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DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

**SOLERA AT ANTHEM
COMMUNITY ASSOCIATION, INC.**

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DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
SOLERA AT ANTHEM

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS (the "Declaration") is made as of the 6th day of August, 2003, by Del Webb Communities, Inc., an Arizona corporation ("Declarant").

PART ONE: INTRODUCTION TO THE COMMUNITY

Article I Creation of the Community

1.1. Purpose and Intent.

Declarant, as owner of the real property described in Exhibit "A," intends by Recording this Declaration to create a general plan of development for the planned community known as Solera at Anthem ("Solera"). This Declaration provides a flexible and reasonable procedure for the future expansion of Solera to include additional real property as Declarant deems appropriate and provides for the overall development, administration, maintenance, and preservation of the real property now and hereafter comprising Solera. An integral part of the development plan is the creation of Solera at Anthem Community Association, Inc., an association comprised of all owners of real property in Solera, to own, operate, and maintain various common areas and community improvements, and to administer and enforce this Declaration and the other Governing Documents referred to in this Declaration.

This document is prepared pursuant to the Nevada Common Interest Ownership Act, NRS § 116.1101, *et seq.*, and establishes a planned community as defined therein.

1.2. Binding Effect.

All property described in Exhibit "A," and any additional property which is made a part of Solera in the future by Recording one or more Supplemental Declarations, shall be owned, conveyed, and used subject to all of the provisions of this Declaration, which shall run with the title to such property. This Declaration shall be binding upon all Persons having any right, title, or interest in any portion of the Properties, their heirs, successors, successors-in-title, assigns, occupants, guests and tenants.

Unless otherwise provided by Nevada law, this Declaration shall run with the land and have perpetual duration. This Declaration may be terminated only by a Recorded instrument signed by Owners of at least 80% of the total Lots, and which complies with the termination

procedures set forth in the Act. Nothing in this Section shall be construed to permit termination of any easement created in this Declaration without the consent of the holder of such easement.

1.3. Governing Documents.

The Governing Documents create a general plan of development for Solera which may be supplemented by additional covenants, restrictions, and easements applicable to particular portions of the Properties, as set forth in a Supplemental Declaration.

The Governing Documents shall be enforceable by Declarant, the Association, the Anthem Community Council, any Owner, and their respective legal representatives, heirs, successors, and assigns, by any means available at law or in equity, subject to the provisions of Article XIV, if applicable.

In the event of a conflict between or among the Governing Documents and any such additional covenants or restrictions, and/or the provisions of any other articles of incorporation, by-laws, rules, or policies governing any particular portion of the Properties, the Governing Documents shall control. Nothing in this Section shall preclude any Supplemental Declaration or other Recorded covenants applicable to any portion of the Properties from containing additional restrictions or provisions which are more restrictive than the provisions of this Declaration.

All provisions of the Governing Documents shall apply to all Owners and to all Occupants of their Lots, as well as their respective tenants, guests, and invitees. Any lease on a Lot shall provide that the tenant and all Occupants of the leased Lot shall be bound by the terms of the Governing Documents and shall be responsible for compliance with such terms by their guests and invitees.

Unless otherwise specifically provided, any notice provided for in the Governing Documents shall be provided in accordance with the By-Laws.

If any provision of this Declaration is determined by judgment or court order to be invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or applications.

1.4. Anthem Community Council.

Declarant has recorded the Declaration of Covenants and Easements for the Anthem Community and has created the Anthem Community Council (also referred to as the "Council") to provide a means for each Anthem residential community jointly to participate in community-wide affairs. The current members of the Council are the Association, the Sun City Anthem Community Association, Inc., the Anthem Country Club Community Association, Inc., the Coventry Homes at Anthem Community Association, Inc., and any other master association located within Anthem, as defined in Article II. While Home Owners are not members of the Council, each Home Owner is subject to the Community Covenant.

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The Council is authorized to organize, fund, and administer such activities, services, and programs designed to build and enhance the sense of community within Anthem as its board of directors deems necessary, desirable, or appropriate. By way of example, such activities, services, and programs may include primary and adult education programs; community-wide recycling or other services; cultural, arts, and entertainment activities; and promotional or public relations activities on behalf of the Anthem community. In addition, the Council shall own and maintain such real property and facilities as are conveyed or transferred to it by Declarant or its affiliates.

The Council shall assess each of the Council members for all or any portion of the incurred costs. In addition, the Council may charge use or consumption fees for use of or participation in Council activities, services, and programs as provided in the Community Covenant.

Article II Concepts and Definitions

The terms used in the Governing Documents shall generally be given their natural, commonly accepted definitions unless otherwise specified. Capitalized terms shall be defined as set forth below.

"Act": The Nevada Common Interest Ownership Act, Nevada Revised Statutes, Chapter 116.1101, *et seq.*, as it may be amended from time to time.

"Age-Qualified Occupant": Any person (i) 50 years of age or older who owns and Occupies a Dwelling Unit and was the original purchaser of the Dwelling Unit from Declarant; or (ii) 55 years of age or older who Occupies a Dwelling Unit.

"Anthem": That certain master planned community located in Henderson, Clark County, Nevada, which is more particularly described in the Master Plan, as it may be amended from time to time.

"Anthem Community Council" or "Council": The Anthem Community Council, Inc., a Nevada nonprofit corporation, its successors and assigns.

"Architectural Review Committee" or "ARC": The committee Declarant may create at such time as it shall determine in its sole discretion to review new construction (other than that installed by Declarant) and modifications and to administer and enforce the architectural controls for Solera, as more specifically provided in Section 4.2.

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

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"Articles of Incorporation" or "Articles": The Articles of Incorporation of Solera Community Association, Inc., as filed with the Nevada Secretary of State.

"Association": Solera Community Association, Inc., a Nevada nonprofit corporation, its successors or assigns.

"Base Assessment": Assessments levied on all Lots subject to assessment under Article VIII to fund Common Expenses for the general benefit of all Lots.

"Benefited Assessment": Assessments levied against a particular Lot or Lots for expenses incurred or to be incurred by the Association for the purposes described in Section 8.4.

"Board of Directors" or "Board": The body responsible for administration of the Association, selected as provided in the By-Laws and serving the same role as the board of directors under Nevada corporate law and as the "executive board" as defined in the Act.

"By-Laws": The By-Laws of Solera Community Association, Inc.

"Common Area": All real and personal property, including easements, which the Association owns, leases, or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners, all areas designated as a "common element" or "common area" on the Plats, and all interests as provided in the Act. The term shall include the Limited Common Area, as defined below, and may also include, without limitation, recreational facilities, entry features, signage, landscaped medians, rights of way and roads, parks, greenbelts, enhanced and native open space, trails and sidewalks if owned by the Association.

"Common Expenses": The actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of the Owners, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to the Governing Documents.

"Community-Wide Standard": The standard of conduct, maintenance, or other activity generally prevailing throughout the Properties. Declarant shall initially establish such standard which may be more specifically defined in the Design Guidelines, the Use Restrictions, Rules, and Board resolutions. Any subsequent amendments to the standard shall meet or exceed the standards set during the Declarant Control Period. Such standards may contain both objective and subjective elements. The Community-Wide Standard may evolve as development progresses and as the needs and demands of Solera change.

"Community Covenant": That certain Declaration of Covenants and Easements for the Anthem Community that has been or will be Recorded, as may be amended from time to time.

"Declarant": Del Webb Communities, Inc., an Arizona corporation, or any successor, successor-in-title, or assign who takes title to any portion of the property described in Exhibits "A" or "B" for the purpose of development and/or sale and who is designated as Declarant in a Recorded instrument executed by the immediately preceding Declarant.

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"Declarant Control Period": The period of time during which Declarant is entitled to appoint a Majority of the members of the Board of Directors as provided in the By-Laws and consistent with the Act.

"Design Guidelines": The architectural, design, and construction guidelines and application and review procedures applicable to the Properties as promulgated and administered pursuant to Article IV, as they may be amended.

"Dwelling Unit": Each building or structure or portion of a building or structure situated upon a Lot and which is intended for use and Occupancy as an attached or detached residence for a single family.

"Governing Documents": A collective term referring to this Declaration and any applicable Supplemental Declaration, the By-Laws, the Articles, the Design Guidelines, Use Restrictions, Rules, and the Community Covenant and other documents governing the administration and operation of the Council, as they may be amended.

"Home Owner": An Owner other than Declarant.

"Limited Common Area": A portion of the Common Area primarily benefiting one or more, but less than all, Members as more particularly described in Article XII, and being a "limited common element" as defined in the Act.

"Lot": A contiguous portion of the Properties, whether improved or unimproved, other than Common Area, common property of any subsequently created portion of the Properties by a Supplemental Declaration, and property dedicated to the public, which may be independently owned and conveyed and which is intended to be developed, used, and Occupied for residential purposes and to contain a Dwelling Unit. The term shall mean all interests defined as "Lot" in Section 116.11039 of the Act. The term shall refer to the land, if any, which is part of the Lot as well as any improvements, including any Dwelling Unit, thereon. The boundaries of each Lot shall be delineated on a Recorded Plat.

Prior to Recording a Plat, a parcel of vacant land, or land on which improvements are under construction shall be deemed to contain the number of Lots designated for residential use for such parcel on the applicable preliminary plat or site plan approved by Declarant, whichever is more current. Until a preliminary plat or site plan has been approved, such parcel shall contain the number of Lots set by Declarant in conformance with the Master Plan.

"Majority": Unless otherwise specifically defined in a provision of the Governing Documents, Majority of those votes, owners, or other groups as the content may indicate totaling more than 50% of the total eligible number.

"Master Plan": The master land use plan for the development of Solera as approved by Henderson, Nevada, and as it may be amended, which plan includes all of the property described in Exhibit "A" and all or a portion of the property described in Exhibit "B" that Declarant may

from time to time subject to this Declaration. The Master Plan may also include subsequent plans which Henderson, Nevada, approves for the development of all or a portion of the property described in Exhibit "B" which Declarant may from time to time subject to this Declaration. Inclusion of property on the Master Plan shall not, under any circumstances, obligate Declarant to subject such property to this Declaration, nor shall the omission of property described in Exhibit "B" from the Master Plan bar its later submission to this Declaration as provided in Article IX.

"Maximum Lots": The maximum number of Lots approved for development within Solera under the Master Plan, as amended from time to time; provided, however, that nothing in this Declaration shall be construed to require Declarant to develop the maximum number of lots approved. The Maximum Lots as of the date of this Declaration is 2,759 Lots, including approximately 1850 single family homes and a multi-family development. This number shall increase if additional Lots are approved for development under the Master Plan.

"Member": A Person subject to membership in the Association pursuant to Section 6.2.

"Membership Cards": Those certain cards which are issued by the Association in accordance with the terms and conditions set forth in Article XIII and which confer upon the holder rights of access to and use of recreational facilities and other Common Areas within the Properties.

"Mortgage": A mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Lot. A "Mortgagee" shall refer to a beneficiary or holder of a Mortgage.

"Occupy", "Occupies", "Occupied", or "Occupancy": Unless otherwise specified in the Governing Documents, staying overnight in a particular Dwelling Unit for at least 180 days in the subject calendar year. The term "Occupant" shall refer to an individual who Occupies a Dwelling Unit.

"Owner": One or more Persons, which may include Declarant, who hold the record title to any Lot, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Lot is sold under a Recorded contract of sale, and the contract specifically so provides, the purchaser (rather than the fee owner) will be considered the Owner.

"Person": A natural person, a corporation, a partnership, a trustee, or any other legal entity.

"Plat": The engineering survey or other surveys for all or any portion of the Properties, together with such other diagrammatic information regarding the Properties as may be required by the Act, other laws, or included in the discretion of Declarant, as they may be amended and supplemented from time to time and Recorded.

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"Private Amenities": Certain real property and any improvements and facilities thereon located adjacent to, in the vicinity of, or within the Properties of Anthem, which are privately owned and operated by Persons other than the Association for recreational and related purposes, on either a club membership basis or otherwise.

"Properties" or "Solea": The real property described in Exhibit "A," together with such additional property as is made subject to this Declaration in accordance with Article IX and the Act. Exhibit "A" and each Supplemental Declaration which subjects property to the Declaration shall provide a legal description of the Common Area included therein, if any.

"Qualified Occupant": Any of the following Persons who Occupy a Dwelling Unit:

- (a) any Age-Qualified Occupant;
- (b) any Person 19 years of age or older who Occupies a Dwelling Unit with an Age-Qualified Occupant; and
- (c) any spouse of an Age-Qualified Occupant who Occupied a Dwelling Unit with an Age-Qualified Occupant and who continues, without interruption, to Occupy the same Dwelling Unit after termination of the Occupancy of the Age-Qualified Occupant.

"Record", "Recording", or "Recorded": To file, the filing, or filed of record with the Office of the County Recorder of Clark County, Nevada. The date of Recording shall refer to that time at which a document, map, or Plat is Recorded.

"Rules": Rules, regulations, restrictions and guidelines relating to an Owner's use of his or her Dwelling Unit, the use of Common Area and conduct of Persons on the Properties, as more specifically provided and authorized in Article III of this Declaration.

"Special Assessment": Assessments levied in accordance with Section 8.4.

"Supplemental Declaration": An instrument Declarant executes which amends this Declaration pursuant to Article IX and the Act and subjects additional property to this Declaration, identifies Common Area within the additional property, and/or imposes, expressly or by reference, additional restrictions, covenants, easements, and obligations on the land described in such instrument.

"Use Restrictions": The restrictions on use and conduct set forth in Section 3.6, as may be modified and expanded in accordance with Article III and the Act.

PART TWO: CREATION AND MAINTENANCE OF COMMUNITY STANDARDS

Article III Use and Conduct

3.1. Restrictions on Use, Occupancy, and Alienation

The restrictions set forth in this Section 3.1 may be amended only in accordance with Article XIX of this Declaration.

(a) Residential and Related Uses

The Properties shall be used only for residential, recreational, and related purposes. Related purposes may include, without limitation, offices for any management agent or agents retained by the Association, business offices for Declarant or the Association consistent with this Declaration and any Supplemental Declaration. In addition, any commercial activity that directly advances the residential and recreational character of the Properties may be authorized by Declarant or the Association, if consistent with the Governing Documents. Any Supplemental Declaration or any additional Recorded covenants may impose stricter standards than those contained in this Article and the Association shall have standing and the power to enforce such standards.

(b) Age Restriction. Solera is intended to provide housing primarily for persons 55 years of age or older, subject to the rights reserved to Declarant in Section 10.16 of this Declaration. The Properties shall be operated as an age restricted community in compliance with all applicable Nevada and federal laws. Persons under 19 years of age may stay overnight in a Dwelling Unit for up to, but not exceed, 60 days during any twelve consecutive months and shall not Occupy any Dwelling Unit.

Subject to Section 10.16 of this Declaration, each Dwelling Unit, if Occupied, shall be Occupied by an Age Qualified Occupant; provided, however, that once a Dwelling Unit is Occupied by an Age-Qualified Occupant, other Qualified Occupants of that Dwelling Unit may continue to Occupy the Dwelling Unit, in the absence of an Age-Qualified Occupant, if said Occupancy is based on a hardship exemption granted by the Board of Directors in accordance with the rules, regulations, policies, procedures as adopted by the Board of Directors and published to the Members. Notwithstanding the above, at all times, at least 80% of the Dwelling Units within the Properties shall be Occupied by at least one Person 55 years of age or older.

The Board shall establish policies and procedures from time to time as necessary to maintain its status as an age restricted community under Nevada or federal law.

(c) Business Use. No business or trade, garage sale, moving sale, rummage sale, or similar activity shall be conducted in or from any Dwelling Unit or Lot, except that an Owner or Occupant may conduct business activities within the Dwelling Unit so long as:

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(i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Dwelling Unit;

(ii) the business activity conforms to all zoning requirements for the Properties;

(iii) the business activity does not involve regular visitation of the Dwelling Unit by clients, customers, suppliers, or other business invitees or door-to-door solicitation of residents of the Properties; and

(iv) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board.

"Business and trade" shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to Persons other than the family of the producer of such goods or services and for which the producer 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 to or does generate a profit, or (c) a license is required.

This Section shall not apply to any activity conducted by Declarant or a Person approved by Declarant with respect to its development and sale of the Properties or its use of any Lots which it owns within the Properties, including the operation of a "vacation villa," "vacation getaway," or similar program permitting temporary residential use. Additionally, this Section shall not apply to any activity conducted by the Council, Association, or a Person approved by the Association for the purpose of operating, maintaining or advancing the residential and recreational character of the Properties.

The leasing of a Dwelling Unit shall not be considered a business or trade within the meaning of this subsection.

(d) Leasing of Dwelling Units. For purposes of this Declaration, "leasing" is defined as regular, exclusive residency in a Dwelling Unit by any Person other than the Owner, for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service or gratuity. Dwelling Units may be leased only in their entirety. No fraction or portion of a Dwelling Unit may be leased.

No structure on a Lot other than the primary residential Dwelling Unit shall be leased or otherwise occupied for residential purposes. There shall be no subleasing of Dwelling Units or assignment of leases except with the Board's prior written approval. All leases shall be in writing.

Notice of any lease, together with such additional information as may be required by the Board, shall be given to the Board or its designee by the Owner within ten days of execution of the lease. The Owner must make available to the lessee copies of the Governing Documents.

(e) Maximum Occupancy. Dwelling Units shall not be Occupied by more than two Persons per bedroom in the Dwelling Unit.

(f) Occupants Bound. All provisions of the Governing Documents shall apply to all Occupants, guests, and invitees of any Lot. Every Owner shall cause all Occupants, guests, and invitees of his or her Lot to comply with the Governing Documents and shall be responsible for all violations and losses to the Area of Common Responsibility caused by such Persons, notwithstanding the fact that such Persons also are fully liable and may be sanctioned for any violation.

(g) Subdivision of a Lot and Time-Sharing. No Lot shall be subdivided or its boundary lines changed except with the Board's prior-written approval; provided, however, Declarant, its successors and assigns, hereby expressly reserve the right unilaterally to subdivide, change the boundary line of, and replat any Lot(s) they own and, for so long as Declarant owns any portion of the Properties, convert Lots into Common Area.

No Lot shall be made subject to any type of timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Lot rotates among members of the program on a fixed or floating time schedule over a period of years. However, Declarant hereby reserves the right for itself and its assigns to operate such a program.

3.2. Framework for Regulation.

The Governing Documents establish, as part of the general plan of development for the Properties, a framework of affirmative and negative covenants, easements, and restrictions governing the Properties. Within that framework, the Board and the Members must have the ability to respond to unforeseen problems and changes in circumstances, conditions, needs, desires, trends, and technology which inevitably will affect Solera, its Owners and residents. Therefore, this Article establishes procedures for modifying and expanding the Use Restrictions, set forth in Section 3.6 below, and such Rules as may be created and revised from time to time.

3.3. Use Restriction and Rule Making Authority.

(a) Board's Authority. Subject to the terms of the Governing Documents, the Act, and the Board's duty to exercise business judgment and reasonableness on behalf of the Association and its Members, the Board may (i) create and enforce reasonable Rules governing the use of the Properties, including the Areas of Common Responsibility and Lots, consistent with other provisions in the Governing Documents and (ii) subject to the same limitations, modify, cancel, limit, create exceptions to, or expand the Rules. The Board shall send notice to all Owners

concerning any proposed action on or amendment to the Rules at least 10 business days prior to the Board meeting at which such action is to be considered. For this purpose, notice may be sent to each Owner in any manner permitted under the Act, including, if so permitted: U.S. mail; electronic telecommunication (i.e., fax or "e-mail") with confirmation of receipt; broadcast on the community television channel; or publication in the community newsletter delivered or mailed to each Owner, provided that such notice is clearly identified under a separate headline in the newsletter. As set forth in the By-Laws, Members shall have an opportunity to be heard at a Board meeting prior to such action being taken subject to reasonable Board imposed restrictions.

Such action shall become effective, after compliance with subsection (c) below, unless acting at a meeting, Members representing a Majority of the total votes in the Association and Declarant, for so long as it owns any property described on Exhibits "A" or "B," disapprove the action. The Board shall have no obligation to call a meeting to consider disapproval except upon receipt of a petition signed by Home Owners representing at least 10% of the total votes of the Association as required for special meetings in the By-Laws. Upon receipt of such petition prior to the effective date of any Board action under this Section 3.3(a), the proposed action shall not become effective until after such meeting is held, and then subject to the outcome of such meeting.

(b) Members' Authority. As an alternative to Rules being adopted by the Board as set forth in Section 3.3(a) above, following the termination of the Declarant Control Period, the Members, at an Association meeting duly called for such purpose and in accordance with the By-Laws, may adopt provisions that create, modify, cancel, limit, create exceptions to, or expand the Rules, consistent with other provisions of the Governing Documents, by a vote of Members representing a Majority of the total votes in the Association and the approval of Declarant, for so long as it owns any property described on Exhibits "A" and/or "B."

(c) Notice. At least 30 days prior to the effective date of any action taken under subsections (a) or (b) of this Section, the Board shall provide a copy of the new Rules or explanation of any modifications to the existing Rules to each Owner specifying the effective date. For this purpose, the Board may send a copy of the new or modified Use Restriction or Rule either by any manner permitted under the Act, including, if so permitted: U.S. mail; electronic telecommunication (i.e., fax or "e-mail") with confirmation of receipt; publication in the community newsletter delivered or mailed to each Owner, provided that such notice is clearly identified under a separate headline in the newsletter; or broadcast on the community television channel.

Upon written request by a Member or Mortgagee, the Association shall provide, without cost, a single copy of the newly revised Rules. The Association may charge a reasonable fee for additional copies of the revised Rules.

(d) No Authorization To Change Design Guidelines. Board Subject to Section 4.3 of this Declaration, neither the Board nor the Association shall have the authority to modify, repeal, or expand the Design Guidelines, without the approval of Declarant, for so long as Declarant owns any real property described on "Exhibit A" and/or "Exhibit B". In the event of a conflict

between the Design Guidelines and the Use Restrictions and Rules, the Use Restrictions and Rules shall control.

(c) No Application to Administrative Rules and Regulations. The procedures required under this Section shall not apply to the enactment and enforcement of administrative rules and regulations governing use and operation of the Common Area unless the Board chooses in its discretion to submit to such procedures. Examples of such administrative rules and regulations shall include, but not be limited to, hours of operation of a recreational facility, speed limits on private roads, and the method of allocating or reserving use of a facility (or any portion of a facility) by particular individuals at particular times. The Board shall exercise business judgment in the enactment of such administrative rules and regulations.

3.4. Owners' Acknowledgment and Notice to Purchasers.

All Owners are given notice that use of their Lots and the Common Area are limited by the Use Restrictions and Rules as may be amended, expanded, and otherwise modified. Each Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of his or her Lot can be affected by this provision and that the Use Restrictions and Rules may change from time to time as provided under Section 3.3. All purchasers of Lots are on notice that changes may have been adopted by the Association. Copies of the current Use Restrictions and Rules may be obtained from the Association. Unless otherwise restricted by the Act or this Declaration, the Association may charge a reasonable fee for copies of the Use Restrictions and Rules.

3.5. Protection of Owners and Others.

No Use Restriction or Rule shall be adopted in violation of the following provisions, except as may be specifically set forth in this Declaration (either initially or by amendment) or in the initial Use Restrictions set forth in Section 3.6:

(a) Abridging Existing Rights. If any Use Restriction or Rule would otherwise require Owners to dispose of personal property which they maintained in or on the Lot prior to the effective date of such regulation, or to vacate a Lot in which they resided prior to the effective date of such regulation, and such property was maintained or such Occupancy was in compliance with the Governing Documents as such Use Restriction or Rule shall not apply to any such Owners without their written consent.

(b) Activities Within Dwelling Units. No Use Restriction or Rule shall interfere with the activities carried on within the confines of Dwelling Units, except that the Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of Occupants of other Lots, that generate excessive noise or traffic, that create unsightly conditions visible outside the Dwelling Units, that create an unreasonable source of annoyance, or that otherwise violate local, state, or federal laws or

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regulations. Notwithstanding the foregoing, the Association shall not be responsible for enforcing any violations of local, state or federal laws or regulations.

(c) Alienation. No Use Restriction or Rule shall place a blanket prohibition on leasing or conveying any Lot or require the Association's consent before leasing or conveying any Lot. However, the Association may (i) require that Owners use Association approved lease forms; (ii) impose a reasonable fee on the lease or conveyance of a Lot based upon the Association's related administrative costs; (iii) require that Owners provide the Association advance notice of any lease or conveyance; (iv) require such other payments or actions as this Declaration may require; and impose a minimum lease term.

(d) Allocation of Burdens and Benefits. No Use Restriction or Rule shall alter the allocation of financial burdens among the various Lots or rights to use the Common Area to the detriment of any Owner over that Owner's objection expressed in writing to the Association. Nothing in this provision shall prevent the Association from changing the available Common Area, from adopting generally applicable rules for use of Common Area, or from denying use privileges to those who abuse the Common Area or violate the Governing Documents. This provision does not affect the right to increase the amount of assessments as provided in Article VIII.

(e) Displays. The rights of Owners to display religious and holiday signs, symbols, and decorations inside structures on their Lots of the kinds normally displayed in dwellings located in single-family residential neighborhoods shall not be abridged, except that the Association may adopt time, place, and manner restrictions with respect to displays visible from outside the Dwelling Units.

No Use Restriction or Rule shall regulate the content of political signs; however, Use Restrictions and Rules may regulate the time, place and manner of posting such signs (including design criteria).

(f) Similar Treatment. Owners shall be treated similarly under the same or similar circumstances; provided, the Use Restrictions and Rules may vary if a Supplemental Declaration is Recorded against a particular portion of the Properties.

(g) Household Composition. No Use Restriction or Rule shall interfere with the freedom of Owners to determine the composition of their households, except that the Association shall have the power to limit the total number of Occupants permitted in each Dwelling Unit on the basis of the size and facilities of the Dwelling Unit and its fair use of the Common Area, to require that one or more Member be older than a certain age, and, to require that no Person under a certain age reside in a Dwelling Unit for longer than a specified period during the calendar year.

(h) Reasonable Rights To Develop. No Use Restriction, Rule, or any other action by the Association or Board shall unreasonably impede Declarant's right to develop the Properties in accordance with the rights reserved to the Declarant in this Declaration and the Act.

The limitations in subsections (a) through (h) of this Section 3.5 shall only limit rulemaking authority exercised under Section 3.3; they shall not apply to amendments to this Declaration adopted in accordance with Article XIX of this Declaration and the Act.

3.6. Initial Use Restrictions and Rules.

(a) Animals and Pets. No animals of any kind, including livestock and poultry, shall be raised, bred, or kept on any portion of the Properties, except that a maximum of three pets is permitted in each Dwelling Unit, the composition of which may include dogs, cats, birds, or other pets as determined from time to time by the Board. Pets which are permitted to roam free, or, in the sole discretion of the Association, endanger the health of other Persons, make objectionable noise, or constitute a nuisance or inconvenience to the Owners or others within the Properties shall be removed upon the Board's request. If the Owner fails to honor such request, the Board may cause the pet to be removed.

The Board may adopt reasonable regulations designed to minimize damage and disturbance to other Owners and Occupants, including Rules requiring damage deposits, waste removal, leash controls, noise controls, and limits based on any reasonable factor, including size and capacity of the Lot and fair share use of the Common Area; provided, however, any regulation prohibiting the keeping of ordinary household pets shall apply prospectively only and shall not require the removal of any pet which was being kept on the Properties in compliance with the Use Restrictions and Rules in effect prior to the adoption of such regulation. The Board may also adopt Rules which prohibit pets from certain Common Area locations. Nothing in this provision shall prevent the Association from requiring removal of any animal that presents an actual threat to the health or safety of residents or from requiring abatement of any nuisance or unreasonable source of annoyance. No pets shall be kept, bred, or maintained for any commercial purpose.

(b) Firearms. The discharge of firearms within the Properties is prohibited. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size.

(c) Nuisances. No rubbish, clippings, refuse, scrap lumber or metal; no grass, shrub or tree clippings; and no plant waste, compost, bulk materials, or other debris of any kind; (all, collectively, hereinafter, "rubbish and debris") shall be kept, stored or allowed to accumulate on any Lot unless stored within an enclosed structure or container that has been approved by the Architectural Review Committee, or unless such matter is screened from view in a manner approved by the Architectural Review Committee, and no odor arises therefrom so as to render the Properties or any portion thereof, unsanitary or offensive. Without limiting the foregoing, a refuse container, the use of which has been approved by the Architectural Review Committee, containing such materials, may be placed outside at times reasonably necessary (not to exceed twelve (12) hours before or after scheduled trash collection hours on Residential Lots) to permit

garbage or trash pickup. No noxious or offensive activities (including, but not limited to the repair of motor vehicles) shall be carried out on the Property. No noise or other nuisances shall be permitted to exist or operate upon any portion of a Lot so as to be offensive or detrimental to any other Lot or to occupants thereof, to the Area of Common Responsibility. 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 smokey vehicles, large power equipment or large power tools (excluding lawn mowers and other equipment utilized in connection with ordinary landscape maintenance), inoperable vehicle, unlicensed off-road motor vehicle, or other item that may unreasonably disturb other Owners or Occupants, or any equipment or item that may unreasonably interfere with television or radio reception within any Lot, or the Area of Common Responsibility, shall be located, used or placed on any portion of the Properties 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 Unit 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. The Board shall have the right to determine if any noise, odor, or activity producing such noise or odor constitutes a nuisance. Each Owner and Occupant 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 Lot.

(d) Garages and Garage Doors. Garages shall be used only for their ordinary and normal purposes. Unless constructed or installed by Declarant (or a Person approved by the Declarant) as part of its original construction, no Owner or Occupant may convert the garage on his or her Lot into living space or otherwise use or modify a garage so as to preclude regular and normal parking of vehicles therein, without the prior written approval of the ARC in its sole discretion. Garage doors shall remain closed at all times except when entering and exiting the garage and for a reasonable length of time during day-light hours while performing regular home maintenance activities (e.g., lawn care and gardening, car washing, etc).

(e) Exterior lighting. Excessive exterior lighting is prohibited on any Lot. The Board (or its designee) in its sole discretion shall determine whether any exterior lighting is excessive. Any exterior lighting directed toward an adjoining Lot may, in the Board's discretion, be deemed to be excessive in nature.

(f) Temporary Structures. Tents, shacks, or other structures of a temporary nature are prohibited on any Lot except as may be authorized by Declarant during initial construction within the Properties. Temporary structures used during the construction or repair of a Dwelling Unit or other improvements shall be removed immediately after the completion of construction or repair.

(g) Storage of Goods. Storage of furniture, fixtures, appliances, machinery, equipment, or other goods and chattels by a Home Owner is prohibited on the Common Area or, if not in active use, any portion of a Lot which is visible from outside the Lot.

(h) Quiet Enjoyment. Nothing shall be done or maintained on any part of a Lot which emits foul or obnoxious odors outside the Lot or creates noise or other conditions which tend to disturb the peace, quiet, safety, comfort, or serenity of the Occupants and invitees of other Lots.

No noxious, illegal, or offensive activity shall be carried on upon any portion of the Properties, which in the Board's reasonable determination tends to cause embarrassment, discomfort, annoyance, or nuisance to persons using the Common Area or to the Occupants and invitees of other Lots.

(i) Signs. No sign shall be erected within the Properties without the Board's written consent, except those required by law or unless specifically permitted in the Design Guidelines, including posters, circulars, and billboards. This restriction shall not apply to entry and directional signs installed by Declarant. If permission is granted to any Person to erect a sign within the Properties, the Architectural Review Committee shall have the right to restrict the size, color, lettering, and placement of such sign. The Board, Council, and Declarant shall have the right to erect signs as they, in their discretion, deem appropriate.

(j) TV Antennas and Satellite Dishes. Standard TV antennas and other over-the-air reception devices (including satellite dishes) of less than one meter in diameter shall be permitted upon the Properties. Installation of standard TV antennas and over-the-air reception devices shall comply with any and all Design Guidelines, or other applicable rules and guidelines adopted by the Architectural Review Committee or the Board; provided, however, that such not guidelines shall not (1) unreasonably increase the cost of installing, maintaining, or using such devices, (2) unreasonably delay the time for installing such devices or receiving service, and (3) unreasonably interfere with the quality of the reception. Declarant, Council, and/or the Association shall have the right, without obligation, to erect an aerial, satellite dish, or other apparatus (of any size) for a master antenna, cable, or other communication system for the benefit of all or any portion of Anthem, including the Properties, should any master system or systems require such exterior apparatus.

No standard TV antenna or other over-the-air reception devices (including satellite dishes) that exceeds one meter in diameter shall be permitted upon the Properties, without written approval from the ARC.

(k) Trash Containers and Collection. No garbage or trash shall be placed or kept on any Lot, except in covered containers of a type, size, and style which are pre-approved by the Architectural Review Committee, as specifically permitted under the Design Guidelines, or required by the applicable governing jurisdiction. In no event shall such containers be maintained so as to be visible from outside the Lot unless they are being 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 the Lots and shall not be allowed to accumulate thereon. No outdoor incinerators shall be kept or maintained on any Lot.

(l) Unightly or Unkempt Conditions. All portions of a Lot outside enclosed structures shall be kept in a clean and tidy condition at all times. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Lot so as to render any such property or any portion thereof, or activity thereon, unsanitary, unsightly, offensive or detrimental to any other portion of the Properties. Woodpiles or other material shall be stored in a manner so as not to be visible from outside the Lot and not to be attractive to rodents, snakes, and other animals and to minimize the potential danger from fires. No nuisance shall be permitted to exist or operate upon any Lot so as to be offensive or detrimental to any other portion of the Properties. No activities shall be conducted upon or adjacent to any Lot or within improvements conducted thereon which are or might be unsafe or hazardous to any Person or property. No open fires shall be lighted or permitted on the Properties, except in a contained outdoor fireplace or barbecue unit while attended and in use for cooking purposes or within a safe and well designed interior fireplace.

(m) Vehicles and Parking. No Person shall park, store or keep on any street (public or private) or anywhere else within the Properties any vehicle of any kind unless otherwise permitted by this Declaration. Subject to any local or state laws or regulations, the following parking is permitted:

(i) Temporary guests and Occupants shall be permitted to park within the Association on the streets or within the spaces and areas clearly marked for such purpose, if any, and for no longer than 48 consecutive hours.

(ii) Recreational vehicles (including, but not limited to, any camper unit, house car or motor homes, trailers, trailer coaches, camp trailers, watercraft, boats, aircraft, or mobile homes); provided that such recreational vehicles are kept or parked: (a) within or on the street for loading and unloading purposes only, but not to exceed 24 hours; (b) within an authorized "R.V. Storage Area" (if any, designated as such by the Board) subject to all applicable Rules; and/or (c) subject to prior written approval of ARC, parked on a Lot, but subject to all location, size, height, screening, and other restrictions, as determined by the ARC in its sole discretion.

(iii) During construction of the Properties by Declarant, construction vehicles may be parked in the street but may not be left overnight.

(iv) Maintenance and homeowner improvement contractor's vehicles may be parked in the street but may not be left overnight.

(v) Delivery vehicles may be parked in the street for loading and unloading.

The Association, through its officers, committees and agents is hereby empowered to establish "parking" and "no parking" areas within the parking areas of the Properties, if any, as well as to enforce these parking limitations by all means lawful for such enforcement on public streets. No disabled, unregistered, or unlicensed vehicle shall be permitted to be parked on any street or elsewhere within the Properties. Notwithstanding any of the foregoing, one camper truck, van, or similar vehicle, up to and including one (1) ton, when used for everyday-type transportation, may be kept or parked wholly enclosed within an Owner's garage. Without

limiting the foregoing, no Owner shall park, store, or keep, anywhere within the Properties, any vehicle or vehicular equipment, mobile or otherwise, deemed by the Board or the ARC to be a nuisance. No Person shall perform repair or restoration on any motor vehicle, trailer, watercraft, or other vehicle, upon any portion of the Properties or on any street abutting the Property; provided that repair and/or restoration of one motor vehicle shall be permitted, but only if performed wholly within an Owner's garage with the garage door closed; provided further that such activity may be prohibited entirely by the Board or ARC if either determines, in its respective reasonable discretion, that such activity constitutes a nuisance. Each Owner and/or Occupant shall maintain his or her garage in a manner which ensures that the garage is capable of regularly and normally accommodating as many vehicles as it was originally designed to accommodate. Garages shall be kept closed at all times, except as reasonably required for ingress to and egress therefrom. The Board may establish Rules further governing or restricting parking (including, but not limited to, any guest parking in specifically designated areas). Notwithstanding any of the foregoing, these restrictions shall not be interpreted in such manner as to permit any activity contrary to any applicable Laws.

Article IV Architecture and Landscaping

4.1. General.

No structure or thing shall be placed, erected, installed, or posted on the Properties and no improvements or other work (including staking, clearing, excavation, grading, and other site work, exterior alterations of existing improvements, or planting or removal of landscaping) shall take place within the Properties, except in compliance with this Article and the Design Guidelines.

No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications. Any Owner may remodel, paint or decorate the interior of his or her Dwelling Unit without approval. However, modifications to the interior of screened porches, patios, and similar portions of a Dwelling Unit visible from outside the structure shall be subject to approval.

All Dwelling Units constructed on any portion of the Properties shall be designed by and built in accordance with the plans and specifications of a licensed architect or similarly licensed building designer unless otherwise approved by Declarant or its designee in its sole discretion.

This Article shall not apply to Declarant's activities until 100% of the Maximum Lots have been conveyed to Home Owners, nor to the Association during the Declarant Control Period.

4.2. Architectural Review.

(a) **By Declarant.** Each Owner, by accepting a deed or other instrument conveying any interest in any portion of the Properties, acknowledges that, as the developer of the Properties and as an Owner of portions of the Properties as well as other real estate within the vicinity of the

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Properties, Declarant has a substantial interest in ensuring that the improvements within the Properties enhance Declarant's reputation as a community developer and do not impair Declarant's ability to market, sell, or lease its property. Therefore, each Owner agrees that no activity within the scope of this Article shall be commenced on such Owner's Lot unless and until Declarant or its designee has given its prior written approval for such activity, which approval may be granted or withheld in the sole discretion of Declarant or its designee.

In reviewing and acting upon any request for approval, Declarant or its designee shall be acting solely in the interest of Declarant and shall owe no duty to any other Person. The rights reserved to Declarant under this Article shall continue so long as Declarant owns any portion of the Properties or any real property adjacent to the Properties or in Anthem, unless earlier terminated in a written, Recorded instrument executed by Declarant.

Declarant may, in its sole discretion, designate one or more Persons from time to time to act on its behalf in reviewing applications hereunder.

Declarant may from time to time, but shall not be obligated to, delegate all or a portion of its reserved rights under this Article to (i) the ARC, or (ii) a committee comprised of architects, engineers, or other persons who may or may not be Members of the Association. Any such delegation shall be in writing, specifying the scope of responsibilities delegated. It shall be subject to (i) the right of Declarant to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated; and (ii) the right of Declarant to veto any decision which Declarant determines, in its sole discretion, to be inappropriate or inadvisable for any reason. So long as Declarant has any rights under this Article, the jurisdiction of the foregoing entities shall be limited to such matters as Declarant specifically delegates.

(b) Architectural Review Committee. Upon Declarant's delegation or upon expiration or termination of Declarant's rights under this Article, the Association, acting through the ARC, shall assume jurisdiction over all architectural matters. The ARC, when appointed, shall consist of at least three, but not more than seven, persons who shall be approved, shall serve, and may be removed and replaced in the Board's discretion. The members of the ARC need not be Members of the Association or representatives of Members, and may, but need not, include architects, engineers, or similar professionals, who may be compensated in such manner and amount as the Board may establish.

Unless and until such time as Declarant delegates all or a portion of its reserved rights to the ARC or Declarant's rights under this Article terminate, the Association shall have no jurisdiction over architectural matters.

(c) Fees; Assistance. Declarant or the ARC may establish and charge reasonable fees for review of applications and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers, or other professionals. Declarant and the Association may employ architects, engineers, or other persons as deemed necessary to perform the review. The

Board may include the compensation of such persons in the Association's annual operating budget.

4.3. Guidelines and Procedures.

(a) Design Guidelines. Declarant may prepare the initial Design Guidelines, which may contain general provisions applicable to all of the Properties as well as specific provisions which vary based on additional restrictions, covenants, easements and obligations particular to specific portions of the Properties. The Design Guidelines are intended to provide guidance to Owners regarding matters of particular concern to Declarant and the ARC in considering applications. The Design Guidelines are not the exclusive basis for decisions, and compliance with the Design Guidelines does not guarantee approval of any application.

Declarant shall have sole and full authority to amend the Design Guidelines as long as it owns any portion of the Properties or has the right to expand the Properties pursuant to Section 9.1, notwithstanding a delegation of reviewing authority to the ARC, unless Declarant also delegates the power to amend to the ARC. Upon termination or delegation of Declarant's right to amend, the ARC shall have the authority to amend the Design Guidelines, with the Board's consent. Any amendments to the Design Guidelines shall be prospective only and shall not require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no other limitation on the scope of amendments to the Design Guidelines, and such amendments may remove requirements previously imposed or otherwise make the Design Guidelines less restrictive.

The Design Guidelines shall be made available to Owners and any requesting prospective purchaser who is a party to a binding contract to purchase a Lot. In Declarant's sole discretion, such Design Guidelines may be Recorded, in which event the Recorded version, as it unilaterally may be amended from time to time, shall control in the event of any dispute as to which version of the Design Guidelines was in effect at any particular time.

(b) Procedures. Prior to commencing any activity within the scope of this Article, an Owner shall submit an application for approval of the proposed activity in such form as the Design Guidelines or the ARC may specify. A prospective purchaser who is a party to a binding contract to purchase a Lot also may be permitted to submit an application for approval. Such application shall include plans and specifications ("Plans") showing site layout, structural design, exterior elevations, exterior materials and colors, landscaping, drainage, exterior lighting, irrigation, and other features of proposed construction, as applicable. The Design Guidelines and the ARC may require the submission of such additional information as deemed reasonably necessary to consider any application.

In reviewing each submission, Declarant or the ARC may consider any factors it deems relevant. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that determinations as to such matters are purely subjective and opinions may vary as to the

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desirability and/or attractiveness of particular improvements. The reviewing party shall have the sole discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment and such determinations shall not be subject to review so long as they are made in good faith and in accordance with the procedures set forth herein.

The ARC shall, within 45 days after receipt of a completed application and all required information, respond in writing to the applicant at the address specified in the application. The response may (i) approve the application, with or without conditions; (ii) approve a portion of the application and disapprove other portions; or (iii) disapprove the application. The ARC may, but shall not be obligated to, specify the reasons for any objections and/or offer suggestions for curing any objections.

In the event that the ARC fails to respond within the 45-day period, approval shall be deemed to have been given, subject to Declarant's right to veto approval by the ARC pursuant to this Section. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Guidelines unless a variance has been granted pursuant to Section 4.5 of this Declaration. Notice shall be deemed to have been given at the time the envelope containing the response is deposited with the U. S. Postal Service. Personal delivery of such written notice shall, however, be sufficient and shall be deemed to have been given at the time of delivery to the applicant.

Until expiration of Declarant's rights under this Article Section 4.3(a), the ARC shall notify Declarant in writing within three business days after the ARC has approved any application relating to proposed activity within the scope of matters Declarant delegated to the ARC. The notice shall be accompanied by a copy of the application and any additional information Declarant may require. Declarant shall have 10 days after receipt of such notice to veto any such action, in its sole discretion, by written notice to the ARC and the applicant.

If construction does not commence on a project for which Plans have been approved within 90 days from the date of closing of escrow on the Lot or the date of approval, whichever is later, such approval shall be deemed withdrawn and it shall be necessary for the Owner to reapply for approval before commencing any construction activity. Once construction is commenced, it shall be diligently pursued to completion. All construction shall be completed within one year of commencement unless otherwise specified in the notice of approval or unless the ARC grants an extension in writing, which it shall not be obligated to do. If approved construction is not completed within the required time, it shall be considered nonconforming and, unless an extension of time is granted, shall be subject to enforcement action by the Association, Declarant, or any aggrieved Owner.

Notwithstanding the above, the initial landscaping on any Lot shall be installed as approved within 90 days from the date of the initial closing of escrow on the Lot. A design review fee may be charged upon closing of each Lot for this initial landscape review.

The Board, with the consent of Declarant, may, by resolution, exempt certain activities from the application and approval requirements of this Article, provided such activities are undertaken in strict compliance with the requirements of such resolution.

4.4. No Waiver of Future Approvals.

Each Owner acknowledges that the persons reviewing applications under this Article will change from time to time and that opinions on aesthetic matters, as well as interpretation and application of the Design Guidelines, may vary accordingly. In addition, each Owner acknowledges that it may not always be possible to identify objectionable features of proposed activity until the work is completed, in which case it may be unreasonable to require changes to the improvements involved, but the Reviewer may refuse to approve similar proposals in the future. Approval of applications or Plans for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar applications, Plans, or other matters subsequently or additionally submitted for approval.

4.5. Variances

The ARC may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) estop the ARC from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance. Notwithstanding the above, the ARC may not authorize variances without the written consent of Declarant, so long as Declarant owns any portion of the Properties or has the right to expand the Properties pursuant to Section 9.1 of this Declaration.

4.6. Limitation of Liability.

The standards and procedures in this Article are intended as a mechanism for maintaining and enhancing the overall aesthetics of the Properties but shall not create any duty to any Person. Review and approval of any applications are made on the basis of aesthetic considerations only, and neither Declarant nor the ARC shall bear any responsibility for ensuring (a) structural integrity or soundness of approved construction or modifications, (b) compliance with building codes and other governmental requirements; or (c) conformity of quality, value, size, or design with other Dwelling Units. Declarant, the Association, the Council, the Board, any party retained by the ARC as a consultant, any committee, or member of any of the foregoing shall not be held liable for any claim whatsoever arising out of construction on or modifications to any Lot.

Declarant, the Association, the Board, any committee, or member of any of the foregoing shall not be held liable for soil conditions, drainage, or other general site work; any defects in plans revised or approved hereunder; any loss or damage arising out of the action, inaction, integrity, financial condition, or quality of work of any contractor or its subcontractors, employees, or agents, whether or not Declarant has approved or featured such contractor as a builder in Solera; or any injury, damages, or loss arising out of the manner or quality or other circumstances of approved construction on or modifications to any Lot. In all matters, the Board, the ARC, and the members of each, shall be defended and indemnified by the Association as provided in Section 7.6 of this Declaration.

4.7. Certificate of Compliance.

Any Owner may request that the Association issue a certificate of architectural compliance certifying that there are no known violations of this Article or the Design Guidelines. The Association shall either grant or deny such request within 30 days after receipt of a written request and may charge a reasonable administrative fee for issuing such certificates. Issuance of such a certificate shall estop the Association from taking enforcement action with respect to any condition as to which the Association had notice as of the date of such certificate and which may violate this Article or the Design Guidelines.

4.8. Enforcement.

Any construction, alteration, or other work done in violation of this Article or the Design Guidelines shall be deemed to be nonconforming. Upon written request from Declarant, the Association, or the ARC, Owners shall, at their own cost and expense and within such reasonable time frame as set forth in such written notice, cure such nonconformance to the satisfaction of the requester or restore the property, Lot, and/or Dwelling Unit to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, Declarant, the Association, or their designees shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. All costs (which may include administrative charges), together with the interest at the rate established by the Board (not to exceed the maximum rate then allowed by law), may be assessed against the benefited Lot and collected as a Benefited Assessment unless otherwise prohibited in this Declaration.

All approvals granted hereunder shall be deemed conditioned upon completion of all elements of the approved activity and all activity previously approved with respect to the same Lot, unless approval to modify any application has been obtained. In the event that any Person fails to commence and diligently pursue to completion all approved activity by the deadline set forth in the approval, Declarant or the Association, shall be authorized, after notice to the Owner of the Lot and an opportunity to be heard in accordance with the By-Laws, to enter upon the Lot and remove or complete any incomplete work and to assess all costs incurred against the Lot and the Owner thereof as a Benefited Assessment unless otherwise prohibited in this Declaration.

All acts by any contractor, subcontractor, agent, employee, or invitee of an Owner shall be deemed as an act done by or on behalf of such Owner. Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Design Guidelines may be excluded from the Properties, subject to the notice and hearing procedures contained in the By-Laws. In such event, Declarant, the Association, and their officers and directors shall not be held liable to any Person nor exercising the rights granted by this paragraph.

The Association and Declarant shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the ARC.

4.9. Prohibited Improvements.

The following structures and improvements are prohibited on any Lot, and may be permitted only by amending this Declaration in the manner provided in Article XIX:

- (a) Detached garages (except as authorized by Declarant during initial construction);
- (b) Detached storage buildings and detached sheds;
- (c) Compost piles or containers;
- (d) Decks or balconies;
- (e) Basketball goals;
- (f) Outside clothes lines or other outside facilities for drying or airing clothes; and
- (g) Satellite dishes of more than one meter in diameter.

All other proposed structures or improvements (e.g., signs, fences, dog runs, ramadas, gazebos, lawn statues, fountains, etc.) are subject to the review and approval requirements set forth in this Article IV and the Design Guidelines and, in any event, may be prohibited under the Design Guidelines.

Article V Maintenance and Repair

5.1. Maintenance of Lots.

Each Owner shall maintain his or her Lot, Dwelling Unit, and all landscaping and other improvements comprising the Lot, as well as the interior surface of any perimeter wall or fence, in a manner consistent with the Governing Documents, the Community-Wide Standard, and all applicable covenants, unless some or all of such maintenance responsibility is otherwise assumed

by or assigned to the Association, a subassociation or certain specified Owners, pursuant to any Supplemental Declaration or other declaration of covenants applicable to such Lot.

Each Owner shall also be responsible for maintaining the sidewalk and landscaping located in the public right-of-way adjacent to his or her Lot unless all or part of such maintenance is assumed by the Association, a subassociation or certain specified Owners, pursuant to a Supplemental Declaration, or any additional covenants applicable to such Lot or particular portions of the Properties. The Owners' responsibility to maintain the sidewalk shall terminate if the local ordinance requiring private maintenance of sidewalks in the public right-of-way is repealed and notice is given to the Owners by the Association.

In addition to any other enforcement rights, if an Owner fails to perform properly his or her maintenance responsibility, the Association may perform such maintenance responsibilities and assess all costs incurred in accordance with Section 8.5. The Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry, except when entry is required due to an emergency situation.

5.2. Maintenance of Property Subsequently Created by Subassociation.

Any subassociation created pursuant to a Supplemental Declaration shall maintain its common property and any other property for which it has maintenance responsibility in a manner consistent with the Governing Documents, the Community-Wide Standard, and all applicable covenants.

Any subassociation shall also be responsible for maintaining and irrigating the landscaping within that portion of any adjacent Common Area or public right-of-way lying between the boundary of its common property and any wall, fence, or curb located on the Common Area or public right-of-way within 10 feet of its boundary; provided, there shall be no right to remove trees, shrubs, or similar vegetation from this area without prior approval pursuant to Article IV of this Declaration.

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

The Association may assume maintenance responsibility for property within any subassociation, in addition to that designated by any Supplemental Declaration, either by agreement with the subassociation or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the Community-Wide Standard. All costs of maintenance pursuant to this paragraph shall be assessed as an assessment only against the Lots

within the subassociation to which the services are provided. The provision of services in accordance with this Section shall not constitute discrimination within a class.

5.3. Responsibility for Repair and Replacement.

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

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

Each Owner further covenants and agrees that in the event of damage to or destruction of structures on or comprising his Lot, the Owner shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article IV. In the event that such repair and reconstruction cannot be promptly undertaken, the Owner shall clear the Lot and maintain it in a neat and attractive, landscaped condition consistent with the Community-Wide Standard and shall present a timetable for repair and reconstruction to the Board within 90 days of the damaging or destructive event. The Owner shall pay any costs which are not covered by insurance proceeds.

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

5.4 Declarant may designate in a Supplemental Declaration a particular portion of the Property ("Cost Center") as an area within which the Association will provide a higher level of maintenance or service than the Association generally provides for the benefit of Lots in such Cost Center. These expenses may include, without limitation, the expenses of maintaining, operating, insuring, repairing and replacing Limited Common Area assigned to the Cost Center and a reasonable reserve for capital repairs and replacements. Upon the termination of Declarant control, by affirmative vote, written consent, or a combination thereof, of Owners of a majority of the Lots within a particular portion of the Property may request to have an area including their Lots be designated as a Cost Center, and the Association shall provide the requested services, subject to Board approval. The Board shall assess the cost of such services, which may include a reasonable administrative charge in such amount as the Board deems appropriate against the Lots

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within such Cost Center as a Cost Center Assessment; provided, any such administrative charge shall apply at the same rate per Lot to all Cost Centers receiving the same service.

PART THREE: COMMUNITY GOVERNANCE AND ADMINISTRATION

Article VI The Community Association

6.1. Function of the Association.

The Association shall be the entity responsible for management, maintenance, operation, and control of the Area of Common Responsibility. The Association also shall be the primary entity responsible for enforcement of the Governing Documents. The Association shall perform its functions in accordance with the Governing Documents and Nevada laws, as applicable.

6.2. Membership.

Every Owner shall be a Member of the Association. There shall be only one membership per Lot. If a Lot is owned by more than one Person, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner which is not a natural person may be exercised by any officer, director, partner, trustee, or by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association.

6.3. Voting.

The Association shall have one class of membership composed of all Owners. Each Owner shall have one equal vote for each Lot in which it holds the interest required for membership under Section 6.2, except that there shall be only one vote per Lot and no vote shall be exercised for any property which is exempt from assessment under Section 8.10 of this Declaration. Accordingly, the total number of votes for the Association shall equal the total number of Lots created under and subject to this Declaration.

Special Declarant Rights (as defined in the Act and otherwise), including the right to approve, or withhold approval of, actions proposed under the Governing Documents during Declarant Control Period, are specified in the relevant sections of the Governing Documents. Declarant may appoint or remove a Majority of the Board during the Declarant Control Period, as specified in the By-Laws.

Members may vote directly or by proxy as provided in the By-Laws. The Board shall determine whether votes shall be cast in person or by mail. If there is more than one Owner of a Lot, the vote for such Lot shall be exercised as the co-Owners determine among themselves and advise the Secretary of the Association in writing prior to the vote being taken. Absent such advice and in the event that more than one such co-Owner casts a vote, the Lot's vote shall be suspended and shall not be included in the final vote tally on the matter being voted upon.

Article VII Association Powers and Responsibilities

7.1. Acceptance and Control of Association Property.

- (a) The Association, through action of its Board, may acquire, hold, and dispose of tangible and intangible personal property and real property.
- (b) Declarant and its designees may convey to the Association personal property and fee title, leasehold, or other property interests in any real property, improved or unimproved, described in Exhibits "A" or "B." The Association shall accept and maintain such property at its expense for the benefit of its Members, subject to any restrictions set forth in the deed or other instrument transferring such property to the Association. The Association shall operate any facilities on the conveyed property as intended from the date of completion of construction of the facility and the issuance of a certificate of occupancy, if applicable. Upon written request of Declarant, the Association shall reconvey to Declarant any unimproved portions of the Properties originally conveyed by Declarant to the Association for no consideration, to the extent conveyed by Declarant in error or needed by Declarant to make minor adjustments in property lines.

7.2. Maintenance of Area of Common Responsibility.

(a) Generally. The Association shall maintain, in accordance with the Community-Wide Standard, the Area of Common Responsibility, which shall include, but need not be limited to:

- (i) all portions of and structures situated upon the Common Area;
- (ii) landscaping within public rights-of-way within or abutting the Properties;
- (iii) such portions of any additional property included within the Area of Common Responsibility as may be dictated by this Declaration, any Plat of any portion of the Properties, or any covenant, contract, or agreement for maintenance thereof entered into by the Association (or by Declarant on the Association's behalf);
- (iv) all ponds, streams, and wetlands located within the Properties which serve as part of the stormwater drainage system for the Properties, including improvements and equipment installed therein or used in connection therewith;
- (v) any property and facilities Declarant owns and makes available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members. Such property and facilities must be identified by written notice from Declarant to the Association and shall remain a part of the Area of Common Responsibility and shall be maintained by the Association until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Association; and,

(vi) all perimeter walls or fences Declarant constructs surrounding the Properties or which separate a Lot from the Common Area, regardless of whether such wall or fence is located on the Common Area or on a Lot; provided that Owners shall be responsible for maintaining the interior surface of the perimeter wall or fence located on such Owner's Lot as provided in Section 5.1. A perimeter wall or fence shall not be a party wall or party fence as set forth in Section 13.1.

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

The Association shall also have the right and power, but not the obligation, to take such actions and adopt such rules as may be necessary for control, relocation, and management of wildlife, snakes, rodents, and pests within the Area of Common Responsibility.

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

The Association shall not be liable for any damage or injury occurring on, or arising out of the condition of, property which it does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities.

(b) Continuous Operation. The Association shall maintain the facilities and equipment within the Area of Common Responsibility in continuous operation, except for any periods necessary, as determined in the sole discretion of the Board, to perform required maintenance or repairs, unless Members representing 75% of the votes in the Association and Declarant, for so long as it owns any property described on Exhibits "A" or "B," agree in writing to discontinue such operation.

Except as provided above, the Area of Common Responsibility shall not be reduced by amendment of this Declaration or any other means except with the prior written approval of Declarant as long as Declarant owns any property described in Exhibits "A" or "B" of this Declaration.

(c) Maintenance as Common Expense. The costs associated with maintenance, repair, and replacement of the Area of Common Responsibility and such other costs as provided in Section 7.2(a) shall be a Common Expense; provided, the Association may seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the Area of Common

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Responsibility pursuant to this Declaration, other Recorded covenants, or agreements with the owner(s) thereof. Maintenance, repair, and replacement of Limited Common Areas shall be a Cost Center assessed to the Owners residing in the Cost Center to which such Limited Common Areas are assigned, notwithstanding that the Association may be responsible for performing such maintenance hereunder.

7.3. Insurance.

(a) Required Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(i) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Area and within the Area of Common Responsibility to the extent that the Association has assumed responsibility in the event of a casualty, regardless of ownership. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of the insured improvements under current building ordinances and codes;

(ii) Commercial general liability insurance on the Area of Common Responsibility, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, such coverage (including primary and any umbrella coverage) shall have a limit of at least \$2,000,000.00 per occurrence with respect to bodily injury, personal injury, and property damage; provided, should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits;

(iii) Workers' compensation insurance and employers' liability insurance, if and to the extent required by law;

(iv) Directors' and officers' liability coverage (including coverage for committee members);

(v) Commercial crime insurance, including fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's business judgment but not less than an amount equal to one-quarter of the annual Base Assessments on all Lots plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and

(vi) Such additional insurance as the Board, in its business judgment, determines advisable.

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In addition, the Association shall, if so specified in a Supplemental Declaration applicable to any subassociation, obtain and maintain property insurance on the insurable improvements within such subassociation, which insurance shall comply with the requirements of Section 7.3(a)(i). Any such policies shall provide for a certificate of insurance to be furnished upon request to the Owner of each Lot insured.

Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses, except that (i) premiums for property insurance on Lots within a subassociation shall be a Benefitted Assessment; and (ii) premiums for insurance on Limited Common Areas may be included in the Benefitted Assessments of the subassociation to which such Limited Common Areas are assigned unless the Board reasonably determines that other treatment of the premiums is more appropriate.

(b) Policy Requirements. The Association shall arrange for an annual review of the sufficiency of its insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the metropolitan Las Vegas area. All Association policies shall provide for a certificate of insurance to be furnished to the Association and, upon request, to each Member insured.

The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 7.3(a) of this Declaration. In the event of an insured loss, the deductible shall be treated as a Common Expense or a Cost Center Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the procedures set forth in Section 3.25 of the By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against such Owner(s) and their Lots as a Benefitted Assessment.

All insurance coverage obtained by the Board shall:

(i) be written with a company authorized to do business in the State of Nevada which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(ii) be written in the name of the Association as trustee for the benefited parties. Policies on the Common Areas shall be for the benefit of the Association and its Members. Policies secured on behalf of a subassociation shall be for the benefit of the Owners within the subassociation and their Mortgagees, as their interests may appear;

(iii) not be brought into contribution with insurance purchased by Owners, Occupants, or their Mortgagees individually;

(iv) contain an inflation guard endorsement;

(v) include an agreed amount endorsement, if the policy contains a co-insurance clause;

(vi) provide that each Owner is an insured person under the policy with respect to liability arising out of such Owner's interest in the Common Area or membership in the Association;

(vii) provide a waiver of subrogation under the policy against any Owner or household member of an Owner;

(viii) include an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure; and

(ix) include an endorsement precluding cancellation, invalidation, or condition to recovery under the policy on account of any act or omission of any one or more individual Owners, unless such Owner is acting within the scope of its authority on behalf of the Association.

In addition, the Board shall use reasonable efforts to secure insurance policies which list the Owners as additional insureds and provide:

(i) a waiver of subrogation as to any claims against the Association's Board, officers, employees, and its manager, the Owners and their tenants, servants, agents, and guests;

(ii) a waiver of the insurer's rights to repair and reconstruct instead of paying cash;

(iii) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;

(iv) an endorsement requiring at least 30 days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal;

(v) a cross-liability provision; and

(vi) a provision vesting in the Board's exclusive authority to adjust losses; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

The Association shall provide Declarant at least 20 days prior written notice of any cancellation, termination, substantial modification, or non-renewal of any Association insurance policy.

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(c) Restoring Damaged Improvements. In the event of damage to or destruction of Common Area or other property which the Association is obligated to insure, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Damaged improvements on the Common Area shall be repaired or reconstructed unless the Members representing at least 80% of the total votes in the Association, and Declarant, for so long as it owns any property described on Exhibits "A" or "B," decide within 60 days after the loss not to repair or reconstruct. If the damage is to Limited Common Area, 80% of the Owners to which such Limited Common Area is assigned and Declarant, for so long as it owns any property described on Exhibits "A" or "B," must vote not to repair or reconstruct.

If either the insurance proceeds or estimates of the loss, or both, are not available to the Association within such 60-day period, then the period shall be extended until such funds or information are available. However, such extension shall not exceed 60 additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If a decision is made not to restore the damaged improvements, and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

If Owners to which Limited Common Area is assigned vote (as provided above) not to repair or reconstruct improvements on such Limited Common Area, then any insurance proceeds attributable to such Limited Common Area, minus the costs of clearing and landscaping, shall be distributed to such Owners in proportion to their ownership interest therein. If Members vote (as provided above) not to repair or reconstruct improvements on Common Area, then any insurance proceeds attributable to such Common Area, minus the costs of clearing and landscaping, shall be distributed to all Owners in equal amounts. This provision may be enforced by the Mortgagee of any affected Lot.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board may, without a vote of the Members, levy Special Assessments to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage under Section 7.3(a).

(d) Waiver of Claims. To the extent permitted by law, the Association and each Owner, by accepting a deed or entering into a Recorded contract of sale for any portion of the Properties, waives any claims against Declarant and its affiliates for any damages or losses for which insurance coverage is available, to the extent of such insurance coverage.

7.4. Compliance and Enforcement.

(a) Every Owner and Occupant of a Lot shall comply with the Governing Documents. The Board may impose sanctions for violation of the Governing Documents after notice and a hearing in accordance with the procedures set forth in the By-Laws. The Board shall establish a range of penalties for such violations, with violations of the Declaration, unsafe conduct, harassment, or intentionally malicious conduct treated more severely than other violations. Such sanctions may include, without limitation:

(i) imposing a graduated range of reasonable monetary fines which shall, pursuant to the Act, constitute a lien upon the violator's Lot. However, unless the imposed fine was for a violation affecting the health, safety or welfare of the Association, such lien may not be foreclosed by the Association. The amount of each such fine must be commensurate with the severity of the violation and shall in no event exceed the maximum permitted by the Act. The Rules may be enforced by the assessment of a fine only if the notice and hearing requirements set forth in the By-Laws have been satisfied. If a fine is imposed pursuant to this subsection and the violation is not cured within fourteen (14) days, or such longer cure period as the Board establishes, then the violation shall be deemed a continuing violation and the Board may thereafter impose an additional fine for the violation for each seven (7) day period or portion thereof that the violation is not cured. Any additional fine may be imposed without notice and an opportunity to be heard.

In the event that any Occupant, tenant, guest, or invitee of a Lot violates the Governing Documents and a fine is imposed, the fine shall first be assessed against the violator; provided, however, if the fine is not paid by the violator within the time period set by the Board, the Owner shall pay the fine upon notice from the Board. The Board shall publish and cause to be hand-delivered or sent prepaid by United States mail to the mailing address of each Lot or to any other mailing address designated in writing by the Lot Owner a schedule of fines applicable to particular violations;

- (ii) suspending an Owner's right to vote;
- (iii) suspending any Person's right to use any recreational facilities within the Common Area; provided, however, nothing herein shall authorize the Board to limit ingress or egress to or from a Lot;
- (iv) suspending any services provided by the Association to an Owner or the Owner's Lot if the Owner is more than 30 days delinquent in paying any assessment or other charge owed to the Association;
- (v) exercising self-help remedies or taking action to abate any violation of the Governing Documents in a non-emergency situation;
- (vi) requiring an Owner, at its own expense, to remove any structure or improvement on such Owner's Lot in violation of Article IV and to restore the Lot to its previous condition and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter the

property, remove the violation and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass;

(vii) without liability to any Person, precluding any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of Article IV of this Declaration and the Design Guidelines from continuing or performing any further activities in the Properties; and

(viii) levying Benefited Assessments to cover costs incurred by the Association to bring a Lot into compliance with the Governing Documents.

In addition, the Board may take the following enforcement procedures to ensure compliance with the Governing Documents without the necessity of compliance with the procedures set forth in Section 3.26 of the By-Laws:

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

(ii) bringing suit at law or in equity to enjoin any violation or to recover monetary damages or both.

In addition to any other enforcement rights, if an Owner fails properly to perform his or her maintenance responsibility, the Association may Record a notice of violation or perform such maintenance responsibilities and assess all costs incurred by the Association against the Lot and the Owner as a Benefited Assessment. If a subassociation fails to perform its maintenance responsibilities, the Association may perform such maintenance and assess the costs as a Benefited Assessment against all Lots within such subassociation. Except in an emergency situation, the Association shall provide the Owner or subassociation reasonable notice and an opportunity to cure the problem prior to taking such enforcement action.

All remedies set forth in the Governing Documents shall be cumulative of any remedies available at law or in equity. In any action to enforce the Governing Documents, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, reasonably incurred in such action.

(b) The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case:

(i) the Association's position is not strong enough to justify taking any or further action;

(ii) the covenant, restriction, or rule being enforced is, or is likely to construed as, inconsistent with applicable law;

(iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or

(iv) that it is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

Such decision shall not be construed a waiver of the Association's right to enforce such provision at a later time under other circumstances or preclude the Association from enforcing any other covenant, restriction, or rule.

The Association, by contract or other agreement, may enforce applicable State and local laws and ordinances, and shall permit the Council and governmental bodies to enforce their respective laws and ordinances within the Properties for the benefit of the Association and its Members.

7.5. Implied Rights; Board Authority.

The Association may exercise any right or privilege given to it expressly by the Governing Documents or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in the Governing Documents, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

7.6. Indemnification of Officers, Directors and Others.

(a) Indemnification. The Association shall indemnify every officer, director, and committee member against all damages and expenses, including counsel fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section, the Articles of Incorporation, the By-Laws, and Nevada law.

(b) Claims Related to Breach of Duty. The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association).

Decisions whether to institute litigation are no different from other decisions directors make. There is no independent legal obligation to bring a civil action against another party, and no provision of the Governing Documents shall be construed to impose a duty upon the Board to

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sue under any circumstances. In deciding whether to bring a civil action against another party, a director is protected by the business judgment rule as explained in the By-Laws.

(c) Exclusion from Liability for Other Tortious Acts.

(i) Volunteer directors, officers, and committee members of the Association shall not be personally liable in excess of the coverage of insurance specified in subparagraph (D) below, to any Person who suffers injury, including but not limited to, bodily injury, emotional distress, wrongful death, or property damage or loss as a result of his or her tortious act or omission as long as the following requirements are met by the volunteer director, officer, or committee member and the Association:

(A) the director's, officer's, or committee member's act or omission was performed within the scope of their duties;

(B) the director's, officer's, or committee member's act or omission was performed in good faith;

(C) the director's, officer's, or committee member's act or omission was not willful, wanton, or grossly negligent; and

(D) the Association maintained and had in effect (at the time the act or omission of the director, officer, or committee member occurred and at the time a claim was made) one or more insurance policies which included coverage for general liability of the Association and individual liability of directors, officers, and committee members for negligent acts or omissions in that capacity, both in the amount of at least \$2,000,000.00.

(ii) The payment for actual expenses incurred in the execution of his or her duties shall not affect the status of an officer or director as a volunteer under this subsection (c).

Decisions whether to institute litigation are no different from other decisions directors make. There is no independent legal obligation to bring a civil action against another party. In deciding whether to bring a civil action against another party, a director is protected by the business judgment rule as explained in Section 3.25 of the By-Laws.

The Association shall indemnify and forever hold each such director, officer, and committee member harmless from any and all liability to others on account of any such contract, commitment, or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

7.7. Safety.

THE ASSOCIATION MAY, BUT SHALL NOT BE OBLIGATED TO, MAINTAIN OR SUPPORT CERTAIN ACTIVITIES WITHIN THE PROPERTIES DESIGNED TO MAKE THE PROPERTIES SAFER THAN THEY OTHERWISE MIGHT BE. THE ASSOCIATION, THE BOARD, THE ASSOCIATION'S MANAGEMENT COMPANY, THE COUNCIL, AND DECLARANT SHALL NOT IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTIES, NOR SHALL ANY OF THE ABOVE PARTIES BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. NO REPRESENTATION OR WARRANTY IS MADE THAT ANY SYSTEMS OR MEASURES, INCLUDING ANY MECHANISM OR SYSTEM FOR LIMITING ACCESS TO THE PROPERTIES, CANNOT BE COMPROMISED OR CIRCUMVENTED, NOR THAT ANY SUCH SYSTEMS OR SECURITY MEASURES UNDERTAKEN WILL IN ALL CASES PREVENT LOSS OR PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED.

EACH OWNER ACKNOWLEDGES, UNDERSTANDS, AND COVENANTS TO INFORM ITS TENANTS AND ALL OCCUPANTS OF ITS LOT THAT THE ASSOCIATION, ITS BOARD, COMMITTEES, SUBASSOCIATIONS, THE COUNCIL, AND ALL OTHER PERSONS INVOLVED WITH THE GOVERNANCE, MAINTENANCE, AND MANAGEMENT OF THE PROPERTIES, AS WELL AS DECLARANT, ARE NOT INSURERS OF SAFETY OR SECURITY WITHIN THE PROPERTIES. ALL OWNERS AND OCCUPANTS OF ANY LOT AND ALL TENANTS, GUESTS, AND INVITEES OF ANY OWNER ASSUME ALL RISKS OF PERSONAL INJURY AND LOSS OR DAMAGE TO PERSONS, LOTS, AND THE CONTENTS OF LOTS, AND FURTHER ACKNOWLEDGE THAT THE ASSOCIATION, ITS BOARD AND COMMITTEES, THE ASSOCIATION'S MANAGEMENT COMPANY, THE COUNCIL, AND DECLARANT HAVE MADE NO REPRESENTATIONS OR WARRANTIES, NOR HAS ANY OWNER, OCCUPANT, OR ANY TENANT, GUEST, OR INVITEE OF ANY OWNER RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, RELATIVE TO ANY ENTRY GATE, PATROLLING OF THE PROPERTIES, ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM, OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTIES.

7.8. Provision of Services.

The Association shall be authorized, but not obligated, to enter into and terminate, in the Board's discretion, contracts or agreements with other entities, including Declarant and the Council, to provide services to and facilities for the Members of the Association, their guests, lessees, and invitees and to charge use and consumption fees for such services and facilities. For example, some services and facilities which might be offered include landscape maintenance,

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pest control service, cable television service, security, caretaker, transportation, fire protection, utilities, and similar services and facilities.

7.9. Change of Services and Use of Common Area.

The Board shall have the power and right to terminate provided services or to change the use of portions of the Common Area during the Declarant Control Period without the approval or consent of the Members. Thereafter, the Board may do so with the consent of a Majority of the Owners, and the Declarant's consent (so long as Declarant owns any property described in Exhibits "A" or "B"). Any such change shall be made by Board resolution stating that: (a) the present use or service is no longer in the best interest of the Owners, (b) the new use is for the benefit of the Owners, (c) the new use is consistent with any deed restrictions and zoning regulations restricting or limiting the use of the Common Area, and (d) the new use is consistent with the then effective Master Plan.

Notwithstanding the above, if the Board resolution states that the change will not have an adverse effect on the Association and the Owners, the Board may give notice of the change to all Owners. The notice shall give the Owners a right to object within 30 days of the notice. If less than 10% of the Members submit written objections, the change shall be deemed approved and a meeting shall not be necessary.

This Section 7.9 shall not apply to the Board's ability to make and change rules relating to managing existing uses (e.g., scheduling use of rooms, etc.).

7.10. View Impairment.

DECLARANT, THE ASSOCIATION, AND THE COUNCIL DO NOT GUARANTEE OR REPRESENT THAT ANY VIEW OVER AND ACROSS LOTS OR THE OPEN SPACE FROM ADJACENT LOTS WILL BE PRESERVED WITHOUT IMPAIRMENT. DECLARANT, THE ASSOCIATION, AND THE COUNCIL SHALL NOT HAVE THE OBLIGATION TO RELOCATE, PRUNE, OR THIN TREES OR OTHER LANDSCAPING EXCEPT AS SET FORTH IN ARTICLE V. TREES AND OTHER LANDSCAPING MAY BE ADDED TO LOTS AND TO THE OPEN SPACE FROM TIME TO TIME SUBJECT TO APPLICABLE LAW AND THE GOVERNING DOCUMENTS. ANY EXPRESS OR IMPLIED EASEMENTS FOR VIEW PURPOSES OR FOR THE PASSAGE OF LIGHT AND AIR ARE HEREBY EXPRESSLY DISCLAIMED.

7.11. Relationship with Governmental and Tax-Exempt Organizations.

The Association may create, enter into agreements or contracts with, or grant exclusive and/or non-exclusive easements over the Common Area to state or local governments and non-profit, tax-exempt organizations for the benefit of the Properties, the Association, its Members,

and residents. The Association may contribute money, real property (including Common Area), personal property, or services to any such entity. Any such contribution shall be a Common Expense of the Association and included as a line item in the Association's annual budget.

For the purposes of this Section, a "tax-exempt organization" shall mean an entity which is exempt from federal income taxes under the Internal Revenue Code ("IRC"), such as, but not limited to entities which (are exempt from federal income taxes under IRC Sections 501(c)(3) or 501(c)(4), as may be amended from time to time.

7.12. Relationship with Council and Anthem Communities.

The Properties are and shall remain a part of the scheme of development for Anthem. In order to preserve and enhance the scheme of development and promote interaction among the residential communities of Anthem, the Community Covenant has been or will be Recorded to allocate certain rights, maintenance responsibilities, and obligations to contribute to the financial burdens of preserving, promoting, and protecting Anthem. The rights, responsibilities, and obligations set forth in the Community Covenant shall constitute covenants running with the land on the Properties as well as all other property subject to the Community Covenant. The Council shall be empowered by the Community Covenant, to administer, manage, and promulgate these rights, responsibilities, and obligations. The Council is also empowered to exercise any rights granted to it by this Declaration or by any other Recorded covenant or easement.

7.13. Recycling Programs.

The Board may establish a recycling program and recycling center within the Properties, and in such event all Owners and Occupants of Dwelling Units shall support such program by recycling, to the extent reasonably practical, all materials which the Association's recycling program or center is designed to accommodate. The Association may, but shall have no obligation to, purchase recyclable materials in order to encourage participation, and any income received by the Association as a result of such recycling efforts shall be used to reduce Common Expenses.

Article VIII Association Finances

8.1. Budgeting and Allocating Common Expenses and Cost Center Expenses.

Until the Association first levies assessments, the Declarant shall be responsible for all Common Expenses. Thereafter, assessments for Common Expenses shall be levied at least annually in accordance with this Article.

Not less than 30 days nor more than 60 days before the beginning of each fiscal year, the Board shall prepare a budget of the estimated Common Expenses for the coming year, including any contributions to be made to a reserve fund pursuant to Section 8.3, and distribute a copy of the budget to each Owner. In lieu of distributing copies of the budget, the Board may distribute summaries of the budget, accompanied by a written notice that the budget is available for review

at the business office of the Association or other suitable location and that copies of the budget will be provided upon request. The budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Lots, and the amount to be generated through the levy of Base Assessments and Special Assessments against the Lots, as authorized in Section 8.6. The budget shall include amounts for operating reserves.

The Association is hereby authorized to levy Base Assessments equally against all Lots subject to assessment under Section 8.6 to fund the Common Expenses. Accordingly, the formula for calculating the Base Assessment against each Lot shall be the total budget amount for the coming year divided by the total number of Lots created under and subject to this Declaration. In determining the Base Assessment rate per Lot, the Board may consider any assessment income expected to be generated from any additional Lots reasonably anticipated to become subject to assessment during the fiscal year.

Declarant may, but shall not be obligated to, reduce the Base Assessment for any fiscal year by payment of a subsidy (in addition to any amounts paid by Declarant under Section 8.8(b)), which may be either a contribution, an advance against future assessments due from Declarant, or a loan, in Declarant's discretion. Any such subsidy shall be disclosed as a line item in the income portion of the budget. The 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.

Within 30 days after adoption of any proposed budget, the Board shall send a summary of the budget which includes the amount of the Base Assessment to be levied pursuant to such budget and notice of the time, date, and place of a membership meeting to consider such budget, to each Owner. The membership meeting to consider the annual budget shall occur not less than 14 nor more than 30 days from the notice date, and the Board may hold such meeting in conjunction with any other scheduled membership meeting. Except as otherwise provided herein, such meeting shall be governed by the relevant provisions of the By-Laws concerning special meetings of the members. Whether or not a quorum is present, the budget shall automatically become effective unless disapproved at the meeting by Persons representing at least 66.67% of the total votes in the Association.

If any proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then the budget most recently in effect shall continue in effect until a new budget is determined.

The Board may revise the budget and adjust the Base Assessment from time to time during the year, subject to the notice requirements and the right of the Members to disapprove the revised budget as set forth above.

Any amounts accumulated from assessments for general Common Expenses in excess of the amount actually required for such Common Expenses and reserves for future Common Expenses may be credited to each Lot assessed in proportion to the share of the assessments so

assessed. Such credits may be applied to the next annual Base Assessment against that Lot and thereafter until exhausted, unless the Board determines that calculation and application of such credit on a more frequent basis is preferable. In the alternative the Board may apply such excess amount to operating or capital reserve accounts or otherwise, in its discretion.

At least 60 days before the beginning of each fiscal year, the Board shall prepare a separate budget covering the estimated Cost Center Expenses for each Cost Center for which expenses will be incurred during the coming year. Each such budget shall include any costs for additional services or a higher level of services which the Owners in such Cost Center have approved and any contribution to be made to a reserve fund pursuant to section 8.2. The Association is hereby authorized to levy Cost Center Assessments equally against all Lots within the Cost Center which are subject to assessment. The Cost Center budgets shall be distributed to affected Members owning Lots within each Cost Center and shall be approved by the Board in the same manner as the budget for Common Expenses.

The procedures outlined above shall not apply to the initial Association budget established by Declarant.

8.2 Budgeting for Reserves.

Pursuant to the Act, the Association shall establish an adequate reserve, funded on a reasonable basis, for the repair, replacement and restoration of the major components of the common elements. The reserve fund may be used only for those purposes, and not be used for daily maintenance. Money in the reserve accounts may not be withdrawn without the signatures of at least two members of the Board or the signatures of at least one member of the Board and one Officer of the Association who is not a member of the Board.

The Board shall, not less than 30 days nor more than 60 days before the beginning of the fiscal year of the Association, prepare and distribute a reserve budget for the Area of Common Responsibility and for each subassociation or Cost Center for which the Association maintains reserves for capital items. In lieu of distributing copies of the reserve budgets, the Board may distribute summaries of those budgets, accompanied by a written notice that the budgets are available for review at the business office of the Association or other suitable location and that copies of the budgets will be provided upon request. The reserve budget for the Area of Common Responsibility shall be distributed as aforesaid to all Owners in the Community, and the reserve budget for each subassociation or Cost Center shall be distributed as aforesaid to the Owners comprising the subassociation or Cost Center in question.

The budget for maintenance of reserves shall include, at minimum:

- (a) the current estimated replacement cost, estimated remaining life and estimated useful life of each major component of the Area of Common Responsibility or capital items

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which the Association maintains as a Benefitted Assessment for a subassociation, as the case may be;

- (b) as of the end of the fiscal year for which the budget is prepared, the current estimate of the amount of cash reserves that are set aside, to repair, replace or restore the major components of the Area of Common Responsibility or capital items which the Association maintains as a Benefitted Assessment for a subassociation, as the case may be;
- (c) a statement indicating whether the Board has determined or anticipates that the levy of one or more special assessments will be required to repair, replace or restore any major components, Area of Common Responsibility or capital items which the Association maintains as a Benefitted Assessment for a subassociation, as the case may be, or to provide adequate reserves for that purpose; and,
- (d) a general statement describing the procedures used for the estimation of accumulation of cash reserves needed, including, without limitation, the qualifications of the Person responsible for the preparation of the reserve studies required under this Section.

The budgets shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall include in the Common Expense budget adopted pursuant to Section 8.1 or the subassociations budgets adopted pursuant to Section 8.2, as appropriate, a capital contribution to fund reserves in an amount sufficient to meet the projected need with respect both to amount and timing by annual contributions over the budget period. So long as the Board exercises business judgment in determining an adequate amount of reserves, the amount of the reserve fund shall be considered adequate.

The Board may adopt resolutions regarding the expenditure of reserve funds, including policies designating the nature of assets for which reserve funds may be expended. Such policies may differ for general Association purposes and for each subassociation. So long as Declarant owns any property described in Exhibits "A" or "B," neither the Association nor the Board shall adopt, modify, limit, or expand such policies without Declarant's prior written consent.

The Board shall cause a reserve study to be conducted at least once every five years by a qualified individual, as defined in the Act. The Board shall review the results of the reserve study at least annually to determine if the reserves are sufficient and make any adjustments it deems necessary to maintain the required reserves. The Association shall cause the first study of the reserves to be prepared within ninety (90) days of the turnover of the first amenities. The study must be conducted by a person qualified by training and experience to conduct such a study (as determined pursuant to the Act), including a member of the Board, an Owner, or the management agent of the Association who is qualified. The study must include, without limitation:

- (aa) a summary of an inspection of the major components of the Area of Common Responsibility or capital items which the Association maintains as a Benefitted Assessment for a subassociation, as the case may be, that the Association is obligated to repair, replace, or restore;
- (bb) an identification of the major components of the Area of Common Responsibility or capital items which the Association maintains as a Benefitted Assessment for as subassociation, as the case may be, that the Association is obligated to repair, replace, or restore which have a remaining useful life of less than 30 years;
- (cc) an estimate of the remaining useful life of each major component or capital item so identified;
- (dd) an estimate of the cost of repair, replacement, or restoration of each major component or capital item so identified; and,
- (ee) an estimate of the total annual assessments that may be required to cover the cost of repair, replacement, or restoration of the major components or capital items so identified after subtracting the reserves of the Association as of the date of the study.

8.3. Special Assessments.

In addition to other authorized assessments, the Association may levy Special Assessments to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment may be levied against the entire membership, if such Special Assessment is for Common Expenses, against Members owning Lots within a Cost Center, if such Special Assessment is for Cost Center Expenses or against the Lots within any subassociation if such Special Assessment is for Benefitted Assessments for a subassociation. Except as otherwise specifically provided in this Declaration, any Special Assessment shall require the affirmative vote or written consent of Owners representing a Majority of the total votes allocated to Lots which will be subject to such Special Assessment, and the affirmative vote or written consent of Declarant, if such exists. Owners shall be given notice in writing at least 21 days in advance of a meeting to consider Special Assessments for capital improvements. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

8.4. Benefitted Assessments.

The Association shall have the power to levy Benefitted Assessments against a particular Lot to cover the costs, including overhead, interest, administrative, and legal costs, of:

(a) providing services to Lots upon request of an Owner pursuant to any menu of special services which may be offered by the Association (which might include the items identified in Section 7.8). Benefited Assessments for special services may be levied in advance of the provision of the requested service; and,

(b) bringing the Lot into compliance with the Governing Documents, or as a consequence of the conduct of the Owner or Occupants of the Lot, their agents, contractors, employees, licensees, invitees, or guests; provided, the Association or Council shall give the Lot Owner prior written notice and an opportunity for a hearing, in accordance with Section 3.25 of the By-Laws, before levying any Benefited Assessment under this subsection (b).

The Association may also levy a Benefited Assessment against the Lots within any Cost Center or subassociation to reimburse the Association for costs incurred in bringing the subassociation into compliance with the provisions of the Governing Documents, provided the Board gives prior written notice to the Owners of Lots in the Cost Center or subassociation and an opportunity for such Owners to be heard before levying any such assessment.

8.5. Capitalization Fee

The Association shall have the power to levy a Capitalization Fee, due upon transfer of a Lot, on each Lot subject to the terms and conditions set forth below. The Capitalization Fee set forth herein is in addition to any administrative fee covering the costs of lease or transfer, and the limitation on that type of fee is not applicable to the Capitalization Fee imposed herein.

- (a) Authority. As an additional funding source, in addition to the administrative or transfer fee collected to cover administrative costs of membership transfer, the Association shall collect a Capitalization Fee upon each transfer of title to a Lot, other than exempt transfers as set forth herein. Upon initial transfer, the Capitalization Fee shall be paid by the grantee. Subsequent Capitalization Fees shall be charged to the grantee of the Lot, and payable, by grantor or grantee as their contract provides, to the Association at the closing of the transfer, and shall be secured by the Association's lien for assessments. Each Owner transferring a Lot shall notify the Association's secretary or designee at least 7 days prior to the scheduled closing. Such notice shall include the name of the buyer, the date of title transfer, and other information the Association may reasonably require.
- (b) Fee Limit. The fee shall equal 1/3 of one percent of the Gross Selling Price of the Lot, with all improvements, upgrades and premiums included, and shall be due upon the closing of the Sale of the Lot. The Gross Selling Price shall be the total cost to the purchaser of the Lot, excluding transfer taxes and title fees imposed by Clark County, if any.
- (c) Purpose. Capitalization Fees shall be used for purposes which the Association Board deems beneficial to meet the general operating needs of the Association. By way of example and not limitation, Capitalization Fees may be used to assist the

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Association or one or more tax-exempt entities in funding operating and maintenance costs for recreational facilities, common areas, open space preservation and all other funding needs for operating the Association.

- (d) Exempt Transfers. Notwithstanding the above, no Capitalization Fee shall be levied upon transfer of title to property:
- (i) to the Developer by a builder or developer holding title solely for purposes of development and resale;
 - (ii) by a co-Owner to any Person who was a co-Owner immediately prior to such transfer;
 - (iii) to the Owner's estate, surviving spouse, or heirs at law upon the death of the Owner;
 - (iv) to an entity wholly owned by the grantor or to a family trust created by the grantor for the direct benefit of the grantor and his or her spouse and/or heirs at law; provided, upon any subsequent transfer of an ownership interest in such entity, the Capitalization Fee shall become due; or
 - (v) to an institutional lender as security for the performance of an obligation pursuant to a Mortgage.

8.6. Authority to Assess Owners; Time of Payment.

Declarant establishes and the Association is hereby authorized to levy assessments as provided for in this Article and elsewhere in the Governing Documents. The obligation to pay assessments shall commence as to each Lot on the first day of the month following: (a) the month in which the Lot is made subject to this Declaration, or (b) the month in which the Board first adopts a budget and levies assessments pursuant to this Article, whichever is later. The first annual Base Assessment, Cost Center Assessment and Benefitted Assessment, if any, levied on each Lot shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Lot.

Assessments shall be paid in such manner and on such dates as the Board may establish. The Board may require advance payment of assessments at closing of the transfer of title to a Lot and impose special requirements for Owners with a history of delinquent payment. If the Board so elects, assessments may be paid in two or more installments. Unless the Board otherwise provides, all assessments shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his Lot, the Board may require the outstanding balance on all assessments, including interest, late charges, and other costs, to be paid in full immediately.

8.7. Obligation for Assessments.

(a) Personal Obligation. Each Owner, by accepting a deed or entering into a contract of sale for any portion of the Properties, is deemed to covenant and agree to pay all assessments authorized in the Governing Documents. All assessments, together with interest (computed from

its due date at a maximum rate of 18% per annum or such higher rate as the Board may establish, subject to the limitations of Nevada law), late charges as determined by Board resolution, costs, and reasonable attorneys' fees, shall be the personal obligation of each Owner and a lien upon each Lot until paid in full. Upon a transfer of title to a Lot, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance.

Failure of the Board to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Base Assessments, Cost Center Assessments and Benefitted Assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

No Owner may exempt himself from liability for assessments by non-use of Common Area, abandonment of his or her Lot, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

The Association shall, upon request, furnish to any Owner liable for any type of assessment a certificate in writing signed by an Association officer setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

(b) Declarant's Option To Pay Assessments. During the Declarant Control Period, Declarant may satisfy its obligation for assessments on Lots which it owns either by paying such assessments in the same manner as any other Owner or by paying the difference between the amount of assessments levied on all other Lots subject to assessment and the amount of actual expenditures by the Association during the fiscal year. Unless Declarant otherwise notifies the Board in writing at least 60 days before the beginning of each fiscal year, Declarant shall be deemed to have elected to continue paying on the same basis as during the immediately preceding fiscal year. Regardless of Declarant's election, Declarant's obligations hereunder may be satisfied in the form of cash or by "in kind" contributions of services or materials, or by a combination of these. After termination of the Declarant Control Period, Declarant shall pay assessments in the same manner as any other Owner on all of its Lots which are subject to the Declaration and have not been conveyed to Home Owners.

8.8. Lien for Assessments.

In accordance with the Act, and subject to the limitations of any applicable provision of the Act or Nevada law, the Association shall have an automatic statutory lien against each Lot to secure payment of delinquent assessments, as well as interest, late charges, and costs of collection (including administrative costs and attorneys' fees). Such lien shall be superior to all

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other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, (b) the lien or charge of any first Mortgage Recorded on the Lot before the date on which the assessment sought to be enforced became delinquent, or (c) liens and encumbrances Recorded before the Recording of the Declaration. Notwithstanding the foregoing, the Association's lien for delinquent assessments shall be prior to a Recorded first Mortgage equal to the Common Expenses and any Cost Center Expenses based on the Association's annual budget as provided in this Article VIII which would have come due on the absence of acceleration, during the six months immediately preceding the institution of an action to enforce the lien.

Such lien, when delinquent, may be enforced in the manner prescribed in the Act.

The Association may bid for the Lot at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Lot. While a Lot is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Lot shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such Lot had it not been acquired by the Association. The Association may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

The sale or transfer of any Lot shall not affect the assessment lien or relieve such Lot from the lien for any subsequent assessments. Subject to Section 116.3116(2) of the Act, the sale or transfer of any Lot pursuant to foreclosure of the first mortgage or security interest shall extinguish the lien as to any installments of such assessments due prior to the foreclosure. Subject to the Act, the subsequent Owner to the foreclosed Lot shall not be personally liable for assessments on such Lot due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Lots subject to assessment under Section 8.6 of this Declaration, including such acquirer, its successors and assigns.

8.9. Limitation on Increases of Assessments.

Notwithstanding any provision to the contrary, and except for assessment increases necessary for emergency situations or to reimburse the Association pursuant to Section 8.5, the Board may not impose a Base Assessment, or Cost Center Assessment that is more than 20% greater than each of those assessments for the immediately preceding fiscal year nor impose a Special Assessment which in the aggregate exceeds 5% of the budgeted Common Expenses, as the case may be, for the current fiscal year, without a Majority vote of a quorum of Owners of the Lots which are subject to the applicable assessment at a meeting of the Association.

For purposes of this Section, "quorum" means the Owners of more than 50% of the Lots which are subject to the applicable assessment. In addition, the term "Base Assessment" shall be deemed to include the amount assessed against each Lot plus a pro rata allocation of any amounts the Association received through any subsidy or maintenance agreement, if any, in effect for the year immediately preceding the year for which the assessment is to be increased.

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An emergency situation is any one of the following:

- (a) an extraordinary expense required by an order of a court;
- (b) an extraordinary expense necessary to repair or maintain the Properties or any part of them for which the Association is responsible where a threat to personal safety on the Properties is discovered; or
- (c) an extraordinary expense necessary to repair or maintain the Properties or any part of them for which the Association is responsible which the Board could not have reasonably foreseen in preparing and distributing the budget pursuant to Section 8.3. However, prior to the imposition or collection of such an assessment, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process. Such resolution shall be distributed to the Members with the notice of such assessment.

8.10. Exempt Property.

The following property shall be exempt from payment of Base Assessments, Cost Center Assessments and Special Assessments:

- (a) all Common Area and such portions of the property Declarant owns which are included in the Area of Common Responsibility pursuant to Section 7.2;
- (b) all property within Anthem owned or maintained by the Council or by another residential association, and any other property not subject to this Declaration;
- (c) any property dedicated to and accepted by any governmental authority or public utility; and
- (d) property any subassociation owns for the common use and enjoyment of its members, or owned by the members of a subassociation as tenants-in-common.

In addition, both Declarant and the Association shall have the right, but not the obligation, to grant exemptions to certain Persons qualifying for tax exempt status under Section 501(c) of the Internal Revenue Code so long as such Persons own property subject to this Declaration for purposes listed in Section 501(c).

PART FOUR: COMMUNITY DEVELOPMENT

Article IX Expansion of the Community

9.1. Expansion by Declarant.

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Declarant may from time to time subject to the provisions of this Declaration annex all or any portion of the property described in Exhibit "B" by Recording a Supplemental Declaration describing the additional property to be annexed. A Supplemental Declaration Recorded pursuant to this Section shall constitute an "amendment" pursuant to Section 116.2110 of the Act, but shall not require the consent of any Person except the owner of such property, if other than Declarant. Declarant's right to expand the community includes the right to create Lots, Common Area, and Limited Common Area with respect to such annexed property.

Declarant's right to expand the Properties pursuant to this Section shall expire when all property described in Exhibit "B" has been subjected to this Declaration. Until then, Declarant may transfer or assign this right to any Person who is the developer of at least a portion of the real property described in Exhibits "A" or "B." Any such transfer shall be memorialized in a written, Recorded instrument executed by Declarant.

Declarant reserves the right, but not the obligation, to annex additional property not described in Exhibits "A" or "B" to the extent allowed by the Act. Nothing in this Declaration shall be construed to require Declarant or any successor to subject additional property to this Declaration or to develop any of the property described in Exhibit "B" in any manner whatsoever.

Annexation shall be accomplished by Recording a Supplemental Declaration describing the property being annexed. All Lots subject to this Declaration, whether initially described in Exhibit "A" or annexed pursuant to a Supplemental Declaration, shall have equal voting rights and an equal, pro rata share of liability for Base Assessments.

9.2. Expansion by the Association.

The Association may also subject additional property to the provisions of this Declaration by Recording a Supplemental Declaration describing the additional property. Any such Supplemental Declaration shall require the affirmative vote of 67% of the total votes in the Association at a meeting duly called for such purpose and the consent of the Owner of the property. In addition, so long as Declarant owns property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1, the consent of Declarant shall be necessary. The Supplemental Declaration shall be signed by the President and Secretary of the Association, by the Owner of the property, and by Declarant, if Declarant's consent is necessary. Any Supplemental Declaration under this Section shall comply with the requirements of the Act.

9.3. Additional Covenants and Easements.

Declarant may subject any portion of the Properties to additional covenants and easements, including covenants obligating the Association to maintain and insure such property

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and authorizing the Association to recover its costs through Benefitted Assessments for a subassociation. Such additional covenants and easements may be set forth either in a Supplemental Declaration subjecting such property to this Declaration or in a separate Supplemental Declaration referencing property previously subjected to this Declaration. If the property is owned by someone other than Declarant, then the consent of the Owner(s) shall be necessary and shall be evidenced by their execution of the Supplemental Declaration. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property.

9.4. Effective Date of Supplemental Declaration.

Any Supplemental Declaration Recorded pursuant to this Article shall be effective upon Recording unless otherwise specified in such Supplemental Declaration.

Article X Additional Rights Reserved to Declarant

10.1. Withdrawal of Property.

Declarant reserves the right to amend this Declaration, so long as it has a right to annex additional property pursuant to Section 9.1, for the purpose of removing and withdrawing any portion of the Properties from the coverage of this Declaration, whether originally described in Exhibit "A" or added by Supplemental Declaration; provided, no property described on a particular Plat shall be withdrawn after a Lot shown on that Plat has been conveyed by Declarant to any Person other than an affiliate of Declarant. Any withdrawal shall reduce the Maximum Lots subject to the Declaration, the number of votes in the Association, and the Lots subject to assessment. Such amendment shall not require the consent of any Person other than the Owner of the property to be withdrawn, if not Declarant. If the property is Common Area, the Association shall consent to such withdrawal upon the request of Declarant.

10.2. Marketing and Sales Activities.

Declarant may construct and maintain upon portions of the Common Area and any Lot it owns such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the construction, marketing, and sale of Lots, including, but not limited to, business offices, signs, model homes, and sales offices. Declarant shall have easements for access to and use of such facilities.

10.3. Right to Develop.

Declarant and its employees, agents, and designees shall have a right of access and use and an easement over and upon all of the Common Area for the purpose of making, constructing, and installing such improvements to the Common Area and to the real property described on

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Exhibit "B" as indicated on any Plat, in this Declaration, or as it deems appropriate in its sole discretion.

Every Person that acquires any interest in the Properties acknowledges that Solera is a master planned community, the development of which is likely to extend over many years, and agrees not to protest, challenge, or otherwise object to (a) changes in uses or density of property outside the immediate vicinity of the Lot in which such Person holds interest, or (b) changes in the Master Plan.

10.4. Right to Designate Sites for Governmental and Public Interests.

For so long as Declarant owns any property described in Exhibits "A" or "B," Declarant may designate sites within the Properties for government, education, or religious activities and interests, including without limitation, fire, police, and utility facilities, schools and educational facilities, houses of worship, parks, and other public facilities. The sites may include Common Area, in which case the Association shall take whatever action is required with respect to such site to permit such use, including dedication or conveyance of the site, if so directed by Declarant.

10.5. Right to Approve Additional Covenants.

No Person shall Record any declaration of covenants, conditions, and restrictions, or declaration of condominium or similar instrument affecting any portion of the Properties without Declarant's review and written consent, so long as Declarant owns any property described in Exhibits "A" or "B". Any attempted Recording without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by Recorded written consent signed by Declarant.

10.6. Right to Approve Changes in Community Standards.

No amendment to or modification of any Use Restrictions or Rules or Design Guidelines shall be effective without prior notice to and the written approval of Declarant so long as Declarant owns property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1.

10.7. Right to Merge or Consolidate the Association.

Subject to the Act, Declarant reserves the right to merge or consolidate the Association with another common interest community of the same form of ownership or make it subject to a master association, so long as Declarant owns any property described in Exhibits "A" or "B".

10.8. Right to Appoint and Remove Directors During Declarant Control Period.

Declarant may appoint and remove the Association's officers and directors during the Declarant Control Period as provided in the By-Laws.

10.9. Right to Transfer or Assign Declarant Rights.

Any or all of the special rights and obligations of Declarant set forth in this Declaration or the By-Laws may be transferred in whole or in part to other Persons; provided, the transfer shall not reduce an obligation nor enlarge a right beyond that which Declarant has under this Declaration or the By-Laws. No such transfer or assignment shall be effective unless it is in a Recorded written instrument signed by Declarant. The foregoing sentence shall not preclude Declarant from permitting other Persons to exercise, on a one time or limited basis, any right reserved to Declarant in this Declaration where Declarant does not intend to transfer such right in its entirety, and in such case it shall not be necessary to Record any written assignment unless necessary to evidence Declarant's consent to such exercise.

10.10. Easement to Inspect and Right to Correct.

(a) Easement. Declarant reserves for itself and such other Persons as it may designate perpetual, non-exclusive easements throughout Solera to the extent reasonably necessary for the purposes of accessing, inspecting, testing, redesigning, correcting, or improving any portion of Solera, including Lots and the Area of Common Responsibility. Declarant shall have the right to redesign, correct, or improve any part of Solera, including Lots and the Area of Common Responsibility and shall have access to Dwelling Units to complete such repairs to the full extent permitted by Nevada law upon reasonable notice to the Occupants thereof.

(b) Right of Entry. In addition to the above easement, Declarant reserves a right of entry onto a Lot. Except in an emergency, the Owner shall be given reasonable notice prior to such entry. In all circumstances, entry into a Dwelling Unit shall be only after Declarant notifies the Home Owner (or Occupant) and agrees with the Home Owner regarding a reasonable time to enter the Dwelling Unit to perform such activities. Each Owner agrees to cooperate in a reasonable manner with Declarant in Declarant's exercise of the rights provided to it by this Section.

Entry onto the Area of Common Responsibility and into any improvements and structures thereon may be made by Declarant at any time, provided advance notice is given to the Association, except in an emergency.

(c) Damage. Any damage to a Lot or the Area of Common Responsibility resulting from the exercise of the easement and right of entry described in subsections (a) and (b) of this Section shall promptly be repaired by, and at the expense of, Declarant. The exercise of these

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easements shall not unreasonably interfere with the use of any Lot and entry onto any Lot shall be made only after reasonable notice to the Owner or Occupant.

10.11. Exclusive Rights to Use Name of Development.

No Person shall use the name "Anthem" or "Solera" or any derivative of such name in any printed or promotional material without Declarant's prior written consent. However, Owners may use the name "Anthem" or "Solera" in printed or promotional matter where such term is used solely to specify that particular property is located within "Anthem" and "Solera" and the Association shall be entitled to use the words "Solera" in its name.

10.12. Del Webb Marks.

Any use by the Association of names, marks, or symbols of Pulte Homes, Inc. or Del Webb Corporation or any of their affiliates (collectively "Del Webb Marks") shall inure to the benefit of Pulte Homes, Inc. and shall be subject to periodic review for quality control. The Association shall enter into license agreements with Pulte Homes, Inc., terminable with or without cause and in a form specified by Pulte Homes, Inc. in its sole discretion, with respect to permissive use of certain Del Webb Marks. The Association shall not use any Del Webb Mark without Pulte Homes, Inc.'s prior written consent.

10.13. Vacation Villas.

Declarant may, in its discretion, construct residential improvements for temporary occupancy in or adjacent to the Properties and designate such improvements as "Vacation Villas." Vacation Villas located outside of the Properties shall not be Lots or Dwelling Units, and their owners shall not be Members of the Association; provided, however, such Vacation Villas shall have access to the Common Area and facilities in consideration of the payment of such fees as provided by a contract or some covenant to share costs.

Owners of Vacation Villas located within the Properties shall be Members of the Association. Declarant may transfer or lease Vacation Villas and make Vacation Villas available for use by guests selected in its discretion. Occupants of the Vacation Villas shall have a non-exclusive easement for use, access, and enjoyment in and to the Common Area, including but not limited to any recreational facilities within the Common Area. The Board shall assign activity or use privilege cards to Declarant on behalf of all owners of Vacation Villas for the purpose of exercising such easement. Vacation Villas shall remain Vacation Villas until Declarant otherwise provides in written notice to the owner of such Vacation Villa and to the Association.

10.14. Equal Treatment.

So long as Declarant owns any property described in Exhibits "A" or "B," neither the Association nor any subsequently created subassociation shall, without the prior written consent of Declarant, adopt any policy, rule, or procedure that:

(a) limits the access of Declarant, its successors, assigns, and affiliates or their personnel and/or guests, including visitors, to the Common Areas of the Association or to any property owned by any of them;

(b) limits or prevents Declarant, its successors, assigns, and affiliates or their personnel from advertising, marketing, or using the Association or its Common Areas or any property owned by any of them in promotional materials;

(c) limits or prevents purchasers of new residential housing constructed by Declarant, its successors, assigns, and affiliates in Solera from becoming members of the Association or enjoying full use of its Common Areas, subject to the membership provisions of this Declaration and the By-Laws;

(d) discriminates against or singles out any group of Members or prospective Members or Declarant [this provision shall expressly prohibit the establishment of a fee structure (i.e., assessments, Special Assessments and other mandatory fees or charges other than Benefited Assessments, chartered club dues, and use fees) that discriminates against or singles out any group of Members or Declarant, but shall not prohibit the establishment of Benefited Assessments];

(e) impacts the ability of Declarant, its successors, assigns, and affiliates, to carry out to completion its development plans and related construction activities for Solera, as such plans are expressed in the Master Plan, as such may be amended and updated from time to time. Policies, rules, or procedures affecting the provisions of existing easements established by Declarant and limiting the establishment by Declarant of easements necessary to complete Solera shall be expressly included in this provision. Easements that may be established by Declarant shall include but shall not be limited to easements for development, construction, and landscaping activities and utilities; or

(f) impacts the ability of Declarant, its successors, assigns, and affiliates to develop and conduct customer service programs and activities in a customary and reasonable manner.

Neither the Association nor any subassociation shall exercise its authority over the Common Areas (including, but not limited to, any gated entrances and other means of access to the Properties or the Exhibit "B" property) to interfere with the rights of Declarant set forth in this Declaration or to impede access to any portion of the Properties or the Exhibit "B" property over the streets and other Common Areas within the Properties.

10.15. Right to Use Common Area for Special Events.

As long as Declarant owns any property described in Exhibits "A" or "B," Declarant shall have the right to use all Common Area, including any recreational facilities, for up to eight days

each year to sponsor special events for charitable, philanthropic, political, or marketing purposes as determined by Declarant in its sole discretion. Any such event shall be subject to the following conditions:

- (a) the availability of the facilities at the time a request is submitted to the Association;
- (b) Declarant shall pay all costs and expenses incurred and shall indemnify the Association against any loss or damage (excluding lost revenue) resulting from the special event; and
- (c) Declarant shall return the facilities and personal property owned by the Association and used in conjunction with the special event to the Association in the same condition as existed prior to the special events.

Declarant shall have the right to assign the rights contained in this Section 10.15 to charitable organizations or foundations selected by Declarant. Declarant's right to use the Common Area for special events shall be enforceable by injunction, by any other remedy in law or equity, and by the terms of this Declaration.

10.16. Sales by Declarant.

Notwithstanding the restriction set forth in Section 3.1(b) of this Declaration, Declarant reserves the right to sell Lots for Occupancy by at least one Person between 50 and 55, inclusive years of age; provided, such sales shall not affect Solera's compliance with all applicable State and Federal laws under which the Properties may be developed and operated as an age-restricted community.

10.17. Termination of Rights.

The rights contained in this Article shall terminate as specifically provided in the Act, or upon the earlier of (a) 30 years from the conveyance of the first Lot to an Owner, or (b) Recording by Declarant of a written statement that all of its sales activities have ceased. Thereafter, Declarant may continue to use the Common Areas for the purposes stated in this Article only pursuant to a rental or lease agreement between Declarant and the Association which provides for rental payments based on the fair market rental value of any such portion of the Common Areas. This Article X shall not be amended without the prior written consent of Declarant so long as Declarant owns any property described in Exhibits "A" or "B."

PART FIVE: PROPERTY RIGHTS WITHIN THE COMMUNITY

Article XI Easements

11.1. Easements in Common Area.

Declarant grants to each Owner a nonexclusive right and easement of use, access, and enjoyment in and to the Common Area, subject to:

- (a) the Governing Documents and any other applicable covenants;
- (b) any restrictions or limitations contained in any deed conveying such property to the Association;
- (c) the Board's right to:
 - (i) adopt rules regulating the use and enjoyment of the Common Area, including rules limiting the number of guests who may use the Common Area;
 - (ii) suspend the right of an Owner to use recreational facilities within the Common Area:
 - (A) for any period during which any charge against such Owner's Lot remains delinquent, and,
 - (B) for a period not to exceed 30 days for a single violation or for a longer period in the case of any continuing violation, of the Governing Documents after notice and a hearing pursuant to Section 3.26 of the By-Laws;
 - (iii) dedicate or transfer all or any part of the Common Area, subject to such approval requirements as may be set forth in this Declaration;
 - (iv) impose reasonable membership requirements and charge reasonable admission or other use fees for the use of any recreational facility situated upon the Common Area;
 - (v) permit use of any recreational facilities situated on the Common Area by persons other than Owners, their families, lessees, and guests upon payment of use fees established by the Board;
 - (vi) mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to the approval requirements set forth in Sections 16.3 and 19.4;
 - (vii) limit the use of those portions of the Common Area designated "Limited Common Areas," as described in Article XII to the exclusive use of certain Owners; and,

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(viii) create, enter into agreements with, and grant easements to tax-exempt organizations under Section 7.12;

(d) the right of the Association to rent or lease any portion of any clubhouse or other recreational facilities within the Common Area on a short-term basis to any Person approved by the Association for the exclusive use of such Person and such Person's family and guests; and,

(e) the requirement that access to and use of recreational facilities within the Properties shall be subject to the presentation of a Membership Card issued by the Association for such purpose and as provided under Article XIV of the Declaration.

The initial Common Area contained within the real property identified in Exhibit "A" shall be conveyed to the Association prior to or concurrent with the conveyance of the first Lot to a Home Owner.

11.2. Easements of Encroachment.

Declarant grants reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Lot and any adjacent Common Area and between adjacent Lots due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

11.3. Easements for Utilities, Etc.

(a) Association and Utility Easements. Declarant reserves for itself, so long as Declarant owns any property described in Exhibit "A" or "B" of this Declaration, and grants to the Association, the Council, and all utility providers, perpetual non-exclusive easements throughout all of the Properties (but not through a structure) to the extent reasonably necessary for the purpose of:

(i) installing utilities and infrastructure to serve the Properties, cable and other systems for sending and receiving data and/or other electronic signals, security and similar systems, walkways, pathways, trails, drainage systems, street lights, and signage on property which Declarant owns or within public rights-of-way or easements reserved for such purpose on a Plat;

(ii) inspecting, maintaining, repairing, and replacing the utilities, infrastructure, and other improvements described in Section 11.3(a)(i); and

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(iii) reading utility meters.

(b) Other Specific Easements. Declarant also reserves for itself the non-exclusive right and power to grant and Record such specific easements as may be necessary, in the sole discretion of Declarant, in connection with the orderly development of any property described in Exhibits "A" and "B," so long as Declarant owns any property described in Exhibits "A" or "B".

(c) Property Restoration. All work associated with the exercise of the easements described in subsections (a) and (b) of this Section shall be performed in such a manner as to minimize interference with the use and enjoyment of the property burdened by the easement. Upon completion of the work, the Person exercising the easement shall restore the property, to the extent reasonably possible, to its condition prior to the commencement of the work. The exercise of these easements shall not extend to permitting entry into the structures on any Lot, nor shall it unreasonably interfere with the use of any Lot and, except in an emergency, entry onto any Lot shall be made only after reasonable notice to the Owner or Occupant.

11.4. Easements to Serve Additional Property.

Declarant hereby reserves for itself and its duly authorized agents, successors, assigns, and mortgagees, an easement over the Common Area for the purposes of enjoyment, use, access, and development of the property described in Exhibit "B," whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads and for connecting and installing utilities on such property.

Declarant agrees that it and its successors or assigns shall be responsible for any damage caused to the Common Area as a result of vehicular traffic connected with development of such property. Declarant further agrees that if the easement is exercised for permanent access to such property and such property or any portion thereof benefiting from such easement is not made subject to this Declaration, Declarant, its successors or assigns shall enter into a reasonable agreement with the Association to share the cost of any maintenance which the Association provides to or along any roadway providing access to such Property.

11.5. Easements for Maintenance, Emergency, and Enforcement.

Declarant grants to the Association easements over the Properties as necessary to enable the Association to fulfill its maintenance responsibilities under Section 7.2. The Association also shall have the right, but not the obligation, to enter upon any Lot for emergency, security, and safety reasons, to perform maintenance and to inspect for the purpose of ensuring compliance with and enforcing the Governing Documents. Such right may be exercised by any member of the Board and its duly authorized agents and assignees, and all emergency personnel in the performance of their duties. Except in an emergency situation, entry shall be only during reasonable hours and after notice to the Owner. Any damage caused as a result of the Association fulfilling its maintenance responsibilities shall be repaired by the Association at its expense.

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Declarant grants to the Association, an easement and the right to enter a Lot to abate or remove, using such measures as may be reasonably necessary, any structure, thing or condition which violates the Governing Documents. All costs incurred, including reasonable attorneys' fees, shall be assessed against the violator as a Benefited Assessment.

11.6. Easements for Cross-Drainage.

Declarant hereby reserves for itself and grants to the Association that every Lot and the Common Area shall be burdened with easements for natural drainage of storm water runoff from other portions of the Properties; provided, no Person shall alter the natural drainage on any Lot to increase materially the drainage of storm water onto adjacent portions of the Properties without the consent of the Owner(s) of the affected property, the Board, and Declarant as long as it owns any property described in Exhibits "A" or "B" to the Declaration.

11.7. Rights to Stormwater Runoff, Effluent, and Water Reclamation.

Declarant hereby reserves for itself and its designees all rights to ground water, surface water, storm water runoff, and effluent located or produced within the Properties, and each Owner agrees, by acceptance of a deed to a Lot, that Declarant shall retain all such rights. Such rights shall include the reservation of an easement over the Properties for access, and for installation and maintenance of facilities and equipment to capture and transport such water, runoff, and effluent. This Section 11.7 may not be amended without the consent of Declarant or its successor, and the rights created in this Section 11.7 shall survive termination of this Declaration.

Article XII Party Walls and Other Shared Structures

12.1. General Rules of Law to Apply.

Each wall, fence, driveway, or similar structure built as a part of the original construction on the Lots, other than a perimeter wall or fence as provided in Section 5.1 and Section 7.2, which serves and/or separates any two adjoining Lots shall constitute a party structure. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

12.2. Maintenance, Damage, and Destruction.

The cost of reasonable repair and maintenance of a party structure shall be shared equally by the Owners who make use of the party structure.

If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and is not repaired out of the proceeds of insurance, any Owner who has used the structure may restore it. If other Owners thereafter use the

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structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions.

12.3. Right to Contribution Runs with Land.

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

12.4. Disputes.

Any dispute arising concerning a party structure shall be handled in accordance with the provisions of Article XV.

Article XIII Membership Cards

13.1. Issuance by the Board.

One Membership Card shall be allocated to each Qualified Occupant of a Lot, up to a maximum of two Membership Cards per Lot. No Membership Cards shall be allocated to any Lot which is not Occupied by a Qualified Occupant. The Board shall determine entitlement to Membership Cards on an annual basis. Membership Cards shall be renewed annually without charge, provided, the Lot continues to be Occupied by a Qualified Occupant and all applicable assessments and other charges pertaining to the Lot have been paid. The Board may establish policies, limits, and charges with regard to the issuance of additional cards and guest privilege cards.

The Board may issue Membership Cards to persons who have signed binding contracts to purchase a Lot, subject to such policies as the Board may determine from time to time.

13.2. Assignment of Rights.

The right to a Membership Card is based upon Occupancy of a Lot. Any Owner who leases or otherwise transfers Occupancy of his or her Lot shall be deemed to have assigned his or her rights to a Membership Card to the lessee of such Lot. The lessee of the Lot shall be entitled to a Membership Card only if the Lot continues to be Occupied by a Qualified Occupant. Any Owner who leases or otherwise transfers Occupancy of his or her Lot shall provide the Association with immediate written notice thereof and shall surrender to the Association his or her previously issued Membership Card. Membership Cards shall be surrendered by any holder who ceases to Occupy a Lot, or at any time upon written notification from the Association that the holder no longer is entitled to hold a Membership Card.

13.3. Vacation Villas.

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Each Vacation Villa, as described in Section 10.13, located within the Properties shall be allocated three Membership Cards for use by the temporary Occupants of the Vacation Villa. Vacation Villas located adjacent to the Properties (may be issued Membership Cards based on the arrangements set forth in a contract or covenant to share costs between the Association and the owner of such Vacation Villas. Additional Membership Cards shall be issued to Declarant upon request with payment of the then current charge for additional Membership Cards. In the event that no "then current charge" is in effect at the time of such request, the charge for additional Membership Cards for Vacation Villas shall be determined in the reasonable discretion of Declarant.

13.4. Issuance to Declarant.

As long as Declarant owns any portion of the Properties or has the right to annex property pursuant to Section 9.1, the Association shall provide Declarant, free of charge, with as many Membership Cards as Declarant, in its sole discretion, deems necessary for the purpose of marketing the Properties or any property described in Exhibit "B." Declarant may transfer the Membership Cards to Persons who are in escrow for the purpose of purchasing a Lot, subject to such terms and conditions as it, in its sole discretion, may determine. Membership Cards provided to Declarant shall entitle the bearer to use all Common Area and recreational facilities (subject to the payment of admission fees or other use fees charged to Qualified Occupants holding Membership Cards).

PART SIX: RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY

Article XIV Dispute Resolution and Limitation on Litigation

14.1 Prerequisites to Actions Against Declarant.

Prior to any Owner, the Association, or any subassociation filing a civil action, undertaking any action in accordance with Section 15.4, or retaining an expert for such actions against Declarant or any Builder or sub-contractor of any portion of Anthem, the Owner, the Board or the board of the Neighborhood Association, subassociation, as appropriate, shall notify and meet with the Members to discuss the alleged problem or deficiency. Moreover, prior to taking any action, the potential adverse party shall be notified of the alleged problem or deficiency and provided reasonable opportunity to inspect and repair the problem.

14.2. Consensus for Association Litigation.

Except as provided in this Section, the Association or a subassociation shall not commence a judicial or administrative proceeding without first providing at least 21 days written notice of a meeting to consider such proposed action to its Members. Taking such action shall require the vote of Owners representing a majority of the total number of Lots in the Association or in the subassociation, as appropriate. This Section shall not apply, however, to (a) actions brought by the Association to enforce the Governing Documents (including, without limitation,

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the collection of assessments and the foreclosure of liens); (b) counterclaims brought by the Association in proceedings instituted against it; or (c) actions to protect the health, safety, and welfare of the Members. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

14.3. Alternative Method for Resolving Disputes.

Declarant, the Association, any subassociation, their officers, directors, and committee members, all Persons subject to this Declaration, and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes involving the Properties, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that those claims, grievances, or disputes described in Sections 14.43 ("Claims") shall be resolved using the procedures set forth in Section 14.54 in lieu of filing suit in any court.

14.4. Claims.

Unless specifically exempted below, all Claims arising out of or relating to the interpretation, application, or enforcement of the Governing Documents, or the rights, obligations, and duties of any Bound Party under the Governing Documents or relating to the design or construction of improvements on the Properties shall be subject to the provisions of Section 14.5.

Notwithstanding the above, unless all parties thereto otherwise agree, the following shall not constitute a Claim and shall not be subject to the provisions of Section 14.5:

- (a) any suit by the Association against any Bound Party to enforce the provisions of Article VIII of this Declaration;
- (b) any suit by the Association to obtain a temporary restraining order (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of Article III and Article IV of this Declaration;
- (c) any suit between Owners, which does not include Declarant or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents;

(d) any suit by an Owner concerning the aesthetic judgment of the Architectural Review Committee, the Association, or Declarant pursuant to their authority and powers under Article IV;

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

(f) any suit as to which any applicable statute of limitations would expire within 90 days of giving the Notice required by Section 14.5(a), unless the party or parties against whom the Claim is made agree to toll the statute of limitations as to such Claim for such period as may reasonably be necessary to comply with this Article.

(g) any such Claim that is subject to mandatory mediation or arbitration, under the State of Nevada, real estate division of the department of business and industry, as set forth in Nevada Revised Statutes, Chapter 38.300 et seq.

With the consent of all parties thereto, any of the above may be submitted to the alternative dispute resolution procedures set forth in Section 14.5 of this Declaration.

14.5. Mandatory Procedures.

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

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

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

(iii) Claimant's proposed remedy; and

(iv) that Claimant will meet with Respondent to discuss good faith ways to resolve the Claim.

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

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

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If Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to any Person other than the Claimant.

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

Statutes.

14.6. Allocation of Costs of Resolving Claims.

Each Party shall bear its own costs, including attorneys' fees, and each Party shall share equally all charges rendered by the mediator(s).

14.7. Enforcement of Resolution.

After resolution of any Claim through negotiation or mediation, if any Party fails to abide by the terms of any agreement, then any other Party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in Section 14.5 of this Declaration. In such event, the Party taking action to enforce the agreement shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement, including, without limitation, attorneys' fees and court costs.

14.8. Attorneys' Fees.

In the event of an action instituted to enforce any of the provisions contained in the Governing Documents, the party prevailing in such action shall be entitled to recover from the other party thereto as part of the judgment, reasonable attorneys' fees and costs, including administrative and lien fees, of such suit. In the event the Association is a prevailing party in such action, the amount of such attorneys' fees and costs shall be a Specific Assessment with respect to the Lot(s) involved in the action.

Article XV Mortgage Provisions

The following provisions are for the benefit of holders, insurers, and guarantors of first Mortgages on Lots in the Properties. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

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15.1. Notices of Action.

An institutional holder, insurer, or guarantor of a first Mortgage which provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Lot to which its Mortgage relates, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of:

- (a) Any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects any Lot on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;
- (b) Any delinquency in the payment of assessments or charges owed by a Lot subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of 60 days, or any other violation of the Governing Documents relating to such Lot or the Owner or Occupant which is not cured within 60 days;
- (c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; and
- (d) Any proposed action which would require the consent of a specified percentage of Eligible Holders.

15.2. No Priority

No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

15.3. Notice to Association.

Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

15.4. Failure of Mortgagee to Respond.

Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within 30 days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

15.5. HUD/VA Approval.

During the Declarant Control Period, the following actions shall require the prior approval of the U.S. Department of Housing and Urban Development or the U.S. Department of Veterans Affairs, if either such agency is insuring or guaranteeing the Mortgage on any Lot: merger, consolidation, or dissolution of the Association; annexation of additional property other than that described in Exhibit "B"; dedication, conveyance, or mortgaging of Common Area; or material amendment of this Declaration. The granting of easements for utilities or other similar purposes consistent with the intended use of the Common Area shall not be deemed a conveyance within the meaning of this Section.

Article XVI Private Amenities

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

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

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

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

PART SEVEN: CHANGES IN THE COMMUNITY

Article XVII Changes in Ownership of Lots

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

Article XVIII Changes in Common Area

18.1. Condemnation.

If a Lot or portion thereof shall be taken by eminent domain, compensation and the Owner's interests in the Common Area shall be allocated as provided in the Act. If any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Members representing at least 67% of the total votes in the Association and of Declarant, as long as Declarant owns any property subject to the Declaration or which may be made subject to the Declaration in accordance with Section 9.1) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to written notice of such taking or conveyance prior to disbursement of any condemnation award or proceeds from such conveyance. Such award or proceeds shall be payable to the Association to be disbursed as follows:

If the taking or conveyance involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land included in the Common Area to the extent available, unless within 60 days after such taking Declarant, so long as Declarant owns any property subject to the Declaration or which may be made subject to the Declaration in accordance with Section 9.1, and Members representing at least 67% of the total vote of the Association shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board. The provisions of Section 7.3(c) regarding funds for restoring improvements shall apply.

If the taking or conveyance does not involve any improvements on the Common Area, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

18.2. Partition.

Except as permitted in this Declaration, the Common Area shall remain undivided, and no Person shall bring any action partition of any portion of the Common Area without the written consent of all Owners and Mortgagees. This Section shall not prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring and disposing of real property which may or may not be subject to this Declaration.

18.3. Transfer or Dedication of Common Area.

The Association may dedicate portions of the Common Area to Clark County, Nevada, or to any other local, state, or federal governmental or quasi-governmental entity, subject to such approval as may be required by Sections 16.5 and 19.4.

18.4. Actions Requiring Owner Approval.

If either the U.S. Department of Housing and Urban Development or the U.S. Department of Veterans Affairs is insuring or guaranteeing the Mortgage on any Lot, then the following actions shall require the prior approval of Home Owners representing not less than sixty-seven percent (67%) of the total votes held by Home Owners in the Association and the consent of Declarant, if such exists: merger, consolidation, or dissolution of the Association; annexation of additional property other than that described in Exhibit "B"; and dedication, conveyance, or mortgaging of Common Area. Notwithstanding anything to the contrary in Section 19.1 or this Section, the Association, acting through the Board, may grant easements over the Common Area for installation and maintenance of utilities and drainage facilities and for other purposes not inconsistent with the intended use of the Common Area, without the approval of the membership.

18.5. Delivery of Amendments to Owners.

If any change is made to this Declaration or other Governing Document of the Association, the Association shall, within 30 days after the change is made, prepare and cause to be hand-delivered or sent prepaid by United States mail to the mailing address of each Lot or to any other mailing address designated in writing by the Lot Owner and filed with the Secretary, a copy of the change that was made.

18.6. Liberal Construction to Comply with the Act.

It is the intention of Declarant that this Amended and Restated Declaration be liberally construed to conform to the provisions of the Act, as amended. To the extent that it does not expressly conform to the Act, as amended, this Declaration shall be deemed to conform with the Act by operation of law.

Article XIX Amendment of Declaration

19.1. Corrective Amendments.

In addition to specific amendment rights granted elsewhere in this Declaration, until conveyance of the first Lot to a Home Owner, Declarant may unilaterally amend this Declaration for any purpose. Thereafter, Declarant, or the Board with consent of the Declarant, unilaterally may amend this Declaration if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on the Lots;

(c) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure, or guarantee mortgage loans on the Lots; or (d) to satisfy the requirements of any local, state, or federal governmental agency. However, any such amendment shall not adversely affect the title to any Lot unless the Owner shall consent in writing.

19.2. By Owners.

Except as otherwise specifically provided above, in the Act, and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Owners representing 67% of the total votes in the Association, and the consent of Declarant, so long as Declarant is entitled to exercise rights under Articles IX or X.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

19.3. Validity and Effective Date.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant (or the assignee of such right or privilege). Additionally, no amendment may remove, revoke, or modify any right or privilege of the Council without the Council's written consent.

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be presumed conclusively that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Any amendment validly adopted by the Association shall be certified by the President or Secretary of the Association, and shall become effective upon Recording, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within 12 months of its Recording or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

Nothing in this Article shall be construed to permit termination of any easement created in this Declaration or Supplemental Declaration without the consent of the holder of such easement.

19.4. Exhibits.

Exhibits "A" and "B" attached to this Declaration are incorporated by this reference and amendment of such exhibits shall be governed by this Article.

20030808
.00642

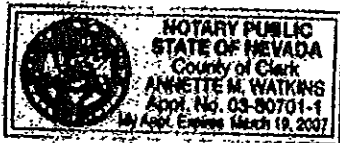
IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration as of the date and year first written above.

Del Webb Communities, Inc.,
an Arizona corporation

By: [Signature]
Name: G. THOMAS HENNESSY
Title: VICE PRESIDENT

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On August 7th, 2003, personally appeared before me a notary public, Annette M. Watkins, D. Thomas Hennessy of Del Webb Communities, Inc., personally known to me to be the person whose name is subscribed to the above instrument who acknowledged that he executed the instrument.



[NOTARIAL SEAL]

Notary Public: Annette M. Watkins
By: [Signature]
Name: G. THOMAS HENNESSY
Title: VICE PRESIDENT

My Commission Expires: March 19th, 2007

20030808
00642

EXHIBIT "A"

Land Initially Submitted

20030808
.00642

EXPLANATION

THIS DESCRIBES SOLERA UNITS 1 AND 2 FOR USE IN CC&R RECORDATIONS

LEGAL DESCRIPTION PARCEL "A"

A PARCEL OF LAND LYING IN THE SOUTHWEST QUARTER (SW ¼) OF SECTION 18, TOWNSHIP 23 SOUTH, RANGE 62 EAST, AND THE SOUTHEAST QUARTER (SE ¼) OF SECTION 13, TOWNSHIP 23 SOUTH, RANGE 61 EAST, MDM, CLARK COUNTY, NEVADA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL OF "SOLERA - SUBDIVISION 1" AS SHOWN BY MAP THEREOF ON FILE IN BOOK 109, PAGE 54 OF PLATS; AND ALL OF "SOLERA - SUBDIVISION 2" AS SHOWN BY MAP THEREOF ON FILE IN BOOK 110, PAGE 40 OF PLATS, IN THE CLARK COUNTY, NEVADA RECORDER'S OFFICE.

20030808
00642

EXHIBIT "B"

Land Subject to Annexation



44
EXHIBIT A TO PUBLIC OFFERING
STATEMENT

20031006
.02178

CLARK COUNTY, NEVADA
FRANCES DEANE, RECORDER

RECORDED AT THE REQUEST OF:

LAWYERS TITLE OF NEVADA

10-06-2003 14:28 ARO

OFFICIAL RECORDS

BOOK/INSTR: 20031006-02178

PAGE COUNT: 5

FEE: 18.00
RPTT: .00

APN: # PTN 191-24-601-061

WHEN RECORDED RETURN TO:

Solera
Attn: Annette Watkins
11500 South Eastern Avenue
Henderson, NV 89012

(5)
SUPPLEMENTAL DECLARATION OF ANNEXATION
COVENANTS, CONDITIONS, RESTRICTIONS FOR
SOLERA

NOTICE IS HEREBY GIVEN that Del Webb Communities, an Arizona corporation, as owner of the real property legally described on Exhibit "A" attached hereto and by this reference incorporated herein (the "Property"), and as Declarant under the Declaration of Covenants, Conditions, and Restrictions for Solera (Declaration), recorded in Book 20030808 as Instrument Number 00642, has exercised, and hereby exercises, its right as Declarant to cause the Property to be annexed into Solera and declares that the Property is subject to the Declaration.

Declarant represents that the Property is contiguous to Solera and that the development of the Property as Lots and Parcels within Solera will include the development and construction of additional Common Area, as defined in the Declaration, to be conveyed to the Solera Community Association (the "Association"). By this Annexation, the Owners of dwellings upon Lots within the Property shall automatically become members of the Association upon acquisition of title, as if such Lots were originally subject to the Declaration.

Declarant desires to designate Neighborhoods for such Property as set forth on Exhibit "B" attached hereto.

Declarant further desires to establish a fee due upon transfer of a Lot within Subdivision #3 ("New Member Fee"), subject to the terms and conditions set forth in Article I below, and to reserve certain easements for use and enjoyment:

Notwithstanding Paragraph 3.5(c) of the Declaration the New Member Fee set forth herein is in addition to any administrative fee covering the costs of lease or transfer, and the limitation on that type of fee is not applicable to the New Member Fee imposed in this Supplemental Declaration

ARTICLE I - New Member Fee

- (a) Authority. As an additional funding source, in addition to the administrative or transfer fee collected to cover administrative costs of membership transfer, the

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.02178

Association shall collect a New Member Fee upon each transfer of title to a Lot, other than exempt transfers as set forth herein. The New Member Fee shall be charged to the grantor of the property, shall be payable by grantor or grantee as their contract provides to the Association at the closing of the transfer, and shall be secured by the Association's lien for assessments. Each Owner transferring a Lot shall notify the Association's secretary or designee at least seven days prior to the scheduled closing. Such notice shall include the name of the buyer, the date of title transfer, and other information the Association may reasonably require.

- (b) Fee Limit. The fee shall equal 1/3 of one percent of the Gross Selling Price of the Lot, with all improvements, upgrades and premiums included, and shall be due upon the closing of the Sale of the Lot. The Gross Selling Price shall be the total cost to the purchaser of the Lot, excluding transfer taxes and title fees imposed by Clark County, if any.
- (c) Purpose. New Member Fees shall be used for purposes, which the Association Board deems beneficial to meet the general operating needs of the Association. By way of example and not limitation, New Member Fees may be used to assist the Association of one or more tax-exempt entities in funding operating and maintenance costs for recreational facilities, common areas open space preservation and all other funding needs for operating the Association.
- (d) Exempt Transfers. Notwithstanding the above, no New Member Fee shall be levied upon transfer of title to property:
- (i) by or to the Developer
 - (ii) by a builder or developer holding title solely for purposes of development and resale;
 - (iii) by a co-owner to any Person who was a co-owner immediately prior to such transfer;
 - (iv) to the Owner's estate, surviving spouse, or heirs at law upon the death of the Owner;
 - (v) to an entity wholly owned by the grantor or to a family trust created by the grantor for the direct benefit of the grantor and his or her spouse and/or heirs at law; provided, upon any subsequent transfer of an ownership interest in such entity, the New Member Fee shall become due; or
 - (vi) to an institutional lender as security for the performance of an obligation pursuant to a Mortgage.

All provisions of the Declaration, including, but not limited to, those provisions regarding

20031006
.02178

obligations to pay assessments to the Association, shall apply to the Property and all Lots contained herein, immediately upon recordation of this Supplemental Declaration of Annexation.

This Supplemental Declaration of Annexation is issued pursuant to the authority reserved to Del Webb Communities, as Declarant under the Declaration, Article IX of the Declaration. All definitions used in this Supplemental Declaration of Annexation shall have the meanings provided in the Declaration.

IN WITNESS WHEREOF this Supplemental Declaration of Annexation is entered into as of this 24th day of September 2003.

Del Webb Communities
an Arizona corporation

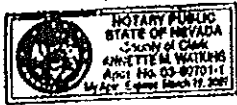
By: [Signature]
G. Thomas Hennessy
Its: Vice President

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On this 24th day of September 2003, before me, the undersigned Notary Public, personally appeared G. Thomas Hennessy, known to me to be the Vice President of Del Webb Communities, an Arizona corporation, who executed the attached instrument for and on behalf of that corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires: March 19th, 2007



[Signature]
Notary Public

20031006
02178

EXHIBIT "A"

PROPERTY LEGAL DESCRIPTION

All that real property located in Clark County, Nevada, more particularly described as:

Lots 1-106 inclusive and Common Elements A, B, C, D and E of Final Map of Solera Subdivision 3 as shown by map thereof on file in Book 112 Page 2 of Plats in the office of the County Recorder of Clark County, Nevada.

EXHIBIT "20031008
02178"

NEIGHBORHOOD DESIGNATIONS

Neighborhood No. Subdivision 3

EXHIBIT A TO PUBLIC OFFERING STATEMENT

4/16

CLARK COUNTY, NEVADA
FRANCES DEANE, RECORDER

20040318
.03421

RECORDED AT THE REQUEST OF:

LAWYERS TITLE OF NEVADA
03-18-2004 14:32 JYB

OFFICIAL RECORDS
BOOK/INSTR: 20040318-03421

PAGE COUNT: 5

FEE: 18.00
RPTT: .00

APN: # 190-19-113-003
190-18-417-005
WHEN RECORDED RETURN TO:
Solera
Attn: Annette Watkins
11500 South Eastern Avenue
Henderson, NV 89012

(S)

115

SUPPLEMENTAL DECLARATION OF ANNEXATION
COVENANTS, CONDITIONS, RESTRICTIONS FOR
SOLERA

NOTICE IS HEREBY GIVEN that Del Webb Communities, an Arizona corporation, as owner of the real property legally described on Exhibit "A" attached hereto and by this reference incorporated herein (the "Property"), and as Declarant under the Declaration of Covenants, Conditions, and Restrictions for Solera (Declaration), recorded in Book 20030808 as Instrument Number 00642, has exercised, and hereby exercises, its right as Declarant to cause the Property to be annexed into Solera and declares that the Property is subject to the Declaration.

Declarant represents that the Property is contiguous to Solera and that the development of the Property as Lots and Parcels within Solera will include the development and construction of additional Common Area, as defined in the Declaration, to be conveyed to the Solera Community Association (the "Association"). By this Annexation, the Owners of dwellings upon Lots within the Property shall automatically become members of the Association upon acquisition of title, as if such Lots were originally subject to the Declaration.

Declarant desires to designate Neighborhoods for such Property as set forth on Exhibit "B" attached hereto.

Declarant further desires to establish a fee due upon transfer of a Lot within Subdivision #4 ("New Member Fee"), subject to the terms and conditions set forth in Article I below, and to reserve certain easements for use and enjoyment:

Notwithstanding Paragraph 3.5(c) of the Declaration the New Member Fee set forth herein is in addition to any administrative fee covering the costs of lease or transfer, and the limitation on that type of fee is not applicable to the New Member Fee imposed in this Supplemental Declaration

ARTICLE I - New Member Fee

- (a) Authority. As an additional funding source, in addition to the administrative or transfer fee collected to cover administrative costs of membership transfer; the

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Association shall collect a New Member Fee upon each transfer of title to a Lot, other than exempt transfers as set forth herein. The New Member Fee shall be charged to the grantor of the property, shall be payable by grantor or grantee as their contract provides to the Association at the closing of the transfer, and shall be secured by the Association's lien for assessments. Each Owner transferring a Lot shall notify the Association's secretary or designee at least seven days prior to the scheduled closing. Such notice shall include the name of the buyer, the date of title transfer, and other information the Association may reasonably require.

- (b) Fee Limit. The fee shall equal 1/3 of one percent of the Gross Selling Price of the Lot, with all improvements, upgrades and premiums included, and shall be due upon the closing of the Sale of the Lot. The Gross Selling Price shall be the total cost to the purchaser of the Lot, excluding transfer taxes and title fees imposed by Clark County, if any.
- (c) Purpose. New Member Fees shall be used for purposes, which the Association Board deems beneficial to meet the general operating needs of the Association. By way of example and not limitation, New Member Fees may be used to assist the Association of one or more tax-exempt entities in funding operating and maintenance costs for recreational facilities, common areas open space preservation and all other funding needs for operating the Association.
- (d) Exempt Transfers. Notwithstanding the above, no New Member Fee shall be levied upon transfer of title to property:
 - (i) by or to the Developer
 - (ii) by a builder or developer holding title solely for purposes of development and resale;
 - (iii) by a co-owner to any Person who was a co-owner immediately prior to such transfer;
 - (iv) to the Owner's estate, surviving spouse, or heirs at law upon the death of the Owner;
 - (v) to an entity wholly owned by the grantor or to a family trust created by the grantor for the direct benefit of the grantor and his or her spouse and/or heirs at law; provided, upon any subsequent transfer of an ownership interest in such entity, the New Member Fee shall become due; or
 - (vi) to an institutional lender as security for the performance of an obligation pursuant to a Mortgage.

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03421

All provisions of the Declaration, including, but not limited to, those provisions regarding obligations to pay assessments to the Association, shall apply to the Property and all Lots contained herein, immediately upon recordation of this Supplemental Declaration of Annexation.

This Supplemental Declaration of Annexation is issued pursuant to the authority reserved to Del Webb Communities, as Declarant under the Declaration, Article IX of the Declaration. All definitions used in this Supplemental Declaration of Annexation shall have the meanings provided in the Declaration.

IN WITNESS WHEREOF this Supplemental Declaration of Annexation is entered into as of this 10th day of March, 2004.

Del Webb Communities
an Arizona corporation

By: *Mathew Lawson*
Its: Director of Planning and Engineering

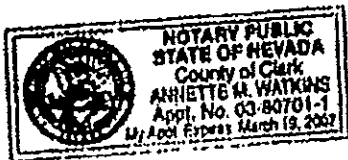
STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On this 10th day of March 2004, before me, the undersigned Notary Public, personally appeared Mathew Lawson, known to me to be the Director of Planning and Engineering for Del Webb Communities, an Arizona corporation, who executed the attached instrument for and on behalf of that corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires: *March 19th 2007*

Annette M. Watkins
Notary Public



20040318
.03421

EXHIBIT "A"

PROPERTY LEGAL DESCRIPTION

All that real property located in Clark County, Nevada, more particularly described as:

Lots 1-107 inclusive and Common Elements A, B, and C of th Final Map of Solera Subdivision 4 as shown by map thereof on file in Book 114 Page 16 of Plats in the office of the County Recorder of Clark County, Nevada.

EXHIBIT "R0040318

03421

NEIGHBORHOOD DESIGNATIONS

Neighborhood No. Subdivision 4

()

()

()

EXHIBIT A TO PUBLIC OFFERING STATEMENT



20040510-0003133

Fee: \$43.00
05/10/2004 11:59:55 T20040017955
Req: LAWYERS TITLE OF NEVADA
Frances Deane
Clark County Recorder Pgs: 5

APN: # 190-19-114-001 through
190-19-210-057

WHEN RECORDED RETURN TO:

Solera

Attn: Annette Watkins

11500 South Eastern Avenue

Henderson, NV 89012

CS
213

SUPPLEMENTAL DECLARATION OF ANNEXATION
COVENANTS, CONDITIONS, RESTRICTIONS FOR
SOLERA

NOTICE IS HEREBY GIVEN that Del Webb Communities, an Arizona corporation, as owner of the real property legally described on Exhibit "A" attached hereto and by this reference incorporated herein (the "Property"), and as Declarant under the Declaration of Covenants, Conditions, and Restrictions for Solera (Declaration), recorded in Book 20030808 as Instrument Number 00642, has exercised, and hereby exercises, its right as Declarant to cause the Property to be annexed into Solera and declares that the Property is subject to the Declaration.

Declarant represents that the Property is contiguous to Solera and that the development of the Property as Lots and Parcels within Solera will include the development and construction of additional Common Area, as defined in the Declaration, to be conveyed to the Solera Community Association (the "Association"). By this Annexation, the Owners of dwellings upon Lots within the Property shall automatically become members of the Association upon acquisition of title, as if such Lots were originally subject to the Declaration.

Declarant desires to designate Neighborhoods for such Property as set forth on Exhibit "B" attached hereto.

Declarant further desires to establish a fee due upon transfer of a Lot within Subdivision #6 ("New Member Fee"), subject to the terms and conditions set forth in Article I below, and to reserve certain easements for use and enjoyment:

Notwithstanding Paragraph 3.5(c) of the Declaration the New Member Fee set forth herein is in addition to any administrative fee covering the costs of lease or transfer, and the limitation on that type of fee is not applicable to the New Member Fee imposed in this Supplemental Declaration

ARTICLE I - New Member Fee

- (a) Authority. As an additional funding source, in addition to the administrative or transfer fee collected to cover administrative costs of membership transfer; the

Association shall collect a New Member Fee upon each transfer of title to a Lot, other than exempt transfers as set forth herein. The New Member Fee shall be charged to the grantor of the property, shall be payable by grantor or grantee as their contract provides to the Association at the closing of the transfer, and shall be secured by the Association's lien for assessments. Each Owner transferring a Lot shall notify the Association's secretary or designee at least seven days prior to the scheduled closing. Such notice shall include the name of the buyer, the date of title transfer, and other information the Association may reasonably require.

- (b) Fee Limit. The fee shall equal 1/3 of one percent of the Gross Selling Price of the Lot, with all improvements, upgrades and premiums included, and shall be due upon the closing of the Sale of the Lot. The Gross Selling Price shall be the total cost to the purchaser of the Lot, excluding transfer taxes and title fees imposed by Clark County, if any.
- (c) Purpose. New Member Fees shall be used for purposes, which the Association Board deems beneficial to meet the general operating needs of the Association. By way of example and not limitation, New Member Fees may be used to assist the Association of one or more tax-exempt entities in funding operating and maintenance costs for recreational facilities, common areas open space preservation and all other funding needs for operating the Association.
- (d) Exempt Transfers. Notwithstanding the above, no New Member Fee shall be levied upon transfer of title to property:
- (i) by or to the Developer
 - (ii) by a builder or developer holding title solely for purposes of development and resale;
 - (iii) by a co-owner to any Person who was a co-owner immediately prior to such transfer;
 - (iv) to the Owner's estate, surviving spouse, or heirs at law upon the death of the Owner;
 - (v) to an entity wholly owned by the grantor or to a family trust created by the grantor for the direct benefit of the grantor and his or her spouse and/or heirs at law; provided, upon any subsequent transfer of an ownership interest in such entity, the New Member Fee shall become due; or
 - (vi) to an institutional lender as security for the performance of an obligation pursuant to a Mortgage.

All provisions of the Declaration, including, but not limited to, those provisions regarding obligations to pay assessments to the Association, shall apply to the Property and all Lots contained herein, immediately upon recordation of this Supplemental Declaration of Annexation.

This Supplemental Declaration of Annexation is issued pursuant to the authority reserved to Del Webb Communities, as Declarant under the Declaration, Article IX of the Declaration. All definitions used in this Supplemental Declaration of Annexation shall have the meanings provided in the Declaration.

IN WITNESS WHEREOF this Supplemental Declaration of Annexation is entered into as of this 5th day of May 2004.

Del Webb Communities
an Arizona corporation

By: *Mathew Lawson*
Mathew Lawson
Its: Director of Planning and Engineering

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On this 5th day of May 2004, before me, the undersigned Notary Public, personally appeared Mathew Lawson, known to me to be the Director of Planning and Engineering of Del Webb Communities, an Arizona corporation, who executed the attached instrument for and on behalf of that corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires: March 19TH, 2007

Annette M. Watkins
Notary Public

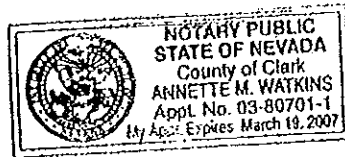


EXHIBIT "A"

PROPERTY LEGAL DESCRIPTION

All that real property located in Clark County, Nevada, more particularly described as:

Lots 1-93 inclusive and Common Elements A, B and C of Final Map of Solera Subdivision 6 as shown by map thereof on file in Book 116, Page 10 of Plats in the office of the County Recorder of Clark County, Nevada.

EXHIBIT "B"

NEIGHBORHOOD DESIGNATIONS

3
Neighborhood No. Subdivision 6

50

(

)

EXHIBIT A TO PUBLIC OFFERING STATEMENT

20050223-0003137

APN: # 190-19-511-001 through 042
190-19-611-001 through 054

WHEN RECORDED RETURN TO:

Solera
Attn: Annette Watkins
1635 Village Center Circle
Suite #250
Las Vegas, Nevada 89134

5

Fee: \$18.00
NIC Fee: \$25.00

02/23/2005 13:59:26
T20050033379

Requestor:
LAWYERS TITLE OF NEVADA

Frances Deane DMJ
Clark County Recorder Pas: 5

01401684 BR
ACCOMMODATION ONLY
NO
LIABILITY

SUPPLEMENTAL DECLARATION OF ANNEXATION
COVENANTS, CONDITIONS, RESTRICTIONS FOR
SOLERA

NOTICE IS HEREBY GIVEN that Del Webb Communities, an Arizona corporation, as owner of the real property legally described on Exhibit "A" attached hereto and by this reference incorporated herein (the "Property"), and as Declarant under the Declaration of Covenants, Conditions, and Restrictions for Solera (Declaration), recorded in Book 20030808 as Instrument Number 00642, has exercised, and hereby exercises, its right as Declarant to cause the Property to be annexed into Solera and declares that the Property is subject to the Declaration.

Declarant represents that the Property is contiguous to Solera and that the development of the Property as Lots and Parcels within Solera will include the development and construction of additional Common Area, as defined in the Declaration, to be conveyed to the Solera Community Association (the "Association"). By this Annexation, the Owners of dwellings upon Lots within the Property shall automatically become members of the Association upon acquisition of title, as if such Lots were originally subject to the Declaration.

Declarant desires to designate Neighborhoods for such Property as set forth on Exhibit "B" attached hereto.

Declarant further desires to establish a fee due upon transfer of a Lot within Subdivision #8 ("New Member Fee"), subject to the terms and conditions set forth in Article I below, and to reserve certain easements for use and enjoyment:

Notwithstanding Paragraph 3.5(c) of the Declaration the New Member Fee set forth herein is in addition to any administrative fee covering the costs of lease or transfer, and the limitation on that type of fee is not applicable to the New Member Fee imposed in this Supplemental Declaration

ARTICLE I - New Member Fee

- (a) Authority. As an additional funding source, in addition to the administrative or transfer fee collected to cover administrative costs of membership transfer; the

Association shall collect a New Member Fee upon each transfer of title to a Lot, other than exempt transfers as set forth herein. The New Member Fee shall be charged to the grantor of the property, shall be payable by grantor or grantee as their contract provides to the Association at the closing of the transfer, and shall be secured by the Association's lien for assessments. Each Owner transferring a Lot shall notify the Association's secretary or designee at least seven days prior to the scheduled closing. Such notice shall include the name of the buyer, the date of title transfer, and other information the Association may reasonably require.

- (b) **Fee Limit.** The fee shall equal 1/3 of one percent of the Gross Selling Price of the Lot, with all improvements, upgrades and premiums included, and shall be due upon the closing of the Sale of the Lot. The Gross Selling Price shall be the total cost to the purchaser of the Lot, excluding transfer taxes and title fees imposed by Clark County, if any.
- (c) **Purpose.** New Member Fees shall be used for purposes, which the Association Board deems beneficial to meet the general operating needs of the Association. By way of example and not limitation, New Member Fees may be used to assist the Association of one or more tax-exempt entities in funding operating and maintenance costs for recreational facilities, common areas open space preservation and all other funding needs for operating the Association.
- (d) **Exempt Transfers.** Notwithstanding the above, no New Member Fee shall be levied upon transfer of title to property:
 - (i) by or to the Developer
 - (ii) by a builder or developer holding title solely for purposes of development and resale;
 - (iii) by a co-owner to any Person who was a co-owner immediately prior to such transfer;
 - (iv) to the Owner's estate, surviving spouse, or heirs at law upon the death of the Owner;
 - (v) to an entity wholly owned by the grantor or to a family trust created by the grantor for the direct benefit of the grantor and his or her spouse and/or heirs at law; provided, upon any subsequent transfer of an ownership interest in such entity, the New Member Fee shall become due; or
 - (vi) to an institutional lender as security for the performance of an obligation pursuant to a Mortgage.

All provisions of the Declaration, including, but not limited to, those provisions regarding obligations to pay assessments to the Association, shall apply to the Property and all Lots contained herein, immediately upon recordation of this Supplemental Declaration of Annexation.

This Supplemental Declaration of Annexation is issued pursuant to the authority reserved to Del Webb Communities, as Declarant under the Declaration, Article IX of the Declaration. All definitions used in this Supplemental Declaration of Annexation shall have the meanings provided in the Declaration.

IN WITNESS WHEREOF this Supplemental Declaration of Annexation is entered into as of this 17th day of February 2005.

Del Webb Communities
an Arizona corporation

By: Patrick Aulds
Patrick Aulds

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On this 17th day of February 2005, before me, the undersigned Notary Public, personally appeared Patrick Aulds, known to me to be the authorized agent who executed the attached instrument for and on behalf of that corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires: March 11th, 2007
Annette M. Watkins
Notary Public

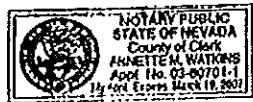


EXHIBIT "A"

PROPERTY LEGAL DESCRIPTION

All that real property located in Clark County, Nevada, more particularly described as:

Lots 1-95 inclusive and Common Elements A, B and C of Final Map of Solera Subdivision 8 as shown by map thereof on file in Book 117, Page 21 of Plats in the office of the County Recorder of Clark County, Nevada.

EXHIBIT "B"

NEIGHBORHOOD DESIGNATIONS

Neighborhood No. Subdivision 8

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EXHIBIT A TO PUBLIC OFFERING STATEMENT

20050223-0003138

Fee: \$18.00
NIC Fee: \$25.00

02/23/2005 13:59:26
T20050033379

Requestor:
LAWYERS TITLE OF NEVADA

Frances Deane DMU
Clark County Recorder Pos. 5

APN: # 190-19-211-001 through 048
190-19-610-001 through 064
WHEN RECORDED RETURN TO:

Solera
Attn: Annette Watkins
1635 Village Center Circle
Suite #250
Las Vegas, Nevada 89134

5

190-19-511-001 through 012
190-19-510-001 through 011

01401684 BR
ACCOMMODATION ONLY
NO LIABILITY
SUPPLEMENTAL DECLARATION OF ANNEXATION
COVENANTS, CONDITIONS, RESTRICTIONS FOR
SOLERA

NOTICE IS HEREBY GIVEN that Del Webb Communities, an Arizona corporation, as owner of the real property legally described on Exhibit "A" attached hereto and by this reference incorporated herein (the "Property"), and as Declarant under the Declaration of Covenants, Conditions, and Restrictions for Solera (Declaration), recorded in Book 20030808 as Instrument Number 00642, has exercised, and hereby exercises, its right as Declarant to cause the Property to be annexed into Solera and declares that the Property is subject to the Declaration.

Declarant represents that the Property is contiguous to Solera and that the development of the Property as Lots and Parcels within Solera will include the development and construction of additional Common Area, as defined in the Declaration, to be conveyed to the Solera Community Association (the "Association"). By this Annexation, the Owners of dwellings upon Lots within the Property shall automatically become members of the Association upon acquisition of title, as if such Lots were originally subject to the Declaration.

Declarant desires to designate Neighborhoods for such Property as set forth on Exhibit "B" attached hereto.

Declarant further desires to establish a fee due upon transfer of a Lot within Subdivision #7 ("New Member Fee"), subject to the terms and conditions set forth in Article I below, and to reserve certain easements for use and enjoyment:

Notwithstanding Paragraph 3.5(c) of the Declaration the New Member Fee set forth herein is in addition to any administrative fee covering the costs of lease or transfer, and the limitation on that type of fee is not applicable to the New Member Fee imposed in this Supplemental Declaration

ARTICLE I - New Member Fee

- (a) Authority. As an additional funding source, in addition to the administrative or transfer fee collected to cover administrative costs of membership transfer; the

Association shall collect a New Member Fee upon each transfer of title to a Lot, other than exempt transfers as set forth herein. The New Member Fee shall be charged to the grantor of the property, shall be payable by grantor or grantee as their contract provides to the Association at the closing of the transfer, and shall be secured by the Association's lien for assessments. Each Owner transferring a Lot shall notify the Association's secretary or designee at least seven days prior to the scheduled closing. Such notice shall include the name of the buyer, the date of title transfer, and other information the Association may reasonably require.

- (b) Fee Limit. The fee shall equal 1/3 of one percent of the Gross Selling Price of the Lot, with all improvements, upgrades and premiums included, and shall be due upon the closing of the Sale of the Lot. The Gross Selling Price shall be the total cost to the purchaser of the Lot, excluding transfer taxes and title fees imposed by Clark County, if any.
- (c) Purpose. New Member Fees shall be used for purposes, which the Association Board deems beneficial to meet the general operating needs of the Association. By way of example and not limitation, New Member Fees may be used to assist the Association of one or more tax-exempt entities in funding operating and maintenance costs for recreational facilities, common areas open space preservation and all other funding needs for operating the Association.
- (d) Exempt Transfers. Notwithstanding the above, no New Member Fee shall be levied upon transfer of title to property:
 - (i) by or to the Developer
 - (ii) by a builder or developer holding title solely for purposes of development and resale;
 - (iii) by a co-owner to any Person who was a co-owner immediately prior to such transfer;
 - (iv) to the Owner's estate, surviving spouse, or heirs at law upon the death of the Owner;
 - (v) to an entity wholly owned by the grantor or to a family trust created by the grantor for the direct benefit of the grantor and his or her spouse and/or heirs at law; provided, upon any subsequent transfer of an ownership interest in such entity, the New Member Fee shall become due; or
 - (vi) to an institutional lender as security for the performance of an obligation pursuant to a Mortgage.

All provisions of the Declaration, including, but not limited to, those provisions regarding obligations to pay assessments to the Association, shall apply to the Property and all Lots contained herein, immediately upon recordation of this Supplemental Declaration of Annexation.

This Supplemental Declaration of Annexation is issued pursuant to the authority reserved to Del Webb Communities, as Declarant under the Declaration, Article IX of the Declaration. All definitions used in this Supplemental Declaration of Annexation shall have the meanings provided in the Declaration.

IN WITNESS WHEREOF this Supplemental Declaration of Annexation is entered into as of this 17th day of February 2005.

Del Webb Communities
an Arizona corporation

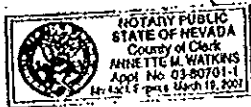
By: Patrick Auids
Patrick Auids

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On this 17th day of February 2005, before me, the undersigned Notary Public, personally appeared Patrick Auids, known to me to be the authorized agent who executed the attached instrument for and on behalf of that corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires: March 19th, 2007



Arnette M. Watkins
Notary Public

EXHIBIT "A"

PROPERTY LEGAL DESCRIPTION

All that real property located in Clark County, Nevada, more particularly described as:

Lots 1-135 inclusive and Common Element A of the Final Map of Solera Subdivision 7 as shown by map thereof on file in Book 116, Page 0098 of Plats in the office of the County Recorder of Clark County, Nevada.

EXHIBIT "B"

NEIGHBORHOOD DESIGNATIONS

Neighborhood No. Subdivision 7

EXHIBIT A TO PUBLIC OFFERING STATEMENT

20050223-0003139

APN: # 190-19-201-010

Fee: \$18.00
NIC Fee: \$25.00

02/23/2005 13:59:26
T2005033379

WHEN RECORDED RETURN TO:

Solera
Attn: Annette Watkins
1635 Village Center Circle
Suite #250
Las Vegas, Nevada 89134

Requestor:
LAWYERS TITLE OF NEVADA
Frances Deane DMU
Clark County Recorder Pas: 5

014-01684 BR
ACCOMMODATION ONLY
NO LIABILITY

SUPPLEMENTAL DECLARATION OF ANNEXATION
COVENANTS, CONDITIONS, RESTRICTIONS FOR
SOLERA

NOTICE IS HEREBY GIVEN that Del Webb Communities, an Arizona corporation, as owner of the real property legally described on Exhibit "A" attached hereto and by this reference incorporated herein (the "Property"), and as Declarant under the Declaration of Covenants, Conditions, and Restrictions for Solera (Declaration), recorded in Book 20030808 as Instrument Number 00642, has exercised, and hereby exercises, its right as Declarant to cause the Property to be annexed into Solera and declares that the Property is subject to the Declaration.

Declarant represents that the Property is contiguous to Solera and that the development of the Property as Lots and Parcels within Solera will include the development and construction of additional Common Area, as defined in the Declaration, to be conveyed to the Solera Community Association (the "Association"). By this Annexation, the Owners of dwellings upon Lots within the Property shall automatically become members of the Association upon acquisition of title, as if such Lots were originally subject to the Declaration.

Declarant desires to designate Neighborhoods for such Property as set forth on Exhibit "B" attached hereto.

Declarant further desires to establish a fee due upon transfer of a Lot within Subdivision #12 ("New Member Fee"), subject to the terms and conditions set forth in Article I below, and to reserve certain easements for use and enjoyment:

Notwithstanding Paragraph 3.5(c) of the Declaration the New Member Fee set forth herein is in addition to any administrative fee covering the costs of lease or transfer, and the limitation on that type of fee is not applicable to the New Member Fee imposed in this Supplemental Declaration

ARTICLE I - New Member Fee

- (a) Authority. As an additional funding source, in addition to the administrative or transfer fee collected to cover administrative costs of membership transfer; the

Association shall collect a New Member Fee upon each transfer of title to a Lot, other than exempt transfers as set forth herein. The New Member Fee shall be charged to the grantor of the property, shall be payable by grantor or grantee as their contract provides to the Association at the closing of the transfer, and shall be secured by the Association's lien for assessments. Each Owner transferring a Lot shall notify the Association's secretary or designee at least seven days prior to the scheduled closing. Such notice shall include the name of the buyer, the date of title transfer, and other information the Association may reasonably require.

- (b) **Fee Limit.** The fee shall equal 1/3 of one percent of the Gross Selling Price of the Lot, with all improvements, upgrades and premiums included, and shall be due upon the closing of the Sale of the Lot. The Gross Selling Price shall be the total cost to the purchaser of the Lot, excluding transfer taxes and title fees imposed by Clark County, if any.
- (c) **Purpose.** New Member Fees shall be used for purposes, which the Association Board deems beneficial to meet the general operating needs of the Association. By way of example and not limitation, New Member Fees may be used to assist the Association of one or more tax-exempt entities in funding operating and maintenance costs for recreational facilities, common areas open space preservation and all other funding needs for operating the Association.
- (d) **Exempt Transfers.** Notwithstanding the above, no New Member Fee shall be levied upon transfer of title to property:
 - (i) by or to the Developer
 - (ii) by a builder or developer holding title solely for purposes of development and resale;
 - (iii) by a co-owner to any Person who was a co-owner immediately prior to such transfer;
 - (iv) to the Owner's estate, surviving spouse, or heirs at law upon the death of the Owner;
 - (v) to an entity wholly owned by the grantor or to a family trust created by the grantor for the direct benefit of the grantor and his or her spouse and/or heirs at law; provided, upon any subsequent transfer of an ownership interest in such entity, the New Member Fee shall become due; or
 - (vi) to an institutional lender as security for the performance of an obligation pursuant to a Mortgage.

All provisions of the Declaration, including, but not limited to, those provisions regarding obligations to pay assessments to the Association, shall apply to the Property and all Lots contained herein, immediately upon recordation of this Supplemental Declaration of Annexation.

This Supplemental Declaration of Annexation is issued pursuant to the authority reserved to Del Webb Communities, as Declarant under the Declaration, Article IX of the Declaration. All definitions used in this Supplemental Declaration of Annexation shall have the meanings provided in the Declaration.

IN WITNESS WHEREOF this Supplemental Declaration of Annexation is entered into as of this 17th day of February 2005.

Del Webb Communities
an Arizona corporation

By: Patrick Aulds
Patrick Aulds

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On this 17th day of February 2005, before me, the undersigned Notary Public, personally appeared Patrick Aulds, known to me to be the authorized agent who executed the attached instrument for and on behalf of that corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires: March 19th, 2007

Wendie M. Harkin
Notary Public

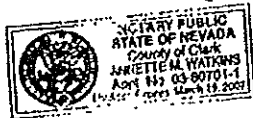


EXHIBIT "A"

PROPERTY LEGAL DESCRIPTION

All that real property located in Clark County, Nevada, more particularly described as:

Lots 1-86 inclusive and Common Element A of Final Map of Solera Subdivision 12 as shown by map thereof on file in Book 121, Page 80 of Plats in the office of the County Recorder of Clark County, Nevada.

EXHIBIT "B"

NEIGHBORHOOD DESIGNATIONS

Neighborhood No. Subdivision 12

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EXHIBIT A TO PUBLIC OFFERING STATEMENT

20050228-0002386

Fee: \$18.00
N/C Fee: \$25.00

02/28/2005 11:25:00
T20050036298

Requestor:
LAWYERS TITLE OF NEVADA

Frances Deane OSA
Clark County Recorder Pgs: 5

APN: # 190-19-214-001 through 110

WHEN RECORDED RETURN TO:

Solera
Attn: Annette Watkins
1635 Village Center Circle
Suite #250
Las Vegas, Nevada 89134

01400453 BR
ACCOMMODATION ONLY
NO
LIABILITY

SUPPLEMENTAL DECLARATION OF ANNEXATION
COVENANTS, CONDITIONS, RESTRICTIONS FOR
SOLERA

NOTICE IS HEREBY GIVEN that Del Webb Communities, an Arizona corporation, as owner of the real property legally described on Exhibit "A" attached hereto and by this reference incorporated herein (the "Property"), and as Declarant under the Declaration of Covenants, Conditions, and Restrictions for Solera (Declaration), recorded in Book 20030808 as Instrument Number 00642, has exercised, and hereby exercises, its right as Declarant to cause the Property to be annexed into Solera and declares that the Property is subject to the Declaration.

Declarant represents that the Property is contiguous to Solera and that the development of the Property as Lots and Parcels within Solera will include the development and construction of additional Common Area, as defined in the Declaration, to be conveyed to the Solera Community Association (the "Association"). By this Annexation, the Owners of dwellings upon Lots within the Property shall automatically become members of the Association upon acquisition of title, as if such Lots were originally subject to the Declaration.

Declarant desires to designate Neighborhoods for such Property as set forth on Exhibit "B" attached hereto.

Declarant further desires to establish a fee due upon transfer of a Lot within Subdivision #5 ("New Member Fee"), subject to the terms and conditions set forth in Article I below, and to reserve certain easements for use and enjoyment:

Notwithstanding Paragraph 3.5(c) of the Declaration the New Member Fee set forth herein is in addition to any administrative fee covering the costs of lease or transfer, and the limitation on that type of fee is not applicable to the New Member Fee imposed in this Supplemental Declaration

ARTICLE I - New Member Fee

- (a) Authority. As an additional funding source, in addition to the administrative or transfer fee collected to cover administrative costs of membership transfer; the

Association shall collect a New Member Fee upon each transfer of title to a Lot, other than exempt transfers as set forth herein. The New Member Fee shall be charged to the grantor of the property, shall be payable by grantor or grantee as their contract provides to the Association at the closing of the transfer, and shall be secured by the Association's lien for assessments. Each Owner transferring a Lot shall notify the Association's secretary or designee at least seven days prior to the scheduled closing. Such notice shall include the name of the buyer, the date of title transfer, and other information the Association may reasonably require.

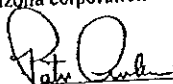
- (b) **Fee Limit.** The fee shall equal 1/3 of one percent of the Gross Selling Price of the Lot, with all improvements, upgrades and premiums included, and shall be due upon the closing of the Sale of the Lot. The Gross Selling Price shall be the total cost to the purchaser of the Lot, excluding transfer taxes and title fees imposed by Clark County, if any.
- (c) **Purpose.** New Member Fees shall be used for purposes, which the Association Board deems beneficial to meet the general operating needs of the Association. By way of example and not limitation, New Member Fees may be used to assist the Association of one or more tax-exempt entities in funding operating and maintenance costs for recreational facilities, common areas open space preservation and all other funding needs for operating the Association.
- (d) **Exempt Transfers.** Notwithstanding the above, no New Member Fee shall be levied upon transfer of title to property:
 - (i) by or to the Developer
 - (ii) by a builder or developer holding title solely for purposes of development and resale;
 - (iii) by a co-owner to any Person who was a co-owner immediately prior to such transfer;
 - (iv) to the Owner's estate, surviving spouse, or heirs at law upon the death of the Owner;
 - (v) to an entity wholly owned by the grantor or to a family trust created by the grantor for the direct benefit of the grantor and his or her spouse and/or heirs at law; provided, upon any subsequent transfer of an ownership interest in such entity, the New Member Fee shall become due; or
 - (vi) to an institutional lender as security for the performance of an obligation pursuant to a Mortgage.

All provisions of the Declaration, including, but not limited to, those provisions regarding obligations to pay assessments to the Association, shall apply to the Property and all Lots contained herein, immediately upon recordation of this Supplemental Declaration of Annexation.

This Supplemental Declaration of Annexation is issued pursuant to the authority reserved to Del Webb Communities, as Declarant under the Declaration, Article IX of the Declaration. All definitions used in this Supplemental Declaration of Annexation shall have the meanings provided in the Declaration.

IN WITNESS WHEREOF this Supplemental Declaration of Annexation is entered into as of this 22ND day of February 2005.

Del Webb Communities
an Arizona corporation

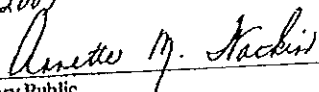
By: 
Patrick Aulds

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On this 22ND day of February 2005, before me, the undersigned Notary Public, personally appeared Patrick Aulds, known to me to be the authorized agent who executed the attached instrument for and on behalf of that corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires: March 19th, 2007


Notary Public

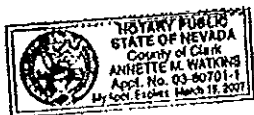


EXHIBIT "A"

PROPERTY LEGAL DESCRIPTION

All that real property located in Clark County, Nevada, more particularly described as:

Lots 1-109 inclusive and Common Elements A, B, and C of Final Map of Solera Subdivision 5 as shown by map thereof on file in Book 120, Page 0006 of Plats in the office of the County Recorder of Clark County, Nevada.

EXHIBIT "B"

NEIGHBORHOOD DESIGNATIONS

Neighborhood No. Subdivision 5

EXHIBIT A TO PUBLIC OFFERING STATEMENT

9 11/9/26

20050228-0002387

Fee: \$18.00
N/C Fee: \$25.00

02/28/2005 11:25:00
T20050036299

Requestor:
LAWYERS TITLE OF NEVADA

Frances Deane OSA
Clark County Recorder Pgs: 5

APN: # 190-19-212-001 through 097;
190-19-312-001 through 029
WHEN RECORDED RETURN TO:

Solera
Attn: Annette Watkins
1635 Village Center Circle
Suite #250
Las Vegas, Nevada 89134

01400453 BR
ACCOMMODATION ONLY
NO
LIABILITY

SUPPLEMENTAL DECLARATION OF ANNEXATION
COVENANTS, CONDITIONS, RESTRICTIONS FOR
SOLERA

NOTICE IS HEREBY GIVEN that Del Webb Communities, an Arizona corporation, as owner of the real property legally described on Exhibit "A" attached hereto and by this reference incorporated herein (the "Property"), and as Declarant under the Declaration of Covenants, Conditions, and Restrictions for Solera (Declaration), recorded in Book 20030808 as Instrument Number 00642, has exercised, and hereby exercises, its right as Declarant to cause the Property to be annexed into Solera and declares that the Property is subject to the Declaration.

Declarant represents that the Property is contiguous to Solera and that the development of the Property as Lots and Parcels within Solera will include the development and construction of additional Common Area, as defined in the Declaration, to be conveyed to the Solera Community Association (the "Association"). By this Annexation, the Owners of dwellings upon Lots within the Property shall automatically become members of the Association upon acquisition of title, as if such Lots were originally subject to the Declaration.

Declarant desires to designate Neighborhoods for such Property as set forth on Exhibit "B" attached hereto.

Declarant further desires to establish a fee due upon transfer of a Lot within Subdivision #9 ("New Member Fee"), subject to the terms and conditions set forth in Article I below, and to reserve certain easements for use and enjoyment:

Notwithstanding Paragraph 3.5(c) of the Declaration the New Member Fee set forth herein is in addition to any administrative fee covering the costs of lease or transfer, and the limitation on that type of fee is not applicable to the New Member Fee imposed in this Supplemental Declaration

ARTICLE I - New Member Fee

- (a) Authority. As an additional funding source, in addition to the administrative or transfer fee collected to cover administrative costs of membership transfer; the

Association shall collect a New Member Fee upon each transfer of title to a Lot, other than exempt transfers as set forth herein. The New Member Fee shall be charged to the grantor of the property, shall be payable by grantor or grantee as their contract provides to the Association at the closing of the transfer, and shall be secured by the Association's lien for assessments. Each Owner transferring a Lot shall notify the Association's secretary or designee at least seven days prior to the scheduled closing. Such notice shall include the name of the buyer, the date of title transfer, and other information the Association may reasonably require.

- (b) Fee Limit. The fee shall equal 1/3 of one percent of the Gross Selling Price of the Lot, with all improvements, upgrades and premiums included, and shall be due upon the closing of the Sale of the Lot. The Gross Selling Price shall be the total cost to the purchaser of the Lot, excluding transfer taxes and title fees imposed by Clark County, if any.
- (c) Purpose. New Member Fees shall be used for purposes, which the Association Board deems beneficial to meet the general operating needs of the Association. By way of example and not limitation, New Member Fees may be used to assist the Association of one or more tax-exempt entities in funding operating and maintenance costs for recreational facilities, common areas open space preservation and all other funding needs for operating the Association.
- (d) Exempt Transfers. Notwithstanding the above, no New Member Fee shall be levied upon transfer of title to property:
 - (i) by or to the Developer
 - (ii) by a builder or developer holding title solely for purposes of development and resale;
 - (iii) by a co-owner to any Person who was a co-owner immediately prior to such transfer;
 - (iv) to the Owner's estate, surviving spouse, or heirs at law upon the death of the Owner;
 - (v) to an entity wholly owned by the grantor or to a family trust created by the grantor for the direct benefit of the grantor and his or her spouse and/or heirs at law; provided, upon any subsequent transfer of an ownership interest in such entity, the New Member Fee shall become due; or
 - (vi) to an institutional lender as security for the performance of an obligation pursuant to a Mortgage.

All provisions of the Declaration, including, but not limited to, those provisions regarding obligations to pay assessments to the Association, shall apply to the Property and all Lots contained herein, immediately upon recordation of this Supplemental Declaration of Annexation.

This Supplemental Declaration of Annexation is issued pursuant to the authority reserved to Del Webb Communities, as Declarant under the Declaration, Article IX of the Declaration. All definitions used in this Supplemental Declaration of Annexation shall have the meanings provided in the Declaration.

IN WITNESS WHEREOF this Supplemental Declaration of Annexation is entered into as of this 22nd day of February 2005.

Del Webb Communities
an Arizona corporation

By: *Patrick Aulds*
Patrick Aulds

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On this 22nd day of February 2005, before me, the undersigned Notary Public, personally appeared Patrick Aulds, known to me to be the authorized agent who executed the attached instrument for and on behalf of that corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires: March 19th, 2007

Annette M. Watkins
Notary Public

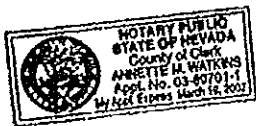


EXHIBIT "A"

PROPERTY LEGAL DESCRIPTION

All that real property located in Clark County, Nevada, more particularly described as:

Lots 1-125 inclusive and Common Element A of Final Map of Solera Subdivision 9 as shown by map thereof on file in Book 119, Page 26 of Plats in the office of the County Recorder of Clark County, Nevada.

EXHIBIT "B"

NEIGHBORHOOD DESIGNATIONS

Neighborhood No. Subdivision 9

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EXHIBIT A TO PUBLIC OFFERING STATEMENT

10/11/05

20050228-0002388

APN: # 190-19-213-001 through 090

Fee: \$18.00
N/C Fee: \$25.00

02/28/2005 11:25:08
T20050036298

Requestor:
LAWYERS TITLE OF NEVADA

Frances Deane OSA
Clark County Recorder Pgs: 5

WHEN RECORDED RETURN TO:

Solera
Attn: Annette Watkins
1635 Village Center Circle
Suite #250
Las Vegas, Nevada 89134

014-00453 BR
ACCOMMODATION ONLY
NO LIABILITY

SUPPLEMENTAL DECLARATION OF ANNEXATION
COVENANTS, CONDITIONS, RESTRICTIONS FOR
SOLERA

NOTICE IS HEREBY GIVEN that Del Webb Communities, an Arizona corporation, as owner of the real property legally described on Exhibit "A" attached hereto and by this reference incorporated herein (the "Property"), and as Declarant under the Declaration of Covenants, Conditions, and Restrictions for Solera (Declaration), recorded in Book 20030808 as Instrument Number 00642, has exercised, and hereby exercises, its right as Declarant to cause the Property to be annexed into Solera and declares that the Property is subject to the Declaration.

Declarant represents that the Property is contiguous to Solera and that the development of the Property as Lots and Parcels within Solera will include the development and construction of additional Common Area, as defined in the Declaration, to be conveyed to the Solera Community Association (the "Association"). By this Annexation, the Owners of dwellings upon Lots within the Property shall automatically become members of the Association upon acquisition of title, as if such Lots were originally subject to the Declaration.

Declarant desires to designate Neighborhoods for such Property as set forth on Exhibit "B" attached hereto.

Declarant further desires to establish a fee due upon transfer of a Lot within Subdivision #10 ("New Member Fee"), subject to the terms and conditions set forth in Article I below, and to reserve certain easements for use and enjoyment:

Notwithstanding Paragraph 3.5(c) of the Declaration the New Member Fee set forth herein is in addition to any administrative fee covering the costs of lease or transfer, and the limitation on that type of fee is not applicable to the New Member Fee imposed in this Supplemental Declaration

ARTICLE I - New Member Fee

- (a) Authority. As an additional funding source, in addition to the administrative or transfer fee collected to cover administrative costs of membership transfer; the

Association shall collect a New Member Fee upon each transfer of title to a Lot, other than exempt transfers as set forth herein. The New Member Fee shall be charged to the grantor of the property, shall be payable by grantor or grantees as their contract provides to the Association at the closing of the transfer, and shall be secured by the Association's lien for assessments. Each Owner transferring a Lot shall notify the Association's secretary or designee at least seven days prior to the scheduled closing. Such notice shall include the name of the buyer, the date of title transfer, and other information the Association may reasonably require.

- (b) **Fee Limit.** The fee shall equal 1/3 of one percent of the Gross Selling Price of the Lot, with all improvements, upgrades and premiums included, and shall be due upon the closing of the Sale of the Lot. The Gross Selling Price shall be the total cost to the purchaser of the Lot, excluding transfer taxes and title fees imposed by Clark County, if any.
- (c) **Purpose.** New Member Fees shall be used for purposes, which the Association Board deems beneficial to meet the general operating needs of the Association. By way of example and not limitation, New Member Fees may be used to assist the Association of one or more tax-exempt entities in funding operating and maintenance costs for recreational facilities, common areas open space preservation and all other funding needs for operating the Association.
- (d) **Exempt Transfers.** Notwithstanding the above, no New Member Fee shall be levied upon transfer of title to property:
 - (i) by or to the Developer
 - (ii) by a builder or developer holding title solely for purposes of development and resale;
 - (iii) by a co-owner to any Person who was a co-owner immediately prior to such transfer;
 - (iv) to the Owner's estate, surviving spouse, or heirs at law upon the death of the Owner;
 - (v) to an entity wholly owned by the grantor or to a family trust created by the grantor for the direct benefit of the grantor and his or her spouse and/or heirs at law; provided, upon any subsequent transfer of an ownership interest in such entity, the New Member Fee shall become due; or
 - (vi) to an institutional lender as security for the performance of an obligation pursuant to a Mortgage.

All provisions of the Declaration, including, but not limited to, those provisions regarding obligations to pay assessments to the Association, shall apply to the Property and all Lots contained herein, immediately upon recordation of this Supplemental Declaration of Annexation.

This Supplemental Declaration of Annexation is issued pursuant to the authority reserved to Del Webb Communities, as Declarant under the Declaration, Article IX of the Declaration. All definitions used in this Supplemental Declaration of Annexation shall have the meanings provided in the Declaration.

IN WITNESS WHEREOF this Supplemental Declaration of Annexation is entered into as of this 22ND day of February 2005.

Del Webb Communities
an Arizona corporation

By: *Patrick Aulds*
Patrick Aulds

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On this 22ND day of February 2005, before me, the undersigned Notary Public, personally appeared Patrick Aulds, known to me to be the authorized agent who executed the attached instrument for and on behalf of that corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires: March 17TH, 2007

Annette M. Watkins
Notary Public

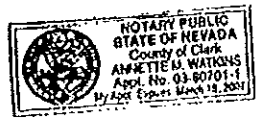


EXHIBIT "A"

PROPERTY LEGAL DESCRIPTION

All that real property located in Clark County, Nevada, more particularly described as:

Lots 1-90 inclusive of Final Map of Solera Subdivision 10 as shown by map thereof on file in Book 120, Page 0087 of Plats in the office of the County Recorder of Clark County, Nevada.

EXHIBIT "B"

NEIGHBORHOOD DESIGNATIONS

Neighborhood No. Subdivision 10

EXHIBIT A TO PUBLIC OFFERING STATEMENT

20050228-0002389

Fee: \$18.00
N/C Fee: \$25.00

02/28/2005
T20050036298

11:25:00

Requestor:
LAWYERS TITLE OF NEVADA

Frances Deane
Clark County Recorder

OSA
Pgs: 5

APN: # 190-19-215-001 through 028;
190-19-313-001 through 038
WHEN RECORDED RETURN TO:

Solera
Attn: Annette Watkins
1635 Village Center Circle
Suite #250
Las Vegas, Nevada 89134

01400453BR.
ACCOMMODATION ONLY
NO
LIABILITY

SUPPLEMENTAL DECLARATION OF ANNEXATION
COVENANTS, CONDITIONS, RESTRICTIONS FOR
SOLERA

NOTICE IS HEREBY GIVEN that Del Webb Communities, an Arizona corporation, as owner of the real property legally described on Exhibit "A" attached hereto and by this reference incorporated herein (the "Property"), and as Declarant under the Declaration of Covenants, Conditions, and Restrictions for Solera (Declaration), recorded in Book 20030808 as Instrument Number 00642, has exercised, and hereby exercises, its right as Declarant to cause the Property to be annexed into Solera and declares that the Property is subject to the Declaration.

Declarant represents that the Property is contiguous to Solera and that the development of the Property as Lots and Parcels within Solera will include the development and construction of additional Common Area, as defined in the Declaration, to be conveyed to the Solera Community Association (the "Association"). By this Annexation, the Owners of dwellings upon Lots within the Property shall automatically become members of the Association upon acquisition of title, as if such Lots were originally subject to the Declaration.

Declarant desires to designate Neighborhoods for such Property as set forth on Exhibit "B" attached hereto.

Declarant further desires to establish a fee due upon transfer of a Lot within Subdivision #11 ("New Member Fee"), subject to the terms and conditions set forth in Article I below, and to reserve certain easements for use and enjoyment:

Notwithstanding Paragraph 3.5(c) of the Declaration the New Member Fee set forth herein is in addition to any administrative fee covering the costs of lease or transfer, and the limitation on that type of fee is not applicable to the New Member Fee imposed in this Supplemental Declaration

ARTICLE I - New Member Fee

- (a) Authority. As an additional funding source, in addition to the administrative or transfer fee collected to cover administrative costs of membership transfer; the

Association shall collect a New Member Fee upon each transfer of title to a Lot, other than exempt transfers as set forth herein. The New Member Fee shall be charged to the grantor of the property, shall be payable by grantor or grantee as their contract provides to the Association at the closing of the transfer, and shall be secured by the Association's lien for assessments. Each Owner transferring a Lot shall notify the Association's secretary or designee at least seven days prior to the scheduled closing. Such notice shall include the name of the buyer, the date of title transfer, and other information the Association may reasonably require.

- (b) **Fee Limit.** The fee shall equal 1/3 of one percent of the Gross Selling Price of the Lot, with all improvements, upgrades and premiums included, and shall be due upon the closing of the Sale of the Lot. The Gross Selling Price shall be the total cost to the purchaser of the Lot, excluding transfer taxes and title fees imposed by Clark County, if any.
- (c) **Purpose.** New Member Fees shall be used for purposes, which the Association Board deems beneficial to meet the general operating needs of the Association. By way of example and not limitation, New Member Fees may be used to assist the Association of one or more tax-exempt entities in funding operating and maintenance costs for recreational facilities, common areas open space preservation and all other funding needs for operating the Association.
- (d) **Exempt Transfers.** Notwithstanding the above, no New Member Fee shall be levied upon transfer of title to property:
 - (i) by or to the Developer
 - (ii) by a builder or developer holding title solely for purposes of development and resale;
 - (iii) by a co-owner to any Person who was a co-owner immediately prior to such transfer;
 - (iv) to the Owner's estate, surviving spouse, or heirs at law upon the death of the Owner;
 - (v) to an entity wholly owned by the grantor or to a family trust created by the grantor for the direct benefit of the grantor and his or her spouse and/or heirs at law; provided, upon any subsequent transfer of an ownership interest in such entity, the New Member Fee shall become due; or
 - (vi) to an institutional lender as security for the performance of an obligation pursuant to a Mortgage.

All provisions of the Declaration, including, but not limited to, those provisions regarding obligations to pay assessments to the Association, shall apply to the Property and all Lots contained herein, immediately upon recordation of this Supplemental Declaration of Annexation.

This Supplemental Declaration of Annexation is issued pursuant to the authority reserved to Del Webb Communities, as Declarant under the Declaration, Article IX of the Declaration. All definitions used in this Supplemental Declaration of Annexation shall have the meanings provided in the Declaration.

IN WITNESS WHEREOF this Supplemental Declaration of Annexation is entered into as of this 22nd day of February 2005.

Del Webb Communities
an Arizona corporation

By: Patrick Aulds
Patrick Aulds

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On this 22nd day of February 2005, before me, the undersigned Notary Public, personally appeared Patrick Aulds, known to me to be the authorized agent who executed the attached instrument for and on behalf of that corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires: March 19th, 2007

Annette M. Watkins
Notary Public

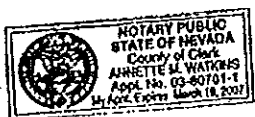


EXHIBIT "A"

PROPERTY LEGAL DESCRIPTION

All that real property located in Clark County, Nevada, more particularly described as:

Lots 1-65 inclusive and Common Element A of Final Map of Solera Subdivision 11 as shown by map thereof on file in Book 120, Page 005 of Plats in the office of the County Recorder of Clark County, Nevada.

EXHIBIT "B"

NEIGHBORHOOD DESIGNATIONS

Neighborhood No. Subdivision 11

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()

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EXHIBIT A TO PUBLIC OFFERING
STATEMENT

Assessor's Parcel Nos. 191-24-515-
007 through 011 and 063 through
067

Receipt/Conformed Copy

Requestor:
LAWYERS TITLE OF NEVADA
07/31/2006 12:05:57 T20060132657
Book/Instr: 20060731-0002448
Restrictio Page Count: 3
Fees: \$16.00 N/C Fee: \$25.00

When Recorded, Return to:
Jeremy Fritz
Del Webb Communities, Inc.
8345 West Sunset Road
Las Vegas, Nevada 89113-2092

Frances Deane
Clark County Recorder

SUPPLEMENTAL DECLARATION OF ANNEXATION
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
SOLERA AT ANTHEM COMMUNITY ASSOCIATION, INC.

NOTICE IS HEREBY GIVEN that Del Webb Communities, Inc., an Arizona corporation, as owner of the real property legally described on Exhibit "A" attached hereto and by this reference incorporated herein (the "Property"), and as Declarant under the Declaration of Covenants, Conditions, and Restrictions for Solera at Anthem Community Association, Inc. recorded on August 8, 2003, in Book 20030808 as Instrument Number 00642, Official Records of Clark County, Nevada, as amended (the "Declaration"), is hereby exercising its right to cause the Property to be annexed to Solera. Unless otherwise defined herein, capitalized terms used herein shall have the meanings set forth for such terms in the Declaration.

NOW, THEREFORE, pursuant and subject to the provisions of Section 9.1 of the Declaration, the Property is hereby annexed and submitted to Solera and the Declaration. Upon the recording of this Supplemental Declaration of Annexation in the Official Records of Clark County, Nevada, the covenants, conditions and restrictions contained in the Declaration, as may be amended pursuant to its terms, shall apply to the Property in the same manner as if it were originally covered by the Declaration and originally constituted a portion of Solera; and thereafter, the rights, privileges, duties and liabilities of the parties to the Declaration, with respect to the Property (including the liability for payment of assessments) shall be the same for the Property as such are in effect with respect to all other portions of Solera, and the rights, obligations, privileges, duties and liabilities of the Owners within the Property shall be the same as those of the Owners of Lots originally affected by the Declaration. That portion of the Property described as Common Elements A, B, C, E, F and G and all private streets lying within the final map of Solera Townhomes, according to the plat thereof on file in Book 131 of Plats, page 77, in the Official Records of Clark County, Nevada, shall be Common Area.

Declarant hereby reserves all developmental rights and special declarant's rights within the Property as set forth in Articles 9 and 10 of the Declaration and as permitted by Nevada law.

All terms, covenants, conditions and restrictions set forth in the Declaration remain in full force and effect and apply to the Property. This Supplemental Declaration of Annexation shall be considered an integral part of the Declaration and construed with the Declaration as if the provisions hereof were specifically set forth in the Declaration.

IN WITNESS WHEREOF, this Supplemental Declaration of Annexation is executed by the undersigned, the Declarant under the Declaration, as of the 26th day of July, 2006.

DECLARANT:

Del Webb Communities, Inc., an Arizona corporation

By: Jeff Deason
Its: Attorney-in-Fact

STATE OF NEVADA)
County of Clark)ss.

This instrument was acknowledged before me on July 28, 2006, by Jeff Deason the Attorney-in-Fact for Del Webb Communities, Inc., an Arizona corporation, on behalf of the corporation.

My commission expires:

July 21, 2009

[Signature]
Notary Public

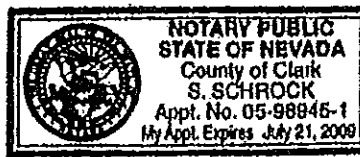


EXHIBIT A

PROPERTY

Lots 4 through 8, inclusive, of Block 1; Lots 59 through 63, inclusive, of Block 2; and Common Elements A, B, C, E, F and G and all private streets lying within SOLERA TOWNHOMES, according to the plat thereof on file in Book 131 of Plats, page 77, in the office of the County Recorder of Clark County, Nevada.

EXHIBIT A TO PUBLIC OFFERING
STATEMENT

Assessor's Parcel Nos. 191-24-515-
007 through 011 and 063 through
067

Receipt/Confirmed Copy

Requestor:

LAWYERS TITLE OF NEVADA

08/02/2006 13:51:01 T20060134827

Book/Instr: 20060802-0004038

Restrictio Page Count: 10

Fees: \$23.00 N/C Fee: \$0.00

When recorded, return to:

Del Webb Communities, Inc.
8345 West Sunset Road
Las Vegas, Nevada 89113-2092
Attn: Jeremy Fritz

Frances Deane
Clark County Recorder

SUPPLEMENTAL DECLARATION
TO
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
SOLERA AT ANTHEM COMMUNITY ASSOCIATION, INC.

Solera Townhomes

This Supplemental Declaration to Declaration of Covenants, Conditions, and Restrictions for Solera at Anthem Community Association, Inc. (the "Supplemental Declaration"); is made as of the 26th day of July, 2006, by Del Webb Communities, Inc., an Arizona corporation ("Declarant").

RECITALS

A. A Declaration of Covenants, Conditions, and Restrictions for Solera at Anthem Community Association, Inc., dated as of August 6, 2003, was executed by Declarant and recorded on August 8, 2003, as Instrument No. 00642 in Book 20030808, Official Records, County Recorder, Clark County, Nevada (the "Declaration").

B. Unless otherwise defined herein, capitalized terms used herein shall have the meanings set forth for such terms in the Declaration.

C. In Section 5.4 of the Declaration, Declarant reserved the right to designate a particular portion of the Properties as an area within which the Association will provide a higher level of maintenance or service than the Association generally provides.

D. In Article IX of the Declaration, Declarant reserved the right to create Limited Common Area and to subject any portion of the Properties to additional covenants and easements, including covenants obligating the Association to maintain and insure such property.

E. A portion of the land subject to annexation by Declarant has been subdivided under the name of Solera Townhomes, as shown on the final map thereof Recorded in Book 131 of Plats, page 77 (the "Solera Townhomes Plat"). Declarant desires to Record a Supplemental Declaration against portions of such land for the purpose of, among others, (i) establishing a Cost Center and Cost Center Assessments, (ii) allocating portions of such land as Limited Common Area for the benefit of the Owners and Occupants of such land, and (iii) subjecting such land to additional covenants and easements.

NOW, THEREFORE, the Declaration is amended and supplemented as follows:

1. Designation of Cost Center. The property described on Exhibit A attached hereto and made a part hereof is hereby designated as the "Solera Townhomes Cost Center" and is sometimes referred to herein as the "Solera Townhomes Property."

2. Allocation of Limited Common Area. Common Elements A, B, C and G and all private streets lying within the Solera Townhomes Plat, and all Improvements thereto, are hereby allocated as Limited Common Area for the exclusive use of the Owners and Occupants of the Solera Townhomes Property (the "Solera Townhomes Limited Common Area").

3. Cost Center Services. The Association shall be responsible for providing to the Owners of the Solera Townhomes Property the following services, and each service shall be designated as a Cost Center service applicable to the Solera Townhomes Property:

(a) Operating, maintaining, replacing and repairing the Solera Townhomes Limited Common Area;

(b) Maintaining, repairing, replacing, repainting and otherwise keeping in good order and repair the roofs, exterior walls and all other exterior surfaces of the Dwelling Units that are visible from outside the Lot, except windows, window screens and doors; provided, however, that the Association shall be responsible for the repainting of exterior doors in the ordinary course of maintenance of Dwelling Units.

(c) Maintaining property insurance for the Dwelling Units and other portions of the Lots to be maintained by the Association in accordance with Section 7.3 of the Declaration;

(d) Maintaining, repairing and replacing the sidewalk lying within certain Lots as shown on the Solera Townhomes Plat as a "4' Wide Private Pedestrian Walkway Easement."

(e) Operating, maintaining, replacing and repairing all water and sewer mains and pipes and all storm drain facilities lying within the private streets and other Common Elements up to the property line of a Lot, except for any portion of such mains, pipes and facilities for which a public utility company or other governmental agency has the responsibility to maintain.

(f) Maintaining, watering, trimming, weeding, fertilizing and otherwise caring for all landscaping on the Lots, including all irrigation lines and equipment and all drainage facilities, all with such frequency and in such manner as may be determined by the Board of Directors from time to time in its discretion.

(g) The Association may, if deemed appropriate by the Board of Directors, provide for termite or other pest control, but if the Association does not do so, or limits such termite or pest control treatment to the Solera Townhomes Limited Common Area, each Owner will be responsible for performing (or causing to be performed) termite and pest control service to keep the Lot free from termite and pest infestation.

4. **Cost Center Assessment.** The cost of the performance by the Association of its duties under Section 3 above shall be paid for by the Owners within the Solera Townhomes Property through a Cost Center Assessment levied by the Board of Directors. The Board of Directors shall determine the level of appropriate maintenance for all items for which the Association is responsible under Section 3 of this Supplemental Declaration, and all Owners within the Solera Townhomes Property 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 Supplemental Declaration.

5. **Solera Townhomes Reserve Fund.** To ensure that the Association shall have adequate funds reserved for repair and replacement of the Improvements to be maintained by the Solera Townhomes Cost Center Assessment, each Person that acquires a Lot from the Declarant within the Solera Townhomes Property Area shall pay to the Association immediately upon becoming an Owner a sum equal to one-sixth (1/6) of the then current annual Solera Townhomes Cost Center Assessment. Funds paid to the Association pursuant to this Section shall be deposited into a separate reserve account and may be used by the Association only for the repair and replacement of Improvements to be maintained by the Solera Townhomes Cost Center Assessment. 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 Supplemental Declaration or the Declaration.

6. **Expansion of the Solera Townhomes Property.** Declarant reserves the right to add portions of the property set forth on the Solera Townhomes Plat to the Solera Townhomes Property by preparing and Recording another Supplemental Declaration containing a legal description of the property being added to the Solera Townhomes Property.

7. Easement for Drainage from Attached Roofs. There hereby is created a drainage easement for the benefit of each Owner of a Lot and Dwelling Unit within the Solera Townhomes Property over any adjacent Lots and Dwelling Units for the purpose of permitting stormwater runoff from the attached roofs of the Dwelling Units to drain onto the adjacent Lots and Dwelling Units.

8. Additional Covenants and Restrictions.

(a) Each Owner shall be responsible for maintaining, repairing and replacing windows and window screens and replacing and repainting doors (including, without limitation, garage doors) that are damaged through no fault of the Association.

(b) No flowers, plants or other landscaping shall be planted or installed by an Owner or Occupant in the area maintained by the Association.

(c) Except for furniture designed for outdoor use and plant materials contained in pots, no furniture, appliance, equipment or other materials shall be kept or stored on any patio so as to be visible from the outside of the Lot, and no astro turf, carpet or other floor covering shall be installed on any patio without the prior written approval of the Architectural Review Committee.

(d) Parking on the private streets by Owners, Occupants and their guests is prohibited. Owners and other Occupants shall not park motor vehicles in any guest parking areas.

9. Use and Benefit Easements.

(a) Creation of Easements. Declarant hereby grants and establishes, and there hereby are established within the Solera Townhomes Property, perpetual easements (the "Use and Benefit Easements") for the purposes described below, over and across those portions of certain Lots as initially identified on the Solera Townhomes Plat (the "Easement Areas"). Each of the Use and Benefit Easements shall burden the Lot of which the applicable Easement Area is a part and shall benefit the applicable adjacent Lot as shown on the Solera Townhomes Plat. Easement Areas, as depicted on the Solera Townhomes Plat and the building permit plans submitted to the City of Henderson, Nevada (the "City") for the construction of a Dwelling Unit on a Lot, are approximate in location only. The boundaries of each actual Easement Area shall be established by the "as-built" location of the wall of the Dwelling Unit abutting the applicable Easement Area as constructed by Declarant. The "as-built" locations may deviate from the locations set forth on the Solera Townhomes Plat and/or the permit plans.

(b) Definitions. A Lot benefited by a Use and Benefit Easement is referred to herein as a "Benefited Lot." A Lot that is encumbered by a Use and Benefit Easement in favor of another Lot is referred to herein as a "Burdened Lot."

(c) Illustration of Easement. By way of illustration, a drawing depicting Lots 84 and 85 is shown on Exhibit B attached hereto and made a part hereof. As the drawing illustrates, a portion of Lot 84 is burdened by a Type "A" Use and Benefit Easement created for the benefit of Lot 85; however, Lot 84 also is benefited by a Type "B" Use and Benefit Easement over a portion of Lot 85. Thus, Lot 84 is a Burdened Lot with respect to the Type "A" Use and Benefit Easement and a Benefited Lot with respect to the Type "B" Use and Benefit Easement.

(d) Use of Type "A" Use and Benefit Easement Area by Benefited Lot's Owner.

(i) Subject to the provisions of Subsections 9(d)(ii) and 9(e) below, the Owner of the applicable Benefited Lot shall have the right to enter onto the Type "A" Use and Benefit Easement Area of the applicable Burdened Lot and use the Type "A" Use and Benefit Easement Area as a part of the Benefited Lot's front yard for landscaping, driveway and drainage purposes and uses reasonably related thereto, but for no other purpose. Landscaping and irrigation equipment shall be installed by Declarant and maintained by the Association in the Type A Use and Benefit Easement Area, and no other landscaping or other Improvements may be installed by the Owner of the Benefited Lot. The Owner of a Benefited Lot shall have the exclusive right to use the Type "A" Use and Benefit Easement Area of a Burdened Lot.

(ii) Subject to the provisions of Subsection 9(e) below and except as provided in Subsection 9(d)(i) above, without the consent of the Board of Directors, a Type "A" Use and Benefit Easement Area shall not be used for (A) any permanent installation of any kind, or (B) erection or maintenance of any structure that may impede or interfere with any necessary maintenance, repair or restoration of the Dwelling Unit on the Burdened Lot. No use shall be made of a Type "A" Use and Benefit Easement Area that will become an annoyance or nuisance to the Owner of the Burdened Lot, as determined by the Board of Directors in its sole discretion. The Owner of a Benefited Lot shall not construct any Improvement that is to attach or connect to the wall of the Dwelling Unit on a Burdened Lot except as may originally be constructed or installed by Declarant.

(e) Use of Type "A" Use and Benefit Easement Area by Burdened Lot's Owner. The grant of each Type "A" Use and Benefit Easement is subject to the right of the Burdened Lot's Owner and the Association, whichever is applicable, to utilize the Type "A" Use and Benefit Easement Area for (A) locating any overhang that is attached to the Dwelling Unit located on the Burdened Lot as originally constructed by Declarant; (B) drainage from the roof of the Dwelling Unit constructed on the Burdened Lot onto the Type "A" Use and Benefit Easement Area; (C) maintenance, repair and replacement of the wall and roof eaves of the Dwelling Unit constructed on the Burdened Lot; (D) treatment of the soil to eradicate pests within or adjacent to the Dwelling Unit constructed on the Burdened Lot; and (E) drainage over, across and upon the Type "A" Easement Area for water resulting from the normal use of the Burdened Lot. The Owner of a Burdened Lot shall not use the Type "A" Use and Benefit

Easement Area or interfere with the use of the Type "A" Use and Benefit Easement Area by the Owner of the Benefited Lot.

(f) Use of Type "B" Use and Benefit Easement Area by Benefited Lot's Owner. The Owner of the applicable Benefited Lot shall have the non-exclusive right to use the Type "B" Use and Benefit Easement Area of the applicable Burdened Lot for drainage purposes and for locating any overhang that is attached to the Dwelling Unit on the Benefited Lot as originally constructed by Declarant, and to enter onto the Type "B" Use and Benefit Easement Area of the applicable Burdened Lot and use the Type "B" Use and Benefit Easement Area to access and maintain the electric panel and any other utility meter located on the wall of the Dwelling Unit of the Benefited Lot, but for no other purpose. Without the consent of the Board of Directors, a Type "B" Use and Benefit Easement Area shall not be used by the Owner of the Benefited Lot for (A) any permanent installation of any kind, or (B) erection or maintenance of any structure that may impede or interfere with any necessary maintenance, repair or restoration of the Dwelling Unit on the Burdened Lot or the Benefited Lot. No use shall be made of a Type "B" Use and Benefit Easement Area that will become an annoyance or nuisance to the Owner of the Burdened Lot, as determined by the Board of Directors in its sole discretion.

(g) Use of Type "B" Use and Benefit Easement Area by Burdened Lot's Owner. The grant of each Type "B" Use and Benefit Easement is subject to the right of the Burdened Lot's Owner and the Association, whichever is applicable, to utilize the Type "B" Use and Benefit Easement Area for (A) locating any overhang that is attached to the Dwelling Unit located on the Burdened Lot as originally constructed by Declarant; (B) drainage from the roof of the Dwelling Unit constructed on the Burdened Lot onto the Type "B" Use and Benefit Easement Area; (C) maintenance, repair and replacement of the wall and roof eaves of the Dwelling Unit constructed on the Burdened Lot and the Dwelling Unit constructed on the Benefited Lot; (D) treatment of the soil to eradicate pests within or adjacent to the Dwelling Unit constructed on the Burdened Lot; and (E) drainage over, across and upon the Type "B" Easement Area for water resulting from the normal use of the Burdened Lot.

(h) Approvals and Consents. Notwithstanding anything contained herein to the contrary, the Owner of a Benefited Lot shall not construct any Improvements on, in or about an Easement Area without the express written approval of the Board of Directors. The Benefited Lot's Owner also shall obtain whatever permits or other consents may be required by law to construct such Improvements. Without limiting the foregoing, Owners may need to obtain building permits from the City in constructing various Improvements that are permitted in the Basement Areas, and in so doing, will need to comply with, among other things, City setback requirements, which setbacks will be from the property lines and not from the Basement Area location.

(i) Insurance. Upon acquiring title to any Lot, the purchaser of a Benefited Lot shall obtain and maintain in force for the entire term of his ownership a comprehensive general liability insurance policy insuring against liability incident to the use of any Easement

Area on a Burdened Lot by such purchaser. Said policy shall designate as an additional named insured the Owner of the adjoining Burdened Lot. The limits of such insurance shall be not less than \$300,000.00 covering all claims for death of or injury to any person and/or property damage in any single occurrence, and such amount may be increased from time to time by the Association, in the Board's discretion, upon written notice to all Owners within the Solera Townhomes Property. Upon request by the Association or the Burdened Lot's Owner, the Benefited Lot's Owner shall provide a written certificate of insurance evidencing such insurance.

(j) Indemnity. The Owner of a Burdened Lot shall not be liable for any loss, cost, damage, expense or liability arising out of any accident or other occurrence causing death of or injury to any person and/or damage to any property by reason of the use of any Basement Area located upon the Burdened Lot by the Benefited Lot's Owner, his licensees and invitees. The Owner of the applicable Benefited Lot shall indemnify, hold harmless, protect and defend the Owner of the applicable adjoining Burdened Lot, its heirs, successors, and assigns, for, from and against each and every loss, cost, damage, expense and liability, including, without limitation, attorneys' fees, arising from such accident or occurrence.

(k) Appurtenant Easements. Each Use and Benefit Easement and the terms of this Section 9 shall be appurtenant to the applicable Benefited Lot, shall run with the applicable Benefited Lot and shall inure to the benefit of and be binding upon the Owner of the applicable Benefited Lot, its heirs, personal representatives, successors, and assigns. The rights and obligations of the Owner of the applicable Burdened Lot and the terms of this Section 9 shall be appurtenant to the applicable Burdened Lot, shall run with the applicable Burdened Lot and shall inure to the benefit of and be binding upon the Owner of the applicable Burdened Lot, its heirs, personal representatives, successors and assigns.

10. Interpretation. All terms, covenants, conditions and restrictions set forth in the Declaration remain in full force and effect and apply to the Solera Townhomes Property, except to the extent specifically amended or modified hereby. This Supplemental Declaration shall be considered an integral part of the Declaration and construed with the Declaration as if the provisions hereof were specifically set forth in the Declaration.

IN WITNESS WHEREOF, this Supplemental Declaration is executed as of the date first set forth above by the undersigned, the Declarant under the Declaration.

DECLARANT:

Del Webb Communities, Inc., an Arizona corporation

By: _____

Jeremy Hartz

Its: _____

Attorney-in-Fact

STATE OF NEVADA)
) ss.
County of Clark)

This instrument was acknowledged before me on August 1, 2006, by
Jeremy Fritz, the Attorney-in-Fact of Del Webb Communities, Inc., an
Arizona corporation, on behalf of the corporation.



Notary Public

My commission expires

July 21, 2009

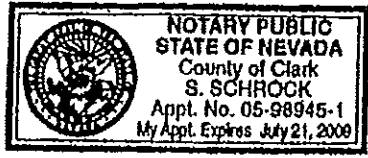
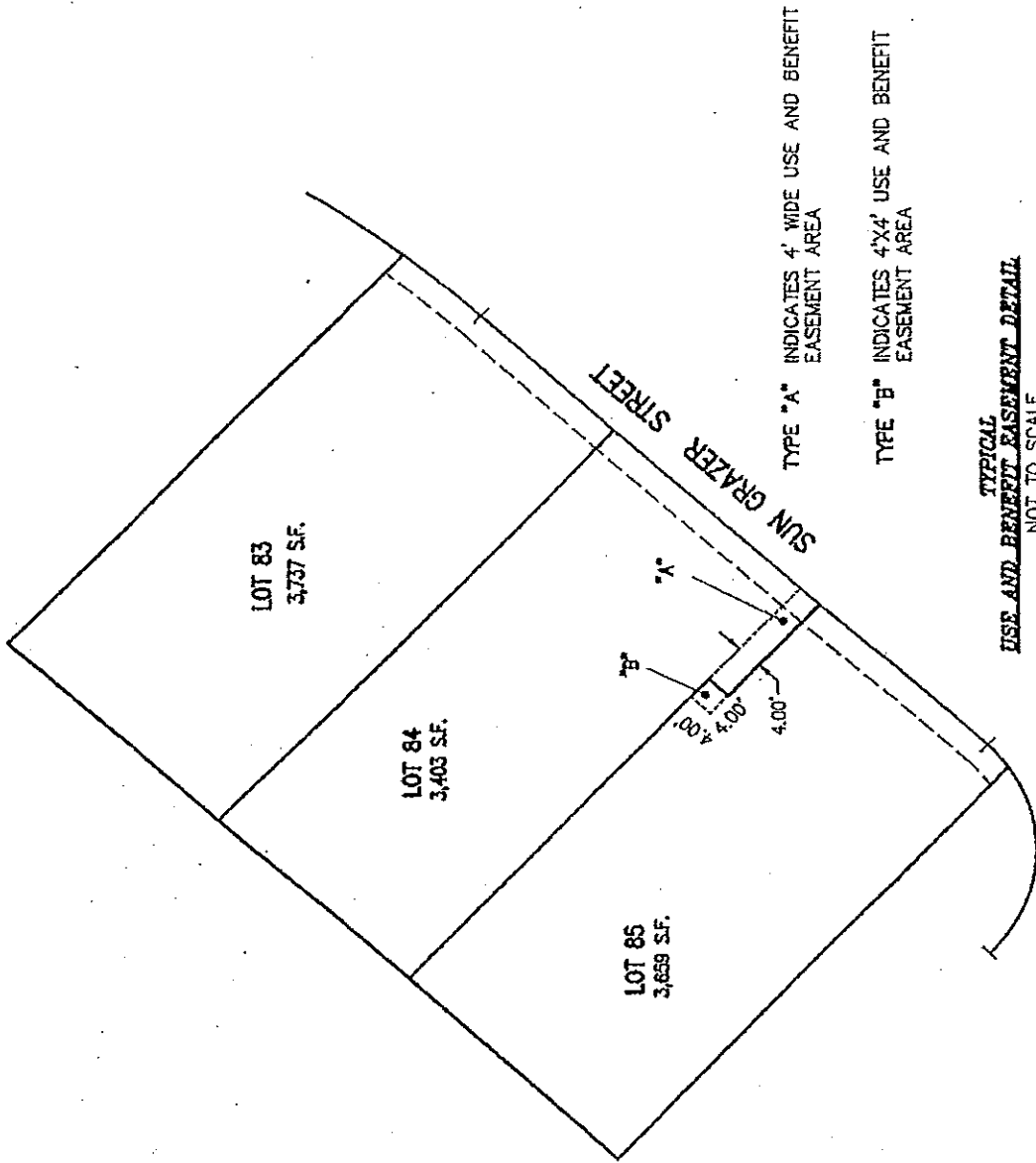


EXHIBIT A
SOLERA TOWNHOMES PROPERTY

Lots 4 through 8, inclusive, of Block 1; Lots 59 through 63, inclusive, of Block 2; and Common Elements A, B, C and G and all private streets lying within SOLERA TOWNHOMES, according to the plat thereof on file in Book 131 of Plats, page 77, in the office of the County Recorder of Clark County, Nevada.

EXHIBIT B
USE AND BENEFIT EASEMENT ILLUSTRATION



TYPICAL
USE AND BENEFIT EASEMENT DETAIL
NOT TO SCALE

EXHIBIT A TO PUBLIC OFFERING
STATEMENT

Assessor's Parcel Nos. 190-19-216-
014 through 040; 190-19-317-001
through 010

Receipt/Conformed Copy

Requestor:
LAWYERS TITLE OF NEVADA
08/02/2006 13:51:01 T20060134827
Book/Instr: 20060302-0004039
Restrictio Page Count: 3
Fees: \$16.00 N/C Fee: \$25.00

When Recorded, Return to:
Jeremy Fritz
Del Webb Communities, Inc.
8345 West Sunset Road
Las Vegas, Nevada 89113-2092

Frances Deane
Clark County Recorder

SUPPLEMENTAL DECLARATION OF ANNEXATION
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
SOLERA AT ANTHEM COMMUNITY ASSOCIATION, INC.

NOTICE IS HEREBY GIVEN that Del Webb Communities, Inc., an Arizona corporation, as owner of the real property legally described on Exhibit "A" attached hereto and by this reference incorporated herein (the "Property"), and as Declarant under the Declaration of Covenants, Conditions, and Restrictions for Solera at Anthem Community Association, Inc. recorded on August 8, 2003, in Book 20030808 as Instrument Number 00642, Official Records of Clark County, Nevada, as amended (the "Declaration"), is hereby exercising its right to cause the Property to be annexed to Solera. Unless otherwise defined herein, capitalized terms used herein shall have the meanings set forth for such terms in the Declaration.

NOW, THEREFORE, pursuant and subject to the provisions of Section 9.1 of the Declaration, the Property is hereby annexed and submitted to Solera and the Declaration. Upon the recording of this Supplemental Declaration of Annexation in the Official Records of Clark County, Nevada, the covenants, conditions and restrictions contained in the Declaration, as may be amended pursuant to its terms, shall apply to the Property in the same manner as if it were originally covered by the Declaration and originally constituted a portion of Solera; and thereafter, the rights, privileges, duties and liabilities of the parties to the Declaration, with respect to the Property (including the liability for payment of assessments) shall be the same for the Property as such are in effect with respect to all other portions of Solera, and the rights, obligations, privileges, duties and liabilities of the Owners within the Property shall be the same as those of the Owners of Lots originally affected by the Declaration. That portion of the Property described as Common Elements A through L, inclusive, of the final map of Solera - Subdivision 13, according to the plat thereof on file in Book 123 of Plats, page 52, in the Official Records of Clark County, Nevada, shall be Common Area.

Declarant hereby reserves all developmental rights and special declarant's rights within the Property as set forth in Articles 9 and 10 of the Declaration and as permitted by Nevada law.

All terms, covenants, conditions and restrictions set forth in the Declaration remain in full force and effect and apply to the Property. This Supplemental Declaration of Annexation shall be considered an integral part of the Declaration and construed with the Declaration as if the provisions hereof were specifically set forth in the Declaration.

IN WITNESS WHEREOF, this Supplemental Declaration of Annexation is executed by the undersigned, the Declarant under the Declaration, as of the 28th day of July, 2006.

DECLARANT:

Del Webb Communities, Inc., an Arizona corporation

By: Jeremy Fritz
Its: Attorney-in-Fact

STATE OF NEVADA)
)ss.
County of Clark)

This instrument was acknowledged before me on August 1, 2006, by Jeremy FRITZ the Attorney-in-Fact for Del Webb Communities, Inc., an Arizona corporation, on behalf of the corporation.

My commission expires:

July 21, 2009

[Signature]
Notary Public

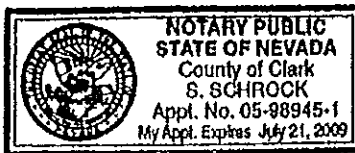


EXHIBIT A

PROPERTY

Lots 14 through 50, inclusive, of Block 4, and Common Elements A through L, inclusive, SOLERA - SUBDIVISION 13, according to the plat thereof on file in Book 123 of Plats, page 52, in the office of the County Recorder of Clark County, Nevada.

EXHIBIT A TO PUBLIC OFFERING STATEMENT

Assessor's Parcel Nos. 190-19-216-001 through 003; 190-19-216-055; 190-19-216-005 through 013; 191-24-613-004 through 024; 191-24-613-042; 191-24-613-026 through 028; 190-19-317-011 through 019; 190-19-216-041 through 046; 190-19-216-057; 190-19-216-048 and 049; 191-24-613-030 through 031; 191-24-614-001 through 015; 191-24-614-048 through 054

Received/Notarized 10/31/2006

Requestor
LAWYERS TITLE OF NEVADA
10/31/2006 12:26:51 T20060192738
Book/Instr 20061031-0003706
Restrictio Page Count: 3
Fees: \$16.00 N/C Fee: \$25.00

Charles Harvey
Clark County Recorder

When Recorded, Return to:
Jeremy Fritz
Del Webb Communities, Inc.
8345 West Sunset Road
Las Vegas, Nevada 89113-2092

**SUPPLEMENTAL DECLARATION OF ANNEXATION
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
SOLERA AT ANTHEM COMMUNITY ASSOCIATION, INC.**

NOTICE IS HEREBY GIVEN that Del Webb Communities, Inc., an Arizona corporation, as owner of the real property legally described on Exhibit "A" attached hereto and by this reference incorporated herein (the "Property"), and as Declarant under the Declaration of Covenants, Conditions, and Restrictions for Solera at Anthem Community Association, Inc. recorded on August 8, 2003, in Book 20030808 as Instrument Number 00642, Official Records of Clark County, Nevada, as amended (the "Declaration"), is hereby exercising its right to cause the Property to be annexed to Solera. Unless otherwise defined herein, capitalized terms used herein shall have the meanings set forth for such terms in the Declaration.

NOW, THEREFORE, pursuant and subject to the provisions of Section 9.1 of the Declaration, the Property is hereby annexed and submitted to Solera and the Declaration. Upon the recording of this Supplemental Declaration of Annexation in the Official Records of Clark County, Nevada, the covenants, conditions and restrictions contained in the Declaration, as may be amended pursuant to its terms, shall apply to the Property in the same manner as if it were originally covered by the Declaration and originally constituted a portion of Solera; and thereafter, the rights, privileges, duties and liabilities of the parties to the Declaration, with respect to the Property (including the liability for payment of assessments) shall be the same for the Property as such are in effect with respect to all other portions of Solera, and the rights, obligations, privileges, duties and liabilities of the Owners within the Property shall be the same

as those of the Owners of Lots originally affected by the Declaration. That portion of the Property described as Common Elements A through E, inclusive, of the final map of Solera - Subdivision 14, according to the plat thereof on file in Book.123 of Plats, page 99, in the Official Records of Clark County, Nevada, shall be Common Area.

Declarant hereby reserves all developmental rights and special declarant's rights within the Property as set forth in Articles 9 and 10 of the Declaration and as permitted by Nevada law.

All terms, covenants, conditions and restrictions set forth in the Declaration remain in full force and effect and apply to the Property. This Supplemental Declaration of Annexation shall be considered an integral part of the Declaration and construed with the Declaration as if the provisions hereof were specifically set forth in the Declaration.

IN WITNESS WHEREOF, this Supplemental Declaration of Annexation is executed by the undersigned, the Declarant under the Declaration, as of the 31 day of October, 2006.

DECLARANT:

Del Webb Communities, Inc., an Arizona corporation

By: Jeremy Fritz
Its: Attorney-in-Fact

STATE OF NEVADA)
)ss.
County of Clark)

This instrument was acknowledged before me on Oct. 31, 2006, by Jeremy Fritz the Attorney-in-Fact for Del Webb Communities, Inc., an Arizona corporation, on behalf of the corporation.

My commission expires:

July 21, 2009

[Signature]
Notary Public

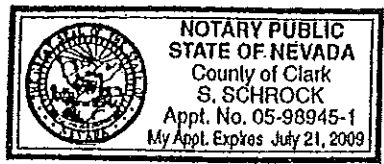


EXHIBIT A

PROPERTY

Parcel 1:

Lots 1 through 13, inclusive, and Lots 51 through 90, inclusive, of Block 4, SOLERA – SUBDIVISION 13, according to the plat thereof on file in Book 123 of Plats, page 52, in the office of the County Recorder of Clark County, Nevada.

Parcel 2:

Lots 1 through 15, inclusive, of Block 1; Lots 48 through 54, inclusive, of Block 2; and Common Elements A through E, inclusive, SOLERA – SUBDIVISION 14, according to the plat thereof on file in Book 123 of Plats, page 99, in the office of the County Recorder of Clark County, Nevada.

Receipt/Conformed Copy

EXHIBIT A TO PUBLIC OFFERING STATEMENT

Assessor's Parcel Nos. 191-24-515-007 through 011 and 063 through 067

Requestor:

LAWYERS TITLE OF NEVADA

11/06/2006 09:03:48 T20060195845

Book/Instr: 20061106-0000305

Restrictio Page Count: 3

Fees: \$16.00 N/C Fee: \$0.00

When recorded, return to:

Charles Harvey
Clark County Recorder

Del Webb Communities, Inc.
8345 West Sunset Road
Las Vegas, Nevada 89113-2092
Attn: Jeremy Fritz

**AMENDMENT TO
SUPPLEMENTAL DECLARATION
TO
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
SOLERA AT ANTHEM COMMUNITY ASSOCIATION, INC.**

Solera Townhomes

This Amendment to Supplemental Declaration to Declaration of Covenants, Conditions, and Restrictions for Solera at Anthem Community Association, Inc. for Solera Townhomes (the "Amendment"), is made as of the 30th day of October, 2006, by Del Webb Communities, Inc., an Arizona corporation ("Declarant").

RECITALS

A. A Declaration of Covenants, Conditions, and Restrictions for Solera at Anthem Community Association, Inc., dated as of August 6, 2003, was executed by Declarant and recorded on August 8, 2003, as Instrument No. 00642 in Book 20030808, Official Records, County Recorder, Clark County, Nevada (the "Declaration").

B. Unless otherwise defined herein, capitalized terms used herein shall have the meanings set forth for such terms in the Declaration.

C. On August 2, 2006, Declarant recorded that certain Supplemental Declaration to Declaration of Covenants, Condition, and Restrictions for Solera at Anthem Community Association, Inc. for Solera Townhomes as Instrument No. 0004038 in Book 20060802, Official Records, County Recorder, Clark County, Nevada (the "Original Solera Townhomes

Supplemental Declaration”), which subjected a portion of the Properties to additional covenants and easements, created Limited Common Area and created the Solera Townhomes Cost Center.

D. As of the date of this Supplemental Declaration, Declarant owns all of the Solera Townhomes Property. Declarant desires to amend the Original Solera Townhomes Supplemental Declaration to add a Cost Center service that was inadvertently omitted from the Original Solera Townhomes Supplemental Declaration.

NOW, THEREFORE, the Original Solera Townhomes Supplemental Declaration is amended as follows:

1. Cost Center Services. The following provision is added to Section 3 of the Original Solera Townhomes Supplemental Declaration:

(h) Providing potable water to each Dwelling Unit

2. Interpretation. All terms, covenants, conditions and restrictions set forth in the Declaration and the Original Solera Townhomes Supplemental Declaration remain in full force and effect and apply to the Solera Townhomes Property, except to the extent specifically amended or modified hereby. This Amendment shall be considered an integral part of the Declaration and Original Solera Townhomes Supplemental Declaration and construed with the Declaration and Original Solera Townhomes Supplemental Declaration as if the provisions hereof were specifically set forth in each.

IN WITNESS WHEREOF, this Amendment is executed as of the date first set forth above by the undersigned, the Declarant under the Declaration.

DECLARANT:

Del Webb Communities, Inc., an Arizona corporation

By: _____

Its: _____

Sereny Fritz
Attorney-in-Fact

