	\$21,642	\$725	\$0	\$156,226
2023	\$144,752	\$156,226	108%	\$22,292	\$743	\$38,286	\$140,974
2024	\$131,589	\$140,974	107%	\$22,960	\$756	\$3,377	\$161,314
2025	\$154,647	\$161,314	104%	\$23,649	\$835	\$13,172	\$172,625
2026	\$168,984	\$172,625	102%	\$24,359	\$739	\$74,628	\$123,095
2027	\$121,149	\$123,095	102%	\$25,272	\$664	\$6,595	\$142,435
2028	\$142,673	\$142,435	100%	\$26,220	\$706	\$29,231	\$140,131
2029	\$142,268	\$140,131	98%	\$27,203	\$701	\$27,873	\$140,161
2030	\$144,011	\$140,161	97%	\$28,223	\$741	\$12,767	\$156,358
2031	\$162,152	\$156,358	96%	\$29,282	\$745	\$44,797	\$141,587
2032	\$148,655	\$141,587	95%	\$30,380	\$786	\$0	\$172,753
2033	\$181,728	\$172,753	95%	\$31,519	\$923	\$8,719	\$196,475
2034	\$207,670	\$196,475	95%	\$32,701	\$1,067	\$0	\$230,242
2035	\$244,256	\$230,242	94%	\$33,927	\$1,195	\$17,702	\$247,661
2036	\$264,617	\$247,661	94%	\$35,199	\$1,197	\$52,955	\$231,102
2037	\$250,216	\$231,102	92%	\$36,519	\$1,161	\$35,309	\$233,474
2038	\$254,524	\$233,474	92%	\$37,889	\$874	\$156,071	\$116,166
2039	\$135,573	\$116,166	86%	\$39,310	\$657	\$9,403	\$146,729
2040	\$165,146	\$146,729	89%	\$40,784	\$808	\$11,740	\$176,582
2041	\$194,254	\$176,582	91%	\$42,313	\$840	\$60,204	\$159,531
2042	\$175,406	\$159,531	91%	\$43,900	\$739	\$68,022	\$136,148
2043	\$149,059	\$136,148	91%	\$45,546	\$782	\$5,797	\$176,679
2044	\$187,167	\$176,679	94%	\$47,254	\$1,004	\$0	\$224,937
2045	\$233,578	\$224,937	96%	\$49,026	\$1,075	\$69,854	\$205,184
2046	\$210,655	\$205,184	97%	\$50,865	\$994	\$64,698	\$192,345
2047	\$193,616	\$192,345	99%	\$52,772	\$1,083	\$5,248	\$240,952
2048	\$238,598	\$240,952	101%	\$54,751	\$1,195	\$59,658	\$237,240
2049	\$230,224	\$237,240	103%	\$56,804	\$1,317	\$5,567	\$289,794



Reserve Contributions - Graph

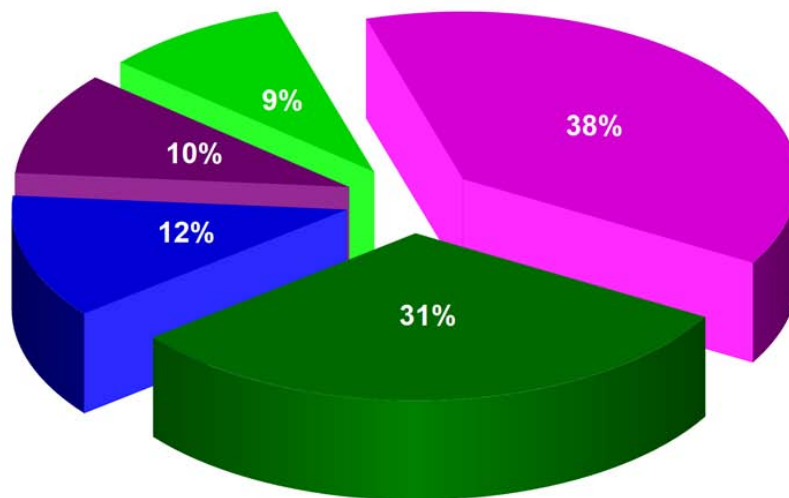
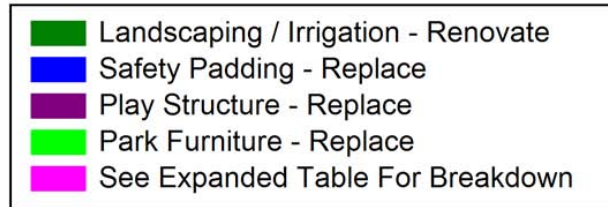


Significant Components

ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current	Significance: (Curr Cost/UL) AS %	
212	Gazebo - Repair/Repaint	5	0	\$6,500	\$1,300	6.6700%
214	Red Curbing - Repaint (Not HOA)	Unfunded	0	\$0	\$0	0.0000%
219	Bollard Lights - Repaint	5	3	\$575	\$115	0.5900%
401	Asphalt - Seal/Replace (Not HOA)	Unfunded	0	\$0	\$0	0.0000%
403	Concrete - Repair/Replace	15	3	\$4,600	\$307	1.5700%
801	Monument Signs - Replace	20	8	\$13,500	\$675	3.4600%
803	Mailboxes - Replace (Postal Service)	Unfunded	0	\$0	\$0	0.0000%
808	Street Signs - Replace (Not HOA)	Unfunded	0	\$0	\$0	0.0000%
890	Flag Pole - Replace	30	18	\$17,500	\$583	2.9900%
1003	Chain Link Fencing - Replace (Dog Run)	30	18	\$13,500	\$450	2.3100%
1005	Block Wall - Repair (Not HOA)	Unfunded	0	\$0	\$0	0.0000%
1008	PVC Vinyl Fencing - Replace (Not HOA)	Unfunded	0	\$0	\$0	0.0000%
1301	Play Structure - Replace	16	6	\$32,500	\$2,031	10.4300%
1302	Safety Padding - Replace	8	1	\$19,000	\$2,375	12.1900%
1303	Safety Padding - Seal/Repair	2	3	\$2,363	\$1,181	6.0600%
1306	Park Furniture - Replace	15	3	\$27,500	\$1,833	9.4100%
1309	Gazebo - Refurbish/Replace	30	18	\$28,000	\$933	4.7900%
1390	Pet Waste Stations - Replace	10	5	\$2,500	\$250	1.2800%
1605	Bollard Lights - Replace	20	8	\$9,000	\$450	2.3100%
1801	Groundcover - Replenish	3	1	\$3,000	\$1,000	5.1300%
1812	Landscaping / Irrigation - Renovate	5	1	\$30,000	\$6,000	30.7900%
2001	Lift Station (Not HOA)	Unfunded	0	\$0	\$0	0.0000%



Significant Components - Graph



ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As \$	As %
1812	Landscaping / Irrigation - Renovate	5	1	\$30,000	\$6,000	31%
1302	Safety Padding - Replace	8	1	\$19,000	\$2,375	12%
1301	Play Structure - Replace	16	6	\$32,500	\$2,031	10%
1306	Park Furniture - Replace	15	3	\$27,500	\$1,833	9%
All Other	See Expanded Table For Breakdown				\$12,240	38%

Yearly Cash Flow

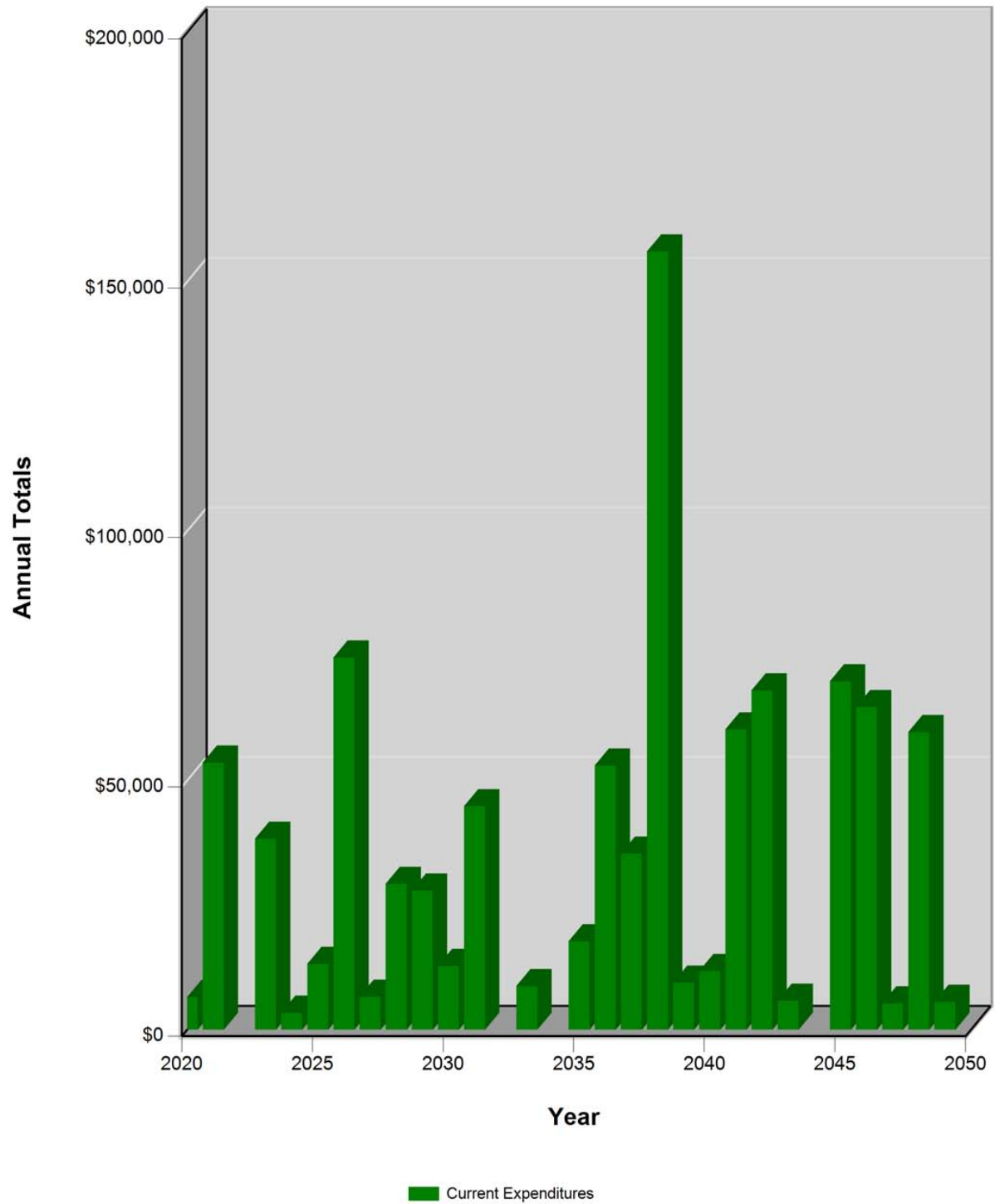
Year	2020	2021	2022	2023	2024
Starting Balance	\$150,967	\$165,658	\$133,859	\$156,226	\$140,974
<i>Reserve Income</i>	\$20,400	\$21,012	\$21,642	\$22,292	\$22,960
<i>Interest Earnings</i>	\$791	\$749	\$725	\$743	\$756
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$172,158	\$187,419	\$156,226	\$179,261	\$164,690
Reserve Expenditures	\$6,500	\$53,560	\$0	\$38,286	\$3,377
Ending Balance	\$165,658	\$133,859	\$156,226	\$140,974	\$161,314
Year	2025	2026	2027	2028	2029
Starting Balance	\$161,314	\$172,625	\$123,095	\$142,435	\$140,131
<i>Reserve Income</i>	\$23,649	\$24,359	\$25,272	\$26,220	\$27,203
<i>Interest Earnings</i>	\$835	\$739	\$664	\$706	\$701
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$185,797	\$197,723	\$149,031	\$169,362	\$168,034
Reserve Expenditures	\$13,172	\$74,628	\$6,595	\$29,231	\$27,873
Ending Balance	\$172,625	\$123,095	\$142,435	\$140,131	\$140,161
Year	2030	2031	2032	2033	2034
Starting Balance	\$140,161	\$156,358	\$141,587	\$172,753	\$196,475
<i>Reserve Income</i>	\$28,223	\$29,282	\$30,380	\$31,519	\$32,701
<i>Interest Earnings</i>	\$741	\$745	\$786	\$923	\$1,067
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$169,126	\$186,385	\$172,753	\$205,194	\$230,242
Reserve Expenditures	\$12,767	\$44,797	\$0	\$8,719	\$0
Ending Balance	\$156,358	\$141,587	\$172,753	\$196,475	\$230,242
Year	2035	2036	2037	2038	2039
Starting Balance	\$230,242	\$247,661	\$231,102	\$233,474	\$116,166
<i>Reserve Income</i>	\$33,927	\$35,199	\$36,519	\$37,889	\$39,310
<i>Interest Earnings</i>	\$1,195	\$1,197	\$1,161	\$874	\$657
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$265,364	\$284,057	\$268,783	\$272,236	\$156,133
Reserve Expenditures	\$17,702	\$52,955	\$35,309	\$156,071	\$9,403
Ending Balance	\$247,661	\$231,102	\$233,474	\$116,166	\$146,729



Year	2040	2041	2042	2043	2044
Starting Balance	\$146,729	\$176,582	\$159,531	\$136,148	\$176,679
<i>Reserve Income</i>	\$40,784	\$42,313	\$43,900	\$45,546	\$47,254
<i>Interest Earnings</i>	\$808	\$840	\$739	\$782	\$1,004
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$188,321	\$219,735	\$204,170	\$182,476	\$224,937
Reserve Expenditures	\$11,740	\$60,204	\$68,022	\$5,797	\$0
Ending Balance	\$176,582	\$159,531	\$136,148	\$176,679	\$224,937
Year	2045	2046	2047	2048	2049
Starting Balance	\$224,937	\$205,184	\$192,345	\$240,952	\$237,240
<i>Reserve Income</i>	\$49,026	\$50,865	\$52,772	\$54,751	\$56,804
<i>Interest Earnings</i>	\$1,075	\$994	\$1,083	\$1,195	\$1,317
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$275,038	\$257,042	\$246,200	\$296,898	\$295,362
Reserve Expenditures	\$69,854	\$64,698	\$5,248	\$59,658	\$5,567
Ending Balance	\$205,184	\$192,345	\$240,952	\$237,240	\$289,794



Yearly Reserve Expenditures - Graph



Projected Reserve Expenditures by Year

Year	Comp. Id	Component Name	Projected Cost	Total Per Annum
2020	212	Gazebo - Repair/Repaint	\$6,500	\$6,500
2021	1302	Safety Padding - Replace	\$19,570	
	1801	Groundcover - Replenish	\$3,090	
	1812	Landscaping / Irrigation - Renovate	\$30,900	\$53,560
2022		No Expenditures Projected	\$0	\$0
2023	219	Bollard Lights - Repaint	\$628	
	403	Concrete - Repair/Replace	\$5,027	
	1303	Safety Padding - Seal/Repair	\$2,582	
	1306	Park Furniture - Replace	\$30,050	\$38,286
2024	1801	Groundcover - Replenish	\$3,377	\$3,377
2025	212	Gazebo - Repair/Repaint	\$7,535	
	1303	Safety Padding - Seal/Repair	\$2,739	
	1390	Pet Waste Stations - Replace	\$2,898	\$13,172
2026	1301	Play Structure - Replace	\$38,807	
	1812	Landscaping / Irrigation - Renovate	\$35,822	\$74,628
2027	1303	Safety Padding - Seal/Repair	\$2,906	
	1801	Groundcover - Replenish	\$3,690	\$6,595
2028	219	Bollard Lights - Repaint	\$728	
	801	Monument Signs - Replace	\$17,101	
	1605	Bollard Lights - Replace	\$11,401	\$29,231
2029	1302	Safety Padding - Replace	\$24,791	
	1303	Safety Padding - Seal/Repair	\$3,083	\$27,873
2030	212	Gazebo - Repair/Repaint	\$8,735	
	1801	Groundcover - Replenish	\$4,032	\$12,767
2031	1303	Safety Padding - Seal/Repair	\$3,270	
	1812	Landscaping / Irrigation - Renovate	\$41,527	\$44,797
2032		No Expenditures Projected	\$0	\$0
2033	219	Bollard Lights - Repaint	\$844	



Year	Comp. Id	Component Name	Projected Cost	Total Per Annum
2033	1303	Safety Padding - Seal/Repair	\$3,469	\$8,719
	1801	Groundcover - Replenish	\$4,406	
2034		No Expenditures Projected	\$0	\$0
2035	212	Gazebo - Repair/Repaint	\$10,127	\$17,702
	1303	Safety Padding - Seal/Repair	\$3,681	
	1390	Pet Waste Stations - Replace	\$3,895	
2036	1801	Groundcover - Replenish	\$4,814	\$52,955
	1812	Landscaping / Irrigation - Renovate	\$48,141	
2037	1302	Safety Padding - Replace	\$31,404	\$35,309
	1303	Safety Padding - Seal/Repair	\$3,905	
2038	219	Bollard Lights - Repaint	\$979	\$156,071
	403	Concrete - Repair/Replace	\$7,831	
	890	Flag Pole - Replace	\$29,793	
	1003	Chain Link Fencing - Replace (Dog Run)	\$22,983	
	1306	Park Furniture - Replace	\$46,817	
	1309	Gazebo - Refurbish/Replace	\$47,668	
2039	1303	Safety Padding - Seal/Repair	\$4,143	\$9,403
	1801	Groundcover - Replenish	\$5,261	
2040	212	Gazebo - Repair/Repaint	\$11,740	\$11,740
2041	1303	Safety Padding - Seal/Repair	\$4,395	\$60,204
	1812	Landscaping / Irrigation - Renovate	\$55,809	
2042	1301	Play Structure - Replace	\$62,273	\$68,022
	1801	Groundcover - Replenish	\$5,748	
2043	219	Bollard Lights - Repaint	\$1,135	\$5,797
	1303	Safety Padding - Seal/Repair	\$4,663	
2044		No Expenditures Projected	\$0	\$0
2045	212	Gazebo - Repair/Repaint	\$13,610	\$69,854
	1302	Safety Padding - Replace	\$39,782	
	1303	Safety Padding - Seal/Repair	\$4,947	
	1390	Pet Waste Stations - Replace	\$5,234	
	1801	Groundcover - Replenish	\$6,281	



Year	Comp. Id	Component Name	Projected Cost	Total Per Annum
2046	1812	Landscaping / Irrigation - Renovate	\$64,698	\$64,698
2047	1303	Safety Padding - Seal/Repair	\$5,248	\$5,248
2048	219	Bollard Lights - Repaint	\$1,316	\$59,658
	801	Monument Signs - Replace	\$30,887	
	1605	Bollard Lights - Replace	\$20,591	
	1801	Groundcover - Replenish	\$6,864	
2049	1303	Safety Padding - Seal/Repair	\$5,567	\$5,567
2050	212	Gazebo - Repair/Repaint	\$15,777	\$15,777



Component Evaluation

Comp # 212 Gazebo - Repair/Repaint

Location: Park area

Quantity: (4) Gazebo

Life Expectancy: 5 **Remaining Life:** 0

Best Cost: \$6,000.00

\$1,500/Door; Estimate to repaint metal gazebos

Worst Cost: \$7,000.00

\$1,750/Door; Higher estimate for more preparation cost

Source of Information: In-House Costs Database

Observations:

Painted metal surfaces are in fair condition. Expect to paint these surfaces approximately every 5 years to maintain appearance and protect metal surfaces. Remaining life based on current condition.



Component Evaluation

Comp # 214 Red Curbing - Repaint (Not HOA)

Location: Community streets

Quantity: Approx 420 Linear ft.

Life Expectancy: N/A **Remaining Life:** 0

Best Cost: \$0.00

Worst Cost: \$0.00

Source of Information:

General Notes:

Quantity breakdown:

30 Linear ft. - Dunn St.
60 Linear ft. - Sedgwick Ave.
90 Linear ft. - Marathon Dr.
30 Linear ft. - Street at end of Marathon Dr.
90 Linear ft. - Chaffe Ave.
30 Linear ft. - Juneau St.
90 Linear ft. - Street next to Chaffe Ave.

420 Linear ft. - Total

Observations:

These surfaces are not the responsibility of the association to repaint.



Component Evaluation

Comp # 219 Bollard Lights - Repaint

Location: Common area

Quantity: (9) Bollards

Life Expectancy: 5 **Remaining Life:** 3

Best Cost: \$525.00
\$60/Light; Estimate to repaint

Worst Cost: \$625.00
\$70/Light; Higher estimate

Source of Information:

General Notes:

Quantity breakdown:

(1) Bollard - Dunn St.
(7) - Park area

(8) Bollards - Total

Observations:

Painted bollard light surfaces are in fair condition. We recommend repainting them approximately every 3 to 5. Remaining life based on current condition.



Component Evaluation

Comp # 401 Asphalt - Seal/Replace (Not HOA)

Location: Community streets

Quantity: Approx 145,855 Sq.ft.

Life Expectancy: N/A **Remaining Life:** 0

Best Cost: \$0.00

Worst Cost: \$0.00

Source of Information:

Observations:

Client reports that the streets are public. No reserve funding necessary.



Component Evaluation

Comp # 403 Concrete - Repair/Replace

Location: Park area, drainage easement

Quantity: Approx 17,100 Sq.ft.

Life Expectancy: 15 **Remaining Life:** 3

Best Cost: \$4,350.00
\$8.50/Sq.ft.; Estimate to repair/replace approx. 3%

Worst Cost: \$4,850.00
\$9.50/Sq.ft.; Higher estimate for more repairs

Source of Information: In-House Costs Database

Observations:

No expectation to completely replace the concrete surfaces. We recommend making local repairs as necessary as an operating expense and funding to make more significant repairs approximately every 15 years.



Component Evaluation

Comp # 801 Monument Signs - Replace

Location: Entrance to community

Quantity: (6) Monuments

Life Expectancy: 20 **Remaining Life:** 8

Best Cost: \$12,000.00
\$2,000/Sign; Estimate to replace signs

Worst Cost: \$15,000.00
\$2,500/Sign; Higher estimate

Source of Information: In-House Costs Database

General Notes:

Quantity breakdown:

(2) Monuments - Summit Ave.
(2) Monuments - Entry
(2) Monuments - Entry (off Squaw Valley Rd.)

(6) Monuments - Total

Observations:

Monument signs are in good condition. No expectation to completely rebuild the monuments. We recommend funding to generally refurbish and repair the monuments approximately every 15 to 20 years.



Component Evaluation

Comp # 803 Mailboxes - Replace (Postal Service)

Location: Common area

Quantity: Numerous

Life Expectancy: N/A **Remaining Life:** 0

Best Cost: \$0.00

Worst Cost: \$0.00

Source of Information: In-House Costs Database

Observations:

No problems noted at the time of inspection. Typically these mailboxes are owned and maintained by the postal service. No reserve funding necessary.



Component Evaluation

Comp # 808 Street Signs - Replace (Not HOA)

Location: Community streets

Quantity: Numerous

Life Expectancy: N/A **Remaining Life:** 0

Best Cost: \$0.00

Worst Cost: \$0.00

Source of Information:

Observations:

Streets are public. The HOA is not responsible for the replacement of these signs. No reserve funding necessary.



Component Evaluation

Comp # 890 Flag Pole - Replace

Location: Common area

Quantity: (1) Flag pole

Life Expectancy: 30 **Remaining Life:** 18

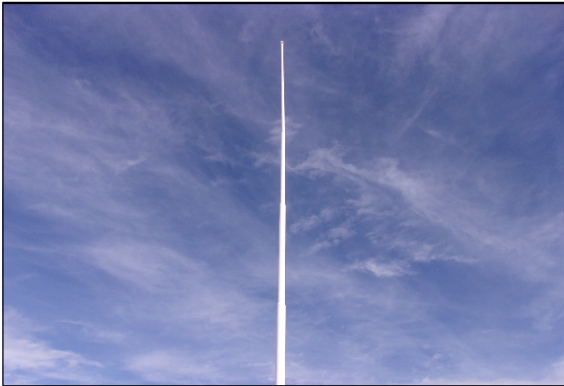
Best Cost: \$15,000.00
Estimate to replace

Worst Cost: \$20,000.00
Higher estimate

Source of Information: In-House Costs Database

Observations:

Although this component may reach an extended life we recommend funding to replace it approximately every 30 years. Remaining life based on current age.



Component Evaluation

Comp # 1003 Chain Link Fencing - Replace (Dog Run)

Location: Park area

Quantity: Approx 360 Linear ft.

Life Expectancy: 30 **Remaining Life:** 18

Best Cost: \$12,600.00
\$35/Linear ft.; Estimate to replace

Worst Cost: \$14,400.00
\$40/Linear ft.; Higher estimate

Source of Information: In-House Costs Database

Observations:

Although this fencing may reach an extended life we recommend funding to replace it approximately every 25 to 30 years. Remaining life based on current condition.



Component Evaluation

Comp # 1005 Block Wall - Repair (Not HOA)

Location: Perimeter fencing, drainage easements, etc.

Quantity: Approx 10,750 Linear ft.

Life Expectancy: N/A **Remaining Life:** 0

Best Cost: \$0.00

Worst Cost: \$0.00

Source of Information:

Observations:

Client reports that the perimeter walls are the responsibility of the individual owners. No reserve funding necessary.



Component Evaluation

Comp # 1008 PVC Vinyl Fencing - Replace (Not HOA)

Location: Back/sided yard fencing

Quantity: Extensive Linear ft.

Life Expectancy: N/A **Remaining Life:** 0

Best Cost: \$0.00

Worst Cost: \$0.00

Source of Information:

Observations:

This fencing is the responsibility of the individual owners. No reserve funding necessary.



Component Evaluation

Comp # 1301 Play Structure - Replace

Location: Park area

Quantity: (1) Play structure

Life Expectancy: 16 **Remaining Life:** 6

Best Cost: \$30,000.00

Estimate to replace play structure

Worst Cost: \$35,000.00

Higher estimate for higher quality play structure

Source of Information: In-House Costs Database

Observations:

Play structure is in good to fair condition. Although this component may reach an extended life, we recommend funding to completely replace this structure approximately every 15-20 years. Remaining life based on current condition.



Component Evaluation

Comp # 1302 Safety Padding - Replace

Location: Park area

Quantity: Approx 950 Sq.ft.

Life Expectancy: 8 **Remaining Life:** 1

Best Cost: \$17,100.00
\$18/Sq.ft.; Estimate to replace

Worst Cost: \$20,900.00
\$22/Sq.ft.; Higher estimate

Source of Information: In-House Costs Database

Observations:

Safety padding is in fair to poor condition. Noted local areas of surface loss and holes in the padding. Expect to replace safety padding this year (FY 2020) based on current condition.



Component Evaluation

Comp # 1303 Safety Padding - Seal/Repair

Location: Park area

Quantity: Approx 950 Sq.ft.

Life Expectancy: 2 **Remaining Life:** 3

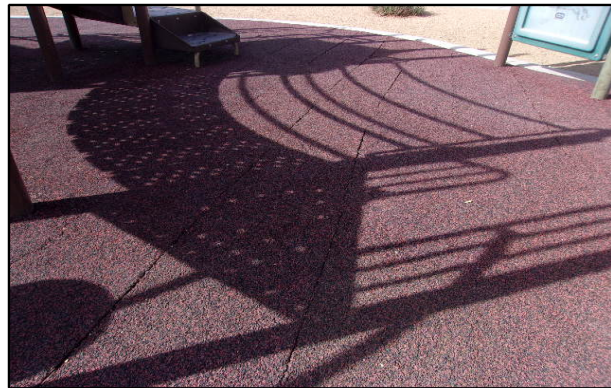
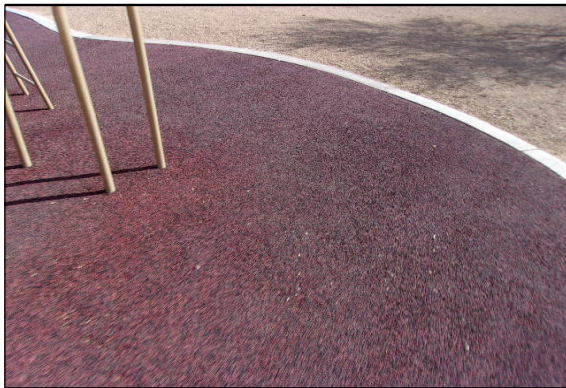
Best Cost: \$2,125.00
\$2.25/Sq.ft.; Estimate to seal/repair

Worst Cost: \$2,600.00
\$2.75/Sq.ft.; Higher estimate for more repairs

Source of Information: In-House Costs Database

Observations:

We recommend funding to seal and generally repair this surface approximately every 2 to 3 years to protect the surface from UV damage. Remaining life based on replacement being performed in FY 2021.



Component Evaluation

Comp # 1306 Park Furniture - Replace

Location: Park area

Quantity: (28) Pieces

Life Expectancy: 15 **Remaining Life:** 3

Best Cost: \$25,000.00
Estimate to replace

Worst Cost: \$30,000.00
Higher estimate

Source of Information: In-House Costs Database

General Notes:

Quantity breakdown:

(10) Benches
(6) Picnic tables
(12) Trash receptacles

(28) Pieces

Observations:

Park furniture is generally in good condition. We recommend funding to replace this equipment approximately every 10 to 15 years depending on use and wear. Repaint furniture as necessary as an operating expense to ensure appearance. Remaining life based on current condition.



Component Evaluation

Comp # 1309 Gazebo - Refurbish/Replace

Location: Park area

Quantity: (4) Gazebo

Life Expectancy: 30 **Remaining Life:** 18

Best Cost: \$24,000.00
\$6,000/Gazebo; Estimate to replace

Worst Cost: \$32,000.00
\$8,000/Gazebo; Higher estimate

Source of Information: In-House Costs Database

Observations:

Gazebos are in good condition. No expectation to completely replace the gazebos. We recommend funding to generally repair and refurbish these structures approximately every 30 years. Remaining life based on current condition.



Component Evaluation

Comp # 1390 Pet Waste Stations - Replace

Location: Park area

Quantity: (10) Pet waste stations

Life Expectancy: 10 **Remaining Life:** 5

Best Cost: \$2,250.00
\$225/Station; Estimate to replace

Worst Cost: \$2,750.00
\$275/Station; Higher estimate

Source of Information: In-House Costs Database

Observations:

Pet waste stations are in fair condition. Expect a useful life of approximately 10 years.



Component Evaluation

Comp # 1605 Bollard Lights - Replace

Location: Common area

Quantity: (9) Bollards

Life Expectancy: 20 **Remaining Life:** 8

Best Cost: \$8,100.00
\$900/Light; Estimate to replace lights

Worst Cost: \$9,900.00
\$1,100/Light; Higher estimate for more installation costs

Source of Information: In-House Costs Database

General Notes:

Quantity breakdown:

(2) Bollard - Dunn St.
(7) - Park area

(9) Bollards - Total

Observations:

The bollard lights are in good condition. Expect to replace lights approximately every 20 years to ensure appearance and function.



Component Evaluation

Comp # 1801 Groundcover - Replenish

Location: Common area

Quantity: Allowance

Life Expectancy: 3 **Remaining Life:** 1

Best Cost: \$2,500.00
Allowance to replenish

Worst Cost: \$3,500.00
Higher allowance

Source of Information: In-House Costs Database

Observations:

Groundcover is generally in good condition. No expectation to completely replace rock. We are funding to generally top fill and dress the rock throughout the community approximately every 3 years.



Component Evaluation

Comp # 1812 Landscaping / Irrigation - Renovate

Location: Common area

Quantity: Allowance

Life Expectancy: 5 **Remaining Life:** 1

Best Cost: \$25,000.00

Estimate to renovate landscaping

Worst Cost: \$35,000.00

Higher estimate for more extensive renovation

Source of Information: In-House Costs Database

Observations:

No expectation to completely replace the landscaping. We recommend funding for an allowance to generally refurbish the landscaping, make local tree replacements, and make upgrades to the irrigation system and landscape lighting approximately every 5 years. Replace irrigation clocks, valves, etc. as necessary as an operating expense.



Component Evaluation

Comp # 2001 Lift Station (Not HOA)

Location: Mickey Street & Squaw Valley Rd.

Quantity: (1) Lift Station

Life Expectancy: N/A **Remaining Life:** 0

Best Cost: \$0.00

Worst Cost: \$0.00

Source of Information:

Observations:

This lift station is not the responsibility of the association to maintain.



Glossary of Commonly Used Words And Phrases

(Provided by the National Reserve Study Standards of the Community Associations Institute)

Cash Flow Method – A method of developing a reserve funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

Component – Also referred to as an “Asset.” Individual line items in the Reserve Study developed or updated in the physical analysis. These elements form the building blocks for the Reserve Study. Components typically are: 1) Association responsibility, 2) with limited useful life expectancies, 3) have predictable remaining life expectancies, 4) above a minimum threshold cost, and 5) required by local codes.

Component Full Funding – When the actual (or projected) cumulative reserve balance for all components is equal to the fully funded balance.

Component Inventory – The task of selecting and quantifying reserve components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representatives.

Deficit – An actual (or projected) reserve balance, which is less than the fully funded balance.

Effective Age – The difference between useful life and remaining useful life (UL - RUL).

Financial Analysis – The portion of the Reserve Study where current status of the reserves (measured as cash or percent funded) and a recommended reserve contribution rate (reserve funding plan) are derived, and the projected reserve income and expenses over time is presented. The financial analysis is one of the two parts of the Reserve Study.

Fully Funded Balance – An indicator against which the actual (or projected) reserve balance can be compared. The reserve balance that is in direct proportion to the fraction of life “used up” of the current repair or replacement cost of a reserve component. This number is calculated for each component, and then summed together for an association total.

$$\text{FFB} = \text{Current Cost} * \text{Effective Age} / \text{Useful Life}$$

Fund Status – The status of the reserve fund as compared to an established benchmark, such as percent funded.

Funding Goals – Independent of calculation methodology utilized, the following represent the basic categories of funding plan goals:

- Baseline Funding: Establishing a reserve-funding goal of keeping the reserve balance above zero.
- Component Full Funding: Setting a reserve funding goal of attaining and maintaining cumulative reserves at or near 100% funded.
- Threshold Funding: Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount.

Funding Plan – An association’s plan to provide income to a reserve fund to offset anticipated expenditures from that fund.

Funding Principles –

- Sufficient funds when required
- Stable contributions through the year
- Evenly distributed contributions over the years
- Fiscally responsible

GSF - Gross Square Feet

Life and Valuation Estimates – The task of estimating useful life, remaining useful life, and repair or replacement costs for the reserve components.

LF - Linear Feet



Percent Funded – The ratio, at a particular point in time (typically the beginning of the fiscal year), of the actual (or projected) reserve balance to the ideal fund balance, expressed as a percentage.

Physical Analysis – The portion of the Reserve Study where the component evaluation, condition assessment, and life and valuation estimate tasks are performed. This represents one of the two parts of the Reserve Study.

Remaining Useful Life (RUL) – Also referred to as “remaining life” (RL). The estimated time, in years, that a reserve component can be expected to continue to serve its intended function. Projects anticipated to occur in the current fiscal year have a “0” remaining useful life.

Replacement Cost – The cost of replacing, repairing, or restoring a reserve component to its original functional condition. The current replacement cost would be the cost to replace, repair, or restore the component during that particular year.

Reserve Balance – Actual or projected funds as of a particular point in time (typically the beginning of the fiscal year) that the association has identified for use to defray the future repair or replacement of those major components that the association is obligated to maintain. Also known as “reserves,” “reserve accounts,” or “cash reserves.” In this report the reserve balance is based upon information provided and is not audited.

Reserve Study – A budget-planning tool, which identifies the current status of the reserve fund and a stable and equitable funding plan to offset the anticipated future major common area expenditures. The Reserve Study consists of two parts: The Physical Analysis and the Financial Analysis.

Special Assessment – An assessment levied on the members of an association in addition to regular assessments. Governing documents or local statutes often regulate special assessments.

Surplus – An actual (or projected) reserve balance that is greater than the fully funded balance.

Useful Life (UL) – Also known as “life expectancy.” The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed and maintained in its present application of installation.



Burson Ranch Homeowners Association

Covenants, Codes and Regulations



WHEN RECORDED, RETURN TO:

Beazer Homes Holdings Corp.
9121 W. Russell Road, Suite 200
Las Vegas, Nevada 89148
Attn: Kim Gentz

045-081-06

045-081-13

688808
Official Records Nye County Nevada
Byron Foster, Nye County Recorder
Requested By: First American Title
06/26/07 11:07 AM
Recording Fee: \$79.00
Non-Conformity Fee: \$25.00
State Fee: \$
Recorded by: cw
NCR

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

BURSON RANCH

CONFORMED COPY

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
BURSON RANCH, a planned community**

Table of Contents

Page

**ARTICLE 1
DEFINITIONS**

1.1	General Definitions	1
1.2	Defined Terms	1

**ARTICLE 2
SUBMISSION OF PROPERTY; UNIT BOUNDARIES; ALLOCATION
OF FRACTIONAL INTERESTS, VOTES AND
COMMON EXPENSE LIABILITIES; EXPANSION OF COMMUNITY**

2.1	Submission of Property	6
2.2	Name of Planned Community	6
2.3	Name of Association	7
2.4	Identifying Numbers of Units	7
2.5	Unit Boundaries	7
2.6	Allocation of Common Expense Liabilities	7
2.7	Allocation of Votes in the Association	7
2.8	Allocation of Limited Common Elements	7
2.9	Expansion of the Planned Community	7
2.10	Supplemental Declarations	9

**ARTICLE 3
EASEMENTS**

3.1	Utility Easement	9
3.2	Easements for Ingress and Egress	10
3.3	Unit Owners' Easements of Enjoyment	10
3.4	Declarant's Use for Sales And Leasing Purposes	11
3.5	Declarant's Rights and Easements	12
3.6	Units Easement in Favor of Association	12
3.7	Easement Data	13
3.8	Easement for Unintended Encroachments	13

**ARTICLE 4
PERMITTED USES AND RESTRICTIONS**

4.1	Architectural Control	13
4.2	Temporary Occupancy and Temporary Buildings	15
4.3	Nuisances; Construction Activities	15

4.4	Diseases and Insects.....	16
4.5	Firearms.....	16
4.6	Repair of Building.....	16
4.7	Antennas.....	17
4.8	Mineral Exploration.....	17
4.9	Trash Containers and Collection.....	17
4.10	Clothes Drying Facilities.....	17
4.11	Utility Service.....	17
4.12	Overhead Encroachments.....	18
4.13	Residential Use.....	18
4.14	Animals.....	18
4.15	Machinery and Equipment.....	19
4.16	Signs.....	19
4.17	Restriction on Further Subdivision, Property Restrictions and Rezoning.....	19
4.18	Restricted Vehicles.....	20
4.19	Motor Vehicles.....	20
4.20	Towing of Vehicles.....	21
4.21	Drainage.....	21
4.22	Sight Triangle Easements.....	21
4.23	Special Restrictions for Swimming Pools.....	22
4.24	Garages.....	22
4.25	Outdoor Fires.....	22
4.26	Window Coverings.....	22
4.27	Insurance Rates; Violation of Law.....	22
4.28	Rooftop Air Conditioners Prohibited.....	22
4.29	Storage Structures; Storage of Materials.....	23
4.30	Sports Equipment; Play Structures.....	23
4.31	Exterior Lighting.....	23
4.32	Flag Displays.....	23
4.33	Leasing.....	23
4.34	Water Use Restrictions.....	24
4.35	Variances; Diminution of Restrictions.....	25

ARTICLE 5 MAINTENANCE AND REPAIR OF COMMON ELEMENTS AND UNITS

5.1	Duties of the Association.....	26
5.2	Duties of Unit Owners.....	26
5.3	Unit Owner's Failure to Maintain.....	26
5.4	Common Walls.....	27
5.5	Maintenance of Walls Other Than Common Walls.....	27
5.6	Maintenance of Retaining Walls.....	28
5.7	Installation of Landscaping.....	28

ARTICLE 6
THE ASSOCIATION

6.1	Rights, Powers and Duties of the Association	29
6.2	Directors and Officers	29
6.3	Association Rules	30
6.4	Composition of Members	30
6.5	Personal Liability	30
6.6	Implied Rights	31
6.7	Voting Rights	31
6.8	Voting Procedures	31
6.9	Transfer of Membership	31
6.10	Suspension of Voting Rights	31
6.11	Architectural Review Committee	31
6.12	Conveyance or Encumbrance of Common Element	32
6.13	Contracts with Others for Performance of Association's Duties.	32
6.14	Change of Use of Common Elements	33
6.15	Commencement of Civil Action	33

ARTICLE 7
ASSESSMENTS

7.1	Preparation of Budgets	33
7.2	Common Expense Assessment	34
7.3	Declarant Subsidy.	35
7.4	Special Assessments	35
7.5	Neighborhood Assessments	35
7.6	Assessment Period	37
7.7	Commencement Date of Assessment Obligation	37
7.8	Rules Regarding Billing and Collection Procedures	37
7.9	Effect of Nonpayment of Assessments; Remedies of the Association	37
7.10	Notice of Delinquent Assessment.	39
7.11	Foreclosure Sale.	39
7.12	Curing of Default	40
7.13	Cumulative Remedies	40
7.14	Exemption of Unit Owner	40
7.15	Certificate of Payment	40
7.16	No Offsets	40
7.17	Working Capital Fund	40
7.18	Reserve Fund	40
7.19	Surplus Funds	41
7.20	Transfer Fee	41

ARTICLE 8
INSURANCE

8.1	Scope of Coverage	41
8.2	Payment of Premiums	43
8.3	Insurance Obtained by Unit Owners	43
8.4	Allocation of Insurance Deductible	43
8.5	Payment of Insurance Proceeds	43
8.6	Certificate of Insurance	43
8.7	Annual Insurance Review	43
8.8	Repair and Replacement of Damaged or Destroyed Property	44

ARTICLE 9
RIGHTS OF FIRST MORTGAGEES

9.1	First Mortgagee's Right of Inspection of Records	44
9.2	No Priority over First Mortgagees	44

ARTICLE 10
RESERVATION OF DEVELOPMENTAL AND
SPECIAL DECLARANT'S RIGHTS

10.1	Developmental Rights	45
10.2	Right to Complete Improvements and Construction Easement	45
10.3	Exercise of Developmental Rights	45
10.4	Offices, Model Homes and Promotional Signs	45
10.5	Use of Easements	45
10.6	Master Association	45
10.7	Merger or Consolidation	45
10.8	Appointment and Removal of Directors and Officers	45

ARTICLE 11
GENERAL PROVISIONS

11.1	Enforcement	46
11.2	Severability	46
11.3	Duration	46
11.4	Termination of Community	47
11.5	Amendment	47
11.6	Remedies Cumulative	48
11.7	Notices	48
11.8	Binding Effect	48
11.9	Gender	48
11.10	Topic Headings	48
11.11	Survival of Liability	48
11.12	Joint and Several Liability	49
11.13	Guests and Tenants	49

11.14	Number of Days	49
11.15	Notice of Violation.....	49
11.16	No Absolute Liability.....	49
11.17	Governing Law.....	49
11.18	Interpretation.....	50
11.19	References to this Declaration in Deeds	50
11.20	Dispute Notification and Resolution Procedure.....	50
11.21	Views Not Guaranteed.	55
11.22	Rule Against Perpetuities.....	55
11.23	Disclosures.....	55
11.24	Limitation of Liability.....	56

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
BURSON RANCH, a planned community**

This Declaration of Covenants, Conditions and Restrictions for Burson Ranch, a planned community (this "**Declaration**"), is made as of this 15th day of June, 2007, by Beazer Homes Holdings Corp., a Delaware corporation ("**Declarant**").

**ARTICLE 1
DEFINITIONS**

1.1 General Definitions. Capitalized terms not otherwise defined in this Declaration shall have the meanings specified for such terms in the Uniform Common-Interest Ownership Act, N.R.S. § 116.001, et seq., as amended from time to time.

1.2 Defined Terms. The following capitalized terms shall have the general meanings described in the Act and for purposes of this Declaration shall have the specific meanings set forth below:

1.2.1 "Act" means the Uniform Common-Interest Ownership Act, N.R.S. §§ 116.001, et seq., as amended from time to time.

1.2.2 "Additional Property" means that certain real property located in Nye County, Nevada, which is described on **Exhibit B** attached to this Declaration, together with all buildings and other Improvements located thereon.

1.2.3 "Architectural Review Committee" means the committee of the Association to be created pursuant to **Section 6.11** of this Declaration.

1.2.4 "Areas of Common Responsibility" means (i) all Common Elements; (ii) all real property, and the Improvements situated thereon, located within the boundaries of a Unit that the Association is obligated to maintain, repair and replace pursuant to the terms of this Declaration or the terms of another Recorded document executed by the Declarant or the Association; and (iii) all real property, and the Improvements situated thereon, within or adjacent to the Community located within dedicated rights-of-way with respect to which the State of Nevada or any county or municipality has not accepted responsibility for the maintenance thereof, but only until such time as the State of Nevada or any county or municipality has accepted all responsibility for the maintenance, repair and replacement of such areas.

1.2.5 "Articles" means the Articles of Incorporation of the Association, as amended from time to time.

1.2.6 "Assessments" means the Common Expense Assessments and Special Assessments levied and assessed against each Unit pursuant to **Article 7** of this Declaration.

1.2.7 "Assessment Lien" means the lien granted to the Association by the Act to secure the payment of Assessments, fines and other charges owed to the Association.

1.2.8 "Association" means Burson Ranch Homeowners' Association, a Nevada nonprofit corporation, its successors and assigns.

1.2.9 "Association Rules" means the rules and regulations adopted by the Association, as amended from time to time.

1.2.10 "Board of Directors" means the Board of Directors of the Association.

1.2.11 "Bylaws" means the Bylaws of the Association, as amended from time to time.

1.2.12 "Common Elements" means any real estate within the Community owned or leased or designated by the Declarant to be maintained by the Association, other than the Units.

1.2.13 "Common Expenses" means expenditures made by, or financial liabilities of, the Association, including (i) the cost of maintenance, management, operation, repair and replacement of the Common Elements and all Improvements thereon and all other Areas of Common Responsibility, including clustered mailboxes and Improvements within Landscape Easement Areas; (ii) the cost of centrally metered utilities that serve the Units and/or the Common Elements and the cost of trash removal for the Units if so elected by the Board of Directors; (iii) the cost of insurance premiums for fire, liability, workers' compensation, directors', officers' and agents' liability and fidelity and any other insurance deemed appropriate by the Board of Directors, and the cost of compensation, wages, services, supplies and other expenses required for the administration and operation of the Association and for the maintenance and repair of that portion of the Community for which the Association has responsibility, including fees, charges and costs payable to any governmental entity pursuant to law; (iv) the cost of rendering to the Unit Owners all services required to be rendered by the Association under the Governing Documents; (v) such amount as is established by the Association as adequate reserves for the cost of repair and replacement of the major components of the Common Elements, which may be used only for Common Expenses that involve major repairs or replacement and that may not be used for daily maintenance; (vi) such other funds as may be necessary to provide general operating reserves and reserves for contingencies and replacements deemed appropriate by the Board of Directors; and (vii) the cost of any other item or items incurred by the Association, for any reason whatsoever in connection with the Community for the common benefit of the Unit Owners.

1.2.14 "Common Expense Assessment" means the assessment levied against the Units pursuant to **Section 7.2** of this Declaration.

1.2.15 "Common Expense Liability" means the liability for Common Expenses allocated to each Unit by this Declaration.

1.2.16 "Community" means the real property located in Nye County, Nevada, which is described in **Exhibit A** attached to this Declaration, together with all Improvements located thereon, and any portion of the Additional Property which is annexed by Declarant pursuant to **Section 2.9** of this Declaration, together with all Improvements located thereon.

1.2.17 "Declarant" means Beazer Homes Holdings Corp., a Delaware corporation, its successors and any Person to whom it may transfer any Special Declarant's Right.

1.2.18 "Declarant Party" or "Declarant Parties" means collectively Declarant, the shareholders, parent, affiliates and subsidiaries of Declarant, the officers, directors and employees of all of the foregoing, and as to **Section 11.20** of this Declaration, to the extent such Persons agree to be bound by **Section 11.20**, any contractors, subcontractors, brokers, suppliers, architects, engineers and any other Person providing materials or services in connection with the construction of any Improvement upon or benefiting the Community.

1.2.19 "Declaration" means this Declaration of Covenants, Conditions and Restrictions, as amended from time to time.

1.2.20 "Design Guidelines" means the rules and guidelines adopted by the Architectural Review Committee pursuant to **Section 6.11** of this Declaration, as amended or supplanted from time to time.

1.2.21 "Developmental Rights" means any right or combination of rights reserved by Declarant in this Declaration to do any of the following:

- (i) Add real estate to the Community;
- (ii) Create Units, Common Elements and Limited Common Elements within the Community;
- (iii) Subdivide Units or convert Units into Common Elements; or
- (iv) Withdraw real estate from the Community.

1.2.22 "Dwelling" means any building, or portion of a building, situated upon a Unit and designed and intended for independent ownership and for use and occupancy as a residence.

1.2.23 "First Mortgage" means any mortgage or deed of trust on a Unit with first priority over any other mortgage or deed of trust on the same Unit.

1.2.24 "First Mortgagee" means the holder of any First Mortgage.

1.2.25 "Governing Documents" means this Declaration and the Articles, Bylaws, Design Guidelines and Association Rules.

1.2.26 "Identifying Numbers" means the number assigned to a particular Unit that identifies only that one Unit in the Community and which is shown on the Plat as a "Lot Number."

1.2.27 "Improvement" means any physical structure, fixture or facility existing or constructed, placed, erected or installed on the land included in the Community, including

buildings, private drives, basketball hoops and poles, play equipment, paving, fences, walls, hedges, plants, trees and shrubs of every type and kind.

1.2.28 "Include" or "Including" means include or including, without limitation.

1.2.29 "Limited Common Elements" means a portion of the Common Elements allocated by this Declaration or as designated on a Plat or by operation of Subsection 2 or 4 of N.R.S. § 116.2102 for the exclusive use of the Unit Owners of one or more but fewer than all of the Units.

1.2.30 "Maintenance Standard" means the standard of maintenance of Improvements established from time to time by the Board of Directors or, in the absence of any standard established by the Board of Directors, the standard of maintenance of Improvements generally prevailing throughout the Community.

1.2.31 "Member" means any Person who is or becomes a member of the Association.

1.2.32 "Neighborhood Assessment" means an assessment levied against less than all of the Units in the Community pursuant to **Section 7.5** of this Declaration.

1.2.33 "Neighborhood Assessment Area" means a portion of the Community designated in a Supplemental Declaration as an area in which the Association will provide Neighborhood Services.

1.2.34 "Neighborhood Expenses" means the actual or estimated expenses, including allocations to reserves, incurred or anticipated to be incurred by the Association to provide Neighborhood Services to the Unit Owners and Residents in a Neighborhood Assessment Area.

1.2.35 "Neighborhood Services" means services to be provided by the Association, which are designated in a Supplemental Declaration as being for the sole or primary benefit of the Unit Owners and Residents within a Neighborhood Assessment Area, including special maintenance of Units, and/or any Improvements thereon, located within such Neighborhood Assessment Area.

1.2.36 "Period of Declarant Control" means the time period commencing on the date this Declaration is Recorded and ending on the earlier of:

(i) Sixty (60) days after the conveyance of seventy-five percent (75%) of the Units that may be created to Unit Owners other than Declarant; or

(ii) Five (5) years after all Declarants have ceased to offer Units for sale in the ordinary course of business; or

(iii) Five (5) years after any right to add new Units was last exercised.

1.2.37 "Person" means a natural person, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, government, governmental subdivision or agency, or other legal or commercial entity.

1.2.38 "Plans" means the plans referred to in Subsection 5 of N.R.S. § 116.2109, including drawings of Improvements which are filed with agencies which issue permits but do not need to be Recorded.

1.2.39 "Plat" means (i) the Recorded Merger Resubdivision Final Map of Tesora @ Pahrump – Phase 1, according to Document No. 687803 in the Official Records of Nye County, Nevada; and (ii) any other plat which may be Recorded over any part of the Additional Property which is annexed by Declarant pursuant to **Section 2.9** of this Declaration, and any amendments, supplements and corrections to any of the foregoing plats.

1.2.40 "Purchaser" means any Person, other than Declarant, who by means of a voluntary transfer becomes a Unit Owner, except for a Person who purchases a Unit and then leases it to Declarant for use as a model in connection with the sale of other Units, or a Person who, in addition to purchasing a Unit, is assigned any Special Declarant's Right.

1.2.41 "Recording" means placing an instrument of public record in the office of the County Recorder of Nye County, Nevada, and **"Recorded"** means having been so placed of public record.

1.2.42 "Resident" means each individual occupying or residing in any Unit.

1.2.43 "Special Assessment" means any assessment levied against the Units pursuant to **Section 7.4** of this Declaration.

1.2.44 "Special Declarant's Rights" means rights reserved for the benefit of Declarant in this Declaration or by the Act, to do any of the following:

- (i) Construct Improvements provided for in this Declaration or shown on the Plat or the Plans;
- (ii) Exercise any Developmental Right;
- (iii) Maintain sales offices, management offices, models and signs advertising the Community and models;
- (iv) Use easements through the Common Elements for the purpose of making Improvements within the Community or within the Additional Property;
- (v) Make the Community subject to a master association;
- (vi) Designate Neighborhood Assessment Areas;
- (vii) Merge or consolidate the Community with another common-interest community of the same form of ownership; or

(viii) Appoint or remove any officer of the Association or any member of the Board of Directors during the Period of Declarant Control.

1.2.45 "Supplemental Declaration" means a declaration Recorded pursuant to **Section 2.10** of this Declaration.

1.2.46 "Town" means the Town of Pahrump, Nevada.

1.2.47 "Unit" means a physical portion of the Community designated for separate ownership or occupancy, the boundaries of which are described in **Section 2.5** of this Declaration.

1.2.48 "Unit Owner" means the Record owner (Including Declarant), whether one or more Persons, of beneficial or equitable title (and legal title if the same has merged with the beneficial or equitable title) to the fee simple interest of a Unit. Unit Owner shall not include Persons having an interest in a Unit merely as security for the performance of an obligation, or a lessee or tenant of a Unit. Unit Owner shall not include a purchaser under a purchase contract and receipt, escrow instructions or similar executory contracts which are intended to control the rights and obligations of the parties to executory contracts pending the closing of a sale or purchase transaction. In the case of a Unit, the fee simple title to which is vested in a trustee under a deed of trust, the Trustor shall be deemed to be the Unit Owner. In the case of a Unit, the fee simple title to which is vested in a trustee pursuant to a subdivision trust agreement or similar agreement, the beneficiary of any such trust who is entitled to possession of the Unit shall be deemed to be the Unit Owner.

1.2.49 "Visible From Neighboring Property" means, with respect to any given object, that such object is or would be visible to a person six (6) feet tall, standing at ground level on any part of any neighboring property, Including a Unit, Common Element or street.

ARTICLE 2

SUBMISSION OF PROPERTY; UNIT BOUNDARIES; ALLOCATION OF FRACTIONAL INTERESTS, VOTES AND COMMON EXPENSE LIABILITIES; EXPANSION OF COMMUNITY

2.1 Submission of Property. Declarant hereby submits the real property described on **Exhibit A** attached to this Declaration, together with all Improvements situated thereon and all easements, rights and appurtenances thereto, to the provisions of the Act for the purpose of creating a planned community in accordance with the provisions of the Act and hereby declares that the real property described on **Exhibit A** attached to this Declaration, together with all Improvements situated thereon, and all easements, rights and appurtenances thereto, and any part of the Additional Property annexed pursuant to **Section 2.9** of this Declaration, together with all Improvements situated thereon and easements, rights and appurtenances thereto, shall be held and conveyed subject to the terms, covenants, conditions and restrictions set forth in this Declaration.

2.2 Name of Planned Community. The name of the planned community created by this Declaration is Burson Ranch.

2.3 Name of Association. The name of the Association is Burson Ranch Homeowners' Association.

2.4 Identifying Numbers of Units. The Identifying Numbers of the Units are as set forth on **Exhibit A** and defined in **Subsection 1.2.26**.

2.5 Unit Boundaries.

2.5.1 The boundaries of each Unit are as shown on the Plat.

2.5.2 Declarant reserves the right to relocate the boundaries between adjoining Units owned by Declarant and between adjoining Units owned by Declarant and any Unit Owner with the written consent of such Unit Owner, and to reallocate each such Unit's votes in the Association and Common Expense Liabilities subject to and in accordance with the Act.

2.6 Allocation of Common Expense Liabilities. The liability for the Common Expenses of the Association shall be allocated equally among the Units. Accordingly, each Unit's fractional interest in the Common Expenses of the Association shall be 1/8. If the Community is expanded by the annexation of all or any part of the Additional Property pursuant to **Section 2.9** of this Declaration, the votes in the Association and the liability for the Common Expenses of the Association shall be reallocated in the manner set forth in **Subsection 2.9.1(iv)** of this Declaration. Nothing contained in this **Section 2.6** shall prohibit certain Common Expenses from being apportioned to particular Unit(s) under **Articles 5, 7** and other provisions of this Declaration.

2.7 Allocation of Votes in the Association. The total votes in the Association shall be equal to the number of Units in the Community. The votes in the Association shall be allocated equally among all the Units, with each Unit having one (1) vote.

2.8 Allocation of Limited Common Elements.

2.8.1 Mailboxes will be Limited Common Elements allocated to the Units served.

2.8.2 A Limited Common Element may be reallocated by an amendment to this Declaration made in accordance with the provisions of N.R.S. § 116.2108.

2.8.3 The Board of Directors shall have the right, without a vote of the Members, to allocate as a Limited Common Element any portion of the Common Elements not previously allocated as a Limited Common Element. Any such allocation by the Board of Directors shall be made by an amendment to this Declaration.

2.9 Expansion of the Planned Community.

2.9.1 Declarant hereby expressly reserves the right, but not the obligation, to expand the planned community created by this Declaration, without the consent of the Association or any other Unit Owner, by annexing and submitting to this Declaration all or any portion of the Additional Property. Declarant shall exercise its right to expand the planned

community by preparing and Recording an amendment to this Declaration or a Supplemental Declaration containing the following:

- (i) a legal description of the portion of the Additional Property being annexed;
- (ii) the number of Units being added by the annexation and the Identifying Number assigned to each new Unit;
- (iii) a description of the Common Elements and Limited Common Elements created;
- (iv) a reallocation to each Unit of a fractional, undivided interest in the liability for Common Expenses of the Association and in the votes in the Association, all of which shall be allocated equally to each Unit; and
- (v) a description of any Developmental Rights reserved by Declarant within the Additional Property being annexed.

2.9.2 Unless otherwise provided in the amendment or Supplemental Declaration adding Additional Property, the effective date for reallocating to each Unit a fractional undivided interest in the liability for Common Expenses of the Association and in the votes in the Association shall be the date on which the amendment annexing additional Units is Recorded.

2.9.3 This option to expand the planned community shall expire seven (7) years from the date of the Recording of this Declaration.

2.9.4 The Additional Property may be added as a whole at one time or in one or more portions at different times, or it may never be added, and there are no limitations upon the order of addition or the boundaries thereof. The property submitted to the Community need not be contiguous, and the exercise of the option as to any portion of the Additional Property shall not bar the further exercise of the option as to any other portions of the Additional Property.

2.9.5 There are no limitations on the locations or dimensions of Improvements to be located on the Additional Property. No assurances are made as to what, if any, further Improvements will be made by Declarant on any portion of the Additional Property.

2.9.6 The Additional Property, when and if added to the Community, shall be subject to the use restrictions contained in this Declaration and shall be subject in all respects to the Governing Documents.

2.9.7 Any Improvements placed, constructed, replaced, or reconstructed on the Additional Property will be consistent with the existing Units in the Community as to quality of construction.

2.9.8 Declarant reserves the right to create and develop, directly or through merchant builders to which the various Units may be conveyed, up to an aggregate maximum of five hundred eighty-seven (587) improved Units in the Community to wit: three hundred twenty-

eight (8) Units on the real property described in **Exhibit A** attached hereto and up to Five Hundred Seventy-Nine (579) Units on the Additional Property described in **Exhibit B** attached hereto, in the event Declarant exercises its right of annexation pursuant to the terms of this Declaration. Declarant makes no representations, assurances or warranties whatsoever that: (i) all of such Units will be created or developed, nor that the Community will be completed in accordance with the plans for the Community as they exist on the date this Declaration is Recorded; (ii) any property subject to this Declaration will be committed to or developed for a particular use or for any use; (iii) the sequence, timing or location of further development; (iv) the use of any property subject to this Declaration will not be changed in the future. Unless otherwise expressly provided elsewhere herein, any "Developmental Rights" or "Special Declarant's Rights" (as those terms are defined in the Act) reserved to Declarant in this Declaration may be exercised with respect to different portions of the Community or Additional Property at different times, and the exercise of such rights in a portion of the Community or Additional Property shall not necessitate the exercise of any such right in all or any portion of the remaining Community or Additional Property.

2.10 Supplemental Declarations. Declarant reserves the right, but not the obligation, to Record one or more Supplemental Declarations against portions of the Community. A Supplemental Declaration may be Recorded as a part of an amendment annexing portions of the Additional Property to the Community or as a separate instrument and may (a) designate Neighborhood Services for Neighborhood Assessment Areas, (b) impose such additional covenants, conditions and restrictions, and grant and/or reserve such additional easements, as Declarant determines to be appropriate for the Neighborhood Assessment Area, (c) establish a Neighborhood Assessment pursuant to **Section 7.5** of this Declaration for a Neighborhood Assessment Area, and (d) impose any additional covenants, conditions and restrictions, and grant and/or reserve such additional easements, as Declarant deems reasonably necessary and appropriate, whether or not a Neighborhood Assessment Area is established. A Supplemental Declaration may be amended only by (x) the written approval or the affirmative vote, or any combination thereof, of the Unit Owners representing more than seventy-five percent (75%) of the votes in the Association held by the Unit Owners of all of the Units subject to the Supplemental Declaration, (y) the written approval of the Board of Directors of the Association, and (z) the written approval of Declarant so long as Declarant owns any real property in the Community. Such amendment shall certify that the amendment has been approved as required by this Section, shall be signed by the President or Vice President of the Association and Declarant, if Declarant then owns any real property in the Community or the Additional Property, and shall be Recorded.

ARTICLE 3 EASEMENTS

3.1 Utility Easement. There is hereby created an easement upon, across, over and under the Common Elements for reasonable ingress, egress, installation, replacing, repairing or maintaining all utilities, including gas, water, sewer, telephone, cable television and electricity. By virtue of this easement, it shall be expressly permissible for the providing utility company to erect and maintain the necessary equipment on the Common Elements, but no sewers, electrical lines, water lines, or other utility or service lines may be installed or located on the Common Elements except as initially designed, approved and constructed by Declarant or as approved by

the Board of Directors. The exercise of rights under this easement shall not unreasonably interfere with the rights granted under other Recorded easements on the Common Elements.

3.2 Easements for Ingress and Egress. There are hereby created easements for ingress and egress for pedestrian traffic over, through and across sidewalks, paths, walks, and lanes that from time to time may exist upon the Common Elements. There is also created an easement for ingress and egress for pedestrian and vehicular traffic over, through and across such driveways and parking areas upon the Common Elements as from time to time may be paved and intended for such purposes, except that such easements shall not extend to any Limited Common Elements. Such easements shall run in favor of and be for the benefit of the Unit Owners and Residents and their guests, families, tenants and invitees.

3.3 Unit Owners' Easements of Enjoyment.

3.3.1 Every Unit Owner shall have a right and easement of enjoyment in and to the Common Elements, which right and easement shall be appurtenant to and shall pass with the title to every Unit, subject to the following provisions:

(i) The right of the Association to adopt reasonable rules and regulations governing the use of the Common Elements and to prohibit access to portions of the Common Elements, such as landscaped areas, not intended for use by the Unit Owners and Residents;

(ii) The right of the Association to convey the Common Elements or subject the Common Elements to a mortgage, deed of trust, or other security interest, in the manner and subject to the limitations set forth herein and in the Act;

(iii) The right of the Association to change the use of a Common Element as provided in **Section 6.14**;

(iv) All rights and easements set forth in this Declaration, including the rights and easements granted to Declarant by **Sections 3.4 and 3.5** of this Declaration; and

(v) The right of the Association to suspend the right of a Unit Owner and any Resident of the Unit to use the Common Elements for any period during which the Unit Owner or any Resident of the Unit is in violation of any provision of the Governing Documents; provided, however, that any such suspension shall not affect the easement granted pursuant to **Section 3.2** of this Declaration.

3.3.2 If a Unit is leased or rented, the lessee and the Residents residing with the lessee shall have the right to use the Common Elements during the term of the lease, and the Unit Owner shall have no right to use the Common Elements until the termination or expiration of the lease.

3.3.3 The guests and invitees of any Unit Owner or other person entitled to use the Common Elements pursuant to **Subsection 3.3.1** of this Declaration or of any lessee who is entitled to use the Common Elements pursuant to **Subsection 3.3.2** of this Declaration may use the Common Elements provided they are accompanied by a Unit Owner, lessee or other person

entitled to use the Common Elements pursuant to **Subsection 3.3.1** or **3.3.2** of this Declaration or as otherwise permitted by the Association Rules. The Board of Directors shall have the right to limit the number of guests and invitees who may use the Common Elements at any one time and may restrict the use of the Common Elements by guests and invitees to certain specified times.

3.3.4 A Unit Owner's right and easement of enjoyment in and to the Common Elements shall not be conveyed, transferred, alienated or encumbered separate and apart from a Unit. Such right and easement of enjoyment in and to the Common Elements shall be deemed to be conveyed, transferred, alienated or encumbered upon the sale of any Unit, notwithstanding that the description in the instrument of conveyance, transfer, alienation or encumbrance may not refer to such right and easement.

3.3.5 The provisions of this **Section 3.3** shall not apply to any of the Limited Common Elements that are allocated to one or more but less than all of the Units.

3.4 Declarant's Use for Sales And Leasing Purposes.

3.4.1 Declarant shall have the right and an easement to maintain sales and leasing offices, management offices, a design center, construction offices, model homes and parking areas throughout the Community (collectively, "**Sales and Construction Facilities**") and to maintain one or more advertising, identification or directional signs on the Common Elements or on the Units owned or leased by Declarant. Declarant reserves the right to place Sales and Construction Facilities on any Units owned or leased by Declarant and on any portion of the Common Elements in such number, of such size and in such locations as Declarant deems appropriate.

3.4.2 Declarant may from time to time relocate the Sales and Construction Facilities to different locations within the Community. Upon the relocation of Sales and Construction Facilities from a portion of the Community constituting a Common Element, that Declarant may remove all personal property and fixtures therefrom.

3.4.3 Declarant shall have the right to restrict the use of the parking spaces on Common Elements, including the right to reserve such spaces for use by prospective Unit purchasers, Declarant's employees and others engaged in sales, leasing, maintenance, construction and management activities.

3.4.4 The Declarant reserves the right to retain all personal property and equipment used in the sales, management, construction and maintenance of the Community that has not been represented to the Association as property of the Association. Declarant reserves the right to remove from the Community any and all goods and Improvements used in development, marketing and construction, whether or not they have become fixtures.

3.4.5 In the event of any conflict or inconsistency between this Section and any other provision of the Declaration, this Section shall control.

3.5 Declarant's Rights and Easements.

3.5.1 Declarant shall have the right and an easement on and over the Common Elements to construct and/or install Improvements upon the Common Elements and the Units as shown on any Plat and/or the Plans, and all other Improvements which Declarant may deem necessary and to use the Common Elements and any Units owned by Declarant for construction or renovation related purposes, including the storage of tools, machinery, equipment, building materials, appliances, supplies and fixtures, and the performance of work in the Community.

3.5.2 Declarant shall have the right and an easement on, over and under the Common Elements for the purpose of maintaining and correcting drainage of surface, roof or storm water. The easement created by this Subsection expressly includes the right to cut any trees, bushes, or shrubbery, to grade the soil or to take any other action reasonably necessary.

3.5.3 Declarant shall have an easement through the Units for any access necessary to complete any renovations, warranty work or modifications to be performed by Declarant.

3.5.4 Declarant shall have the right and an easement on, over, and through the Common Elements as may be reasonably necessary for the purpose of discharging its obligations and exercising Special Declarant's Rights whether arising under the Act or reserved in this Declaration.

3.5.5 In the event of any conflict or inconsistency between this Section and any other provision of this Declaration, this Section shall control.

3.6 Units Easement in Favor of Association. In addition to any rights that the Association may have pursuant to Nevada law, including N.R.S. Chapter 40, the Units are hereby made subject to the following easements in favor of the Association and its directors, officers, agents, employees and independent contractors:

3.6.1 For inspection of the Units and Limited Common Elements in order to verify the performance by Unit Owners of all items of maintenance and repair for which they are responsible;

3.6.2 For inspection, maintenance, repair and replacement of the Common Elements and/or Limited Common Elements situated in or accessible from such Units;

3.6.3 For inspection, maintenance, repair and replacement of those portions of Units to be maintained by the Association as set forth in a Recorded instrument;

3.6.4 For correction of emergency conditions in one or more Units of Limited Common Elements or casualties to the Common Elements, the Limited Common Elements or the Units;

3.6.5 For the purpose of enabling the Association, the Board of Directors or any other committees appointed by the Board of Directors to exercise and discharge their respective rights, powers and duties under the Governing Documents; and

3.6.6 For inspection, at reasonable times and upon reasonable notice to the applicable Unit Owners, of the Units and the Limited Common Elements in order to verify that the provisions of the Governing Documents are being complied with by the Unit Owners and Residents and their guests, tenants and invitees.

3.7 **Easement Data.** The Recording data, required to be contained herein pursuant to N.R.S. § 116.2105(1)(m), for any easements or licenses appurtenant to or included in this common-interest community or to which any portion of this common-interest community is or may become subject by means of a reservation of this Declaration is as follows: The Recording data for all easements and licenses reserved pursuant to the terms of this Declaration is the same as the Recording data for this Declaration. The Recording data for any easements and licenses created by the Plat is the same as the Recording data for the Plat.

3.8 **Easement for Unintended Encroachments.** To the extent that any Improvement within a Unit or Common Element encroaches on any other Unit or Common Element as a result of the original construction shifting or settling, or alteration or restoration authorized by this Declaration or any other reason other than the intentional encroachment on the Common Elements or any Unit by a Unit Owner, a valid easement for the encroachment, and for the maintenance thereof, exists.

ARTICLE 4 PERMITTED USES AND RESTRICTIONS

4.1 **Architectural Control.**

4.1.1 All Improvements constructed on Units shall be of new construction, and no buildings or other structures shall be removed from other locations onto any Unit.

4.1.2 No excavation or grading work shall be performed on any Unit without the prior written approval of the Architectural Review Committee.

4.1.3 No Improvement that would be Visible From Neighboring Property shall be constructed or installed on any Unit without the prior written approval of the Architectural Review Committee.

4.1.4 No addition, alteration, repair, change or other work which in any way alters the exterior appearance, including the exterior color scheme of any Unit or the Improvements located thereon that are Visible From Neighboring Property, from their appearance on the date this Declaration is Recorded shall be made or done without the prior written approval of the Architectural Review Committee. Accordingly, approval by the Architectural Review Committee is not required for the construction, installation, addition, alteration or repair of any Improvement described in Subsection 4.1.1, nor any other Improvement situated in the back yard of any Unit unless such Improvement is or would be Visible From Neighboring Property. No approval shall be required to repaint the exterior of a Dwelling in accordance with the originally approved color scheme.

4.1.5 Any Unit Owner desiring approval of the Architectural Review Committee for excavation or grading, or for the construction, installation, addition, alteration,

repair, change or replacement of any Improvement which would alter the exterior appearance of a Unit, or the Improvements located thereon, shall submit to the Architectural Review Committee a written request for approval specifying in detail the nature and extent of the addition, alteration, repair, change or other work which the Unit Owner desires to perform. Any Unit Owner requesting the approval of the Architectural Review Committee shall also submit to the Architectural Review Committee any additional information, plans and specifications which the Architectural Review Committee may request. In the event that the Architectural Review Committee fails to approve or disapprove an application for approval within forty-five (45) days after the application, together with all supporting information, plans and specifications requested by the Architectural Review Committee have been submitted to it, the application shall be deemed to have been disapproved.

4.1.6 The approval by the Architectural Review Committee of any construction, installation, addition, alteration, repair, change or other work pursuant to this Section shall not be deemed a waiver of the Architectural Review Committee's right to withhold approval of any similar construction, installation, addition, alteration, repair, change or other work subsequently submitted for approval.

4.1.7 Upon receipt of approval from the Architectural Review Committee for any construction, installation, addition, alteration, repair, change or other work, the Unit Owner who had requested such approval shall proceed to perform, construct or make the addition, alteration, repair, change or other work approved by the Architectural Review Committee as soon as practicable and shall diligently pursue such work so that it is completed as soon as reasonably practicable unless the Architectural Review Committee establishes a schedule for the construction and completion of such work. A Unit Owner shall adhere to any schedule required by the Architectural Review Committee for (i) the completion of the design of a Unit or the design of an Improvement on a Unit; (ii) the commencement of the construction of a Unit or the construction of an Improvement on a Unit; (iii) the completion of the construction of a Unit or the construction of an Improvement on the Unit; or (iv) the issuance of a permit which is necessary for the occupancy of a Unit or for the use of an Improvement on a Unit. The Architectural Review Committee may impose and enforce a construction penalty against a Unit Owner who fails to adhere to a schedule as required pursuant to this Subsection if the maximum amount of the construction penalty and the schedule are set forth in a contract between the Unit Owner and the Association and the Unit Owner receives notice of the alleged violation, which informs him that he has a right to a hearing on the alleged violation.

4.1.8 Any change, deletion or addition to the plans and specifications approved by the Architectural Review Committee must be approved in writing by the Architectural Review Committee.

4.1.9 The Architectural Review Committee shall have the right to charge a fee for reviewing requests for approval of any construction, installation, alteration, addition, repair, change or other work pursuant to this Section. The amount of the fee may include the reasonable costs incurred by the Architectural Review Committee for review of the request by architects, engineers or other professional persons deemed necessary by the Architectural Review Committee in its sole discretion.

4.1.10 The provisions of this Section do not apply to, and approval of the Architectural Review Committee shall not be required for, the construction, erection, installation, addition, alteration, repair, change or replacement of any Improvements made by, or on behalf of, Declarant.

4.1.11 The approval required of the Architectural Review Committee pursuant to this Section shall be in addition to, and not in lieu of, any approvals or permits that may be required under any federal, state or local law, statute, ordinance, rule or regulation.

4.1.12 The approval by the Architectural Review Committee of any construction, installation, addition, alteration, repair, change or other work pursuant to this Section shall not be deemed a warranty or representation by the Architectural Review Committee as to the quality of such construction, installation, addition, alteration, repair, change or other work or that such construction, installation, addition, alteration, repair, change or other work conforms to any applicable building codes or other federal, state or local law, statute, ordinance, rule or regulation. Neither Declarant, the Association, the Board of Directors, the Architectural Review Committee, any party retained by the Architectural Review Committee as a consultant, nor any committee or member of any of the foregoing shall be held liable for any claim whatsoever arising out of or relating to any construction on or modification to any Unit.

4.1.13 The Architectural Review Committee may condition its approval of plans and specifications upon the agreement by the Unit Owner submitting such plans and specifications to furnish to the Association a bond or other security acceptable to the Architectural Review Committee in an amount determined by the Architectural Review Committee to be reasonably sufficient to: (i) assure the completion of the proposed construction, installation, addition, alteration, repair, change or other work or the availability of funds adequate to remedy any nuisance or unsightly conditions occurring as a result of the partial completion of such construction, installation, addition, alteration, repair, change or other work, and (ii) to repair any damage that might be caused to any Area of Common Responsibility as a result of such work. Any such bond shall be released or security shall be fully refundable to the Unit Owner upon: (a) the completion of the construction, installation, addition, alteration, repair, change or other work in accordance with the plans and specifications approved by the Architectural Review Committee; and (b) the Unit Owner's written request to the Architectural Review Committee, provided that there is no damage caused to any Area of Common Responsibility by the Unit Owner or its agents or contractors.

4.2 Temporary Occupancy and Temporary Buildings. No trailer, basement of any incomplete building, tent, shack, garage or barn, and no temporary buildings or structures of any kind, shall be used at any time for a residence, either temporarily or permanently. Temporary buildings, trailers or other structures used during the construction of Improvements approved by the Architectural Review Committee shall be removed immediately after the completion of construction, and in no event shall any such buildings, trailer or other structures be maintained or kept on any property for a period in excess of twelve (12) months without the prior written approval of the Architectural Review Committee.

4.3 Nuisances; Construction Activities. No rubbish, clippings, refuse, scrap lumber or metal, grass, shrub or tree clippings, plant waste, compost, bulk materials, or other debris of

any kind (all collectively referred to hereinafter as "rubbish and debris") shall be kept, placed, stored or permitted to accumulate upon or adjacent to any Unit unless stored within an enclosed structure or container that has been approved by the Architectural Review Committee. No odors or loud noises shall be permitted to arise or emit from any Unit so as to render any such Unit or any portion thereof, or activity thereon, unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to the occupants of such other property. No other nuisance shall be permitted to exist or operate upon any Unit so as to be offensive or detrimental to any other property in the vicinity thereof or to its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other similar or unusually loud sound devices (other than devices used exclusively for safety, security or fire protection purposes), noisy or smoky vehicles, large power equipment or large power tools (excluding lawn mowers and other equipment utilized in connection with ordinary landscaping and home maintenance), inoperable vehicle, unlicensed off-road motor vehicles or other item that may unreasonably disturb other Unit Owners or Residents, or any equipment or item that may unreasonably interfere with television or radio reception within any Unit or the Area of Common Responsibility shall be located, used or placed on any portion of the Community without the prior written approval of the Architectural Review Committee. No loud motorcycles, dirt bikes or other loud mechanized vehicles may be operated on any portion of the Areas of Common Responsibility without the prior written approval of the Architectural Review Committee, which approval may be withheld for any reason whatsoever. Alarm devices used exclusively to protect the security of a Dwelling and its contents shall be permitted, provided that such devices do not produce annoying sounds or conditions as a result of frequently occurring false alarms. Each Unit Owner and Resident shall comply with all of the requirements of the local or state health authorities and with all other governmental authorities with respect to the occupancy and use of a Unit. Normal construction activities and parking in connection with the building of Improvements on a Unit or other property shall not be considered a nuisance or otherwise prohibited by this Declaration, but Units shall be kept in a neat and attractive condition during construction periods, trash and debris shall not be permitted to accumulate, and supplies of brick, block, lumber and other building materials will be piled only in such areas as may be approved in writing by the Architectural Review Committee. In addition, any construction equipment and building materials stored or kept on any Unit or other property during the construction of Improvements may be kept only in areas approved in writing by the Architectural Review Committee, which may also require screening of the storage areas. The Board of Directors, in its sole discretion, shall have the right to determine the existence of any such nuisance. The provisions of this Section shall not apply to construction activities of Declarant.

4.4 Diseases and Insects. No person shall permit any thing or condition to exist upon any Unit or other property within the Community that will induce, breed or harbor infectious plant diseases or noxious insects.

4.5 Firearms. The discharge of firearms within the Community is prohibited. The term "firearms" includes BB guns, pellet guns and other firearms of all types, regardless of size.

4.6 Repair of Building. No Dwelling, building or structure on any Unit shall be permitted to fall into disrepair and each such Dwelling, building and structure shall at all times be kept in good condition and repair and adequately painted or otherwise finished. In the event any Dwelling, building or structure is damaged or destroyed, then, subject to the approvals

required by **Section 4.1** of this Declaration, such Dwelling, building or structure shall be immediately repaired or rebuilt or shall be demolished.

4.7 Antennas. No antenna, aerial, satellite television dish or other device for the transmission or reception of television or radio signals or any other form of electromagnetic radiation (a "Device") proposed to be erected, used or maintained outdoors on any portion of the Community, whether attached to a Dwelling or structure or otherwise, shall be erected or installed without the prior written consent of the Architectural Review Committee unless (i) applicable law prohibits the requirement for review and approval by the Architectural Review Committee, or (ii) the Design Guidelines and/or Association Rules permit installation of the Device without such review and approval. Even though a Unit Owner may not be required to obtain written approval from the Architectural Review Committee for a Device, a Unit Owner is required to comply with the Design Guidelines and/or the Association Rules to the extent that the Design Guidelines and/or Association Rules set forth guidelines, standards and procedures applicable to such Device. Failure by a Unit Owner to comply with the Design Guidelines and/or Association Rules with respect to a Device shall be deemed a violation of this Declaration in the same manner as if a Unit Owner had not obtained the prior written approval from the Architectural Review Committee for a Device that does require prior written approval.

4.8 Mineral Exploration. No Unit shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, earth or any earth substance of any kind.

4.9 Trash Containers and Collection. No garbage or trash shall be placed or kept on any Unit, except in covered containers of a type, size and style which are approved by the Architectural Review Committee or as required by the applicable governmental agency. In no event shall such containers be maintained so as to be Visible From Neighboring Property except to be made available for collection and then only for the shortest time reasonably necessary to effect such collection. All rubbish, trash, or garbage shall be removed from Units and other property and shall not be allowed to accumulate thereon. No incinerators shall be kept or maintained on any Unit. The Board of Directors shall have the right to contract with one or more third parties (Including a municipality) for the collection of garbage, trash or recyclable materials for the benefit of the Unit Owners and Residents, with any costs to be Common Expenses or billed separately to the Unit Owners, at the sole discretion of the Board of Directors. The Board of Directors shall have the right to adopt and promulgate rules and regulations regarding garbage, trash, trash containers and collection.

4.10 Clothes Drying Facilities. No outside clotheslines or other outside facilities for drying or airing clothes shall be erected, placed or maintained on any Unit so as to be Visible From Neighboring Property.

4.11 Utility Service. No lines, wires, or other devices for the communication or transmission of electric current or power, Including telephone, television, and radio signals, shall be erected, placed or maintained anywhere in or upon any Unit unless the same shall be contained in conduits or cables installed and maintained underground or concealed in, under or on buildings or other structures approved by the Architectural Review Committee. No provision of this Declaration shall be deemed to forbid the erection of temporary power or telephone

structures incident to the construction of buildings or structures approved by the Architectural Review Committee.

4.12 Overhead Encroachments. No tree, shrub, or planting of any kind on any Unit shall be allowed to overhang or otherwise to encroach upon any sidewalk, street, pedestrian way or other area from ground level to a height of eight (8) feet without the prior approval of the Architectural Review Committee.

4.13 Residential Use. All Dwellings shall be used, improved and devoted exclusively to residential use. No trade or business may be conducted on any Unit or in or from any Dwelling, except that an Owner or other Resident of a Dwelling may conduct a business activity within a Dwelling so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Dwelling; (ii) the business activity conforms to all applicable zoning ordinances or requirements for the Community; (iii) the business activity does not involve regular visitation of the Unit by clients, customers, suppliers or other business invitees or the door-to-door solicitation of Unit Owners or other Residents in the Community and; (iv) the business activity is consistent with the residential character of the Community and does not constitute a nuisance or a hazardous or offensive use or threaten security or safety of other Residents in the Community, as may be determined from time to time in the sole discretion of the Board of Directors. The terms "business" and "trade" as used in this Section shall be construed to have ordinary, generally accepted meanings, and shall include any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to Persons other than the Residents of a provider's Unit and for which the provider receives a fee, compensation or other form of consideration, regardless of whether: (a) such activity is engaged in full or part time; (b) such activity is intended or does generate a profit; or (c) a license is required for such activity. The leasing of a Dwelling by the Unit Owner thereof shall not be considered a trade or business within the meaning of this Section, nor shall this Section apply to any activity conducted by or on behalf of the Association for the purpose of operating, maintaining or advancing the residential and recreational character of the Community.

4.14 Animals. No animal, bird, fowl, poultry, reptile or livestock may be kept on any Unit, except that a reasonable number of generally recognized house or yard pets ("**Permitted Pets**") may be kept on a Unit if they are kept, bred or raised thereon solely as domestic pets and not for commercial purposes. All Permitted Pets shall be confined to a Resident's Unit except that a dog or cat may be permitted to leave a Resident's Unit if such dog or cat is at all times kept on a leash by a person capable of controlling such animal and is not permitted to enter upon any other Unit. No Permitted Pet shall be allowed to make an unreasonable amount of noise or to become a nuisance. No structure for the care, housing or confinement of a Permitted Pet shall be maintained so as to be Visible From Neighboring Property without the prior written consent of the Architectural Review Committee. Upon the written request of any Unit Owner or Resident, the Board of Directors shall determine, in its sole and absolute discretion, whether, for the purposes of this Section (i) a particular Permitted Pet is a nuisance or making an unreasonable amount of noise, (ii) a particular pet is a Permitted Pet, and (iii) the number of Permitted Pets kept on a Unit is reasonable. Any decision rendered by the Board of Directors shall be enforceable in the same manner as other restrictions set forth in this Declaration. Any Unit Owner, Resident or other person who brings or permits an animal to be on the Common

Elements or any Unit shall be responsible for immediately removing any feces deposited by such animal. The Board of Directors shall have the right to adopt, amend and repeal rules and regulations governing the keeping of Permitted Pets in the Community.

4.15 Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Unit, except: (i) such machinery or equipment as is usual and customary in connection with the use, maintenance or construction (during the period of construction) of a building, appurtenant structures, or other Improvements; and (ii) that which Declarant or the Association may require for the operation and maintenance of the Community.

4.16 Signs.

4.16.1 Subject to the provisions of **Subsection 4.16.2**, no signs whatsoever (Including commercial, political, "for sale," "for rent," "for lease," "open house" and similar signs) which are Visible From Neighboring Property shall be erected or maintained on any Unit except:

- (i) Signs required by legal proceedings;
- (ii) Signs that, by law, cannot be prohibited, provided that the Architectural Review Committee reserves the right to disallow and/or regulate the size and number of any such signs to the extent permitted by law;
- (iii) Residence identification signs provided the size, color, content and location of such signs have been approved in writing by the Architectural Review Committee; and
- (iv) Signs that may be permitted in accordance with the Design Guidelines.

4.16.2 So long as Declarant owns any property described on **Exhibit A** or **Exhibit B**, "for sale," "for rent," "for lease" and "open house" signs are prohibited. When Declarant no longer owns any property described on **Exhibit A** or **Exhibit B**, the Board of Directors shall have the authority, but not the obligation, to permit such signs, and if so permitted, the Architectural Review Committee shall have the right to prescribe within the Design Guidelines the size, materials, color and format of such signs.

4.17 Restriction on Further Subdivision, Property Restrictions and Rezoning. No Unit shall be further subdivided or separated into smaller units or parcels by any Unit Owner, no portion less than all of any such Unit shall be conveyed or transferred by any Unit Owner and two or more Units shall not be combined into fewer Units than originally shown on a Plat without the prior written approval of the Architectural Review Committee. If two or more Units are combined into fewer Units than as originally shown on a Plat pursuant to the prior written approval of the Architectural Review Committee and the approval of any other governmental authority, the provisions of **Article 6** and **Article 7** of this Declaration shall apply to such Units as originally shown on the Plat, and no diminution of voting rights or decrease in Assessments shall be applicable to the Units so combined. No Unit shall be made subject to any type of

timesharing, fraction sharing or similar program whereby the right to exclusive use of the Unit rotates among members of the program on a fixed or floating time schedule over a period of time. No further covenants, conditions, restrictions or easements shall be Recorded by any Unit Owner or other Person against any Unit without the provisions thereof having been first approved in writing by the Architectural Review Committee. No application for rezoning, variances or use permits pertaining to any Unit shall be filed with any governmental authority by any Person unless the application has been approved by the Architectural Review Committee and the proposed use otherwise complies with this Declaration. The provisions of this Section do not apply to, and approval of the Architectural Review Committee shall not be required for, any actions made by, or on behalf of, the Declarant.

4.18 Restricted Vehicles.

4.18.1 No truck (other than pick-up trucks for the personal use of any Unit Owner or Resident), bus, mobile home, travel trailer, tent trailer, trailer, camper shell, detached camper, recreational vehicle, boat, boat trailer, or other similar vehicle or related equipment (collectively, "**Restricted Vehicles**") may be parked, maintained, constructed, reconstructed or repaired on any Unit, Common Element or street so as to be Visible From Neighboring Property without the prior written approval of the Architectural Review Committee, except for (i) the temporary parking of Restricted Vehicle on the concrete driveway of a Unit or on a street for a period of not more than forty-eight (48) hours within any seven (7) day period for the purpose of loading, unloading and cleaning; (ii) temporary construction trailers or facilities maintained during, and used exclusively in connection with, the construction of any Improvement approved by the Architectural Review Committee; (iii) Restricted Vehicles parked entirely within garages of Units; (iv) contractor and delivery vehicles temporarily parked in the street for loading, unloading and performing work on Units; and (v) vehicles that are parked on Units in accordance with the provisions of **Subsection 4.18.2** below. Restricted Vehicles shall not be parked in such a manner as to block the sidewalks or impede pedestrian traffic in any way.

4.18.2 A travel trailer, tent trailer, trailer, camper shell, detached camper, recreational vehicle, boat or boat trailer (each an "**RV**") may be parked and maintained on each Unit, only if the following requirements are satisfied:

(i) No RV sewer/disposal connections will be allowed and occupation of an RV parked pursuant to this Section is prohibited; and

(ii) Unless installed by Declarant, any concrete pad on a Unit intended for the parking of an RV, any gate installed on a Unit to accommodate RV access to the side and/or rear yard of such Unit, and any other improvement to a Unit to accommodate an RV shall not be constructed without the prior written consent of the Architectural Review Committee.

4.19 Motor Vehicles.

4.19.1 Except for emergency vehicle repairs, no automobile, truck or other motor vehicle shall be constructed, reconstructed or repaired upon a Unit or other property in the Community, and no inoperable automobile, truck or other motor vehicle may be stored or parked

on any such Unit so as to be Visible From Neighboring Property or to be visible from any Common Element or any street.

4.19.2 No motorcycle, motorbike, motor scooter, all-terrain vehicle, off road vehicle or any similar vehicle shall be parked, maintained or operated on any portion of the Community except such vehicles may be parked in garages of Units.

4.19.3 Motor vehicles of Residents and guests of Residents shall be parked in the garage or on the concrete driveway of such Residents' Unit at all times when sufficient parking area exists in the garage or on the concrete driveway. Street parking shall be limited to occasions when sufficient parking area does not exist in the garage or on the concrete driveway of a Unit. Parking on unpaved portions of the Units is prohibited.

4.19.4 No Unit Owner or Resident may operate or maintain any motor vehicle within the Community without a valid permit from the State of Nevada for such motor vehicle.

4.19.5 The Board of Directors shall have the right to establish additional rules and regulations governing the parking and operation of motor vehicles within the Community.

4.20 Towing of Vehicles. Upon compliance with applicable law, the Board of Directors shall have the right to have any truck, bus, mobile home, travel trailer, tent trailer, trailer, camper shell, detached camper, recreational vehicle, boat, boat trailer or similar equipment or vehicle or any automobile, motorcycle, motorbike, or other motor vehicle that is parked, kept, maintained, constructed, reconstructed or repaired in violation of the Governing Documents towed away at the sole cost and expense of the owner of the vehicle or equipment. Any expense incurred by the Association in connection with the towing of any vehicle or equipment shall be paid to the Association upon demand by the owner of the vehicle or equipment. If the vehicle or equipment is owned by a Unit Owner, any amounts payable to the Association shall be secured by the Assessment Lien, and the Association may enforce collection of such amounts in the same manner provided for in the Declaration for the collection of Assessments. To the extent applicable law from time to time provides for any additional remedies for vehicles or equipment parked, kept, maintained, constructed, reconstructed or repaired in violation of the Governing Documents, such additional remedies may be exercised by the Board of Directors, in addition to the towing rights set forth in this Section, and the cost to the Association in exercising such rights shall be paid to the Association upon demand by the owner of the vehicle or equipment.

4.21 Drainage. No Dwelling, structure, building, landscaping, fence, wall or other Improvement shall be constructed, installed, placed or maintained in any manner that would obstruct, interfere with or change the direction or flow of water in accordance with the drainage plans for the Community, or any part thereof, or for any Unit as shown on the drainage plans on file with the county or municipality in which the Community is located.

4.22 Sight Triangle Easements. The maximum height of any and all Improvements (Including landscaping) within any "Sight Triangle Easement," as set forth on a Plat, shall be restricted to a maximum height as required by Nye County, Nevada (the "County"). If any Improvement located within a Sight Triangle Easement of a Unit exceeds the maximum height

permitted by the County, the Association shall have the right (but not the obligation) to enter upon the Unit and to bring such Improvement into compliance pursuant to **Section 5.3** of this Declaration.

4.23 Special Restrictions for Swimming Pools. No swimming pool or spa shall be constructed or installed without the prior written consent of the Architectural Review Committee. The Unit Owner of a Unit upon which any swimming pool or spa that is proposed to be constructed within the rear yard where retaining walls have been constructed by Declarant on or adjacent to the Unit shall submit to the Architectural Review Committee a letter from a structural engineer licensed in Nevada certifying that the proposed swimming pool or spa has been designed to maintain the structural integrity of the walls of the swimming pool or spa and that such design will not place any lateral loads onto the retaining walls constructed on or adjacent to the Unit. A Unit owner shall be responsible for any damage resulting from the construction of a swimming pool or spa in the rear yard of such Unit owner's Unit. Neither the Declarant Parties, the Association (Including the Architectural Review Committee), nor any director, officer, agent, member or employee of any of the foregoing, shall be liable to any Unit Owner or Resident for any claims or damages resulting, directly or indirectly, from the construction and existence of a swimming pool or spa in a rear yard.

4.24 Garages. Garages shall be used only for the parking of vehicles and shall not be used or converted for living or recreational activities without the prior written approval of the Architectural Review Committee. Except for detached garages that are a part of Declarant's initial construction of the Community, detached garages are prohibited. Garages may be used for the storage of material so long as the storage of material does not result in inadequate parking for the motor vehicles of the Residents of a Unit. Garage doors shall remain closed at all times except when entering and exiting the garage and for a reasonable length of time during daytime hours while performing regular home maintenance activities.

4.25 Outdoor Fires. Outdoor cooking and outdoor fires shall be permitted only in devices prescribed in the Design Guidelines or as otherwise approved by the Architectural Review Committee.

4.26 Window Coverings. No window that would be Visible From Neighboring Property shall at any time be covered with aluminum foil, bed sheets, newspapers or any other like materials. No reflective materials shall be installed or used on any Improvement without the prior written consent of the Architectural Review Committee.

4.27 Insurance Rates; Violation of Law. No Unit Owner or Resident shall permit anything to be done or kept in or upon a Unit that will result in the cancellation or increase in premium, or reduction in coverage, of insurance maintained by any Unit Owner or the Association or that would be in violation of any law.

4.28 Rooftop Air Conditioners Prohibited. No air conditioning units, evaporative coolers or appurtenant equipment may be mounted, installed or maintained in any window or on the roof of any Dwelling or other building so as to be Visible From Neighboring Property without the prior written consent of the Architectural Review Committee.

4.29 Storage Structures; Storage of Materials. Storage buildings, sheds and other structures for the purpose of storage are prohibited. Storage of furniture, fixtures, appliances, machinery, equipment or other similar items is prohibited on any portion of a Unit that is Visible From Neighboring Property.

4.30 Sports Equipment; Play Structures. No basketball hoop or backboard, jungle gym, play equipment, sports court or other sports apparatus, whether temporary or permanent, shall be constructed, erected or maintained on any Unit without the prior written approval of the Architectural Review Committee.

4.31 Exterior Lighting. Any lights installed on a Unit shall comply with the applicable governmental ordinances, provided that no spotlights, flood lights or other high intensity lighting shall be placed or utilized upon any Unit that in any manner will allow light to be directed or reflected unreasonably upon any other Unit or Common Element.

4.32 Flag Displays. No flags shall be displayed or maintained on any Unit without the prior written approval of the Architectural Review Committee unless (i) applicable law prohibits the requirement for review and approval by the Architectural Review Committee, or (ii) the Design Guidelines and/or Association Rules permit display of the flag without such review and approval. Even though a Unit Owner may not be required to obtain written approval from the Architectural Review Committee for the display of a flag, a Unit Owner is required to comply with the Design Guidelines to the extent that the Design Guidelines and/or the Association Rules set forth guidelines, standards and procedures applicable to the display of flags. Failure by a Unit Owner to comply with the Design Guidelines and/or Association Rules with respect to flag display shall be deemed a violation of this Declaration in the same manner as if a Unit Owner had not obtained the prior written approval from the Architectural Review Committee for display of a flag that does require prior written approval.

4.33 Leasing.

4.33.1 A Unit may be leased to a lessee from time to time by a Unit Owner provided that each of the following conditions is satisfied:

- (i) A Unit may be leased only in its entirety. No fraction or portion of a Unit or Dwelling may be leased.
- (ii) The lease or rental agreement must be in writing and for a term not less than six (6) months.
- (iii) The lease or rental agreement must contain a provision that the lease or rental agreement is subject to this Declaration and all other Governing Documents and that any violation of any of the foregoing shall be a default under the lease or rental agreement.
- (iv) Within ten (10) days after execution of a lease or rental agreement, the Unit Owner shall provide the Association with (a) a fully executed copy of the lease, (b) the names of the lessees and each person who will reside in the Dwelling, (c) the address and telephone number of the Unit Owner, and (d) any additional information as may be required by the Board of Directors.

(v) The Unit Owner shall make available to the lessee copies of all Governing Documents.

4.33.2 Any Unit Owner that leases or rents such Unit Owner's Unit shall keep the Association informed at all times of the Unit Owner's address and telephone number. Any lease or rental agreement shall be subject to the Governing Documents, and any breach of the Governing Documents shall constitute a default under the lease or rental agreement, regardless of whether it so provides in the lease or rental agreement. If any lessee breaches any restriction contained in the Governing Documents, the Unit Owner, upon demand by the Association, immediately shall take such actions as may be necessary to correct the breach, including, if necessary, eviction of the lessee. Notwithstanding the foregoing, the Association shall have all rights and remedies provided for under this Declaration and all other Governing Documents. The Association may impose a reasonable fee for the administrative costs associated with lease or rental agreements.

4.34 Water Use Restrictions.

4.34.1 No tree, shrub or other plant (each a "plant") may be planted by Declarant, the Association or any Unit Owner on any Unit or Common Element unless such plant is contained in the written list of plants approved by Pahrump Utility Company, Inc. (the "Water Company") for the Community and delivered to the Declarant (for so long as Declarant owns any property within the Community), the Association and each Unit Owner (the "Approved Plant List"). The Approved Plant List may be revised by the Water Company, from time to time, by the Water Company's delivery of such revised Approved Plant List to the Declarant (for so long as Declarant owns any property within the Community), the Association and each Unit Owner. Notwithstanding the foregoing, any plant not on the Approved Plant List shall be permitted (but shall not be replaced with the same type of plant) if such plant was: (i) planted prior to the initial delivery of the Approved Plant List, or (ii) at the time such plant was planted, contained on the then-current Approved Plant List.

4.34.2 No Unit shall contain irrigated turf on more than twenty-five percent (25%) of the area of the front yard of such Unit and fifty percent (50%) of the side and rear yards combined of such Unit, subject to a maximum amount five thousand (5,000) square feet of irrigated turf for each Unit. No irrigated turf shall be permitted within three (3) feet of any Dwelling or wall. Re-seeding of turf with seasonal varieties, including rye and fescue, is prohibited during the months of May, June, July and August.

4.34.3 All plants within Common Elements and Units shall be watered by an automatic irrigation system in accordance with the written schedule approved by the Water Company and delivered to Declarant (for so long as Declarant owns any property within the Community), the Association and each Unit Owner (the "Approved Watering Schedule"). The Approved Watering Schedule may be revised by the Water Company, from time to time, by the Water Company's delivery of such revised Approved Watering Schedule to the Declarant (for so long as Declarant owns any property within the Community), the Association and each Unit Owner.

4.34.4 Drip systems shall be used for all plant landscaping other than turf areas and flowerbeds. Spray heads shall be permitted for turf and flowerbeds; provided, however, that (i) no spray heads may spray directly onto any areas other than turf or flowerbeds, and (ii) spray heads located adjacent to roads or paths shall be low-angle (i.e., 10% or less) and shall not be of a large-radius type.

4.34.5 No irrigation system shall cause water runoff onto any paved surface, path or other area not containing plants requiring irrigation.

4.34.6 All interior and exterior water fixtures installed in any Dwelling shall be low-flow, as required by applicable Nye County, Nevada laws and ordinances at the time of installation.

4.34.7 The Design Guidelines (defined in Section 6.11 below) shall include each of the provisions set forth in **Exhibit C** attached hereto (collectively, the "Water Use Provisions"). The Design Guidelines, once initially adopted by the Architectural Review Committee pursuant to Section 6.11 below, shall not be repealed or amended to delete or amend the Water Use Provisions without the prior written consent of the Water Company.

4.34.8 Subsections 4.34.1 through 4.34.7 above shall not be repealed or amended without the prior written consent of the Water Company.

4.35 Variances; Diminution of Restrictions. The Architectural Review Committee or Board of Directors, as applicable, may, at the respective option of each and in extenuating circumstances, grant variances from the restrictions set forth in this **Article 4** if the Architectural Review Committee or Board of Directors, as applicable, determines in its discretion that: (i) a restriction would create an unreasonable hardship or burden on a Unit Owner or Resident or a change of circumstances since the Recordation of this Declaration has rendered such restriction obsolete; and (ii) the activity permitted under the variance will not have any substantial adverse effect on the Unit Owners and Residents and is consistent with the high quality of life intended for Residents of the Community. Notwithstanding the foregoing, the Architectural Review Committee and the Board of Directors shall not grant variances permitting uses that are not consistent with applicable law. If any restriction set forth in this **Article 4** is adjudged or deemed to be invalid or unenforceable as written by reason of any federal, state or local law, ordinance, rule or regulation, then a court or the Board of Directors, as applicable, may interpret, construe, rewrite or revise such restriction to the fullest extent allowed by law, so as to make such restriction valid and enforceable. Such modification shall not serve to extinguish any restriction not adjudged or deemed to be unenforceable. Upon expiration of the Period of Declarant Control and for so long as the Declarant owns any property described on **Exhibit A** or **Exhibit B**, any variance granted by the Architectural Review Committee or the Board of Directors shall be subject to review and approval by the Declarant, to the extent permitted by Nevada law.

ARTICLE 5
MAINTENANCE AND REPAIR OF
COMMON ELEMENTS AND UNITS

5.1 Duties of the Association. The Association shall maintain, repair and replace all Areas of Common Responsibility. The cost of all such maintenance, repairs and replacements shall be a Common Expense and shall be paid for by the Association. The Board of Directors shall be the sole judge as to the appropriate maintenance of the Areas of Common Responsibility, and all Unit Owners shall cooperate with the Board of Directors in any way required by the Board of Directors in order for the Board of Directors to fulfill its obligations under this Section.

5.2 Duties of Unit Owners.

5.2.1 Each Unit Owner shall maintain, repair and replace, at such Unit Owner's expense, (i) all portions of such Unit Owner's Unit, (ii) all Improvements situated on the Unit, and (iii) any landscaping located between the boundary of the Unit and the pavement of a street, except for any portion of the Unit that is an Area of Common Responsibility. The foregoing Improvements shall be maintained in good condition and repair and in accordance with the Maintenance Standard. All grass, hedges, shrubs, vines and plants shall be irrigated, mowed, trimmed and cut at regular intervals so as to be maintained in a neat and attractive manner. Trees, shrubs, vines, plants and grass that die shall be promptly replaced with living foliage of like kind, unless different foliage is approved by the Architectural Review Committee. No yard equipment, wood piles or storage areas may be maintained so as to be Visible From Neighboring Property.

5.2.2 Each Unit Owner shall be liable to the Association for any damage to the Areas of Common Responsibility or for any damage to the Improvements on Units for which the Association has responsibility to maintain, if any, that results from the negligence or willful conduct of the Unit Owner. The cost to the Association of any repair, maintenance or replacements caused by the act of a Unit Owner shall be paid by the Unit Owner, upon demand, to the Association. The Association may enforce collection of any such amounts in the same manner and to the same extent as provided for in this Declaration for the collection of Assessments.

5.3 Unit Owner's Failure to Maintain. If a Unit Owner fails to maintain his Unit in good condition and repair and in accordance with the Maintenance Standard as required by this Declaration; or if any portion of a Unit is so maintained as to present a nuisance or as to substantially detract from the appearance or quality of the surrounding Units or other areas of the Community that are substantially affected thereby or related thereto; or if any portion of a Unit is being used in a manner that violates this Declaration; or if a Unit Owner is failing to perform any of his obligations under the Governing Documents, the Association may make a finding to such effect, specifying the particular condition or conditions that exist, and give notice to the offending Unit Owner that corrective action is required to be taken within fifteen (15) days after such notice is sent to the Unit Owner. If the required maintenance, repair or replacement has not been performed within such fifteen-day period of time, the Board of Directors shall be authorized and empowered, but shall not be obligated, to cause such maintenance, repair or

replacement to be performed at the Unit Owner's cost. The cost of any such maintenance, repair or replacement shall be assessed against the nonperforming Unit Owner pursuant to **Subsection 7.2.3** of this Declaration, shall be payable upon demand by the Association and shall be secured by the Assessment Lien.

5.4 Common Walls. The rights and duties of Unit Owners of Units with respect to common walls shall be as provided in this **Section 5.4**.

5.4.1 The Unit Owners of contiguous Units who have a common wall shall both equally have the right to use such wall provided that the use by one Unit Owner does not interfere with the use and enjoyment of the wall by the other Unit Owner.

5.4.2 The adjoining Unit Owners shall each have the right to perform any necessary maintenance, repair or replacement of the common wall and the cost of such maintenance, repair or replacement shall be shared equally by the adjoining Unit Owners except as otherwise provided in this Section; provided, however, that if a Unit Owner elects to paint and/or stucco the side of the wall that faces his Unit, the Unit Owner shall be solely responsible for the cost thereof.

5.4.3 If any common wall is damaged or destroyed through the act of a Unit Owner, his agents, tenants, licensees, guests or family, it shall be the obligation of such Unit Owner to rebuild and repair the common wall (Including any existing paint and/or stucco on the side of the wall facing the adjoining Unit) without cost to the adjoining Unit Owner(s).

5.4.4 If a common wall is damaged or destroyed by some cause other than the act of one of the adjoining Unit Owners, his agents, tenants, licensees, guests or family (Including ordinary wear and tear and deterioration from lapse of time), then all adjoining Unit Owners shall rebuild or repair the common wall at their joint and equal expense.

5.4.5 The right of any Unit Owner to contribution from any other Unit Owner under this Section shall be appurtenant to the land and shall pass to such Unit Owner's successors in title.

5.4.6 In addition to meeting the other requirements of this Declaration and of any other building code or similar regulations or ordinances, any Unit Owner proposing to modify, make additions to or rebuild a common wall shall first obtain the written consent of the adjoining Unit Owner(s).

5.4.7 If any common wall encroaches upon a Unit or the Common Elements, a valid easement for such encroachment and for the maintenance of the common wall shall and does exist in favor of the Unit Owners of the Units that share the common wall.

5.5 Maintenance of Walls Other Than Common Walls.

5.5.1 Except for common walls and walls covered by **Subsections 5.5.2 through 5.5.4** below, walls located on a Unit shall be maintained, repaired and replaced by the Unit Owner.

5.5.2 Any wall that is placed on the boundary line between a Unit and the Common Elements shall be maintained, repaired and replaced by the Unit Owner, except that the Association shall be responsible for the repair and maintenance of the surface of the wall that faces the Common Elements. The Association shall have no responsibility for any structural repair and maintenance that would require rebuilding all or a portion of any such wall. If any wall described in this **Subsection 5.5.2** encroaches upon a Unit or the Common Elements, a valid easement for such encroachment and for the maintenance of the wall shall and does exist in favor of the Unit Owner or the Association, as applicable.

5.5.3 Any wall that is placed on the boundary line between a Unit and public right-of-way shall be maintained, repaired and replaced by the Unit Owner except that the Association shall be responsible for the repair and replacement of the surface of the wall that faces the public right-of-way. The Association shall have no responsibility for any structural repair and maintenance that would require rebuilding all or a portion of any such wall.

5.5.4 Any wall that is placed on a corner Unit to separate a side or rear yard from the adjacent street, whether or not the wall is placed on the boundary line between the Unit and the street right-of-way or placed totally within the boundaries of a Unit, shall be maintained, repaired and replaced by the Unit Owner, except that the Association shall be responsible for the repair and maintenance of the surface of the wall that faces the street. The Association shall have no responsibility for any structural repair and maintenance that would require rebuilding all or a portion of any such wall.

5.5.5 Any wall that is placed on or along a boundary line between a Unit and property that is not part of the Community ("Adjacent Property") shall be maintained, repaired and replaced in accordance with the terms and conditions of any common wall maintenance agreement that may be Recorded on such Unit. If no common wall maintenance agreement has been Recorded on such Unit, then the Unit Owner shall maintain such wall, provided that the Unit Owner's maintenance obligations shall be subject to the Unit Owner obtaining an easement or other permission from the owner of the Adjacent Property prior to entering the Adjacent Property for maintenance purposes.

5.6 Maintenance of Retaining Walls. Earth retaining walls are designed to support and retain dry earth. A Unit Owner shall not permit excess water to saturate the retained earth and shall maintain the Unit so that surface waters flow freely away from retaining walls. No grass or other heavily irrigated landscape materials may be installed within three (3) feet from retaining walls. Any landscaping within three (3) feet from a retaining wall shall be drip irrigated. A Unit Owner shall take all corrective action necessary to immediately repair any leaking irrigation pipes and correct any excess irrigation of plant materials that may cause the retained earth to become saturated. Each Unit Owner shall be responsible for any damage to retaining walls resulting from the failure to comply with this **Section 5.6**.

5.7 Installation of Landscaping. Unless previously installed by Declarant, within one hundred eighty (180) days after acquiring a Unit from Declarant, each Unit Owner shall install trees, grass, plants or other landscaping Improvements (together with any sprinkler system or drip irrigation system sufficient to adequately water the trees, grass, plants or other landscaping Improvements) within the front, side and rear yards of the Unit. Prior installing the

landscaping, a Unit Owner shall maintain all such yard areas in a weed-free and attractive manner. Notwithstanding anything herein to the contrary, all landscaping installed pursuant to this Section 5.7 shall be approved by the Architectural Review Committee prior to installation.

ARTICLE 6 THE ASSOCIATION

6.1 Rights, Powers and Duties of the Association. No later than the date on which the first Unit is conveyed to a Person other than Declarant, the Association shall be organized as a Nevada nonprofit corporation. The Association shall be the entity through which the Unit Owners shall act. The Association shall have such rights, powers and duties as are prescribed by law and as are set forth in the Governing Documents, together with such rights, powers and duties as may be reasonably necessary in order to effectuate the objectives and purposes of the Association as set forth in this Declaration and the Act. The Association shall have the right to finance capital Improvements in the Community by encumbering future Assessments if such action is approved by the written consent or affirmative vote of Unit Owners representing more than fifty percent (50%) of the votes in the Association.

6.2 Directors and Officers.

6.2.1 During the Period of Declarant Control, Declarant shall have the right to appoint and remove the members of the Board of Directors and the officers of the Association, Members of the Board of Directors and officers of the Association appointed by the Declarant are not required to be Unit Owners.

6.2.2 Upon the termination of the Period of Declarant Control, the Unit Owners shall elect the Board of Directors which must consist of at least three (3) members, all of whom must be Unit Owners. The Board of Directors elected by the Unit Owners shall then elect the officers of the Association.

6.2.3 Declarant may voluntarily surrender its right to appoint and remove the members of the Board of Directors and the officers of the Association before termination of the Period of Declarant Control, and in that event Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Association or the Board of Directors, as described in a Recorded instrument executed by Declarant, be approved by Declarant before they become effective.

6.2.4 No later than sixty (60) days after the conveyance of twenty-five percent (25%) of the Units that may be created to Unit Owners other than Declarant, at least one (1) member and not less than twenty-five percent (25%) of the members of the Board of Directors must be elected by Unit Owners other than Declarant. Not later than sixty (60) days after the conveyance of fifty percent (50%) of the Units that may be created to Unit Owners other than Declarant, not less than thirty-three and one-third percent (33-1/3%) of the members of the Board of Directors must be elected by Unit Owners other than Declarant. Any member of the Board of Directors elected by Unit Owners pursuant to this Subsection shall be (i) a Unit Owner, or (ii) an officer, employee, agent or director of a corporate Unit Owner, a trustee or designated beneficiary of a trust that owns a Unit, a partner of a partnership that owns a Unit, a member or

manager of a limited liability company that owns a Unit or a fiduciary of an estate that owns a Unit. Prior to having a person's name placed on a ballot for election of directors, such person shall take all actions required by Nevada law to prove such person's eligibility to serve on the Board of Directors. A person shall not be eligible to serve on the Board of Directors if, at the time a person's name is proposed to be placed on a ballot for election of directors, such person (or the Unit Owner if such person is an officer, employee, agent or director of a corporate Unit Owner) is not in compliance with the provisions of the Governing Documents, including the current payment of all Assessments, charges and other fees required thereunder, or any other provision of Nevada law governing the eligibility of directors.

6.2.5 The affairs of the Association shall be conducted by the Board of Directors and such officers as the Board of Directors may elect or appoint in accordance with the Articles and the Bylaws. Unless the Governing Documents specifically require the vote or written consent of the Members, approvals or actions to be given or taken by the Association shall be valid if given and taken by the Board of Directors. The Board of Directors, from time to time and subject to the provisions of this Declaration and the Act, shall have the power to impose construction penalties when authorized pursuant to **Subsection 4.1.8** of this Declaration and levy reasonable fines against a Unit Owner for a violation of the Governing Documents by the Unit Owner, a guest of the Unit Owner, a lessee of the Unit Owner or by any Resident of the Unit Owner's Unit, provided that a fine may not be levied for a violation that is the subject of a construction penalty.

6.3 Association Rules. The Board of Directors, from time to time and subject to the provisions of this Declaration and the Act, may adopt, amend, and repeal rules and regulations (collectively, the "Association Rules"). Except as otherwise provided in this Declaration or under the Act, the Association Rules may, among other things, restrict and govern the use of any area within the Community by any Unit Owner, by the family of such Unit Owner, or by any invitee, licensee or lessee of such Unit Owner. Upon expiration of the Period of Declarant Control and for so long as Declarant owns any property described on **Exhibit A** or **Exhibit B**, the adoption, amendment and repeal of any rules and regulations by the Board of Directors shall be subject to review and approval of the Declarant, to the extent permitted by Nevada law.

6.4 Composition of Members. Each Unit Owner shall be a Member of the Association. The membership of the Association at all times shall consist exclusively of all the Unit Owners. A Unit Owner (Including Declarant) of a Unit shall automatically, upon becoming the Unit Owner thereof, be a Member of the Association and shall remain a Member of the Association until such time as his ownership of the Unit ceases for any reason, at which time, the Unit Owner's membership in the Association shall automatically cease.

6.5 Personal Liability. Neither the Declarant Parties nor any member of the Board of Directors or of any committee of the Association, any officer of the Association nor any manager or other employee of the Association shall be personally liable to any Member, or to any other Person, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of Declarant, the Association, the Board of Directors, the manager, any representative or employee of the Association, or any committee, committee member or officer of the Association; provided, however, the limitations

set forth in this Section shall not apply to any Person who has failed to act in good faith or has engaged in willful or intentional misconduct.

6.6 Implied Rights. The Association may exercise any right or privilege given to the Association expressly by the Governing Documents and every other right or privilege reasonably to be implied from the existence of any right or privilege given to the Association by the Governing Documents or reasonably necessary to effectuate any such right or privilege.

6.7 Voting Rights. Subject to **Section 6.8** below, each Unit Owner, Including Declarant, shall be entitled to cast one (1) vote for each Unit owned by such Unit Owner, on any Association matter which is put to a vote of the membership in accordance with this Declaration, the Articles and/or Bylaws.

6.8 Voting Procedures. No change in the ownership of a Unit shall be effective for voting purposes unless and until the Board of Directors is given actual written notice of such change and is provided satisfactory proof thereof. The vote for each such Unit must be cast as a unit, and fractional votes shall not be allowed. In the event that a Unit is owned by more than one (1) Person and such Unit Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Member casts a vote representing a certain Unit, it will thereafter be conclusively presumed for all purposes that such Unit Owner was acting with the authority and consent of all other Unit Owners of the same Unit unless objection thereto is made at the time the vote is cast. In the event more than one (1) vote is cast by a Member for a particular Unit, none of the votes shall be counted and all of the votes shall be deemed void.

6.9 Transfer of Membership. The rights and obligations of any Member other than Declarant shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon transfer of ownership of a Unit and then only to the transferee of ownership to the Unit. A transfer of ownership to a Unit may be effected by deed, intestate succession, testamentary disposition, foreclosure of a mortgage of Record, or such other legal process as now in effect or as may hereafter be established under or pursuant to the laws of the State of Nevada. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership to a Unit shall operate to transfer the membership appurtenant to said Unit to the new Unit Owner thereof. Each Purchaser of a Unit shall notify the Association of its purchase within ten (10) days after becoming a Unit Owner.

6.10 Suspension of Voting Rights. If any Unit Owner fails to pay any Assessment or other amounts due to the Association under the Governing Documents within fifteen (15) days after such payment is due or if any Unit Owner violates any other provision of the Governing Documents and such violation is not cured within fifteen (15) days after the Association notifies the Unit Owner of the violation, the Board of Directors shall have the right to suspend such Unit Owner's right to vote until such time as all payments, Including interest and attorneys' fees, are brought current, and until any other infractions or violations of the Governing Documents are corrected.

6.11 Architectural Review Committee. The Association may, in the discretion of the Board of Directors from time to time, have an Architectural Review Committee to perform the

functions of the Architectural Review Committee set forth in this Declaration. In the event no Architectural Review Committee is formed, the Board of Directors shall perform all functions of the Architectural Review Committee except as provided herein to the contrary or as waived in writing by the Board of Directors. The Architectural Review Committee shall be a Committee of the Board of Directors. The Architectural Review Committee shall consist of such number of regular members and alternate members as may be provided for in the Bylaws. So long as the Declarant owns any property described on **Exhibit A** or **Exhibit B**, the Declarant shall have the sole right to appoint and remove the members of the Architectural Review Committee. At such time as the Declarant no longer owns any property described on **Exhibit A** or **Exhibit B**, the members of the Architectural Review Committee shall be appointed by the Board of Directors. The Declarant may at any time voluntarily surrender its right to appoint and remove the members of the Architectural Review Committee, and in that event the Declarant may require, for so long as the Declarant owns any property described on **Exhibit A** or **Exhibit B**, that specified actions of the Architectural Review Committee, as described in a Recorded instrument executed by the Declarant, be approved by the Declarant before they become effective. The Architectural Review Committee may adopt, amend and repeal Design Guidelines to be used in rendering its decisions. The Design Guidelines may include provisions regarding: (i) the size of Dwellings; (ii) architectural design, with particular regard to the harmony of the design with the surrounding structures and topography; (iii) placement of Dwellings and other buildings; (iv) landscaping design, content and conformance with the character of the Community and permitted and prohibited plants; (v) requirements concerning exterior color schemes, exterior finishes and materials; (vi) signage; (vii) perimeter and screen wall design and appearance; and (viii) procedures to be used in the architectural review process. The decision of the Architectural Review Committee shall be final on all matters submitted to it pursuant to this Declaration. The Architectural Review Committee may establish a reasonable processing fee to defer the costs of the Association in considering any requests for approvals submitted to the Architectural Review Committee, which fee shall be paid by the applicable Unit Owner at the time a request for approval is submitted by the Unit Owner.

6.12 Conveyance or Encumbrance of Common Element. The Common Elements shall not be mortgaged, transferred, dedicated or encumbered without the prior written consent or affirmative vote of Unit Owners representing at least sixty-seven percent (67%) of the votes in the Association. Upon the expiration of the Period of Declarant Control and for so long as the Declarant owns any property described on **Exhibit A** or **Exhibit B**, the Common Elements shall not be mortgaged, transferred, dedicated or encumbered without the prior written consent of the Declarant, to the extent permitted by Nevada law.

6.13 Contracts with Others for Performance of Association's Duties. Subject to the restrictions and limitations contained herein, and subject to applicable law, the Association may enter into contracts and transactions with others, including Declarant and its affiliates, and such contracts or transactions shall not be invalidated or in any way affected by the fact that one or more directors or officers of the Association or members of any committee are employed by or otherwise connected with Declarant or its affiliates, provided that the fact of such interest shall be disclosed or known to the other directors acting upon such contract or transaction, and provided further that the transaction or contract is fair and reasonable. Any such director, officer or committee member may be counted in determining the existence of a quorum at any meeting of the Board of Directors or committee of which such person is a member that shall authorize

any contract or transaction described above or grant or deny any approval sought by Declarant, its affiliates or any competitor thereof and may vote at the meeting to authorize any such contract, transaction or approval with like force and effect as if he were not so interested.

6.14 Change of Use of Common Elements. Upon (i) adoption of a resolution by the Board of Directors stating that in the opinion of the Board of Directors the then present use of a designated part of the Common Elements is no longer in the best interests of the Unit Owners, (ii) the approval of such resolution by Unit Owners casting at least sixty-seven percent (67%) of the votes entitled to be cast by Unit Owners who are present in person or by proxy at a meeting duly called for such purpose and who are entitled to use such part of the Common Elements under the terms of this Declaration, and (iii) the prior written consent of the Declarant after the expiration of the Period of Declarant Control and for so long as the Declarant owns any property described on **Exhibit A** or **Exhibit B**, to the extent permitted by Nevada law, the Board of Directors shall have the power and right to change the use of such property (and in connection therewith, construct, reconstruct, alter or change the buildings, structures and Improvements thereon in any manner deemed necessary by the Board of Directors to accommodate the new use), provided such new use shall be (a) for the benefit of the Members and Residents, as determined by the Board of Directors, and (b) consistent with any deed restrictions, zoning and other municipal regulations restricting or limiting the use of the land. Notwithstanding the foregoing, if the new use requires the expansion of an existing building or structure or construction of a new building or structure, the Board of Directors shall first obtain the written consent of a majority of the Unit Owners and Residents who own or reside in Units within five hundred (500) feet of the proposed location of such building or structure.

6.15 Commencement of Civil Action. With respect to any disputes or claims not subject to the requirements of **Section 11.20** of this Declaration, the Association may not commence a civil action without the prior written consent or affirmative vote of Unit Owners to which at least a majority of the votes of the Members of the Association are allocated. In addition to the notice and meeting requirements set forth in the Act, at least ten (10) days before the Association commences a civil action, the Association shall provide a written statement to all Unit Owners that includes a reasonable estimate of the costs of the civil action, including reasonable attorneys' fees, an explanation of the potential benefits of the civil action and the potential adverse consequences if the Association does not commence the action or if the outcome of the action is not favorable to the Association, and all other disclosures required by law. The provisions of this Section do not apply to a civil action that is commenced to (i) enforce the payment of an Assessment, (ii) enforce the Governing Documents, (iii) enforce a contract with a vendor, (iv) proceed with a counterclaim, or (v) protect the health, safety and welfare of the Members of the Association.

ARTICLE 7 ASSESSMENTS

7.1 Preparation of Budgets.

7.1.1 At least sixty (60) days before the beginning of each fiscal year of the Association commencing with the fiscal year in which the first Unit is conveyed to a Purchaser, the Board of Directors shall adopt (i) a budget for the Association containing an estimate of the

annual revenue of the Association and an estimate of the total amount of funds which the Board of Directors believes will be required during the ensuing fiscal year to pay all Common Expenses (except for Common Expenses pertaining to Neighborhood Assessment Areas and Neighborhood Services to be assessed as Neighborhood Assessments, and except for the Common Expenses to be assessed against less than all of the Units pursuant to **Subsections 7.2.3 and 7.2.4** of this Declaration), including contributions to be made to the reserve fund, and (ii) a budget to provide adequate funding for the reserves for the repair, replacement and restoration of the major components of the Common Elements prepared in accordance with applicable law. The budget described in (i) above shall separately reflect any Common Expenses to be assessed against less than all of the Units pursuant to **Subsection 7.2.4 or 7.2.5** of this Declaration.

7.1.2 Within sixty (60) days after the adoption of the budgets, the Board of Directors shall send to each Unit Owner a summary of the budgets (with the complete budgets available for review and/or copying at the Association's office upon request) and a statement of the amount of the Common Expense Assessment assessed against the each Unit in accordance with **Section 7.2** of this Declaration and shall set a date for the meeting of the Unit Owners to consider ratification of the budgets not less than fourteen (14) nor more than thirty (30) days after mailing of the summary. Unless at that meeting a majority of all Unit Owners reject the budgets, the budgets are ratified, whether or not a quorum is present. If the proposed budgets are rejected, the periodic budgets last ratified by the Unit Owners must be continued until such time as the Unit Owners ratify subsequent budgets proposed by the Board of Directors. The failure or delay of the Board of Directors to prepare or adopt budgets for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner's obligation to pay such Unit Owner's allocable share of the Common Expenses as provided in **Section 7.2** of this Declaration, and each Unit Owner shall continue to pay the Common Expense Assessment against his Unit as established for the previous fiscal year until notice of the Common Expense Assessment for the new fiscal year has been established by the Board of Directors.

7.2 Common Expense Assessment.

7.2.1 For each fiscal year of the Association commencing with the fiscal year in which the first Unit is conveyed to a Purchaser, the total amount of the estimated Common Expenses set forth in the budget adopted by the Board of Directors (except for Common Expenses pertaining to Neighborhood Assessment Areas and Neighborhood Services which are to be assessed as Neighborhood Assessments, and except for the Common Expenses which are to be assessed against less than all of the Units pursuant to **Subsections 7.2.3 and 7.2.4** of this Declaration) shall be assessed against each Unit in proportion to the Unit's Common Expense Liability as set forth in **Section 2.6** of this Declaration, for the purpose of providing funds for the Association to pay Common Expenses. The amount of the Common Expense Assessment assessed pursuant to this **Subsection 7.2.1** shall be in the sole discretion of the Board of Directors. If the Board of Directors determines during any fiscal year that its funds budgeted or available for that fiscal year are, or will become, inadequate to meet all Common Expenses for any reason, including nonpayment of Assessments by Members, it may increase the Common Expense Assessment for that fiscal year and the revised Common Expense Assessment shall commence on the date designated by the Board of Directors.

7.2.2 Except as otherwise expressly provided for in this Declaration, all Common Expenses shall be assessed against all of the Units in accordance with **Subsection 7.2.1** of this Declaration.

7.2.3 If any Common Expense is caused by the misconduct of any Unit Owner, the Association shall assess that Common Expense exclusively against such Unit Owner's Unit.

7.2.4 Assessments to pay a judgment against the Association may be made only against the Units in the Community at the time the judgment was entered, in proportion to their Common Expense Liabilities.

7.2.5 All Assessments, fines and other fees and charges levied against a Unit shall be the personal obligation of the applicable Unit Owner at the time the Assessments, fines or other fees and charges became due. The personal obligation of a Unit Owner for Assessments, fines and other fees and charges levied against such Unit shall not pass to the Unit Owner's successors in title unless expressly assumed by them.

7.3 Declarant Subsidy. Declarant may, but shall not be obligated to, reduce the Common Expense Assessment for any fiscal year by payment of a subsidy, which shall be in addition to the Assessments paid by Declarant pursuant to **Section 7.2** and may be either a contribution or a loan, in Declarant's discretion. Any such subsidy shall be disclosed as a line item in the income portion of the budget, and if Declarant elects to provide the subsidy as a loan to the Association, such loan also shall be disclosed on the financial statement of the Association. Payment of such subsidy in any year shall not obligate Declarant to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and Declarant.

7.4 Special Assessments. In addition to Common Expense Assessments, the Association may levy, in any fiscal year of the Association, a Special Assessment applicable to that fiscal year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement of the Common Elements, including fixtures and personal property related thereto, or for any other lawful Association purpose, provided that any Special Assessment shall have first been approved by Unit Owners representing at least sixty-seven percent (67%) of the votes in the Association who are voting in person or by proxy at a meeting duly called for such purpose, which meeting was noticed in compliance with the requirements set forth in N.R.S. § 116.3115(9), as amended from time to time. Unless otherwise specified by the Board of Directors, Special Assessments shall be due thirty (30) days after they are levied by the Association and notice of the Special Assessment is given to the Unit Owners. After the expiration of the Period of Declarant Control and for so long as the Declarant owns any property described on **Exhibit A** or **Exhibit B**, any Special Assessment may be levied only if consented to or approved by the Declarant, to the extent permitted by Nevada law.

7.5 Neighborhood Assessments.

7.5.1 The purpose of a Neighborhood Assessment is to provide for the payment of (i) the costs and expenses of Neighborhood Services provided by the Association for the sole

or primary benefit of the Unit Owners and Residents within the Neighborhood Assessment Area and not to the Unit Owners or Residents within the Community as a whole, including special maintenance of the Unit Owners Units or any Improvements thereon; and (ii) the extra bookkeeping and accounting expenses created by the Neighborhood Assessment Area.

7.5.2 Each Neighborhood Area Budget (defined below) shall be ratified by the Members owning Units within the Neighborhood Assessment Area in the manner provided in **Section 7.5.4** below, and shall include estimated expenditures for the following purposes: (i) the costs of rendering to the Unit Owners all Neighborhood Services required to be rendered by the Association under the Supplemental Declaration creating the Neighborhood Assessment Area; (ii) such other funds as may be necessary to provide general operating reserves and reserves for contingencies and replacements deemed appropriate by the Board of Directors; (iii) the extra bookkeeping and accounting expenses which may reasonably be created by the Neighborhood Assessment Area; and (iv) the cost of any other item or items incurred by the Association, for any reason whatsoever in connection with the Neighborhood Assessment Area for the common benefit of the Unit Owners within the Neighborhood Assessment Area.

7.5.3 Each of the Neighborhood Assessments shall be levied against the Unit Owners, jointly and severally, of each of the Units within the applicable Neighborhood Assessment Area at a uniform rate per membership.

7.5.4 At such time as the Board of Directors meets for the purpose of preparing the proposed budgets described in **Subsection 7.1.1** for the next succeeding fiscal year, the Board of Directors also shall establish (a) a budget for the expenses of each Neighborhood Assessment Area within the Community containing an estimate of the annual revenue of the Neighborhood Assessment Area and an estimate of the total amount of funds that the Board of Directors believes will be required during the ensuing fiscal year to pay all Neighborhood Expenses, including contributions to be made to the reserve fund, and (b) a budget to maintain a reserve fund for the repair, replacement and restoration of the major components of the Limited Common Elements within the Neighborhood Assessment Area prepared in accordance with applicable law (collectively, with respect to each Neighborhood, the "**Neighborhood Area Budgets**"). Within thirty (30) days after adoption by the Board of Directors of the proposed Neighborhood Area Budgets for each Neighborhood Assessment Area, the Board of Directors shall provide a summary of the applicable proposed Neighborhood Area Budgets to all Unit Owners within the Neighborhood Assessment Area, and the ratification of the Neighborhood Area Budgets shall be considered by the Unit Owners within the Neighborhood Assessment Area as a separate agenda item at the same meeting of the Members where the budgets for Common Expenses are considered for ratification. Unless at such meeting at least a majority of all Unit Owners within the applicable Neighborhood Assessment Area reject the Neighborhood Assessment Budgets, the Neighborhood Assessment Budgets are ratified, whether or not a quorum of such Unit Owners is present. If the proposed Neighborhood Assessment Budgets are rejected, the periodic Neighborhood Assessment Budgets last ratified by the applicable Neighborhood Assessment Area Unit Owners must be continued until such time as such Unit Owners ratify subsequent Neighborhood Area Budgets proposed by the Board of Directors. The failure or delay of the Board of Directors to prepare or adopt Neighborhood Area Budgets for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner's obligation to pay such Unit Owner's allocable share of the Neighborhood Expenses as provided

in this **Section 7.5**, and each Unit Owner shall continue to pay the Neighborhood Assessment against such Unit as established for the previous fiscal year until notice of the Neighborhood Assessment for the new fiscal year has been established by the Board of Directors.

7.5.5 Any additional or increased services for a Neighborhood Assessment Area which were not initially provided for in the Supplemental Declaration for such Neighborhood Assessment Area ("**Special Neighborhood Assessment**") shall not be authorized unless such Special Neighborhood Assessment shall have first been approved by Unit Owners representing two-thirds (2/3) of the votes in the Neighborhood Assessment Area who are voting in person or by proxy at a meeting duly called for such purpose. Unless otherwise specified by the Board of Directors, Special Neighborhood Assessments shall be due thirty (30) days after they are levied by the Association and notice of the Special Neighborhood Assessment is given to the Unit Owners within the applicable Neighborhood Assessment Area.

7.6 Assessment Period. The period for which the Common Expense Assessment is to be levied (the "**Assessment Period**") shall be the calendar year. The first Assessment Period, and the obligation of the Unit Owners to pay Common Expense Assessments, shall commence upon the conveyance of the first Unit to a Purchaser and shall be adjusted according to the amount of time remaining in the fiscal year of the Association. The Board of Directors, in its sole discretion from time to time, may change the Assessment Period.

7.7 Commencement Date of Assessment Obligation. Until the conveyance of the first Unit to a Purchaser, the Declarant shall pay all Common Expenses. All Units described on **Exhibit A** to this Declaration shall be subject to Assessments upon the conveyance of the first Unit to a Purchaser. Units annexed pursuant to **Section 2.9** of this Declaration shall be subject to Assessments on the date on which the amendment annexing the additional Units is Recorded or upon the conveyance of the first Unit to a Purchaser, whichever is later. Upon the annexation of any portion of the Additional Property, the amount of the Common Expense Assessments levied against each Unit shall be recalculated based upon a fraction, the numerator of which is one (1) and the denominator of which is the new number of Units then subject to Assessments.

7.8 Rules Regarding Billing and Collection Procedures. Common Expense Assessments and Neighborhood Assessments shall be collected on a monthly or quarterly basis or such other basis as may be selected by the Board of Directors. Special Assessments may be collected as specified by the Board of Directors. The Board of Directors shall have the right to adopt rules and regulations setting forth procedures for the purpose of making Assessments and for the billing and collection of the Assessments, provided that the procedures are not inconsistent with the provisions of this Declaration. The failure of the Association to send a bill to a Member shall not relieve any Member of his liability for any Assessment or charge under this Declaration. The Association shall be under no duty to refund any payments received by it even though the ownership of a Unit changes during an Assessment Period, but successor Unit Owners of Units shall be given credit for prepayments, on a prorated basis, made by prior Unit Owners. Any such credits shall be reimbursed directly by the applicable purchasing Unit Owner to the applicable selling Unit Owner upon conveyance of the Unit.

7.9 Effect of Nonpayment of Assessments; Remedies of the Association.

7.9.1 Any Assessment, or any installment of an Assessment, not paid within five (5) days after the Assessment, or the installment of the Assessment, first became due shall bear interest from the due date at the maximum rate allowable under Nevada law. In addition, the Board of Directors may establish a late fee to be charged to any Unit Owner who has not paid any Assessment, or any installment of an Assessment, within five (5) days after such payment was due.

7.9.2 The Association shall have a lien on each Unit for: (i) all Assessments levied against the Unit; (ii) all interest, lien fees, late charges and other fees and charges assessed against the Unit or payable by the Unit Owner of the Unit; (iii) all construction penalties and fines levied against the Unit Owner of the Unit; (iv) all attorneys' fees, court costs, title report fees, costs and fees charged by any collection agency either to the Association or to a Unit Owner and any other fees or costs incurred by the Association in attempting to collect Assessments or other amounts due to the Association by a Unit Owner; and (v) any amounts payable to the Association pursuant to Section 5.2 or 5.3 or any other provision of this Declaration. The Recording of this Declaration constitutes Record notice and perfection of the Assessment Lien, and no further Recordation of any claim of lien shall be required. The Association may, at its option, Record a Notice of Lien setting forth the name of the delinquent Unit Owner as shown in the records of the Association, the legal description or street address of the Unit against which the Notice of Lien is Recorded and the amount claimed to be past due as of the date of the Recording of the Notice of Lien, including interest, lien Recording fees and reasonable attorneys' fees. Before Recording any Notice of Lien against a Unit, the Association shall make a written demand to the delinquent Unit Owner for payment of the delinquent Assessments, together with interest, late charges and reasonable attorneys' fees, if any. The demand shall state the date and amount of the delinquency. Each default shall constitute a separate basis for a demand, but any number of defaults may be included within the single demand. If the delinquency is not paid within ten (10) days after delivery of the demand, the Association may proceed with Recording a Notice of Lien against the Unit.

7.9.3 The Assessment Lien shall have priority over all liens and encumbrances except for: (i) liens and encumbrances Recorded prior to the Recordation of this Declaration; (ii) tax liens for real property taxes; (iii) assessments in favor of any municipal or other governmental body; and (iv) the lien of any bona fide First Mortgage Recorded prior to the date the delinquent Assessment(s) first accrued; provided, however, that the Assessment Lien is also prior to any such First Mortgage to the extent of Common Expense Assessments that became due during the six (6) months immediately preceding the institution of an action to enforce the Assessment Lien. All Assessments and charges against the Unit, including those which accrue before the six (6) month period prior to the institution of an action to enforce the Assessment Lien, shall remain the obligation of the defaulting Unit Owner; provided, however, that the Association shall credit such amount as it receives toward payment of any such delinquent Assessments from the First Mortgagee or any other Person acquiring title or coming into possession of the Unit through foreclosure of the First Mortgage, purchase at a foreclosure sale or trustee's sale, or through any equivalent proceedings, such as, but not limited to, the taking of a deed in lieu of foreclosure. Any delinquent Assessments, fines and other fees and charges that are extinguished or otherwise uncollectible by the Association pursuant to this Section may be reallocated and assessed to all Units as a Common Expense.

7.9.4 Except as otherwise provided in the Act, the Association shall not be obligated to release the Assessment Lien as to any portion of past due Assessments until all such delinquent Assessments, interest, lien fees, fines, reasonable attorneys' fees, court costs, title report fees, collection costs and all other sums payable to the Association by the Unit Owner of the Unit have been paid in full. In no event shall such release of the Assessment Lien for past due Assessments release the lien of this Declaration as to all other Assessments to become due hereunder.

7.9.5 The Association shall have the right, at its option, to enforce collection of any delinquent Assessments, penalties, fees, charges, late charges and fines, together with interest, lien fees, reasonable attorneys' fees and any other sums due to the Association in any manner allowed by law including (i) bringing an action at law against the Unit Owner personally obligated to pay the delinquent Assessments, and such action may be brought without waiving the Assessment Lien securing the delinquent Assessments, or (ii) bringing an action to foreclose the Assessment Lien against the Unit in the manner provided under the Act. The Association shall have the power to bid at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any and all Units purchased at such sale.

7.10 **Notice of Delinquent Assessment.** No action shall be brought to foreclose the Assessment Lien unless a "Notice of Delinquent Assessment" is deposited in the United States mail, certified or registered, postage prepaid with return receipt requested, to the delinquent Unit Owner. Such Notice of Delinquent Assessment must state (i) the amount of the Assessment and other sums that are due (including interest, costs and attorneys' fees), (ii) a description of the Unit against which the Assessment was made, and (iii) the name of the Record Unit Owner. The Notice of Delinquent Assessment shall be signed and acknowledged by an officer of the Association. If a Unit Owner subject to the lien under this Article files a petition for relief under the United States Bankruptcy Code, the time period for instituting proceedings to enforce the Association's lien shall be tolled until thirty (30) days after the automatic stay of proceedings under Section 362 of the Bankruptcy Code is lifted.

7.11 **Foreclosure Sale.** The Association may enforce the lien by sale of the applicable Unit. In exercising its power of sale, the Association shall comply with such requirements and conditions and shall follow such procedure as may be established under the Act relative to the enforcement of such liens. Unless otherwise permitted by law, no sale to foreclose an Assessment Lien may be conducted until (i) the Association, its agent or attorney has first executed and Recorded a notice of default and election to sell the Unit to satisfy the Assessment Lien ("Notice of Default"), which contains all information required by the Act, and (ii) the delinquent Unit Owner or such Unit Owner's successor in interest has failed to pay the amount of the delinquent Assessment and interest, costs (including attorneys' fees) and expenses incident to its enforcement for a period of ninety (90) days. Such ninety (90) day period shall commence on the later of (a) the date on which the Notice of Default is Recorded, or (b) the date on which a copy of the Notice of Default is mailed by certified or registered mail with postage prepaid and return receipt requested to the Unit Owner or such Unit Owner's successor in interest at his address, if the address is known, and otherwise to the address of the Unit. The Association, its agent or attorney shall, after the expiration of such ninety (90) day period and before the foreclosure sale, give notice of the time and place of the sale in the manner and for a time not less than that required by law for the sale of real property upon execution, except that a

copy of the notice of sale must be mailed on or before the first publication or posting, by certified or registered mail with postage prepaid and return receipt requested, to the Unit Owner or such Unit Owner's successor in interest at his address if known, and otherwise to the address of the Unit, and a copy of the notice of sale must be served on or before the date of first publication or posting in the manner prescribed by law.

7.12 Curing of Default. Upon the timely curing of any default for which a Notice of Lien or a Notice of Delinquent Assessment was Recorded by the Association, the Association shall Record an appropriate release of the applicable Notice(s) upon payment by the defaulting Unit Owner of a reasonable fee to be determined by the Board of Directors to cover the cost of preparing and Recording such release.

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

7.14 Exemption of Unit Owner. No Unit Owner may claim an exemption from liability for payment of Assessments, fines and other fees and charges levied pursuant to the Governing Documents by waiver and nonuse of any of the Common Elements and facilities or by the abandonment of his Unit.

7.15 Certificate of Payment. The Association on written request shall furnish to a lienholder, Unit Owner or person designated by a Unit Owner a Recordable statement setting forth the amount of unpaid Assessments against his Unit. The statement shall be furnished within ten (10) business days after receipt of the request and is binding on the Association, the Board of Directors, and every Unit Owner. The Association may charge a reasonable fee in an amount established by the Board of Directors for each such statement.

7.16 No Offsets. All Assessments, fines and other fees and charges shall be payable in accordance with the provisions of this Declaration, and no offsets against such Assessments, fines, other fees and charges shall be permitted for any reason, including a claim that the Association is not properly exercising its duties and powers as provided in the Governing Documents or the Act.

7.17 Working Capital Fund. To ensure that the Association shall have adequate funds to meet its expenses or to purchase necessary equipment or services, each Person acquiring a Unit from Declarant shall pay to the Association, immediately upon becoming a Unit Owner, a sum equal to one-sixth (1/6th) of the current annual Common Expense Assessment attributable to the Unit. Funds paid to the Association pursuant to this Section may be used by the Association for payment of operating expenses or any other purpose permitted under the Governing Documents. Payments made pursuant to this Section shall be nonrefundable and shall not be considered as an advance payment of any Assessments levied by the Association pursuant to this Declaration.

7.18 Reserve Fund. The Association shall establish and maintain, from Common Expense Assessments, an adequate reserve fund to provide for the replacement of Improvements

to the Areas of Common Responsibility. In addition to the funds collected through Common Expense Assessments, each Person acquiring a Unit from the Declarant shall pay to the Association immediately upon becoming a Unit Owner a sum equal to one sixth (1/6th) of the then current annual Common Expense Assessment attributable to the Unit. Funds paid to the Association pursuant to this Section shall be deposited in the reserve fund of the Association. Payments made pursuant to this Section shall be non-refundable and shall not be considered as an advance payment of any Assessments levied by the Association pursuant to this Declaration.

7.19 Surplus Funds. Surplus funds of the Association remaining after payment of or provisions for Common Expenses and any prepayment of reserves may in the discretion of the Board of Directors (and with the written consent of Declarant during the Period of Declarant Control) either be returned to the Unit Owners pro rata in accordance with each Unit Owner's Common Expense Liability or be credited on a pro rata basis to the Unit Owners to reduce each Unit Owner's future Common Expense Assessments.

7.20 Transfer Fee. Each Purchaser of a Unit shall pay to the Association, or to its community manager if directed to do so by the Board of Directors, immediately upon becoming the Unit Owner a transfer fee in such amount as is established from time to time by the Board of Directors.

ARTICLE 8 INSURANCE

8.1 Scope of Coverage.

8.1.1 Commencing not later than the date of the first conveyance of a Unit to a Person other than Declarant, the Association shall maintain, to the extent reasonably available, the following insurance coverage:

(i) Property insurance on the Areas of Common Responsibility issued under a form that provides "All Risk of Direct Physical Loss" coverage in an amount equal to the maximum insurable replacement value of the Areas of Common Responsibility as determined by the Board of Directors; provided, however, that the total amount of insurance after application of any deductibles shall not be less than one hundred percent (100%) of the current replacement cost of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations and other items normally excluded from a property insurance policy.

(ii) Commercial general liability insurance, for a limit to be determined by the Board of Directors, but not less than \$1,000,000.00 for any single occurrence. Such insurance shall cover all occurrences commonly insured against for death, bodily injury and property damage arising out of or relating to the use, ownership or maintenance of the Areas of Common Responsibility or arising out of or relating to the performance by the Association of its maintenance and other obligations under the Governing Documents, whether on the Common Elements, any Unit or any public or private right-of-way. Such policy shall include a cross liability clause to cover liabilities of the Unit Owners as a group to a Unit Owner.

(iii) Workmen's compensation insurance to the extent necessary to meet the requirements of the laws of Nevada.

(iv) Directors' and officers' liability and errors and omissions insurance covering all the directors, officers and committee members of the Association in such limits as the Board of Directors may determine from time to time.

(v) Such other insurance (Including employment practices liability insurance and fidelity insurance) as the Association shall determine from time to time to be appropriate to protect the Association, the members of the Board of Directors, the officers and the members of any committee of the Board of Directors or the Unit Owners.

8.1.2 The insurance policies purchased by the Association shall, to the extent reasonably available, contain the following provisions:

(i) Each Unit Owner shall be an insured under the policy with respect to liability arising out of his ownership of an undivided interest in the Common Elements or his membership in the Association.

(ii) There shall be no subrogation with respect to the Association, its agents, servants, and employees against Unit Owners and members of their household.

(iii) No act or omission by any Unit Owner, unless acting within the scope of his authority on behalf of the Association, shall void the policy or be a condition to recovery on the policy.

(iv) The coverage afforded by such policy shall be primary and shall not be brought into contribution or proration with any insurance which may be purchased by Unit Owners or their mortgagees or beneficiaries under deeds of trust.

(v) A "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Unit Owner because of the negligent acts of the Association or other Unit Owners.

(vi) The Association shall be the insured for use and benefit of the individual Unit Owners (designated by name if required by the insurer).

(vii) For policies of hazard insurance, a standard mortgagee clause providing that the insurance carrier shall notify the Association and each First Mortgagee named in the policy at least ten (10) days in advance of the effective date of any substantial change in coverage or cancellation of the policy.

(viii) Any insurance trust agreement will be recognized by the insurer.

(ix) "Agreed Amount" and "Inflation Guard" endorsements.

8.1.3 If, at the time of a loss insured under an insurance policy purchased by the Association, the loss is also insured under an insurance policy purchased by a Unit Owner, the Association's policy shall provide primary coverage.

8.1.4 If the insurance described in **Subsections 8.1.1(i) or 8.1.1(ii)** is not reasonably available, the Association promptly shall cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Unit Owners.

8.2 Payment of Premiums. Premiums for all insurance and fidelity insurance obtained by the Association pursuant to this Article shall be Common Expenses, shall be included in the budget for the Association and shall be paid for by the Association.

8.3 Insurance Obtained by Unit Owners. The issuance of insurance policies to the Association pursuant to this Article shall not prevent a Unit Owner from obtaining insurance for his own benefit and at his own expense covering his Unit, his personal property and providing personal liability coverage.

8.4 Allocation of Insurance Deductible. The Association shall maintain in its reserve account an amount sufficient to pay the deductible amounts applicable to its insurance policies. If the Association submits a claim to an insurance carrier that is then or later determined by the Board of Directors to be the result of negligence or willful misconduct of a Unit Owner, the cost to the Association of any insurance deductible shall be paid by the Unit Owner, upon demand, to the Association. The Association may enforce collection of any such amounts in the same manner and to the same extent as provided for in this Declaration for the collection of Assessments.

8.5 Payment of Insurance Proceeds. Any loss covered by property insurance obtained by the Association in accordance with this Article shall be adjusted with the Association and the insurance proceeds shall be payable to the Association and not to any mortgagee or beneficiary under a deed of trust. The Association shall hold any insurance proceeds in trust for Unit Owners and lienholders as their interests may appear, and the proceeds shall be disbursed and applied as provided for in N.R.S. § 116.31135.

8.6 Certificate of Insurance. An insurer that has issued an insurance policy pursuant to **Section 8.1** of this Declaration shall issue certificates or memoranda of insurance to the Association and, on written request, to any Unit Owner, mortgagee, or beneficiary under a deed of trust. The insurer issuing the policy shall not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the Association, each Unit Owner, and each mortgagee or beneficiary under a deed of trust to whom a certificate or memorandum of insurance has been issued at their respective last known addresses.

8.7 Annual Insurance Review. The Board of Directors shall annually determine whether the amounts and types of insurance it has obtained provide adequate coverage for the Areas of Common Responsibility in light of increased construction costs, inflation, practice in the area of which the Community is located or any other factor that tends to indicate that either additional insurance policies or increased coverage under existing policies are necessary or desirable to protect the interest of the Unit Owners and of the Association. If the Board of

Directors determines that increased coverage or additional insurance is appropriate, it shall obtain the same.

8.8 Repair and Replacement of Damaged or Destroyed Property. Any portion of the Areas of Common Responsibility that are damaged or destroyed shall be repaired or replaced promptly by the Association unless (i) repair or replacement would be illegal under any state or local health or safety statute or ordinance, or (ii) Unit Owners representing at least eighty percent (80%) of the total authorized votes in the Association vote not to rebuild. The cost of repair or replacement in excess of insurance proceeds and reserves shall be paid by the Association, and the Board of Directors may, without the necessity of a vote of the Unit Owners, levy an equal assessment against all Unit Owners to cover such excess cost. Additional assessments may be made in a like manner at any time during or following the completion of any repair or reconstruction. Any assessment levied pursuant to this **Section 8.8** will be deemed to be a part of the Assessments and will be secured by the Assessment Lien. If all of the Common Elements are not repaired or replaced, insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Community and that is not in violation of any state or local health or safety statute or ordinance. The remainder of the proceeds shall either (a) be distributed to all Unit Owners or lien holders in proportion to the allocated interest of each Unit Owner as determined pursuant to **Section 2.6** of this Declaration, or (b) be retained by the Association as an additional capital reserve or used for payment of operating expenses of the Association if such action is approved by the affirmative vote or written consent, or any combination thereof, of Members representing more than fifty percent (50%) of the votes in the Association.

ARTICLE 9 RIGHTS OF FIRST MORTGAGEES

9.1 First Mortgagee's Right of Inspection of Records. Any First Mortgagee will be entitled, upon written request, to: (i) inspect the books and records of the Association during normal business hours; (ii) receive within ninety (90) days following the end of any fiscal year of the Association, a financial statement of the Association for the immediately preceding fiscal year of the Association, free of charge to the requesting party; and (iii) receive written notice of all meetings of the Members of the Association and be permitted to designate a representative to attend all such meetings.

9.2 No Priority over First Mortgagees. No provision of this Declaration gives or shall be construed as giving any Unit Owner or other Person priority over any rights of a First Mortgagee of a Unit in the case of the distribution to such Unit Owner of insurance proceeds or condemnation awards for losses to or taking of the Common Elements.

ARTICLE 10 RESERVATION OF DEVELOPMENTAL AND SPECIAL DECLARANT'S RIGHTS

Pursuant to N.R.S. § 116.2105(1)(h), Declarant reserves all of the developmental and special declarant's rights in the Community, including any Additional Property annexed hereafter, afforded under N.R.S. § 116.039 and N.R.S. § 116.089, subject to the expiration

deadlines set forth below. Specifically, but without limitation, Declarant reserves the following rights:

10.1 Developmental Rights. Declarant hereby reserves, for a period of seven (7) years following the Recordation of this Declaration, all developmental rights under N.R.S. § 116.039. Declarant specifically reserves the right to withdraw real estate described on **Exhibit A** from the Community until the first Unit has been conveyed to a Person other than Declarant. If Declarant elects to add any portion of the Additional Property to the Community pursuant to **Section 2.9** of this Declaration, such portion of the Additional Property, when annexed, shall be deemed a "separate portion" of the Community (for purposes of N.R.S. § 116.211(4)), and Declarant hereby reserves the right to withdraw any real estate from such portion of the Additional Property so annexed until the first Unit thereof has been conveyed to a Person other than Declarant.

10.2 Right to Complete Improvements and Construction Easement. Declarant hereby reserves the right, for a period of seven (7) years following the Recordation of this Declaration, to complete the construction of Improvements in the Community and an easement over the Community for the purpose of doing so. Any damage caused to a Unit or the Common Elements by Declarant or its agents in the use or exercise of such right and/or easement shall be repaired by and at the expense of Declarant.

10.3 Exercise of Developmental Rights. Declarant reserves the right to exercise all developmental rights reserved pursuant to **Section 10.1** above for a period of seven (7) years following the Recordation of this Declaration.

10.4 Offices, Model Homes and Promotional Signs. Declarant reserves the right to maintain offices for sales and management and models as provided in **Section 3.4** above, and to maintain signs on the Common Elements for so long as Declarant owns any property described on **Exhibit A** or **Exhibit B**.

10.5 Use of Easements. Declarant reserves the right to use easements through the Common Elements for the purpose of making Improvements within the Community or within the Additional Property.

10.6 Master Association. Declarant reserves the right to make the Community subject to a master homeowners association.

10.7 Merger or Consolidation. Declarant reserves the right to merge or consolidate the Community with another common-interest community of the same form of ownership.

10.8 Appointment and Removal of Directors and Officers. Declarant reserves the right to appoint and remove a majority of the Board of Directors and the officers of the Association or any master association or any member of the Board of Directors as set forth in **Section 6.2** above, for the time period set forth therein.

**ARTICLE 11
GENERAL PROVISIONS**

11.1 Enforcement.

11.1.1 The Association, or any Unit Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of the Governing Documents. Failure by the Association or by any Unit Owner to enforce any covenant or restriction contained in the Governing Documents shall in no event be deemed a waiver of the right to do so thereafter.

11.1.2 All remedies set forth in this Declaration and the Bylaws shall be cumulative of any remedies available at law or in equity. In the event the Declarant, the Association or any Unit Owner employs an attorney or attorneys to enforce a lien or to collect any amounts due from a Unit Owner or to enforce compliance with or recover damages for any violation or noncompliance with the Governing Documents, the prevailing party in any such action (Including any such action maintained under **Section 11.20**) shall be entitled to recover from the other party its reasonable attorneys' fees and costs incurred in the action.

11.1.3 The Association shall be obligated to investigate allegations of violations of any covenant, restriction, or rule set forth in any of the Governing Documents; provided that the Association may, but shall not be obligated to, investigate anonymous allegations. Following such investigation, the decision to take or not take enforcement action shall, in each case, be in the discretion of the Board of Directors, in the exercise of its business judgment. Without limiting the generality of the Board of Directors' discretion, if the Board of Directors reasonably determines that a covenant, restriction, or rule is, or is likely to be construed as, inconsistent with the applicable law, or in any case in which the Board of Directors reasonably determines that the Association's position is not strong enough to justify taking enforcement action, the Board of Directors shall not be obligated to take such action. Any such determination shall not be construed a waiver of the right of the Association to enforce such provision at a later time or under other circumstances, or estop the Association from enforcing any other covenant, restriction, or rule. Notwithstanding the above, if, in the discretion of the Declarant as long as Declarant owns any property described in **Exhibit A** or **Exhibit B**, the Association fails to take appropriate action to enforce any provision of the Governing Documents in accordance with its rights and responsibilities, the Declarant may take such enforcement action on behalf of the Association. Declarant shall not take such action without first providing the Association written notice and a reasonable opportunity to take such action on its own.

11.2 Severability. If any one of the covenants or restrictions contained in this Declaration is determined by judgment or court order to be invalid, such invalidation shall in no way affect any other provisions of this Declaration, and such other provisions shall remain in full force and effect.

11.3 Duration. Unless amended in accordance with the provisions of **Section 11.5** below, the covenants and restrictions of this Declaration shall run with and bind the Community,

for a term of twenty (20) years from the date this Declaration is Recorded, after which time they shall be automatically extended for successive periods of ten (10) years.

11.4 Termination of Community. The Community may be terminated only in the manner provided for in the Act.

11.5 Amendment.

11.5.1 Except as otherwise provided by the Act, and except in cases of amendments that may be executed by a Declarant under N.R.S. §§ 116.2109 or 116.211, by the Association under N.R.S. §§ 116.1107, 116.2106, Subsection 3 of N.R.S. § 116.2108 or N.R.S. § 116.2113 or by certain Unit Owners under Subsection 2 of N.R.S. §§ 116.2108, 116.2112 or 116.2118, and except as limited by **Section 11.5.2** of this Declaration, and subject to the provisions of **Subsection 11.20.9** of this Declaration, this Declaration, including the Plat and Plans, may be amended only by the affirmative vote or written consent, or any combination thereof, of the Unit Owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated.

11.5.2 Except to the extent expressly permitted or required by the Act, an amendment to the Declaration shall not create or increase Special Declarant's Rights, increase the number of Units, change the boundaries of any Unit, change the allocated interests of a Unit, or change the use as to which any Unit is restricted, in the absence of unanimous consent of the Unit Owners affected and the consent of a majority of the Unit Owners of the remaining Units in the Community.

11.5.3 An amendment to the Declaration shall not terminate or decrease any unexpired Developmental Right, Special Declarant's Right or Period of Declarant Control unless Declarant approves the amendment in writing.

11.5.4 During the Period of Declarant Control, Declarant shall have the right to amend the Declaration, including the Plat and the Plans, to (i) comply with the Act or any other applicable law if the amendment does not adversely affect the rights of any Unit Owner, (ii) correct any error or inconsistency in the Declaration if the amendment does not adversely affect the rights of any Unit Owner, (iii) comply with the rules or guidelines in effect from time to time of any governmental or quasi-governmental entity or federal corporation guaranteeing or insuring mortgage loans or governing transactions involving mortgage instruments, including the Veterans Administration, the Federal Housing Administration, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, or (iv) comply with the rules or requirements of any federal, state or local governmental entity or agency whose approval of the Community, the Plat or the Governing Documents is required by law or requested by Declarant.

11.5.5 Any amendment adopted by the Unit Owners pursuant to **Subsection 11.5.1** of this Declaration shall be signed by the President or Vice President of the Association and shall be Recorded. Any such amendment shall certify that the amendment has been approved as required by this Section. Any amendment made by Declarant pursuant to **Subsection 11.5.4** of this Declaration or the Act shall be executed by Declarant and shall be Recorded. Any amendment shall be effective only upon Recordation.

11.6 Remedies Cumulative. Each remedy provided herein is cumulative and not exclusive.

11.7 Notices. All notices, demands, statements or other communications required to be given to or served on a Unit Owner under this Declaration shall be in writing and shall be deemed to have been duly given and served if delivered personally or sent by United States mail, postage prepaid, return receipt requested, addressed to the Unit Owner, at the address which the Unit Owner shall designate in writing and file with the Association or, if no such address is designated, at the address of the Unit of such Unit Owner. A Unit Owner may change his address on file with the Association for receipt of notices by delivering a written notice of change of address to the Association pursuant to this Section. A notice given by mail, whether regular, certified, or registered, shall be deemed to have been received by the person to whom the notice was addressed on the earlier of the date the notice is actually received or three (3) days after the notice is mailed. If a Unit is owned by more than one (1) person, notice to one (1) of the Unit Owners shall constitute notice to all Unit Owners of the same Unit. Each Unit Owner shall file his correct mailing address with the Association, and shall promptly notify the Association in writing of any subsequent change of address.

11.8 Binding Effect. By acceptance of a deed or by acquiring any ownership interest in any portion of the Community, each Person, for himself, his heirs, personal representatives, successors, transferees and assigns, binds himself, his heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules, and regulations now or hereafter imposed by the Governing Documents and any amendments thereof. In addition, each such Person by so doing thereby acknowledges that the Governing Documents set forth a general scheme for the improvement and development of the real property covered thereby and hereby evidences his intent that all the restrictions, conditions, covenants, rules and regulations contained in the Governing Documents shall run with the land and be binding on all subsequent and future Unit Owners, grantees, purchasers, assignees, and transferees thereof. Furthermore, each such Person fully understands and acknowledges that the Governing Documents shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future Unit Owners. Declarant, its successors, assigns and grantees, covenant and agree that the Units and the membership in the Association and the other rights created by the Governing Documents shall not be separated or separately conveyed, and each shall be deemed to be conveyed or encumbered with its respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to the Unit.

11.9 Gender. The singular, wherever used in this Declaration, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions of this Declaration apply either to corporations or individuals, or men or women, shall in all cases be assumed as though in each case fully expressed.

11.10 Topic Headings. The marginal or topical headings of the sections contained in this Declaration are for convenience only and do not define, limit or construe the contents of the sections or of this Declaration.

11.11 Survival of Liability. The termination of membership in the Association shall not relieve or release any such former Unit Owner or Member from any liability or obligation

arising out of or relating to the Association during the period of such ownership or membership, or impair any rights or remedies which the Association may have against such former Unit Owner or Member arising out of, or in any way connected with, such ownership or membership and the covenants and obligations incident thereto.

11.12 Joint and Several Liability. In the case of joint ownership of a Unit, the liabilities and obligations of each of the joint Unit Owners set forth in, or imposed by, the Governing Documents shall be joint and several.

11.13 Guests and Tenants. Each Unit Owner shall be responsible for compliance by his agents, tenants, guests, invitees, licensees and their respective servants, agents, and employees with the provisions of the Governing Documents. A Unit Owner's failure to insure compliance by such Persons shall be grounds for the same action available to the Association or any other Unit Owner by reason of such Unit Owner's own noncompliance.

11.14 Number of Days. In computing the number of days for purposes of any provision of the Governing Documents, all days shall be counted including Saturdays, Sundays and legal holidays; provided, however, that if the final day of any time period falls on a Saturday, Sunday or legal holiday, then the next day that is not a Saturday, Sunday or legal holiday shall be deemed to be the final day.

11.15 Notice of Violation. The Association shall have the right to Record a written notice of a violation by any Unit Owner of any restriction or provision of the Governing Documents. The notice shall be executed and acknowledged by an officer of the Association and shall contain substantially the following information: (i) the name of the Unit Owner; (ii) the legal description of the Unit against which the notice is being Recorded; (iii) a brief description of the nature of the violation; (iv) a statement that the notice is being Recorded by the Association pursuant to this Declaration; and (v) a statement of the specific steps which must be taken by the Unit Owner to cure the violation. Recordation of a notice of violation shall serve as a notice to the Unit Owner and to any subsequent purchaser of the Unit that there is a violation of the provisions of the Governing Documents. If, after the Recordation of such notice, it is determined by the Association that the violation referred to in the notice does not exist or that the actual violation referred to in the notice has been cured, the Association shall Record a notice of compliance which shall state the legal description of the Unit against which the notice of violation was Recorded, the Recording data of the notice of violation, and shall state that the violation referred to in the notice of violation has been cured, or if such be the case, that it did not exist.

11.16 No Absolute Liability. No provision of the Governing Documents shall be interpreted or construed as imposing on any Unit Owner absolute liability for damage to the Common Elements or the Units. A Unit Owner shall only be responsible for damage to the Common Elements or Units caused by the Unit Owner's negligence or intentional acts.

11.17 Governing Law. The provisions of this Declaration shall be liberally construed to promote and effectuate the purposes of the Association as set forth in this Declaration. The provisions of this Declaration shall be construed and governed by the laws of the State of Nevada. This Declaration is intended to comply with the provisions of the Act. In the event any

provision of this Declaration is held to be in violation of the Act, this Declaration shall be deemed amended to the extent necessary to comply with the Act.

11.18 Interpretation. Except for judicial construction, the Association 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 this Declaration. In the event of any conflict between this Declaration and the Articles, Bylaws, Association Rules or Design Guidelines, this Declaration shall control except to the extent the Declaration is inconsistent with the Act. In the event of any conflict between the Articles and the Bylaws, the Articles shall control. In the event of any conflict between the Bylaws and the Association Rules or the Design Guidelines, the Bylaws shall control. In the event of any conflict between this Declaration and a Supplemental Declaration, this Declaration shall control, although such documents shall be construed to be consistent with one another to the extent possible. Notwithstanding the foregoing, the inclusion in any Supplemental Declaration of covenants, conditions and restrictions that are more restrictive or more inclusive than the provisions of this Declaration shall not be deemed to constitute a conflict with the provisions of this Declaration or the applicable Supplemental Declaration.

11.19 References to this Declaration in Deeds. Deeds to and instruments affecting any Unit or any other part of the Community may contain the covenants, conditions and restrictions herein set forth by reference to this Declaration; but regardless of whether any such reference is made in any deed or instrument, each and all of the provisions of this Declaration shall be binding upon the grantee, Unit Owner or other Person claiming through any instrument and such grantee's, Unit Owner's or other Person's heirs, executors, administrators, successors and assigns.

11.20 Dispute Notification and Resolution Procedure. All actions or claims (i) by the Association against any one or more of the Declarant Parties, (ii) by any Unit Owner(s) against any one or more of the Declarant Parties (other than claims under the limited warranty provided by Declarant to a Purchaser (the "Limited Warranty") to the extent applicable), or (iii) by both the Association and any Unit Owner(s) (other than claims under the Limited Warranty to the extent applicable) against any one or more of the Declarant Parties, arising out of or relating to the Community, including the Declaration or any other Governing Documents, the use or condition of the Community or the design or construction of or any condition on or affecting the Community, including construction defects, surveys, soils conditions, grading, specifications, installation of Improvements (including Dwellings) or disputes that allege negligence or other tortious conduct, fraud, misrepresentation, breach of contract or breach of implied or express warranties as to the condition of the Community or any Improvements (collectively, "Dispute(s)") shall be subject to the provisions of this Section 11.20. Declarant and each Unit Owner acknowledge that the provisions set forth in this Section 11.20 shall be binding upon current and future Unit Owners of the Community and upon the Association, whether acting for itself or on behalf of any Unit Owner(s). Nothing in this Declaration is intended to limit, expand or otherwise modify the terms of the Limited Warranty, and claims under the Limited Warranty will, subject to the terms of the Limited Warranty, be arbitrated in accordance with the arbitration provisions set forth in the Limited Warranty (to the extent applicable).

11.20.1 Claim Notice. Any Person (Including the Association) with a Dispute claim shall notify the applicable Declarant Party (the "**Notified Declarant Party**") in writing within sixty (60) days after becoming aware of the Dispute by certified mail, return receipt requested, of the claim, which writing shall include (i) in reasonable detail, the defects or any damages or injuries to each Improvement that is the subject of the Dispute, (ii) in reasonable detail, the cause of the defects if the cause is known, the nature and extent that is known of the damage or injury resulting from the defects and the location of each defect within each Improvement, and (iii) an expert opinion concerning the cause of the defects and the nature and extent of the damage or injury resulting from the defects based on a representative sample of the components of the Improvements involved in the Dispute (the "**Claim Notice**").

11.20.2 Right to Inspect. Within forty-five (45) days after receipt of the Claim Notice, the Notified Declarant Party and the Notified Declarant Party's representatives, upon written request to the claimant, shall be entitled to inspect the property that is the subject of the Dispute to determine the nature and cause of the defect, damage or injury and the nature and extent of repairs necessary to remedy the defect. After reasonable notice to the claimant and at reasonable times, the Notified Declarant Party and the Notified Declarant Party's representatives shall have the right to conduct inspections, testing and/or destructive or invasive testing in a manner deemed appropriate by the Notified Declarant Party (provided the Notified Declarant Party shall repair or replace any property damaged or destroyed during such inspection or testing) provided that all such activities are reasonably necessary to establish the existence of the defect, which right shall continue until such time as the Dispute is resolved as provided in **Subsection 11.20.3**.

11.20.3 Right to Corrective Action. Within a reasonable period after receipt of the Claim Notice, which period shall not exceed sixty (60) days, the Notified Declarant Party and the claimant shall meet at a mutually acceptable place within the Community or some other mutually acceptable place to discuss the Dispute. The parties shall negotiate in good faith in an attempt to resolve the Dispute. If the Notified Declarant Party elects to take any corrective action, the Notified Declarant Party and the Notified Declarant Party's representatives and agents shall be provided full access to the Community and the property which is the subject of the Dispute at reasonable times and upon reasonable notice to the claimant to take and complete corrective action.

11.20.4 No Additional Obligations; Irrevocability and Waiver of Right. Nothing set forth in **Subsections 11.20.2 and 11.20.3** shall be construed to impose any obligation on the Notified Declarant Party to inspect, test, repair or replace any item of the Community for which the Notified Declarant Party is not otherwise obligated under applicable law or the Limited Warranty. The right of the Notified Declarant Party to enter, inspect, test, repair and/or replace reserved hereby shall be irrevocable and may not be waived or otherwise terminated except by a writing, executed and Recorded by the Notified Declarant Party.

11.20.5 Mediation. If the parties to the Dispute fail to resolve the Dispute pursuant to the procedures described in **Subsection 11.20.3** above within ninety (90) days after delivery of the Claim Notice, the Person who delivered the Claim Notice shall select a mediator within ten (10) days after such ninety (90) day period. The mediator shall be subject to the approval of the Notified Declarant Party. If the Notified Declarant Party and the claimant fail to

agree upon a mediator within twenty (20) days after a mediator is first selected by the claimant, either party may petition the American Arbitration Association, the Nevada Arbitration Association, Nevada Dispute Resolution Services or any other mediation service acceptable to the parties for the appointment of a mediator qualified in the area pertaining to the Dispute. If the Person who delivered the Claim Notice fails to timely submit the Dispute to mediation, then the claim of the Person who delivered the Claim Notice shall be deemed waived and abandoned and all applicable Declarant Parties shall be relieved of and released from any and all liability relating to the Dispute. No person shall serve as a mediator in the Dispute in which the person has any financial or personal interest in the result of the mediation, except by the written consent of all parties. Prior to accepting any appointment, the prospective mediator shall disclose any circumstances likely to create a presumption of bias or to prevent a prompt commencement of the mediation process. No litigation or other action shall be commenced against the Notified Declarant Party or any other Declarant Party without complying with the procedures described in this **Subsection 11.20.5**.

(i) Position Memoranda Dispute Materials Pre Mediation Conference.

Within fifteen (15) days after the selection of the mediator, each party shall (A) submit a brief memorandum setting forth its position with regard to the issues that need to be resolved, and (B) provide the other party, or shall make a reasonable effort to assist the other party to obtain, all relevant reports, photos, correspondence, plans, specifications, warranties, contracts, subcontracts, work orders for repair, videotapes, technical reports, soil and other engineering reports and other documents or materials relating to the Dispute that are not privileged. The mediator shall have the right to schedule a pre mediation conference and all parties shall attend unless otherwise agreed. The mediation shall be commenced within thirty (30) days following the submittal of the memoranda and shall be concluded within forty-five (45) days following the submittal of the memoranda unless the parties mutually agree to extend the mediation period. The mediation shall be held in the county in which the Community is located or such other place as is mutually acceptable by the parties.

(ii) Conduct of Mediation. The mediator has discretion to conduct the mediation in the manner in which the mediator believes is most appropriate for reaching a settlement of the Dispute. The mediator is authorized to conduct joint and separate meetings with the parties and to make oral and written recommendations for settlement. Whenever necessary, the mediator may also obtain expert advice concerning technical aspects of the Dispute, provided the parties agree and assume the expenses of obtaining such advice. The mediator does not have the authority to impose a settlement on the parties.

(iii) Exclusion Agreement. Any admissions, offers of compromise or settlement negotiations or communications at the mediation shall be excluded in any subsequent dispute resolution forum.

(iv) Parties Permitted at Sessions. Persons other than the parties, the representatives and the mediator may attend mediation sessions only with the permission of both parties and the consent of the mediator. Notwithstanding the foregoing, applicable contractors, subcontractors, brokers, suppliers, architects, engineers and any other Persons providing materials or services in connection with the construction of any Improvement upon or benefiting the Community designated by a Notified Declarant Party may attend mediation sessions and may

be made parties to the mediation. Confidential information disclosed to a mediator by the parties or by witnesses in the course of the mediation shall be confidential. There shall be no stenographic record of the mediation process.

(v) Expenses. Before the mediation begins, the Person who delivered the Claim Notice shall deposit \$50.00 with the mediation service, and each other party to the mediation shall deposit with the mediation service, in equal shares, the remaining amount estimated by the mediation service as necessary to pay the fees and expenses of the mediator for the first session of the mediation and shall deposit additional amounts demanded by the mediation service as incurred for that purpose. Unless otherwise agreed, the total fees for each day of mediation and the mediator must not exceed \$750.00 per day. The expenses of witnesses for either side shall be paid by the party producing such witnesses. All other expenses of the mediation, including the expenses of any witnesses or the cost of any proof or expert advice produced at the direct request of the mediator, shall be borne equally by the parties unless they agree otherwise. Each party to the mediation shall bear its own attorneys' fees and costs in connection with such mediation.

11.20.6 Arbitration. Should mediation pursuant to **Subsection 11.20.5** above not be successful in resolving the Dispute, then the Person who delivered the Claim Notice shall have ninety (90) days after the date of termination of the mediation to submit the Dispute to binding arbitration. If timely submitted, the Dispute shall be resolved by binding arbitration through the American Arbitration Association in accordance with the Construction Industry AAA Rules, as modified or as otherwise provided in this **Subsection 11.20.6**. If the Person who delivered the Claim Notice fails to timely submit the Dispute to arbitration within the ninety (90) day period, then the claim of the Person who delivered the Claim Notice shall be deemed waived and abandoned and all applicable Declarant Parties shall be relieved and released from any and all liability relating to the Dispute. A Person with any Dispute may only submit such Dispute in arbitration on such Person's own behalf. No Person may submit a Dispute in arbitration as a representative or member of a class, and no Dispute may be arbitrated as a class action. All Declarant Parties and any Person(s) with a Dispute and/or submitting a Claim Notice, together with any additional Persons who agree to be bound by this **Section 11.20**, such as contractors, subcontractors, brokers, suppliers, architects, engineers and any other Person providing materials or services in connection with the construction of any Improvement upon or benefiting the Community (collectively, the "**Bound Parties**"), agree that all Disputes that are not resolved by negotiation or mediation shall be resolved exclusively by arbitration conducted in accordance with this **Subsection 11.20.6**, and waive the right to have the Dispute resolved by a court, including the right to file a legal action as the representative or member of a class or in any other representative capacity. The parties shall cooperate in good faith to attempt to cause any Person who may be liable to any other Bound Party to be included in the arbitration proceeding. Subject to the limitations imposed in this **Subsection 11.20.6**, the arbitrator shall have the authority to try all issues, whether of fact or law.

(i) Place. The proceedings shall be heard in the county in which the Community is located.

(ii) Arbitrator. A single arbitrator shall be selected in accordance with the rules of the American Arbitration Association from panels maintained by the American

Arbitration Association with experience in relevant real estate matters or construction. The arbitrator shall not have any relationship to the parties or interest in the Community. The parties to the Dispute shall meet to select the arbitrator within ten (10) days after service of the demand for arbitration on all respondents named therein or in the manner prescribed by the American Arbitration Association.

(iii) Commencement and Timing of Proceeding. The arbitrator shall promptly commence the proceeding at the earliest convenient date in light of all of the facts and circumstances and shall conduct the proceeding without undue delay.

(iv) Pre-hearing Conferences. The arbitrator may require one or more pre hearing conferences.

(v) Discovery. The parties shall be entitled only to limited discovery consisting of the exchange between the parties of only the following matters: (A) witness lists; (B) expert witness designations; (C) expert witness reports; (D) exhibits; (E) reports of testing or inspections of the property subject to the Dispute, including destructive or invasive testing; and (F) hearing briefs. The parties shall also be entitled to conduct further tests and inspections as provided in **Subsection 11.20.2** above. Any other discovery shall be permitted by the arbitrator upon a showing of good cause or based on the mutual agreement of the parties. The arbitrator shall oversee discovery and may enforce all discovery orders in the same manner as any trial court judge.

(vi) Motions. The arbitrator shall have the power to hear and dispose of motions, including motions to dismiss, motions for judgment on the pleadings and summary judgment motions, in the same manner as a trial court judge, except the arbitrator shall also have the power to adjudicate summarily issues of fact or law including the availability of remedies, whether or not the issue adjudicated could dispose of an entire cause of action or defense.

(vii) Arbitration Award. Unless otherwise agreed upon by the parties, the arbitrator shall render a written arbitration award within thirty (30) days after conclusion of the arbitration hearing. The arbitrator's award may be enforced as provided for in N.R.S. § 38.105 and Nevada Arbitration Rule 19, or such similar law governing enforcement of awards in a trial court as is applicable in the jurisdiction in which the arbitration is held or, as applicable, pursuant to the Federal Arbitration Act (Title 9 of the United States Code).

11.20.7 WAIVERS.

NOTICE: BY ACCEPTANCE OF A DEED OR BY ACQUIRING ANY OWNERSHIP INTEREST IN ANY PORTION OF THE COMMUNITY, EACH PERSON, FOR HIMSELF, HIS HEIRS, PERSONAL REPRESENTATIVES, SUCCESSORS, TRANSFEREES AND ASSIGNS, AGREES TO HAVE ANY DISPUTE RESOLVED ACCORDING TO THE PROVISIONS OF THIS SECTION 11.20 AND WAIVES THE RIGHT TO PURSUE ANY DISPUTE IN ANY MANNER OTHER THAN AS PROVIDED IN THIS SECTION 11.20. SPECIFICALLY, AND WITHOUT LIMITATION, EACH SUCH PERSON WAIVES THE RIGHT TO SUBMIT A DISPUTE IN ARBITRATION AS A REPRESENTATIVE OR MEMBER OF A CLASS AND TO HAVE SUCH DISPUTE ARBITRATED AS A CLASS

ACTION AND ALSO WAIVES THE RIGHT TO HAVE THE DISPUTE RESOLVED BY A COURT, INCLUDING THE RIGHT TO FILE A LEGAL ACTION AS THE REPRESENTATIVE OR MEMBER OF A CLASS OR IN ANY OTHER REPRESENTATIVE CAPACITY. THE ASSOCIATION, EACH UNIT OWNER AND DECLARANT ACKNOWLEDGE THAT BY AGREEING TO RESOLVE ALL DISPUTES AS PROVIDED IN THIS SECTION 11.20, THEY ARE GIVING UP THEIR RESPECTIVE RIGHTS TO HAVE SUCH DISPUTES TRIED BEFORE A JURY. THE ASSOCIATION, EACH UNIT OWNER AND DECLARANT FURTHER WAIVE THEIR RESPECTIVE RIGHTS TO AN AWARD OF PUNITIVE AND CONSEQUENTIAL DAMAGES RELATING TO A DISPUTE. BY ACCEPTANCE OF A DEED OR BY ACQUIRING ANY OWNERSHIP INTEREST IN ANY PORTION OF THE COMMUNITY, EACH UNIT OWNER HAS VOLUNTARILY ACKNOWLEDGED THAT HE IS GIVING UP ANY RIGHTS HE MAY POSSESS TO PUNITIVE AND CONSEQUENTIAL DAMAGES OR THE RIGHT TO A TRIAL BEFORE A JURY RELATING TO A DISPUTE.

11.20.8 Statutes of Limitation. Except as otherwise provided under N.R.S. § 40.695, nothing in this **Section 11.20** shall be considered to toll, stay, reduce or extend any applicable statute of limitations.

11.20.9 Required Consent of Declarant to Modify. This **Section 11.20** shall not be amended except in accordance with **Subsection 11.5.1** of this Declaration and with the express written consent of Declarant.

11.21 Views Not Guaranteed. Although certain Units in the Community at any point in time may have particular views, no express or implied easements exist for views or for the passage of light and air to any Unit. Declarant Parties and the Association make no representations or warranties whatsoever, express or implied, concerning the view that any Unit will have whether at the date this Declaration is Recorded or thereafter. Further, the payment of any premium for any Unit does not constitute a guarantee of any view the Unit may have now or in the future. Any view that exists at any point in time for a Unit may be impaired or obstructed by further construction within the Community, including by construction of Improvements (including landscaping) by Declarant, construction of Improvements by third parties and by the natural growth of landscaping. No third party, including any broker or salesperson, has any right to bind Declarant or the Association with respect to the preservation of any view from any Unit or any view of a Unit from any other property.

11.22 Rule Against Perpetuities. If any interest purported to be created by this Declaration is challenged under the rule against perpetuities or any related rule, the interest shall be construed as becoming void and of no effect as of the end of the applicable period of perpetuities computed from the date when the period of perpetuities starts to run on the challenged interest. The "lives in being" for computing the period of perpetuities shall be (i) those which would be used in determining the validity of the challenged interest, plus (ii) those of the issue of the Board of Directors who are living at the time the period of perpetuities starts to run on the challenged interest.

11.23 Disclosures.

11.23.1 Various utility easements in favor of electrical companies servicing the Community and surrounding areas may be located in and around the Community. These easement holders may in the future construct and install electricity facilities, including electric transmission lines, power poles, transformers, an electricity substation, high power electric transmission lines and related towers, systems and other equipment (collectively, the "Electricity Facilities") within or near the boundaries of the Community. As such, the Community may in the future be exposed to electromagnetic fields from the Electricity Facilities. The Declarant Parties do not claim any expertise concerning such conditions and make no representations, warranties or statements, express or implied, regarding such Electricity Facilities, or regarding any damage or injury which may occur as a result of the proximity of such Electricity Facilities to the Community.

11.23.2 Each Unit Owner and Resident, for itself and its family, invitees and licensees, assumes any and all risks as may hereafter be or become associated with the foregoing disclosures. Neither the Declarant Parties, the Association, nor any director, officer, agent or employee of any of the foregoing, shall be liable to any Unit Owner, Resident or its family, invitees or licensees for any claims or damages to persons or property resulting, directly or indirectly, from the existence, operation or maintenance of any of the foregoing.

11.24 Limitation of Liability. Notwithstanding anything to the contrary in this Declaration, each Unit Owner, by accepting any interest in any portion of the Community and becoming a Unit Owner, acknowledges and agrees that the Declarant Parties shall not have any personal liability to the Association or any Unit Owner, Member or any other Person, arising out of, relating to or resulting from (including resulting from action or failure to act with respect to) this Declaration or the Association, except, in the case of Declarant (or its assignee) to the extent of its interest in the Community and, in the event of a judgment, no execution or other action shall be sought or brought thereon against any other assets or be a lien upon such other assets of the judgment debtor.

[SIGNATURE ON FOLLOWING PAGE]

DECLARANT:

BEAZER HOMES HOLDINGS CORP.,
a Delaware corporation

By: [Signature]
Its: Bryan Schreiber
SVP & CFO
Nevada Division

STATE OF NEVADA)
)
County of Clark) ss.

The foregoing instrument was acknowledged before me this 15th day of June, 2007, by Bryan Schreiber, the SVP & CFO of Beazer Homes Holdings Corp., a Delaware corporation, on behalf of the corporation.

My Commission Expires:

[Signature]
Notary Public

10/6/10

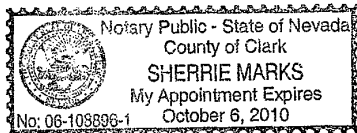


EXHIBIT A
PROPERTY SUBMITTED TO COMMUNITY

Lots 40 through 43, inclusive, Block 6; Lots 451 through 454, inclusive, Block 20; and Common Element Lots 1 through 5, inclusive, 7, 12 through 15, inclusive, and 18 of Merger Resubdivision Final Map of Tesora @ Pahrump – Phase 1, according to Document No. 687803 in the Official Records of Nye County, Nevada.

15146.6
001/05-008

EXHIBIT B
ADDITIONAL PROPERTY

Lots 108 through 116, inclusive, Block 2; Lots 77 through 98, inclusive, Block 3; Lots 51 through 76, inclusive, Block 4; Lots 23 through 39, inclusive, and 44 through 50, inclusive, Block 6; Lots 464 through 490, inclusive, Block 7; Lots 541 through 586, inclusive, Block 8; Lots 355 through 364, inclusive, Block 9; Lots 325 through 354, inclusive, Block 10; Lots 31 through 324, inclusive, Block 11; Lots 375 through 403, inclusive, Block 18; Lots 404 through 433, inclusive, Block 19; Lots 434 through 450, inclusive, and 455 through 462, inclusive, Block 20; Lots 365 through 374, inclusive, Block 21; and Remnant Parcel R-1 of Merger Resubdivision Final Map of Tesora @ Pahrump – Phase 1, according to Document No. 687803 in the Official Records of Nye County, Nevada.

EXHIBIT C
WATER USE PROVISIONS TO BE INCLUDED IN DESIGN GUIDELINES

1. No plant may be planted by Declarant, the Association or any Unit Owner on any Unit or Common Element unless such plant is contained in the Approved Plant List. As set forth in the Declaration, the Approved Plant List may be revised by the Water Company, from time to time, by the Water Company's delivery of such revised Approved Plant List to the Declarant (for so long as Declarant owns any property within the Community), the Association and each Unit Owner. Notwithstanding the foregoing, any plant not on the Approved Plant List shall be permitted (but shall not be replaced with the same type of plant) if such plant was: (i) planted prior to the initial delivery of the Approved Plant List, or (ii) at the time such plant was planted, contained on the then-current Approved Plant List.
2. No Unit shall contain irrigated turf on more than twenty-five percent (25%) of the area of the front yard of such Unit and fifty percent (50%) of the side and rear yards combined of such Unit, subject to a maximum amount five thousand (5,000) square feet of irrigated turf for each Unit. No irrigated turf shall be permitted within three (3) feet of any Dwelling or wall. Re-seeding of turf with seasonal varieties, including rye and fescue, is prohibited during the months of May, June, July and August.
3. All plants within Units shall be watered by an automatic irrigation system in accordance with the Approved Watering Schedule. As set forth in the Declaration, the Approved Watering Schedule may be revised by the Water Company, from time to time, by the Water Company's delivery of such revised Approved Watering Schedule to the Declarant (for so long as Declarant owns any property within the Community), the Association and each Unit Owner.
4. Drip systems shall be used for all plant landscaping other than turf areas and flowerbeds. Spray heads shall be permitted for turf and flowerbeds; provided, however, that (i) no spray heads may spray directly onto any areas other than turf or flowerbeds, and (ii) spray heads located adjacent to roads or paths shall be low-angle (i.e., 10% or less) and shall not be of a large-radius type.
5. No irrigation system shall cause water runoff onto any paved surface, path or other area not containing plants requiring irrigation.
6. All interior and exterior water fixtures installed in any Dwelling shall be low-flow, as required by applicable Nye County, Nevada laws and ordinances as of the time of installation.

Burson Ranch Homeowners Association

Litigation



Burson Ranch Homeowners' Association

c/o Colonial Property Management

October 18, 2022

To Whom It May Concern:

This Statement of Unsatisfied Judgment and Pending Legal Action is being furnished by Colonial Property Management pursuant to NRS 116.4109 on behalf of Burson Ranch Homeowners' Association

Please accept this written verification that Burson Ranch Homeowners' Association, to the best of our knowledge, has **no** unsatisfied judgments, lawsuits or any pending legal action against the Association.

This statement is based solely on the basis of a review of the Association's record to determine if the Association has received notice from any city, county, or other governmental entity or agency of a violation or legal proceeding. Information with respect to such litigation other than Name, Case Number and Court described above should be obtained from the public record.

Except for a statement set forth above, the Association makes no statements or representations of any kind concerning the unit, including without limitation, the suitability of the unit for the purchaser's purpose, engineering or architectural designs, or quality of any manner of construction of the unit, use or installation of specific materials, location of improvements within the boundaries of the unit, or compliance of the unit with any laws, ordinances, rules or regulations. The Association will update this statement on a periodic basis.

Sincerely,

Theresa Mandryk

Theresa Mandryk
Community Association Manager

As directed by the Board of Directors of
Burson Ranch Homeowners' Association

8595 S Eastern Avenue
Las Vegas, NV 89123

Phone (702) 458-2580
Fax (702) 458-2582

www.cpmlv.com

Burson Ranch Homeowners Association

Current Unaudited
Financial Documents



Burson Ranch Homeowners' Association

Balance Sheet

Period 01/31/2023

	Operating Fund	Reserve Fund	Total
Assets			
<u>Bank - Operating</u>			
1000 CAB Oper #1265	189,716.58		189,716.58
1002 CAB Refundable Deposit	2,000.08		2,000.08
<u>Total Bank - Operating</u>	<u>191,716.66</u>		<u>191,716.66</u>
<u>Bank - Reserve</u>			
1100 AAB Res #8503		180,930.47	180,930.47
1102 Res CD 5937 6/22/23 (PI		41,730.97	41,730.97
<u>Total Bank - Reserve</u>		<u>222,661.44</u>	<u>222,661.44</u>
<u>Accounts Receivable</u>			
1400 Assmts Receivable	18,128.97		18,128.97
1450 Other Receivables	9,802.20		9,802.20
1500 Allow for Doubtful Accts	(3,200.00)		(3,200.00)
<u>Total Accounts Receivable</u>	<u>24,731.17</u>		<u>24,731.17</u>
<u>Other Assets</u>			
1700 Prepaid Expenses	2,443.75		2,443.75
1750 Prepaid Insurance	2,453.94		2,453.94
<u>Total Other Assets</u>	<u>4,897.69</u>		<u>4,897.69</u>
<u>Total Assets</u>	<u>221,345.52</u>	<u>222,661.44</u>	<u>444,006.96</u>
Liabilities & Equity			
<u>Liabilities</u>			
2000 Accounts Payable	15,326.44		15,326.44
2200 Accrued Expenses	1,230.00		1,230.00
2499 Fees Payab to Mgmt	71.18		71.18
2600 Prepaid Assessments	43,420.70		43,420.70
2650 Construction Deposits	2,000.00		2,000.00
2999 Deferred Reserve Reven		222,121.43	222,121.43
<u>Total Liabilities</u>	<u>62,048.32</u>	<u>222,121.43</u>	<u>284,169.75</u>
<u>Equity</u>			
3000 Fund Bal - Operating	160,566.52		160,566.52
3100 Fund Bal - Reserve		451.18	451.18
Total Net Income/(Loss)	(1,269.32)	88.83	(1,180.49)
<u>Total Equity</u>	<u>159,297.20</u>	<u>540.01</u>	<u>159,837.21</u>
<u>Total Liabilities & Equity</u>	<u>221,345.52</u>	<u>222,661.44</u>	<u>444,006.96</u>

Burson Ranch Homeowners' Association

Income/Expense with Budget

Period Through 1/1/2023 To 1/31/2023 11:59:00 PM

		Current Period Operating Fund			Year to Date Operating Fund			
		Actual	Budget	\$ Var	Actual	Budget	\$ Var	Annual
Income								
<u>Income</u>								
4000	Monthly Assessment	23,440.00	23,440.00	0.00	23,440.00	23,440.00	0.00	281,280.00
4200	Applied Late Interest	76.74	0.00	76.74	76.74	0.00	76.74	0.00
4300	Operating Interest	8.48	0.00	8.48	8.48	0.00	8.48	0.00
4551	NSF Fees	20.00	0.00	20.00	20.00	0.00	20.00	0.00
4600	Miscellaneous Income	0.00	833.00	(833.00)	0.00	833.00	(833.00)	10,000.00
TOTAL Income		23,545.22	24,273.00	(727.78)	23,545.22	24,273.00	(727.78)	291,280.00
TOTAL Income		23,545.22	24,273.00	(727.78)	23,545.22	24,273.00	(727.78)	291,280.00
Expense								
<u>Insurance</u>								
5000	Insurance Expense	762.74	862.00	99.26	762.74	862.00	99.26	10,340.00
TOTAL Insurance		762.74	862.00	99.26	762.74	862.00	99.26	10,340.00
<u>Landscaping</u>								
5200	Landscape Contract	9,762.50	8,050.00	(1,712.50)	9,762.50	8,050.00	(1,712.50)	96,600.00
5202	Landscape R&M/Supplie	0.00	608.00	608.00	0.00	608.00	608.00	7,300.00
5203	Landscape Tree Maint	0.00	300.00	300.00	0.00	300.00	300.00	3,600.00
5204	Landsc Renovations	0.00	833.00	833.00	0.00	833.00	833.00	10,000.00
TOTAL Landscaping		9,762.50	9,791.00	28.50	9,762.50	9,791.00	28.50	117,500.00
<u>Management/Administrative</u>								
6300	Accounting/Audit/CPA	0.00	208.00	208.00	0.00	208.00	208.00	2,500.00
6325	Bad Debt Expense	0.00	208.00	208.00	0.00	208.00	208.00	2,500.00
6350	Bank Service Charges	20.00	0.00	(20.00)	20.00	0.00	(20.00)	0.00
6400	Coupons/Statements	0.00	300.00	300.00	0.00	300.00	300.00	3,600.00
6425	Legal Expense	768.50	417.00	(351.50)	768.50	417.00	(351.50)	5,000.00
6450	Management Contract	6,950.00	6,875.00	(75.00)	6,950.00	6,875.00	(75.00)	82,500.00
6475	Management Storage	0.00	10.00	10.00	0.00	10.00	10.00	120.00
6500	Misc General & Admin	0.00	125.00	125.00	0.00	125.00	125.00	1,500.00
6525	Ombudsman Fee	0.00	208.00	208.00	0.00	208.00	208.00	2,495.00
6575	Postage/Copies/Faxes	151.59	1,333.00	1,181.41	151.59	1,333.00	1,181.41	16,000.00
6625	Secretary of State	50.00	2.00	(48.00)	50.00	2.00	(48.00)	25.00
6650	Social Events/Meetings	0.00	250.00	250.00	0.00	250.00	250.00	3,000.00
6900	Transf to Res Budgeted	1,854.00	1,854.00	0.00	1,854.00	1,854.00	0.00	22,292.00
TOTAL Management/Admini		9,794.09	11,790.00	1,995.91	9,794.09	11,790.00	1,995.91	141,532.00
<u>Repair, Maintenance & Contract</u>								
5150	Extermination/Pest Contr	2,300.00	1,483.00	(817.00)	2,300.00	1,483.00	(817.00)	17,800.00
5252	Lighting Repair & Maint	0.00	325.00	325.00	0.00	325.00	325.00	3,900.00
5401	Repair & Maint General	0.00	417.00	417.00	0.00	417.00	417.00	5,000.00
5402	Park Maintenance	0.00	200.00	200.00	0.00	200.00	200.00	2,400.00
5405	Play Equipment	1,680.00	200.00	(1,480.00)	1,680.00	200.00	(1,480.00)	2,400.00
TOTAL Repair, Maintenance		3,980.00	2,625.00	(1,355.00)	3,980.00	2,625.00	(1,355.00)	31,500.00
Utilities								

Burson Ranch Homeowners' Association

Income/Expense with Budget

Period Through 1/1/2023 To 1/31/2023 11:59:00 PM

	Current Period Operating Fund			Year to Date Operating Fund			Annual
	Actual	Budget	\$ Var	Actual	Budget	\$ Var	
6025 Electricity	229.05	192.00	(37.05)	229.05	192.00	(37.05)	2,300.00
6150 Water	286.16	833.00	546.84	286.16	833.00	546.84	10,000.00
TOTAL Utilities	515.21	1,025.00	509.79	515.21	1,025.00	509.79	12,300.00
TOTAL Expense	24,814.54	26,093.00	1,278.46	24,814.54	26,093.00	1,278.46	313,172.00
Excess Revenue / Expense	(1,269.32)	(1,820.00)	550.68	(1,269.32)	(1,820.00)	550.68	(21,892.00)

Burson Ranch Homeowners' Association

Income/Expense with Budget

Period Through 1/1/2023 To 1/31/2023 11:59:00 PM

		Current Period Reserve Fund			Year to Date Reserve Fund			
		Actual	Budget	\$ Var	Actual	Budget	\$ Var	Annual
Income								
<u>Reserve Income</u>								
4325	Reserve Interest	88.83	0.00	88.83	88.83	0.00	88.83	0.00
TOTAL Reserve Income		88.83	0.00	88.83	88.83	0.00	88.83	0.00
TOTAL Income		88.83	0.00	88.83	88.83	0.00	88.83	0.00
Expense								
<u>Reserve Expense</u>								
7001	Bollard Lights	0.00	52.00	52.00	0.00	52.00	52.00	628.00
7002	Concrete - Repair/Replac	0.00	419.00	419.00	0.00	419.00	419.00	5,027.00
7003	Safety Padding/Repair	0.00	215.00	215.00	0.00	215.00	215.00	2,582.00
7004	Park Furniture	0.00	2,504.00	2,504.00	0.00	2,504.00	2,504.00	30,050.00
TOTAL Reserve Expense		0.00	3,190.00	3,190.00	0.00	3,190.00	3,190.00	38,287.00
TOTAL Expense		0.00	3,190.00	3,190.00	0.00	3,190.00	3,190.00	38,287.00
Excess Revenue / Expense		88.83	(3,190.00)	3,278.83	88.83	(3,190.00)	3,278.83	(38,287.00)

Income/Expense Year to Date

Friday, February 24, 2023

10:13

Period Through 1/1/2023 To 1/31/2023 11:59:00 PM

Burson Ranch Homeowners' Association
Operating Fund

INCOME

Income

	January	February	March	April	May	June	July	August	September	October	November	December	Total
4000 Monthly Assessment	23,440.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23,440.00
4200 Applied Late Interest	76.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	76.74
4300 Operating Interest	8.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.48
4551 NSF Fees	20.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.00
4600 Miscellaneous Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL Income	23,545.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23,545.22
TOTAL INCOME	23,545.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23,545.22

EXPENSES

Insurance

5000 Insurance Expense	762.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	762.74
TOTAL Insurance	762.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	762.74

Landscaping

5200 Landscape Contract	9,762.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,762.50
5202 Landscape R&M/Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5203 Landscape Tree Maint	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5204 Landsc Renovations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL Landscaping	9,762.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,762.50

Management/Administrative

6300 Accounting/Audit/CPA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6325 Bad Debt Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6350 Bank Service Charges	20.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.00
6400 Coupons/Statements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6425 Legal Expense	768.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	768.50
6450 Management Contract	6,950.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,950.00
6475 Management Storage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6500 Misc General & Admin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6525 Ombudsman Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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Page 1 of 3

Income/Expense Year to Date

Period Through 1/1/2023 To 1/31/2023 11:59:00 PM

Friday, February 24, 2023

10:13

Burson Ranch Homeowners' Association

Operating Fund

	January	February	March	April	May	June	July	August	September	October	November	December	Total
6575 Postage/Copies/Faxes	151.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	151.59
6625 Secretary of State	50.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00
6650 Social Events/Meetings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6900 Transf to Res Budgeted	1,854.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,854.00
TOTAL Management/Admini	9,794.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,794.09
Repair, Maintenance & Contract													
5150 Extermination/Pest Control	2,300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,300.00
5252 Lighting Repair & Maint	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5401 Repair & Maint General	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5402 Park Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5405 Play Equipment	1,680.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,680.00
TOTAL Repair, Maintenance	3,980.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,980.00
Utilities													
6025 Electricity	229.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	229.05
6150 Water	286.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	286.16
TOTAL Utilities	515.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	515.21
TOTAL EXPENSES	24,814.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24,814.54
Excess Revenue / Expense	(1,269.32)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(1,269.32)

Income/Expense Year to Date

Friday, February 24, 2023

10:13

Period Through 1/1/2023 To 1/31/2023 11:59:00 PM

Burson Ranch Homeowners' Association

Reserve Fund

	January	February	March	April	May	June	July	August	September	October	November	December	Total
INCOME													
<u>Reserve Income</u>													
4325 Reserve Interest	88.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88.83
TOTAL Reserve Income	88.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88.83
TOTAL INCOME	88.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88.83
EXPENSES													
<u>Reserve Expense</u>													
7001 Bollard Lights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7002 Concrete - Repair/Replace	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7003 Safety Padding/Repair	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7004 Park Furniture	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL Reserve Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENSES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Excess Revenue / Expense	88.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88.83

Burson Ranch Homeowners Association

Collection Policy



COLLECTION POLICY FOR BURSON RANCH HOMEOWNERS ASSOCIATION

Whereas the Board of Directors finds that timely payment of regular and special assessments is of critical importance to the Association, and

Whereas, the failure of any owner to pay assessments when due creates a cash-flow problem for the Association and causes those owners who make timely payment of their assessments to bear a disproportionate share of the Association's financial obligations.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors adopts the following policies and procedures concerning collection of delinquent assessments and/or fine account.

1. Assessment due dates. The Regular Assessments, Special Assessments, and Reserve Assessments shall be due and payable on the first day of each month. The assessment is considered delinquent by the 2nd day of the month.

2. Late Charges/ Late Date. When an installment payment or any portion thereof of any type of assessment remains delinquent after the 5th of the month, the owner's account with the Association shall be charged with a late payment penalty of \$10.00 monthly.

3. Interest. If an assessment payment is delinquent for more than 60 days, the assessments shall bear interest at the rate of prime plus two percent (2%) per annum. See NRS 116.3115(3).

4. Collection Costs. As provided by law and the Association's governing documents, the Association is also entitled to recover all reasonable costs incurred in collecting delinquent assessments and/or fines (for non-compliance) including, but not limited to, the following: (1) the cost of preparing and mailing notices; (2) recording costs; (3) title company charges; (4) legal expenses; (5) management company fees and (6) fees charged by the agent / collection agency / collection attorney.

5. Delinquency Notice. If the owner's assessment account remains delinquent, in whole or in part, after 60 days, the Association will send out a notice including the following:

- a. a schedule of fees that may be charged if the unit owner fails to pay the past due obligation;
- b. a proposed repayment plan;
- c. a notice of the right to contest the past due assessment at a hearing before the Executive Board and the procedure to request a hearing.

Account will be assessed collection fees (the fee may not be reflected on the HOA ledger but is still due and owing) - see attached schedule of fees.

6. Intent to lien. If the owner's assessment account remains delinquent, in whole or in part, after 30 days after Delinquency Notice has been sent, and the owner had not entered a payment plan or requested a hearing with the Executive Board as provided in the Delinquency Notice, a Notice of Intent to Lien may be sent to the Owner(s). Account will be assessed collection fees (the fee may not be reflected on the HOA ledger but is still due and owing) - see attached schedule of fees.

7. Transfer of Account to Collections. If the owner's assessment account remains delinquent, in whole or in part, after the time period provided in the Notice of Intent to Lien had expired the Association may proceed as follows:

- a. Refer the account to a collection agency/ attorney for further action OR
- b. Have agent move forward with further action as allowed by NRS.

Account will be assessed collection fees (the fee may not be reflected on the HOA ledger but is still due and owing) - see attached schedule of fees.

8. Notice of Delinquent Assessment Lien. If payments for all sums that are delinquent, including the delinquent assessment, late charges, interest, costs and reasonable attorney fees have not been made, the authorized agent may record a Notice of Delinquent Assessment Lien in the County Recorder's office. Thereafter, the account will proceed as follows:

- a. If already placed with a collection agency/ attorney they may proceed with the statutory foreclosure process, judicial foreclosure and/or supplemental notices.
- b. If not placed after the intent to lien letter the account will now be transferred to a collection agency/ attorney for further action as stated above in 8 (a).

Account will be assessed collection fees (the fee may not be reflected on the HOA ledger but is still due and owing) – see attached schedule of fees.

9. Maintenance and Abatement Lien. Subject to the provisions contained in NRS 116.310312, the Association may enter the grounds of a unit which is vacant or subject to foreclosure in order to maintain the exterior of the unit or abate a public nuisance on the exterior of the unit. The Association may order that the costs of any maintenance or abatement conducted pursuant to NRS 116.310312, including, without limitation, reasonable inspection fees, notification and collection costs and interest, be charged against the unit. The Association shall keep a record of such costs and interest charged against the unit and have a lien on the unit for any unpaid amount of the charges. If the unit owner fails to pay the assessment in full such lien will be subject to collection pursuant to this policy.

10. Payment Agreement. A proposed repayment plan will be forwarded to the unit owner as provided in Section 5. Failure of an owner to comply with an approved payment plan shall give the Board and/or its agent the right to immediately continue the collection process without further notice to the owner.

11. Fine account. If the owner's fine account (for non-compliance of governing documents) remains unpaid the Association may proceed as follows:

- a. An intent to lien letter may be sent to the Owner(s) and/or
- b. May have authorized agent record a fine/violation lien and/or
- c. May have account transfer to a collection agency/ attorney as allow by NRS

Account will be assessed collection fees (the fee may not be reflected on the HOA ledger but is still due and owing) – see attached schedule of fees.

12. Collection rights. The Association has the right to collect any delinquent assessments and unpaid fines in any manner allowed by Nevada law.

13. Acting on Association behalf. The Association authorizes any person acting on behalf of the Association to charge the fees and cost described on the attached Schedule of Collection Related Fees and to perform any other actions necessary to collect unpaid assessments or fines, including but not limited to signing any and all documents related to the action set forth in this Collection Policy.

14. Sufficiency of Notice. Except for notice that under Nevada law must be sent by certified mail, notice is sufficient if either hand delivered or mailed first class, postage prepared, to the mailing address on file for the Owner as of the date the notice is issued and sent to unit owners electronic mail addresses unless a unit's owner opts out of receiving electronic communications or has not designated an electronic mail address.

15. Web access: The Associations through www.cpm.lv.com has made available the HOA governing documents, agenda, access to view your account and make online electronic payments all through your unit owner account. If you need your password information, please contact this office.

16. Protection for Servicemembers. Pursuant to Nevada's Servicemembers' Civil Relief Act, (SB33, effective May 29, 2017), if a unit owner is a servicemember, or a dependent of a service member, or a successor in interest of a servicemember, that unit owner may be entitled to certain protections in collection activity. Specifically, the Association may not "initiate the foreclosure of a lien by sale" while the service member is on active duty or deployment, or for one year immediately thereafter.

Please provide the association the following information immediately, to enable the Association to verify whether you are entitled to these protections. Please send in writing the following: Unit Address, Mailing Address, Name of Servicemember, Unit owner name(s), Date of Birth, Current or anticipated active duty dates, Name of Dependents(s). This information will be securely maintained and kept confidential.

Definitions under Senate Bill 33:

Servicemember – member of the U.S. Armed Forces, a reserve component thereof, or the National Guard.

Active Duty – full-time duty status in the active uniformed service of the United States, including members of the National Guard and Reserve on active duty orders pursuant to 10 USC §§ 1209 and 1211.

Deployment – movement or mobilization of a service member from his or her home station to another location for more than 90 days pursuant to military orders.

Dependent – (a) the servicemember's spouse; (b) the servicemember's child (as defined in 38 USC §101(4)); or (c) an individual for whom the servicemember provided more than one-half of the individual's support for 180 days immediately preceding an application for relief under 50 USC Chapter 50.

17. Protection during a government shutdown. Pursuant to Nevada Federal Employees Civil Relief Act (AB393 Senate Amendment No. 766 Amending Chapter 116 effective June 8, 2019), if a unit owner or his or her successor in interest is a federal worker, tribal worker, state worker, household member or landlord of such a worker, the unit owner may be entitled to certain protections in collection activity. Specifically, the Association may not "initiate the foreclosure of a lien by sale" during the period commencing on the date on which a shutdown begins and ending on the date that is 90 days after the date on which the shutdown ends.

Please provide the association with verifiable documentation that you meet the requirements under this act that would entitled you to these protections.

Definitions under Assembly Bill 393:

"Shutdown" means any period in which there is a lapse in appropriations for a federal or state agency or tribal government that continues through any unpaid payday for a federal worker, state worker or tribal worker employed by that agency or tribal government.

"Federal worker" means an employee of a federal agency or an employee of a contractor who has entered into a contract with a federal agency.

"Household member" to mean any person who is related by blood, marriage, adoption or other legal process and is currently residing with a federal worker, tribal worker or state worker affected by a shutdown.

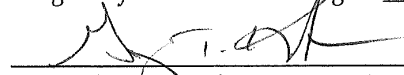
"Qualified Indian tribe" means a federally recognized Nevada Indian tribe that receives at least a majority of its funding from the Federal Government.

"State worker" means an employee of a state agency or an employee of a contractor who has entered into a contract with a state agency.

"Tribal worker" means an employee of a qualified Indian tribe or an employee of a contractor who has entered into a contract with a qualified Indian tribe.

18. Void Provisions. If any provision of this policy is determined to be null and void, all other provisions of the Policy shall remain in full force and effect.

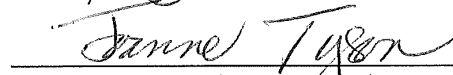
This policy was duly approved by the Board and was adopted by the action of the Board of Directors at a regularly scheduled meeting on 12/7/22, 2022 and supersedes any previous Collection Policy.



Officer/Director of Burson Ranch Homeowners Association

12/7/2022

Dated



Officer/Director of Burson Ranch Homeowners Association

12-7-2022

Dated

Incorporated herein Collection Fees Schedules Attachments A & B

Attachment "A" Colonial Property Management Fees

Attachment "B" Schedule of Collection Related Fees & Cost pursuant to Nevada statute

This policy shall take effect thirty (30) days after it is adopted and sent to the community.

**SCHEDULE OF COLLECTION RELATED FEES FOR COLLECTION OF
DELINQUENT ACCOUNT (ASSESSMENTS & FINES)**

Attachment A to Collection Policy

COLONIAL PROPERTY MANAGEMENT

<u>AGENT COLLECTION FEES:</u>	Allowed by NRS	CPM Fee
90 day Intent to Lien Letter	\$ 240.00	\$ 125.00
Delinquent Fine(violation) Lien	\$ 325.00	\$ 325.00
Delinquent Assessment) Lien	\$ 520.00	\$ 400.00
Lien Fee includes the Recording Fee of \$47	\$ 567.00	
Release of Lien includes Recording Fee of \$47	\$ 97.00	\$ 60.00
In-house Payment Plan - One time fee per payment plan	\$ 50.00	\$ 40.00
Payment Plan Breach Letter	\$ 40.00	\$ 25.00
Bankruptcy Package	\$ 160.00	\$ 160.00
NSF Fee	\$ 30.00	\$30.00***
<u>Management Fees</u>		
Account Audit Fee - Placement to collection Co.	\$ 325.00	\$ 215.00
60 Day Intent - Disclosure Letter	\$ 240.00	\$100.00**
<u>RESEARCH FEES (Subpoena / Litigation:</u>		
Staff Assistance	\$40.00 per hour*	
Collection Specialist	\$75.00 per hour*	
Staff Accountant	\$95.00 per hour*	
Provisional Community Manager	\$65.00 per hour*	
Community Manager	\$95.00 per hour*	
Supervising Community Manager	\$125.00 per hour*	

Actual costs of collections pursuant to Nevada Register of Administrative Regulations R199-09

* Charged to HOA

** Charged to HOA Reimbursed back from homeowner

***CPM charge HOA \$20.00, HOA Bank charge \$10.00, HOA reimbursed back from homeowner

All other collection fees charged to delinquent homeowner account only. (The fees without * asterisk)

SCHEDULE OF COLLECTION FEES AND COSTS (NAC 116,470(1)-(6))

1. Except as otherwise provided in subsection 5, to cover the costs of collecting any past due obligation of a unit's owner, an association or a person acting on behalf of an association to collect a past due obligation of a unit's owner may not charge the unit's owner fees in connection with a notice of delinquent assessment pursuant to paragraph (a) of subsection 1 of NRS 116.31162, which exceed a total of \$2,925.00 plus the costs and fees described in subsections 3 and 4.
2. An association or a person acting on behalf of an association to collect a past due obligation of a unit's owner may not charge the unit's owner fees in connection with a notice of delinquent assessment pursuant to paragraph (a) of subsection 1 of NRS 116.31162 which exceed the following amounts:

(a)	Demand or intent to lien letter	\$240.00
(b)	Notice of delinquent assessment lien	\$520.00
(c)	Intent to notice of default letter	\$145.00
(d)	Notice of default	\$640.00
(e)	Intent to notice of sale letter	\$145.00
(f)	Notice of sale	\$440.00
(g)	Intent to conduct foreclosure sale	\$40.00
(h)	Conduct foreclosure sale	\$200.00
(i)	Prepare and record transfer deed	\$200.00
(j)	Payment plan agreement – One-time set-up fee	\$50.00
(k)	Payment plan breach letter	\$40.00
(l)	Release of notice of delinquent assessment lien	\$50.00
(m)	Notice of rescission fee	\$50.00
(n)	Bankruptcy package preparation and monitoring	\$160.00
(o)	Mailing fee per piece for demand or intent to lien letter, notice of delinquent assessment lien	\$3.20
(p)	Insufficient funds fee	\$30.00
(q)	Escrow payoff demand fee	\$240.00
(r)	Substitution of agent document fee	\$50.00
(s)	Postponement fee	\$120.00
(t)	Foreclosure fee	\$240.00

3. If, in connection with an activity described in subsection 2, any costs are charged to an association or a person acting on behalf of an association to collect a past due obligation by a person who is not an officer, director, agent or affiliate of the community manager of the association or of an agent of the association, including, without limitation, the cost of a trustee's sale guarantee and other title costs, recording costs, posting and publishing costs, sale costs, mailing costs, express delivery costs and skip trace fees, the association or person acting on behalf of an association may recover from the unit's owner the actual costs incurred without any increase or markup.
4. If an association or a person acting on behalf of an association is attempting to collect a past due obligation from a unit's owner, the association or person acting on behalf of an association may, recover from the unit's owner:
 - (a) Reasonable management company fees which may not exceed a total of \$325.00; and

- (b) Reasonable attorney's fees and actual costs, without any increase or markup, incurred by the association for, any legal services which do not include an activity described in subsection 2.
5. If an association or a person acting on behalf of an association to collect a past due obligation of a unit's owner is engaging in the activities set forth in NRS 116.31162 to 116.31168, inclusive, with respect to more than 25 units owned by the same unit's owner, the association or person acting on behalf of an association may not charge the unit's owner fees to cover the costs of collecting a past due obligation which exceed a total of \$1,950 multiplied by the number of units for which such activities are occurring, as reduced by an amount set forth in a resolution adopted by the executive board, plus the costs and fees described in subsections 3 and 4.
 6. For a one-time period of 15 business days immediately following a request for a payoff amount from the unit's owner or his or her agent, no fee to cover the cost of collecting a past due obligation may be charged to the unit's owner, except for the fee described in paragraph (q) of subsection 2 and any other fee to cover any cost of collecting a past due obligation which is imposed because of an action required by statute to be taken within that 15-day period.

SCHEDULE OF COLLECTION RELATED FEES FOR COLLECTION OF UNPAID FINES

In circumstances where the Association can foreclose on lien for unpaid fines, the same fee schedule for unpaid assessments set forth above shall apply, except that paragraph (b) shall be a fee of \$325.00 for the lien for unpaid fines.

(a)	Violation letter	\$25.00
(b)	Demand or Intent to Lien letter	\$240.00
(c)	Lien for unpaid fines	\$325.00
(d)	Actual cost incurred by Association or any person acting on behalf of Association	
(e)	Reasonable Attorney's fees and actual costs	

Burson Ranch Homeowners Association

Articles of Incorporation



Articles of Incorporation
Burson Ranch Homeowners Association

Order: G2Q2K4GM4
Address: 3920 E Sedgwick Ave
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EXHIBIT C TO PUBLIC OFFERING STATEMENT

DEAN HELLER
Secretary of State
206 North Carson Street
Carson City, Nevada 89701-4299
(775) 884 5708
Website: secretaryofstate.biz

Nonprofit Articles of Incorporation
(PURSUANT TO NRS 92)

Entity #
E0006532006-9
Document Number
00000582890-82

Date Filed:
1/6/2006 11:45:13 AM
In the office of

Dean Heller

Important: Read attached instructions before completing form.

ABOVE BY: **Dean Heller**
Secretary of State

1. Name of Corporation:	Burson Ranch Homeowners' Association			
2. Resident Agent Name and Street Address: <small>Include a Nevada address where process may be served.</small>	Vincent Aiello Name 4670 South Fort Apache Road, Suite 200, Las Vegas, NEVADA 89147 Physical Street Address City State Zip Code Additional Mailing Address City State Zip Code			
3. Names, Addresses, Number of Board of Directors/Trustees:	The names and addresses of the first Board of Directors/Trustees are as follows: 1. <u>Elaina Gorla-Fluer</u> Name 4670 South Fort Apache Road, Suite 200, Las Vegas, Nevada 89147 Street Address City State Zip Code 2. <u>Ike Dolinar</u> Name 4670 South Fort Apache Road, Suite 200, Las Vegas, Nevada 89147 Street Address City State Zip Code 3. <u>Steve Shane</u> Name 4670 South Fort Apache Road, Suite 200, Las Vegas, Nevada 89147 Street Address City State Zip Code 4. <u>Vincent Aiello</u> Name 4670 S. Fort Apache Rd, Suite 200, LV, NV 89147 Street Address City State Zip Code			
4. Purpose:	The purpose of this Corporation shall be: Maintenance and management of common elements and any other lawful business activity.			
5. Names, Addresses and Signatures of Incorporators: <small>Include additional names if there is more than 1 incorporator.</small>	Elaina Gorla-Fluer Name 4670 South Fort Apache Road, Suite 200, Las Vegas, Nevada 89147 Street Address City State Zip Code Signature: <i>Elaina Gorla-Fluer</i>			
6. Certificate of Acceptance of Appointment of Resident Agent:	I hereby accept appointment as Resident Agent for the above named corporation. Authorized Signature of R.A. or On Behalf of R.A. Company: <i>[Signature]</i> Date: December 21, 2005			

This form must be accompanied by appropriate fees.

Nevada Secretary of State Form NRS 12-100-003-2005
Revised 06/2005

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**ARTICLES OF INCORPORATION
OF
BURSON RANCH HOMEOWNERS' ASSOCIATION**

In compliance with the requirements of Nevada Revised Statutes § 82.081, et seq., as amended, the undersigned, who is a person capable of contracting, states as follows:

**ARTICLE 1
NAME**

The name of the corporation is Burson Ranch Homeowners' Association (the "Association").

**ARTICLE 2
DEFINED TERMS**

Capitalized terms used in these Articles without definition shall have the meanings specified for such terms in the Declaration of Covenants, Conditions, and Restrictions for Burson Ranch to be recorded hereafter in the official records of Nye County, Nevada (as same may be amended from time to time, the "Declaration").

**ARTICLE 3
PRINCIPAL OFFICE**

The principal office of the Association shall be located at 4670 South Fort Apache Road, Suite 200, Las Vegas, Nevada 89147.

**ARTICLE 4
RESIDENT AGENT**

Vincent Aiello, whose address is 4670 South Fort Apache Road, Suite 200, Las Vegas, Nevada 89147, and who is a bona-fide resident of the State of Nevada, is hereby appointed and designated as the initial resident agent for the Association.

**ARTICLE 5
NONPROFIT CORPORATION**

The Association is a nonprofit corporation, no part of the income or profit of which is distributable to its members, directors or officers, except as otherwise authorized by law.

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**ARTICLE 6
PURPOSE OF THE ASSOCIATION**

The object and purpose for which this Association is organized is to provide for the management, maintenance and care of the Common Elements and other property owned by the Association or property placed under its jurisdiction and to perform all duties and exercise all rights imposed on or granted to the Association by these Articles, the Bylaws and the Declaration. In furtherance of and in order to accomplish the foregoing object and purpose, the Association may transact any or all lawful business for which corporations may be incorporated under the laws of the State of Nevada, as they may be amended from time to time.

**ARTICLE 7
CHARACTER OF BUSINESS**

The character of the business which the Association initially intends to conduct in Nevada is to provide for the management, maintenance and care of the Common Elements and to exercise and perform such other powers and duties as are imposed on or granted to the corporation by these Articles, the Bylaws or the Declaration.

**ARTICLE 8
MEMBERSHIP AND VOTING RIGHTS**

Membership in the Association shall be limited to Units' Owners. Each Unit's Owner shall have such rights, privileges and votes in the corporation as are set forth in the Bylaws and the Declaration.

**ARTICLE 9
BOARD OF DIRECTORS**

The number of directors constituting the initial Board of Directors shall be three (3). The names and addresses of the initial directors of the Association who shall serve until the first annual meeting of the Members or until their successors are elected and qualified are as follows:

<u>Name</u>	<u>Mailing Address</u>
Elaina Coria-Fibet	4670 South Fort Apache Road, Suite 200 Las Vegas, Nevada 89147
Steve Shane	4670 South Fort Apache Road, Suite 200 Las Vegas, Nevada 89147
Ike Dolinar	4670 South Fort Apache Road, Suite 200 Las Vegas, Nevada 89147

Vincent Aiello

4670 South Fort Apache Road, Suite 200
Las Vegas, Nevada 89147

The Board of Directors shall adopt the initial Bylaws of the Association. The power to alter, amend or repeal the Bylaws is reserved to the Members except that Declarant, so long as Declarant owns any Unit and thereafter, the Board of Directors, without a vote of the Members, may amend the Bylaws in order to conform the Bylaws to the requirements or guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration ("FHA"), the Veterans Administration ("VA") or any federal, state or local governmental agency whose approval of the Declaration is required by law or requested by a Declarant or the Association.

ARTICLE 10 LIMITATION ON LIABILITY OF DIRECTORS

The personal liability of a director of the Association to the Association or its Members for monetary damages for breach of his fiduciary duties as a director is hereby eliminated to the extent permitted by the laws of the State of Nevada as in effect from time to time.

ARTICLE 11 INDEMNIFICATION

To the extent it has the power to do so under the Nevada statutes governing nonprofit corporations, the Association shall indemnify any and all of its directors and officers, and former directors and officers, against expenses incurred by them, including legal fees, or judgments or penalties rendered or levied against any such person or entity in a legal action brought against any such person or entity for acts or omissions alleged to have been committed by any such person or entity while acting within the scope of his or its authority as a director or officer of the Association, or exercising the powers of the Board of Directors, provided that the Board of Directors shall determine in good faith that such person or entity did not act, fail to act, or refuse to act with gross negligence or with wrongful, fraudulent or criminal intent in regard to the matter involved in the action. Notwithstanding anything to the contrary expressed herein, the Board of Directors shall have the right to refuse indemnification as to expenses in any instance in which the person or entity to whom indemnification would otherwise have been applicable shall have incurred expenses without approval by the Board of Directors which are excessive and unreasonable in the circumstances and are so determined by the Board of Directors, and as to expenses, judgments, or penalties in any instance in which such person or entity shall have refused unreasonably to permit the Association, at its own expense and through counsel of its own choosing, to defend him or it in the action or to compromise and settle the action. The Association shall also indemnify the employees and direct agents of the Association in the same manner and with the same limitations as provided above with respect to directors and officers.

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**ARTICLE 12
AMENDMENTS**

These Articles may be amended by Members representing not less than two-thirds (2/3) of the total authorized votes entitled to be cast by Members of the Association; provided, however, that Declarant, so long as Declarant owns any Unit, and thereafter, the Board of Directors, without a vote of Members, may amend these Articles in order to conform these Articles to the requirements or guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the FHA, the VA or any federal, state or local governmental agency whose approval of the Declaration is required by law or requested by Declarant or the Association.

**ARTICLE 13
DISSOLUTION**

The Association may be dissolved with the assent given in writing and signed by Units' Owners representing not less than two-thirds (2/3) of the total authorized votes entitled to be cast by the Members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this corporation was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed or assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purpose.

**ARTICLE 14
DURATION**

The Association shall exist perpetually.

**ARTICLE 15
FHA/VA APPROVAL**

As long as Declarant retains effective control of the Association, the following actions will require the prior approval of the FHA or the VA: (i) annexation of additional properties; mergers or consolidations; mortgaging or dedication of Common Elements; and (ii) dissolution of the Association or amendment of these Articles of Incorporation; provided, that notwithstanding the foregoing, such prior approval shall not be required unless and until the FHA or VA shall have approved the Community as acceptable for insured or guaranteed loans or if the FHA or VA is not then insuring loans for the Community.

**ARTICLE 16
INCORPORATOR**

The name and address of the incorporator of the Association is:

Name

Address

Elaina Coria-Fluet

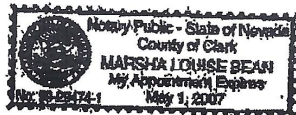
4670 South Fort Apache Road, Suite 200
Las Vegas, Nevada 89147

Dated this 21st day of December, 2005.


Elaina Coria-Fluet

STATE OF NEVADA)
) ss.
County of Clark)

On the 21st of December, 2005, personally appeared before me, a Notary Public, Elaina Coria-Fluet, personally known (or proved) to me to be the person whose name is subscribed to the foregoing Articles of Incorporation of Burson Ranch Homeowners' Association, as the incorporator, who acknowledged to me that he executed the above Articles of Incorporation of Burson Ranch Homeowners' Association.




Notary Public in and for said County and State.

CERTIFICATE OF ACCEPTANCE OF APPOINTMENT AS RESIDENT AGENT

The undersigned, having been designated to act as resident agent for the Burson Ranch Homeowners' Association, hereby accepts such appointment and agrees to act in that capacity until removal or resignation is submitted in accordance with applicable provisions of the Nevada Revised Statutes.

Dated this 21st day of December, 2005.



Vincent Aiello

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