

Official Record

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Fee: **\$86.00**

Page 1 of 73

RPTT:

Recorded By: LB

Book- 231 Page- 0609



0128975

Assessor's Parcel Nos. 002-01-812-001 et al.;
002-01-712-001 et al.; 002-01-413-001 et al; 002-
01-311-001 et al.; 002-01-810-001 et al.; 002-01-
710-001 et al.; 001-06-410-001 et al.; 002-01-410-
001 et al.; 002-01-310-001; 002-01-711-001 et al.;
002-01-412-001 et al.; 002-01-811-001 et al.; 002-
01-411-001- et al.; 001-06-310-001 et al.; 001-05-
301-002, 004; 001-05-401-004; 001-06-101-001;
001-06-301-002, 003; 001-06-801-001; 002-01-
101-001, 002; 002-01-601-001-004; 001-06-801-
001; 001-06-201-001; 002-12-201-001; 002-12-
101-002; 002-01-801-002, 003; 002-12-301-003;
002-12-801-001; 002-12-501-001; 002-12-601-
001; 001-05-000-008 et al.

When Recorded, Return To:

PN II, Inc.
8345 West Sunset Road
Las Vegas, Nevada 89113-2092
Attention: John Cahlan

**MASTER DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS
AND EASEMENTS**

FOR

ANTHEM MESQUITE, a planned community



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AND EASEMENTS**

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Table of Contents

	Page
RECITALS	1
ARTICLE 1 DEFINITIONS	
1.1 General Definitions.....	2
1.2 Defined Terms.....	2
ARTICLE 2 SUBMISSION AND DEVELOPMENT OF PROPERTY; UNIT BOUNDARIES; ALLOCATION OF LIMITED COMMON ELEMENTS; EXPANSION OF PROPERTY; MASTER PLAN AND COMMUNITIES	
2.1 Submission of Property.....	11
2.2 Name of Planned Community.....	11
2.3 Name of Association.....	11
2.4 Identifying Numbers of Units.....	11
2.5 Unit Boundaries.....	11
2.6 Allocation of Limited Common Elements.....	12
2.7 Expansion of the Property.....	12
2.8 Master Plan.....	14
2.9 Communities; Community Associations.....	14
ARTICLE 3 EASEMENTS	
3.1 Unit Owners' Easements of Enjoyment.....	14
3.2 Easements for Ingress and Egress.....	16
3.3 Easements for Construction and Utilities.....	16
3.4 Units' Easement in Favor of Master Association.....	19
3.5 Easements for Private Amenities.....	19
3.6 Easements for Golf Course.....	19
3.7 Easements for Cross-Drainage.....	20
3.8 Easement Data.....	20



**ARTICLE 4
DECLARANT RIGHTS; PROPERTY RESTRICTIONS**

4.1	Declarant Conveyances.....	21
4.2	Declarant and/or Master Association Approvals Required.	21
4.3	Leasing.....	22
4.4	Variances; Diminution of Restrictions.....	23

**ARTICLE 5
MAINTENANCE AND REPAIR**

5.1	Areas of Common Responsibility.....	24
5.2	Assessment of Certain Costs of Maintenance and Repair.	24
5.3	Improper Use of Areas of Common Responsibility.	24
5.4	Community Party Fences.....	25
5.5	Master Association Fences.	27

**ARTICLE 6
THE MASTER ASSOCIATION**

6.1	Rights, Powers and Duties of the Master Association.....	28
6.2	Directors and Officers.....	28
6.3	Rules.	29
6.4	Composition of Members; Allocation of Votes.....	30
6.5	Personal Liability.....	30
6.6	Implied Rights.....	31
6.7	Voting Rights.....	31
6.8	Voting Procedures.....	31
6.9	Transfer of Membership.	31
6.10	Suspension of Voting Rights.	31
6.11	Conveyance or Encumbrance of Common Element.....	32
6.12	Change of Use of Common Elements.....	32
6.13	Contracts with Others for Performance of Master Association's Duties.....	32
6.14	Provision of Services; Bulk Service Agreements; Bulk Service Assessments.....	33
6.15	Commencement of Civil Action.....	35
6.16	Relations with Other Properties.....	35

**ARTICLE 7
ASSESSMENTS**

7.1	Allocation of Common Expense Liability.....	35
7.2	Preparation of Budgets.....	36
7.3	Common Expense Assessment.	36
7.4	Declarant Subsidy.....	37



7.5 Special Assessments.....37
7.6 Specific Assessments.....38
7.7 Assessment Period.....38
7.8 Commencement Date of Assessment Obligation.....39
7.9 Rules Regarding Billing and Collection Procedures.....39
7.10 Effect of Nonpayment of Assessments; Remedies of the Master Association.....39
7.11 Notice of Delinquent Assessment.....41
7.12 Foreclosure Sale.....41
7.13 Curing of Default.....41
7.14 Cumulative Remedies.....42
7.15 Exemption of Unit Owner.....42
7.16 Certificate of Payment.....42
7.17 No Offsets.....42
7.18 Working Capital Fund.....42
7.19 Reserve Fund.....42
7.20 Surplus Funds.....43
7.21 Transfer Fee.....43

ARTICLE 8
INSURANCE

8.1 Scope of Coverage.....43
8.2 Payment of Premiums.....45
8.3 Insurance Obtained by Unit Owners.....45
8.4 Allocation of Insurance Deductible.....45
8.5 Payment of Insurance Proceeds.....45
8.6 Certificate of Insurance.....45
8.7 Annual Insurance Review.....46
8.8 Repair and Replacement of Damaged or Destroyed Property.....46

ARTICLE 9
RIGHTS OF FIRST MORTGAGEES

9.1 First Mortgagee's Right of Inspection of Records.....46
9.2 No Priority over First Mortgagees.....47

ARTICLE 10
RESERVATION OF DEVELOPMENTAL AND
SPECIAL DECLARANT'S RIGHTS

10.1 Developmental Rights.....47
10.2 Right to Complete Improvements and Construction Easement.....47
10.3 Offices, Model Homes and Promotional Signs.....47
10.4 Use of Easements.....47



10.5 Master Association.....48
 10.6 Merger or Consolidation.....48
 10.7 Appointment and Removal of Directors and Officers.....48

**ARTICLE 11
 PRIVATE AMENITIES; ADDITIONAL DISCLAIMERS, DISCLOSURES
 AND RELEASES**

11.1 Private Amenities.....48
 11.2 Abutting Golf Course.....49
 11.3 High Power Electric Transmission Lines; Release of Claims.....51
 11.4 Views Not Guaranteed.....51

**ARTICLE 12
 GENERAL PROVISIONS**

12.1 Enforcement.....52
 12.2 Severability.....53
 12.3 Duration.....53
 12.4 Termination of Property.....53
 12.5 Amendment.....53
 12.6 Remedies Cumulative.....54
 12.7 Notices.....54
 12.8 Binding Effect.....55
 12.9 Gender.....55
 12.10 Topic Headings.....55
 12.11 Survival of Liability.....55
 12.12 Joint and Several Liability.....56
 12.13 Guests and Lessees.....56
 12.14 Number of Days.....56
 12.15 Notice of Violation.....56
 12.16 Governing Law.....56
 12.17 Interpretation.....56
 12.18 References to this Master Declaration in Deeds.....57
 12.19 Dispute Notification and Resolution Procedure.....57
 12.20 Rule Against Perpetuities.....62
 12.21 Limitation of Liability.....62

**MASTER DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS**

FOR

ANTHEM MESQUITE

This Master Declaration of Covenants, Conditions, Restrictions and Easements for Anthem Mesquite (the "Master Declaration") is made this 21st day of May, 2007, by PN II, Inc., a Nevada corporation (the "Declarant").

RECITALS

A. Anthem Mesquite is a master planned community located in the City of Mesquite, Nevada (the "City"), which is intended to include residential developments with recreational facilities (single family and multi-family, for sale and for rent) and commercial developments (including office and retail), and may include schools, worship sites and utility and governmental offices and service sites. Development of Anthem Mesquite is governed by a Standard Development Agreement with an effective date of March 15, 2006, between the City, Declarant and Mesquite Investors, LLC, a California limited liability company ("Mesquite Investors"), recorded March 23, 2006 in the official Records of Clark County, Nevada Recorder in Book 20060323 as Instrument No. 000060 (as amended from time to time, the "Development Agreement"). The Development Agreement contains specific requirements concerning how Anthem Mesquite (and adjacent property owned by Mesquite Investors) may be developed and also permits certain changes thereto. Anthem Mesquite will be developed over an extended period of time. Market and other conditions may change, and Declarant and the City may elect to amend the Development Agreement in the future.

B. The real property described in **Exhibit A** attached hereto and made a part hereof is the first phase of Anthem Mesquite. As the owner of the real property described in **Exhibit A**, Declarant intends by Recording this Master Declaration to create a general plan of development for all portions of Anthem Mesquite now or hereafter made subject to this Master Declaration. This Master Declaration provides a flexible and reasonable procedure for the future expansion of Anthem Mesquite 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 Anthem Mesquite. The term "Property" is used in this Master Declaration to refer to all of the real property from time to time subject to this Master Declaration.

C. The Development Agreement contemplates that one or more homeowners associations will be formed to govern Anthem Mesquite. Declarant's current plans provide for



(i) the Anthem Mesquite Master Association, a Nevada nonprofit corporation (the “Master Association”), as an association comprised of all owners of residential real property within Anthem Mesquite, to own and/or control, operate and maintain various common elements and community Improvements within or benefiting Anthem Mesquite, and to administer and enforce this Master Declaration and the other Governing Documents, and (ii) one or more additional Nevada nonprofit corporations (each, a “Community Association”), each as an association comprised of all owners of residential real property within certain portions of Anthem Mesquite (each, a “Community”), to own and/or control, operate and maintain various common elements and community Improvements within or benefiting such Community, and to administer and enforce a declaration of covenants, conditions and restrictions for such Community (a “Community Declaration”) and other governing documents established pursuant to such Community Declaration.

D. The Governing Documents create a general plan of development for Anthem Mesquite that will be supplemented by the Community Declarations. Nothing contained herein shall preclude any Community Declaration from containing additional restrictions or provisions that are more restrictive than the provisions of this Master Declaration. Each Community Association will be responsible for enforcing the covenants, conditions, restrictions, easements and other instruments applicable to its Community (Including this Master Declaration).

NOW, THEREFORE, DECLARANT hereby declares as follows:

**ARTICLE 1
DEFINITIONS**

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

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

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

1.2.2 “Additional Property” means the real property located in Clark County and Lincoln County, Nevada, which is described on **Exhibit B** attached to this Master Declaration, together with all buildings and other Improvements located thereon. Additional Property may include property intended for commercial use (Including the Private Amenities); however, such commercial property is not intended to become part of the Property even though the owners of such commercial property may be required to make payments to the Master Association for use of certain Common Elements within Anthem Mesquite.



1.2.3 “Anthem Mesquite” or “Property” means the real property located in Clark County, Nevada, which is described in **Exhibit A** attached to this Master Declaration, together with all Improvements located thereon, and any portion of the Additional Property that is annexed by the Declarant pursuant to **Section 2.7** of this Master Declaration, together with all Improvements located thereon.

1.2.4 “Apartment” means each individual Dwelling located within a building or structure or portion of a building or structure situated upon a Multi-Family Unit.

1.2.5 “Areas of Common Responsibility” means (i) all Common Elements; (ii) all real property, and the Improvements situated thereon, that the Master Association is obligated to maintain, repair and replace pursuant to the terms of this Master Declaration, a Plat or the terms of another Recorded document executed by the Declarant or the Master Association; (iii) all real property, and the Improvements situated thereon, within or adjacent to the Property located within dedicated rights-of-way with respect to which the State of Nevada or any county or municipality has not accepted responsibility for the maintenance thereof, but only until such time as the State of Nevada or any county or municipality has accepted all responsibility for the maintenance, repair and replacement of such areas, or until such time as a Community Association is required to accept responsibility for the maintenance, repair and replacement of such areas pursuant to the provisions of a Community Declaration, a Plat or the terms of another Recorded document executed by the Declarant and such Community Association; (iv) all real property, and the Improvements situated thereon, that the Master Association is obligated to maintain, repair and replace pursuant to the terms of the Golf Course Restrictions; and (v) such other areas, if any, owned, controlled, leased or held by easement, license or otherwise by the Master Association for the use and benefit of the Unit Owners (whether some or all) for which the Master Association has or assumes responsibility pursuant to the terms of this Master Declaration, a Community Declaration or other applicable covenants, contracts or agreements. Areas of Common Responsibility may, but need not be within, directly contiguous to or adjacent to the Property and may include trails (Including the Master Trail System), linear parks, open space and/or median areas located on public property or within any public right-of-way that provides access to the Property.

1.2.6 “Articles” means the Articles of Incorporation of the Master Association, as amended from time to time.

1.2.7 “Assessments” means the Common Expense Assessments, Bulk Service Assessments, Special Assessments and Specific Assessments levied and assessed against each Unit and/or the Community Associations pursuant to **Articles 6 and 7** of this Master Declaration.

1.2.8 “Assessment Lien” means the lien granted to the Master Association by the Act to secure the payment of Assessments, fines and other charges owed to the Master Association.

1.2.9 "Board of Directors" means the Board of Directors of the Master Association.

1.2.10 "Builder" means any Person, its successors and assigns, authorized by Declarant pursuant to a Development Declaration, who purchases one or more Units or Multi-Family Units for the purpose of constructing Improvements for later sale to Unit Owners or lease and occupancy as Apartments, or who purchases one or more parcels of land within the Property for further subdivision, development and/or resale in the ordinary course of such Person's business.

1.2.11 "Bulk Service Assessment" means a Unit Owner's proportionate share of any service fee payable by the Master Association pursuant to a Bulk Service Agreement as provided in **Section 6.14** of this Declaration.

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

1.2.13 "City" means the City of Mesquite, Nevada, a municipal corporation.

1.2.14 "Common Elements" means any real estate within the Property owned or leased, or designated by Declarant in a Recorded instrument to be maintained, by the Master Association, other than the Units. The Common Elements initially subjected to this Master Declaration are as described on **Exhibit A**, and any additional Common Elements annexed by Declarant shall be described in an amendment to this Master Declaration annexing such Common Elements. The term "Common Elements" shall not include the Golf Course or any other Private Amenity.

1.2.15 "Common Expenses" means expenditures made by or financial liabilities of the Master Association, including (i) the cost of maintenance, management, operation, repair and replacement of the Common Elements and all Improvements thereon and all other Areas of Common Responsibility, except any portion thereof required to be maintained by a Community Association pursuant to the terms of a Community Declaration, a Plat or the terms of another Recorded document executed by the Declarant and such Community Association, (ii) the cost of centrally metered utilities and other facilities that serve the Common Elements; (iii) the cost of insurance premiums for fire, liability, workers' compensation, directors, officers and agents liability and fidelity and any other insurance deemed appropriate by the Board of Directors, and the cost of compensation, wages, services, supplies and other expenses required for the administration and operation of the Master Association and for the maintenance and repair of that portion of the Property for which the Master Association has responsibility, including fees, charges and costs payable to any governmental entity pursuant to law; (iv) the cost of rendering to the Unit Owners all services required to be rendered by the Master Association under the Governing Documents; (v) such amount as is established by the Master Association as adequate reserves for the cost of repair and replacement for the major components of the Common Elements, which may be used only for Common Expenses that



involve major repairs or replacement and that may not be used for daily maintenance; (vi) such other funds as may be necessary to provide general operating reserves and reserves for contingencies and replacements deemed appropriate by the Board of Directors; and (vii) the cost of any other item or items incurred by the Master Association, for any reason whatsoever in connection with the Property for the common benefit of the Unit Owners.

1.2.16 "Common Expense Assessment" means the assessment levied against the Units pursuant to **Section 7.3** of this Master Declaration.

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

1.2.18 "Community" means an entire area within the Property subject to a single Community Declaration.

1.2.19 "Community Association" means a Nevada nonprofit corporation organized for a Community pursuant to a Community Declaration, in which all Unit Owners within the Community are mandatory members, and having jurisdiction over a Community, subject to this Master Declaration, for purposes that may include owning, operating and managing Community Common Elements, levying and collecting assessments from Unit Owners within the Community and otherwise performing administrative, organizational, recreational and governmental functions typical of property owners associations. The term "Community Association" as used herein expressly excludes any sub-association of Unit Owners established pursuant to a Community Declaration or any supplemental declaration covering the subject Community or any portion thereof. Notwithstanding any contrary provision hereof, any association of purchasers established with respect to a timeshare plan (as defined in N.R.S. § 119A.010 et seq.) shall not constitute a "Community Association" for purposes of this Master Declaration.

1.2.20 "Community Common Elements" means portions of a Community owned by a Community Association and reserved exclusively for the use of Unit Owners, Residents and their respective guests in such Community, as described on **Exhibit A** to this Master Declaration and in any amendment to this Master Declaration annexing such Community Common Elements.

1.2.21 "Community Declaration" means a declaration of covenants, conditions and restrictions (or similar instrument) approved by Declarant (or the Board of Directors after Declarant no longer owns any Property or Additional Property) and Recorded against a Community setting forth additional or modified provisions for the Community, as contemplated by **Section 2.9**.

1.2.22 "Condominium Development" means a condominium established within the Property pursuant to the Act.



1.2.23 “Condominium Unit” means a unit, together with any appurtenant interest in all common elements, within a Condominium Development.

1.2.24 “Declarant” means PN II, Inc., a Nevada corporation, and its successors and any person or entity to which it may transfer any Special Declarant’s Right.

1.2.25 “Declarant Party” or “Declarant Parties” means collectively Declarant, the shareholders of Declarant, parent, affiliates and subsidiaries of Declarant, the officers, directors and employees of all of the foregoing, and as to **Section 12.19** of this Master Declaration, to the extent such Persons agree to be bound by **Section 12.19**, any contractors, subcontractors, brokers, suppliers, architects, engineers and any other Person providing materials or services in connection with the construction of any Improvement upon or benefiting the Property.

1.2.26 “Development Agreement” means that certain Standard Development Agreement with an effective date of March 15, 2006, between the City, Declarant and Mesquite Investors, LLC, a California limited liability company, Recorded March 23, 2006 in Book 20060323 as Instrument No. 000060, as amended from time to time.

1.2.27 “Development Declaration” means a Recorded declaration of development covenants and restrictions between Declarant and a Builder governing the Dwellings and other Improvements to be constructed by a Builder within a Community.

1.2.28 “Developmental Rights” means any right or combination of rights reserved by the Declarant in this Master Declaration to do any of the following:

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

1.2.29 “Dwelling” means any building, or portion of a building, situated upon a Unit and designed and intended for independent ownership and for use and occupancy as a residence. Notwithstanding the foregoing, an ancillary “guest house,” “casita” or “in-law suite” on a Unit shall not be a separate Dwelling but, instead, shall be deemed a part of the structure serving primarily as the Dwelling on the Unit.

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

1.2.31 “First Mortgagee” means the holder of any First Mortgage.

1.2.32 "Golf Course" means the real property generally shown on Exhibit C attached to this Master Declaration, located adjacent to but NOT A PART OF the Property or Common Elements, together with the Improvements constructed thereon, which is part of the Private Amenities and may be operated as a public or private golf course. As used herein, the term "Golf Course" includes the golf course and playing elements, clubhouse, practice facilities, maintenance or storage facilities, driving ranges, parking lots, lakes, water hazards, trees and other landscaping, bunkers, berms, fairways, greens and/or related elements, facilities, features or components.

1.2.33 "Golf Course Restrictions" means the Declaration of Covenants, Conditions, Restrictions and Easements for Conestoga Golf Club Recorded contemporaneously with this Master Declaration, as amended or supplemented from time to time.

1.2.34 "Golf Course Owner" means PN II, Inc., a Nevada corporation, its successors and assigns, or such other Person as may own the Golf Course at the subject point in time.

1.2.35 "Governing Documents" means this Master Declaration together with the Articles, Bylaws and Rules.

1.2.36 "Identifying Number" means the number assigned to a particular Unit that identifies only that one Unit in the Property and that is shown on a Plat as a "Lot Number," or in a Condominium Development, as a "Unit Number," or on a Plat setting forth a Multi-Family Unit, as the lot number or parcel number assigned to such Multi-Family Unit according to such Plat.

1.2.37 "Improvement" means any physical structure, fixture or facility existing or constructed, placed, erected or installed on the land included in the Property, including buildings, private drives, paving, fences, walls, hedges, plants, trees and shrubs of every type and kind.

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

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

1.2.40 "Master Association" means Anthem Mesquite Master Association, a Nevada nonprofit corporation, its successors and assigns. The Master Association is a "master association" under the Act.



1.2.41 “Master Declaration” means this Master Declaration of Covenants, Conditions, Restrictions and Easements for Anthem Mesquite, as amended from time to time.

1.2.42 “Master Plan” means the master land use plan for the development of Anthem Mesquite referred to in the Development Agreement, as it may be amended from time to time in accordance with the Development Agreement.

1.2.43 “Master Trail System” means the system of trails, pathways and associated Improvements traversing Anthem Mesquite that the Master Association makes available to all Unit Owners and Residents and the general public, which may be located on Common Elements, Community Common Elements, public rights-of-way and the Golf Course.

1.2.44 “Member” means any Person who is or becomes a member of the Master Association.

1.2.45 “Multi-Family Unit” means a contiguous portion of the Property, whether improved or unimproved (other than a Unit intended for single family residential purposes, Common Elements, Community Common Elements or real property dedicated to the public), that may be independently owned and conveyed, that is intended to be developed for attached multi-family residential uses with Apartments and that is not established as a separate “common-interest community” as defined in the Act. The term “Multi-Family Unit” shall mean all interests defined as “Unit” in N.R.S. § 116.093. The term shall refer to the land, if any, that is part of the Multi-Family Unit as well as any Improvements, including any Apartment thereon. The boundaries of each Multi-Family Unit shall be delineated on a Plat.

1.2.46 “Period of Declarant Control” means the time period commencing on the date this Master Declaration is Recorded and ending on the earlier of:

- (i) Sixty (60) days after the conveyance of seventy-five percent (75%) of the Units that may be created to Unit Owners other than a Builder or Declarant; or
 - (ii) Five (5) years after all Declarants and Builders have ceased to offer Units for sale in the ordinary course of business; or
 - (iii) Five (5) years after any right to add new Units was last exercised;
- or
- (iv) Such later date as may be permitted under the Act.

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



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

1.2.49 “Plat” means a Recorded final subdivision map or parcel map for any portion of the Property, and all amendments, supplements and corrections thereto, and any subdivision map or parcel map that may be Recorded against any part of the Additional Property that is annexed by the Declarant pursuant to **Section 2.7** of this Master Declaration, and any amendments, replats, supplements or corrections thereto.

1.2.50 “Private Amenity” means certain real property and any Improvements and facilities thereon located adjacent to, in the vicinity of or within Anthem Mesquite that may be privately owned or privately operated by Persons other than the Master Association or any Community Association for commercial, recreational and related purposes, including the Golf Course, any office or commercial facility (including retail, restaurant and entertainment facilities), day care facility, sales center or communications tower that is so located and all related and supporting facilities and Improvements. Private Amenities are NOT A PART OF the Property and NOT A PART OF the Common Elements or any Community Common Elements and NOT SUBJECT TO this Master Declaration or any Community Declaration. Private Amenity ownership and/or membership is NOT A PART OF and is separate from membership in the Master Association and any Community Associations. Notwithstanding the foregoing, the owners and members of Private Amenities, and their respective lessees, guests and other invitees, shall have an easement of access to, enjoyment of and ingress and egress over, Units, Common Elements and Community Common Elements as provided in **Sections 3.5 and 3.6** below.

1.2.51 “Property” or “Anthem Mesquite” means the real property located in Clark County, Nevada, which is described in **Exhibit A** attached to this Master Declaration, together with all Improvements located thereon, and any portion of the Additional Property that is annexed by the Declarant pursuant to **Section 2.7** of this Master Declaration, together with all Improvements located thereon.

1.2.52 “Project Plan” means the plans approved by Declarant for the development and construction of a portion of the Property in accordance with a Development Declaration.

1.2.53 “Purchaser” means any Person, other than the Declarant, who by means of a voluntary transfer becomes a Unit Owner, except for (i) a Person who purchases a Unit and then leases it to the Declarant or a Builder for use as a model in connection with the sale of other Units, (ii) a Builder, or (iii) a Person who, in addition to purchasing a Unit, is assigned any Special Declarant’s Right.

1.2.54 “Record” and “Recording” means placing an instrument of public record; **“Recorded” or “Recordation”** means having been so placed or the act of placing of public record; and **“Record Owner,” “Record Unit Owner” and “Record Notice”** means that



such owner, Unit Owner and/or such notice is evidenced by such public records in the office of the County Recorder of Clark County, Nevada, and/or in the office of the County Recorder of Lincoln County, Nevada, whichever is applicable to the portion of the Property affected by such instrument.

1.2.55 “Resident” means each individual occupying or residing in any Unit or Apartment.

1.2.56 “Rules” means the rules and regulations adopted by the Master Association, as amended from time to time.

1.2.57 “Special Assessment” means any assessment levied against the Units pursuant to **Section 7.5** of this Master Declaration.

1.2.58 “Special Declarant’s Rights” means rights reserved for the benefit of the Declarant in this Master Declaration or by the Act to do any of the following:

- (i) Construct Improvements provided for in this Master Declaration or shown on the Plat or the Plans;
- (ii) Exercise any Developmental Right;
- (iii) Maintain sales offices, management offices, models, and signs advertising the Property and models;
- (iv) Use easements through the Common Elements for the purpose of making Improvements within the Property or within the Additional Property;
- (v) Make the Property subject to a master association other than the Master Association;
- (vi) Merge or consolidate the Property with another common-interest community of the same form of ownership; or
- (vii) Appoint or remove any officer of the Master Association and any member of the Board of Directors during the Period of Declarant Control.

1.2.59 “Specific Assessment” means any assessment levied against a particular Unit or Community Association for expenses incurred or to be incurred by the Master Association for the purposes described in **Section 7.6**.

1.2.60 “Unit” means a physical portion of the Property designated for separate ownership or occupancy, the boundaries of which are described in **Section 2.5** of this Master Declaration, including a Multi-Family Unit and a Condominium Unit.



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

ARTICLE 2

**SUBMISSION AND DEVELOPMENT OF PROPERTY; UNIT BOUNDARIES;
ALLOCATION OF LIMITED COMMON ELEMENTS; EXPANSION OF PROPERTY;
MASTER PLAN AND COMMUNITIES**

2.1 Submission of Property. Declarant hereby submits the real property described on **Exhibit A** attached to this Master Declaration, together with all Improvements situated thereon and all easements, rights and appurtenances thereto, to the provisions of the Act for the purpose of creating a planned community in accordance with the provisions of the Act and hereby declares that the real property described on **Exhibit A** attached to this Master Declaration, together with all Improvements situated thereon, and all easements, rights and appurtenances thereto, and any part of the Additional Property annexed pursuant to **Section 2.7** of this Master Declaration, together with all Improvements situated thereon and easements, rights and appurtenances thereto, shall be held and conveyed subject to the terms, covenants, conditions and restrictions set forth in this Master Declaration.

2.2 Name of Planned Community. The name of the planned community created by this Master Declaration is Anthem Mesquite.

2.3 Name of Association. The name of the association is Anthem Mesquite Master Association.

2.4 Identifying Numbers of Units. The Identifying Numbers of the Units are as set forth on **Exhibit A** and defined in **Subsection 1.2.36**.

2.5 Unit Boundaries.

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

2.5.2 Declarant reserves the right to relocate the boundaries between adjoining Units owned by the Declarant, and between adjoining Units owned by Declarant and any Unit



Owner with the written consent of such Unit Owner, and to reallocate each such Unit's votes in the Master Association and Common Expense Liability subject to and in accordance with the Act.

2.6 Allocation of Limited Common Elements. The Board of Directors shall have the right, without a vote of the Members, to allocate as a Limited Common Element any portion of the Common Elements. Any such allocation by the Board of Directors shall be made by an amendment to this Master Declaration. A Limited Common Element may be reallocated by an amendment to this Master Declaration made in accordance with the provisions of N.R.S. § 116.2108.

2.7 Expansion of the Property.

2.7.1 Declarant hereby expressly reserves the right, but not the obligation, to expand the Property created by this Master Declaration, without the consent of the Master Association, a Community Association or any other Unit Owner, by annexing and submitting to this Master Declaration all or any portion of the Additional Property. The Declarant shall exercise its right to expand the Property by preparing and Recording an amendment to this Master Declaration containing the following:

- (i) a legal description of the portion of the Additional Property being annexed;
- (ii) the number of Units being added by the annexation and the Identifying Number assigned to each new Unit. If any of the Units to be annexed are Multi-Family Units, then the amendment shall identify the total number of Apartments contained or to be contained on each Multi-Family Unit pursuant to the applicable Project Plan approved by Declarant, or if no Project Plan has been approved by Declarant, then the maximum permissible Apartments as designated by Declarant;
- (iii) a designation of the Community in which the Units will be included, and a description of any property to be designated as Community Common Elements and for which the applicable Community Association has maintenance responsibility;
- (iv) a description of the Common Elements and Limited Common Elements created;
- (v) the current number of the votes in the Master Association and a reallocation to each Unit of the fractional undivided interest in the liability for Common Expenses of the Master Association, which shall be determined in accordance with **Subsection 6.4.2** and **Section 7.1** respectively; and
- (vi) a description of any Developmental Rights reserved by the Declarant within the Additional Property being annexed.



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

2.7.3 This option to expand the Property shall expire twenty-five (25) years from the date of the Recording of this Master Declaration.

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

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

2.7.6 The Additional Property, when and if added to the Property, shall be subject in all respect to the Governing Documents.

2.7.7 Declarant reserves the right to create and develop, directly or through Builders to which the various Units may be conveyed, up to an aggregate maximum of twelve thousand (12,000) Units in the Property to wit: ninety-nine (99) Units on the real property described in **Exhibit A** and eleven thousand nine hundred one (11,901) Units on the Additional Property described in **Exhibit B**, in the event Declarant exercises its right of annexation pursuant to the terms of this Master Declaration. Declarant makes no representations, assurances or warranties whatsoever that: (i) all of such Units will be created or developed, nor that the Property will be completed in accordance with the plans for the Property as they exist on the date this Master Declaration is Recorded; (ii) any property subject to this Master Declaration will be committed to or developed for a particular use or for any use; (iii) the sequence, timing or location of further development; or (iv) the use of any property subject to this Master Declaration will not be changed in the future. Unless otherwise expressly provided elsewhere herein, any "Developmental Rights" or "Special Declarant's Rights" (as those terms are defined in the Act) reserved to Declarant in this Master Declaration may be exercised with respect to different portions of the Property or Additional Property at different times, and the exercise of such rights in a portion of the Property or Additional Property shall not necessitate the exercise of any such right in all or any portion of the remaining Property or Additional Property.

2.7.8 Notwithstanding anything in this Declaration to the contrary, Declarant reserves the right to expand the Property by adding additional property not described on **Exhibit B** attached hereto so long as (i) such additional property is annexed and submitted to this Declaration in the same manner described in this **Section 2.7**, (ii) the maximum number of Units



set forth in **Subsection 2.7.7** is not increased, and (iii) the addition of such additional property complies with the provisions of N.R.S. § 116.2122.

2.8 Master Plan. The Declarant, without obtaining the consent of any other Person, including any Unit Owner, the Master Association or a Community Association, shall have the right to make changes or modifications to the Master Plan with respect to any Property or Additional Property owned by the Declarant in any way that the Declarant desires, including changing the density of all or any portion of the Property or Additional Property owned by the Declarant or changing the nature or extent of the uses to which the Property or Additional Property may be devoted. Inclusion of real property on the Master Plan shall not, under any circumstances, obligate Declarant to subject such real property to this Master Declaration, nor shall the omission of any part of the Additional Property from the Master Plan bar its later submission to this Master Declaration as provided in **Section 2.7**.

2.9 Communities; Community Associations. Declarant hereby reserves the power and authority to create Communities within the Property by, among other things, Recording a Community Declaration prior to sale or development by Declarant of the portion of the Property to be subjected to such Community Declaration, or requiring the Builder of the portion of the Property to be subjected to such Community Declaration to Record a Community Declaration, in form and content approved by Declarant in its sole and absolute discretion, against the subject portion of the Property immediately following the deed by which such Builder acquires title to such portion of the Property from Declarant, with no intervening Recordings. At such time as the first approved Community Declaration is Recorded against a portion of the Property, the provisions of this Master Declaration relating to Communities shall apply. Each Community shall have a Community Association established for it.

**ARTICLE 3
EASEMENTS**

3.1 Unit Owners' Easements of Enjoyment.

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

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

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



(iii) The right of the Master Association to change the use of a Common Element as provided in **Section 6.12**;

(iv) The right of the Association to impose reasonable membership requirements, including the requirement that a Unit Owner or Resident obtain and present an Association activity card prior to using any of the recreational facilities on the Common Elements;

(v) The right of the Association to charge reasonable Special Use Fees for services to be rendered by the Association or for the use of any recreational facility situated on the Common Elements;

(vi) The right of the Association to permit use of any recreational facility situated on the Common Elements by persons other than Unit Owners, Residents and their guests;

(vii) The right of the Association to organize and operate events and programs that utilize the recreational facilities for the purpose of generating funds for the Association or otherwise, and the right of the Association to exclude Unit Owners from using such facilities during special events;

(viii) All rights and easements set forth in this Master Declaration, including the rights and easements granted to the Declarant and Builders; and

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

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

3.1.3 The guests and invitees of any Unit Owner or other person entitled to use the Common Elements pursuant to **Subsection 3.1.1** of this Master Declaration or of any lessee who is entitled to use the Common Elements pursuant to **Subsection 3.1.2** of this Master Declaration may use the Common Elements provided they are accompanied by a Unit Owner, lessee or other person entitled to use the Common Elements pursuant to **Subsection 3.1.1** or **3.1.2** of this Master Declaration or as otherwise permitted by the Rules. The Board of Directors shall have the right to limit the number of guests and invitees who may use the Common Elements at any one time and may restrict the use of the Common Elements by guests and invitees to certain specified times.



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

3.1.5 The provisions of this Section 3.1 shall not apply to any of the Limited Common Elements that are allocated to one or more but less than all of the Units.

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

3.3 Easements for Construction and Utilities.

3.3.1 There is hereby reserved to Declarant and granted to the Master Association and their respective duly authorized employees, agents, representatives, consultants, contractors, subcontractors, materialmen, suppliers, invitees, permittees, licensees and mortgagees a perpetual, nonexclusive easement on, under, over, through and across Common Elements, Community Common Elements and all other portions of the Property and Additional Property (but not through any structures thereon) to the extent reasonably necessary for (i) the construction, maintenance, repair, replacement, operation and management of the Common Elements and Areas of Common Responsibility; (ii) maintaining and correcting drainage of surface, roof or storm water, including the right to cut any trees, bushes, or shrubbery, to grade the soil or to take any other action reasonably necessary; and/or (iii) the performance of all of the respective duties and exercise of all of the respective rights of Declarant and the Master Association under this Master Declaration, the Rules, any Community Declaration or other similar instrument.

3.3.2 Declarant reserves for itself and grants to the Master Association the nonexclusive right and power to reserve, grant and Record such specific easements over Common Elements, and to grant nonexclusive, temporary easements and/or revocable licenses over Common Elements, as may be necessary, in the sole and absolute discretion of Declarant or the Board of Directors, as applicable, in connection with the orderly development of and construction of Improvements on any portion of the Property or the Additional Property (provided that no easement or license shall be imposed or granted pursuant to this Subsection upon any portion of the Common Elements that materially limits, for an unreasonable period of



time (as determined in the sole and absolute discretion of the Board of Directors), the use of the Common Elements pursuant to the easement of enjoyment granted in **Section 3.1**.

3.3.3 Declarant hereby reserves for itself and grants to each Unit Owner, Community Association and the Master Association reciprocal easements of encroachment between Common Elements and Units or Community Common Elements for the unintentional placement, or settling or shifting, of Improvements constructed, installed or altered thereon. Such easement shall extend for a distance not to exceed two (2) feet, as measured from the common boundary. In no event shall an easement of encroachment exist or be created hereby 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.

3.3.4 There is hereby reserved to Declarant and granted to the Master Association and any utility or service company providing utility services to the Property or any portion of the Additional Property a nonexclusive blanket easement in, on, upon, across, over and under the Common Elements, Community Common Elements and public utility easement areas identified on any Plat, and any private accessways within the Property (but not through any structures thereon), for access, ingress and egress and the installation, inspection, operation, replacement, repair and maintenance of, all utility and service lines, systems and infrastructure, including water, sewer, gas, electricity and communications, as reasonably necessary in connection with the initial development of any Common Element and/or the construction of the initial Improvements thereon. Pursuant to this easement, a providing utility or service company, whether public, quasi-public or private, may install and maintain facilities and equipment on Common Elements, (subject to reasonable approval of the Master Association with respect to location, design and aesthetics), Community Common Elements (subject to reasonable approval of the applicable Community Association with respect to location, design and aesthetics) and any portion of a Unit over which a public utility easement has been granted, and have access to read utility meters and affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of Improvements located on Common Elements (subject to the reasonable approval of the Master Association) as necessary to provide service to the Common Elements.

3.3.5 There is hereby reserved to Declarant and granted to authorized Builders (as described below) and their respective duly authorized employees, agents, representatives, consultants, contractors, subcontractors, materialmen, suppliers, invitees, permittees, licensees and mortgagees a perpetual, nonexclusive easement on, under, over, through and across the Common Elements, Community Common Elements and public utility easement areas identified on any Plat, and any private accessways within the Property (but not through any structures thereon) to the extent reasonably necessary for the initial development and construction of Improvements by Declarant or any Builder, including access for development and construction activities and access for sales and marketing activities by Declarant or by any authorized Builder as provided in any applicable Development Declaration or Community Declaration; provided, however, that access for sales and marketing activities by Builders shall be limited to, and is hereby authorized only upon: (i) Community Common Elements contained within the boundaries of the Plat covering the property owned by the Builder seeking use thereof; (ii) Common

Elements (subject to prior approval of all activities thereon by the Board of Directors); and (iii) such other area(s) as may be specified in any applicable Development Declaration or Community Declaration Recorded by or with the consent of Declarant, subject to such restrictions, requirements, limitations and other terms as may be set forth therein. This easement includes a right of pedestrian and vehicular access, ingress and egress for surveying, staking, grading, paving, construction of Improvements (Including Community Common Element Improvements), tying in and installing utilities and other activities incidental to such initial development and construction of Improvements. Declarant may (but shall have no obligation to) delegate to any Builder any or all of the rights and easements reserved or granted to Declarant under this Subsection insofar as they relate to initial development of the property owned by such Builder and the initial development of any Community Common Elements contained within the boundaries of the Plat covering the property owned by such Builder, and to the extent of such delegation set forth in a Development Declaration, such Builder shall be deemed an "authorized" Builder for purposes of this Subsection.

3.3.6 Declarant hereby reserves the right and a nonexclusive perpetual easement (which, in its sole and absolute discretion, it may delegate to and/or share with one or more Builders, upon and subject to such terms and conditions as Declarant may deem appropriate) to maintain one or more advertising, identification and/or directional signs on the Common Elements and Community Common Elements. Declarant shall have the right and a nonexclusive perpetual easement upon, over and through the Common Elements and Community Common Elements as may be reasonably necessary for the purpose of exercising the rights granted to or reserved by Declarant in this Subsection.

3.3.7 The exercise of the easement rights granted in this Section 3.3 are subject to this Master Declaration and the Rules and to all other applicable covenants, conditions, restrictions, easements, reservations, rights and other matters of Record. All work associated with the exercise of the easements described in this Section shall be performed in such a manner as to minimize interference with the use and enjoyment of the property burdened by such easement. Upon completion of the work, the Person exercising the easement shall restore, at such Person's sole cost and expense, any property damaged in connection with such work, to the extent reasonably possible, to substantially its condition prior to the commencement of the work, including any paving and landscaping Improvements. Except as specifically indicated, the exercise of these easements shall not (i) permit entry into buildings, nor (ii) unreasonably interfere with the use of any portion of the burdened property. Except in an emergency, entry onto private accessways, Common Elements, Community Common Elements, Units or any other portion of the Property or Additional Property pursuant to the easement rights granted in this Section shall be made only after reasonable notice to the owner of such property, or to the Master Association with respect to any Common Elements.

3.3.8 Nothing contained in this Master Declaration shall be deemed to create any implied easements not otherwise expressly provided for herein.



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

(i) For inspection of the Limited Common Elements in order to verify the performance by Unit Owners of all items of maintenance and repair for which they are responsible, if any;

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

(iii) For correction of emergency conditions in Limited Common Elements or casualties to the Common Elements or the Limited Common Elements;

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

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

3.5 Easements for Private Amenities. Declarant hereby reserves for the owners of each Private Amenity the right and nonexclusive easement of ingress, egress, access and use over those certain Common Elements and Community Common Elements (including private streets, sidewalks and entry areas), if any, whether by automobile or other means, located within the Property and reasonably and customarily necessary to travel between the entrances of the Property and the Private Amenities.

3.6 Easements for Golf Course.

3.6.1 Declarant hereby grants an easement on the Property permitting golf balls played from the Golf Course unintentionally to come upon the Property. **UNDER NO CIRCUMSTANCES SHALL THE DECLARANT PARTIES, THE GOLF COURSE OWNER OR ANY OPERATOR OF THE GOLF COURSE, ANY BUILDER, THE MASTER ASSOCIATION, ANY COMMUNITY ASSOCIATION, A SUCCESSOR IN INTEREST TO ANY OF THE FOREGOING, AND ANY OFFICER, DIRECTOR, EMPLOYEE OR PARTNER OF ANY OF THE FOREGOING, BE RESPONSIBLE OR LIABLE FOR ANY DAMAGE OR INJURY TO PERSONS OR PROPERTY RESULTING FROM ERRANT GOLF BALLS OR THE EXERCISE OF THIS**



EASEMENT. Each Unit Owner and Resident, for himself and his family, invitees and licensees, recognizes and agrees to the release set forth in **Subsection 11.2.3** of this Declaration.

3.6.2 Declarant hereby grants to the Golf Course Owner, and the portion of the Property immediately adjacent to the Golf Course is hereby burdened with, a nonexclusive easement for overspray of water, herbicides, pesticides, fertilizer, grass cuttings, landscape clippings and other materials, and effluent from any irrigation system serving the Golf Course. Under no circumstances shall the Master Association be held liable for any damage or injury resulting from such overspray or the exercise of this easement.

3.6.3 The Golf Course Owner shall have a perpetual, exclusive easement of access over the Property for the purpose of retrieving golf balls from bodies of water within the Common Elements and Community Common Elements lying reasonably within range of golf balls hit from the Golf Course.

3.6.4 The Golf Course Owner, its agents, employees and contractors shall have a perpetual, nonexclusive easement of access over the Property for the purpose of maintaining and repairing water and irrigation lines and pipes that are used in connection with the irrigation of the Golf Course.

3.6.5 The Golf Course Owner, its agents, guests, invitees, employees and customers, shall at all times have a right and nonexclusive easement of access and use over all roadways and golf cart paths, if any, located or to be located within the Property and reasonably necessary to travel to and from the Golf Course. The Master Association and Community Associations shall permit the parking of vehicles on the streets within the Property at reasonable times before, during, and after golf tournaments and other similar functions held at the Golf Course.

3.7 **Easements for Cross-Drainage.** The Declarant hereby reserves for itself and grants to the Master Association an easement across every Unit, all Common Elements and all Community Common Elements for natural drainage of storm water runoff from other portions of the Property; provided, no Person shall alter the natural drainage on any Unit to increase materially the drainage of storm water onto adjacent portions of the Property without the consent of the Unit Owner(s) of the affected property, the Board of Directors, and, so long as Declarant owns any Property or Additional Property, the Declarant. Notwithstanding anything herein contained to the contrary, all such easements granted pursuant to this Section shall be consistent and in accordance with the plans on file with the county or municipality in which the Property is located.

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



Declaration is the same as the Recording data for this Master Declaration. The Recording data for any easements and licenses created by a Plat is the same as the Recording data for the Plat.

ARTICLE 4 DECLARANT RIGHTS; PROPERTY RESTRICTIONS

4.1 Declarant Conveyances. For so long as Declarant owns any portion of the Property or Additional Property, Declarant shall have the right and power to convey to the Master Association any land within the Property and/or the Additional Property owned by Declarant, together with Improvements thereon, that is not subject to a Community Declaration and that Declarant desires to make available for use by Unit Owners and Residents and other Persons entitled to use the Common Elements, without the consent of the Board of Directors, the Unit Owners, any Community Association or any other Person being required. The Master Association is required hereby to accept any such conveyance(s) so long as: (i) the property conveyed is free and clear of monetary liens (other than a lien for taxes not yet due and payable, which shall be prorated as of the date of conveyance); and (ii) the designated use of such conveyed property, as set forth in the deed to the Master Association or other instrument Recorded by Declarant concurrently with Recordation of the deed, shall be consistent with any applicable deed restrictions or zoning regulations.

4.2 Declarant and/or Master Association Approvals Required.

4.2.1 No Community Declaration, supplemental declaration, other declaration of covenants, conditions and restrictions, condominium declaration, timeshare plan or similar instrument, and no plat, dedication or similar instrument (nor any amendment to any of such instruments) affecting any portion of the Property shall be Recorded by any Person other than Declarant (and, if Recorded, such instrument or amendment shall not be effective) unless it has been approved, as evidenced by a Recorded instrument (which may be attached to or part of such instrument or amendment), by the Declarant, for so long as Declarant owns any portion of the Property or Additional Property or until the earlier relinquishment of Declarant's rights under this **Section 4.2**, and thereafter by the Board of Directors. No articles of incorporation or bylaws establishing any Community Association or other property owners association or sub-association within the Property (nor any amendment to any of such instruments) shall be filed or established by any Person other than Declarant (and, if filed or established, such instrument or amendment shall not be effective) unless it has been approved, as evidenced by the written consent (which may be attached to or part of such instrument or amendment) of the Declarant, for so long as Declarant owns any portion of the Property or Additional Property or until the earlier relinquishment of Declarant's rights under this **Section 4.2**, and thereafter by the Board of Directors. In addition, any such declaration, other instrument or amendment covering any portion of the Property shall specify that such document, association and the rights of its members are subject and subordinate to the provisions of this Master Declaration and the provisions of the Articles and Bylaws of the Master Association. Any property identified as annexable property or additional property (however denominated) in any Community Declaration or other declaration or similar instrument Recorded by or with the approval of



Declarant against any portion of the Property or Additional Property shall not be developed or improved in any manner (Including grading thereof) unless and until such property has been annexed under and subjected to the applicable Community Declaration or other declaration or similar instrument, or such development or Improvement has been otherwise authorized by Declarant (or the Board of Directors, after Declarant no longer owns any portion of the Property or Additional Property, or until the earlier relinquishment of Declarant's rights under this **Section 4.2**), and then any such development or Improvement shall be pursued only after all approvals required to be obtained from Declarant and/or the Board of Directors have been obtained.

4.2.2 No Unit shall be further subdivided or separated into smaller units or parcels by any Unit Owner, no portion less than all of any such Unit shall be conveyed or transferred by any Unit Owner and two or more Units shall not be combined into fewer Units than originally shown on a Plat without the prior written approval of the Declarant, for so long as Declarant owns any portion of the Property or Additional Property or until the earlier relinquishment of Declarant's rights under this **Section 4.2**, and thereafter by the Board of Directors. If two or more Units are combined into fewer Units than as originally shown on a Plat pursuant to the prior written approval of Declarant or the Board of Directors, whichever is applicable, the provisions of **Article 6** and **Article 7** of this Master Declaration shall apply to such Units as originally shown on the Plat, and no diminution of voting rights or decrease in Assessments shall be applicable to the Units so combined. No application for rezoning, variances or use permits pertaining to any Unit shall be filed with any governmental authority by any Person unless the application has been approved by the Declarant, for so long as Declarant owns any portion of the Property or Additional Property or until the earlier relinquishment of Declarant's rights under this **Section 4.2**, and thereafter by the Board of Directors, and the proposed use otherwise complies with this Master Declaration.

4.2.3 No Community Common Element shall be mortgaged, transferred, dedicated or encumbered by a Community Association without the prior written approval of the Declarant, for so long as Declarant owns any portion of the Property or Additional Property or until the earlier relinquishment of Declarant's rights under this **Section 4.2**, and thereafter by the Board of Directors.

4.2.4 No change in the use of a Community Common Element shall be effected by a Community Association without the prior written approval of the Declarant, for so long as Declarant owns any portion of the Property or Additional Property or until the earlier relinquishment of Declarant's rights under this **Section 4.2**, and thereafter by the Board of Directors.

4.3 Leasing.

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



(i) A Unit (except for a Multi-Family Unit) may be leased only in its entirety. No fraction or portion of a Unit or Dwelling may be leased, except that Apartments in Multi-Family Units may be leased separately.

(ii) The lease or rental agreement must be in writing.

(iii) The lease or rental agreement must contain a provision that the lease or rental agreement is subject to this Master Declaration and all other Master Governing Documents and that any violation of any of the foregoing shall be a default under the lease or rental agreement.

(iv) Within ten (10) days after execution of a lease or rental agreement, the Unit Owner shall provide the Master Association with (a) a fully executed copy of the lease, (b) the names of the lessees and each person who will reside in the Dwelling, (c) the address and telephone number of the Unit Owner, and (d) any additional information as may be required by the Board of Directors.

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

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

4.4 **Variances; Diminution of Restrictions.** The Declarant or Board of Directors, as applicable, may, at the respective option of each and in extenuating circumstances, grant variances from the restrictions set forth in this **Article 4** if the Declarant or the Board of Directors, as applicable, determines in its discretion that: (i) a restriction would create an unreasonable hardship or burden on a Unit Owner or Resident or a change of circumstances since the Recordation of this Declaration has rendered such restriction obsolete; and (ii) the activity permitted under the variance will not have any substantial adverse effect on the Unit Owners and Residents and is consistent with the high quality of life intended for Residents of Anthem Mesquite. Notwithstanding the foregoing, the Declarant and the Board of Directors shall not grant variances permitting uses that are not consistent with applicable law. If any restriction set forth in this **Article 4** is adjudged or deemed to be invalid or unenforceable as written by reason of any federal, state or local law, ordinance, rule or regulation, then a court or

the Board of Directors, as applicable, may interpret, construe, rewrite or revise such restriction to the fullest extent allowed by law so as to make such restriction valid and enforceable. Such modification shall not serve to extinguish any restriction not adjudged or deemed to be unenforceable. Upon expiration of the Period of Declarant Control and for so long as the Declarant owns any property described on **Exhibit A** or **Exhibit B**, any variance granted by the Board of Directors shall be subject to review and approval by the Declarant, to the extent permitted by Nevada law.

ARTICLE 5 MAINTENANCE AND REPAIR

5.1 Areas of Common Responsibility. The Master Association shall maintain, repair and replace all Areas of Common Responsibility. The cost of all such maintenance, repairs and replacements shall be a Common Expense and shall be paid for by the Master Association. The Board of Directors shall be the sole judge as to the appropriate maintenance of the Areas of Common Responsibility, and all Unit Owners shall cooperate with the Board of Directors in any way required by the Board of Directors in order for the Board of Directors to fulfill its obligations under this Section. Notwithstanding anything contained in this Section or otherwise set forth in this Master Declaration to the contrary, the Areas of Common Responsibility shall be maintained, repaired and replaced by the Master Association in compliance with all laws, statutes, ordinances, regulations and standards, including (i) the provisions of the Development Agreement, including the Environmental Development Plan attached thereto, and (ii) the terms and conditions of other permits and approvals issued to Declarant, including the U.S. Army Corps of Engineers 404 Permit, the Nevada Department of Environmental Protection 401 Water Quality Certification and the U.S. Fish and Wildlife protocols, as any such provisions, terms and conditions may be applicable to portions of the Areas of Common Responsibility.

5.2 Assessment of Certain Costs of Maintenance and Repair. Each Community Association and each Unit Owner shall be liable to the Master Association for any damage to the Areas of Common Responsibility or for any damage to the Improvements on Units for which the Master Association has responsibility to maintain, if any, that results from the negligence or willful misconduct of a Community Association, its agents, licensees or invitees, or a Unit Owner or Resident or their respective guests, lessees or invitees. The Master Association shall levy a Specific Assessment against the Community Association or Unit Owner, as applicable to cover the cost of any repair, maintenance or replacements caused by the act of such Community Association, its agents, licensees or invitees, or such Unit Owner or Resident, their respective guests, lessees or invitees.

5.3 Improper Use of Areas of Common Responsibility. In the event any portion of the Areas of Common Responsibility is being used by a Community Association, its agents, licensees or invitees, or a Unit Owner or Resident or their respective guests, lessees or invitees in a manner that violates this Declaration or the Rules, the Board of Directors may by resolution make a finding to such effect, specifying the particular violation or violations that exist, and



pursuant thereto give written notice thereof to the appropriate Community Association or Unit Owner by mail and make demand that enforcement and/or corrective action be taken by the Community Association or Unit Owner, as appropriate, within fifteen (15) calendar days of the date of the notice (or within such shorter period of time as the Board of Directors may specify in a notice of such violation threatens the health, safety or welfare of any Person or poses an imminent threat to person or property). If at the expiration of the applicable period the requisite enforcement and/or corrective action has not been taken by the Community Association or the Unit Owner, as applicable, the Board of Directors shall be authorized and empowered to take direct action against the Community Association or culpable Unit Owner, as applicable, including the hiring of an attorney to take action on behalf of the Board of Directors, whether by informal pre-suit action or by formal legal proceedings. The Master Association shall levy a Specific Assessment against the Community Association or Unit Owner, as applicable to cover the cost of any action taken by the Board of Directors as set forth herein, including incidental costs, attorneys' fees and any fines assessed against the Unit Owner.

5.4 Community Party Fences.

5.4.1 Any wall or fence (hereinafter, a "fence") that is placed on or along the boundary line between a Unit in one Community and a Community Common Element owned by a Community Association in an adjacent Community shall be maintained, repaired and replaced by the Unit Owner, except that the Community Association that owns the Community Common Element shall be responsible for the repair and maintenance of the surface of the fence that faces the Community Common Element. The Community Association shall have no responsibility for any structural repair and maintenance that would require rebuilding all or a portion of any such fence. Notwithstanding the foregoing, if any such fence or portion thereof is a metal view fence, the Community Association responsible for maintaining the surface of the fence that faces the Community Common Element shall maintain the entire metal view portion of the fence, and the Unit Owner shall pay to the Community Association, upon demand, one-half the cost of any such maintenance performed. A perpetual, nonexclusive easement in favor of the applicable Unit Owner and Community Association is hereby created on, over, under, through and across any such Unit and Community Common Element, to the extent reasonably necessary, for the purpose of the applicable Unit Owner and Community Association maintaining, repairing and replacing any fences subject to this **Subsection 5.4.1**. In the event any damage to a Unit or Community Common Element occurs as a result of a party exercising its right under this Subsection, the party responsible for the damage shall immediately restore the Unit or Community Common Element to the condition existing prior to exercising the right.

5.4.2 Any fence that is placed on or along the boundary line between a Community Common Element owned by one Community Association and a Community Common Element owned by another Community Association shall be deemed a party fence and the rights and duties of the Community Associations with respect to party fences shall be as provided in this **Subsection 5.4.2**:



(i) The Community Associations of contiguous Community Common Elements that have a party fence shall both equally have the right to use such fence provided that the use by one Community Association and its members does not interfere with the use and enjoyment of the fence by the other Community Association and its members.

(ii) The adjoining Community Associations shall each have the right to perform any necessary maintenance, repair or replacement of the party fence and the cost of such maintenance, repair or replacement shall be shared equally by the adjoining Community Associations except as otherwise provided in this Subsection; provided, however, that a Community Association shall be solely responsible for the cost of maintaining the surface of the fence facing its respective Community Common Element. If any such fence or portion thereof is a metal view fence, one Community Association (to be determined by mutual agreement of adjacent Community Associations) shall maintain the entire metal view portion of the fence, and the other Community Association shall pay to the Community Association performing the maintenance, upon demand, one-half the cost of any such maintenance performed.

(iii) If a party fence is damaged or destroyed through the act of a Community Association or its members, agents, licensees or invitees, it shall be the obligation of such Community Association to rebuild and repair the party fence without cost to the adjoining Community Association.

(iv) If a party fence is damaged or destroyed by some cause other than the act of a Community Association or its members, agents, licensees or invitees (Including ordinary wear and tear and deterioration from lapse of time), then the applicable Community Associations shall rebuild or repair the party fence at their joint and equal expense.

(v) The right of any Community Association to contribution from any other Community Association under this Section shall be appurtenant to the land and shall pass to such Community Association's successors in title.

(vi) In addition to meeting the requirements of any building code or similar regulations or ordinances, any Community Association proposing to modify, make additions to or rebuild a party fence shall first obtain the written consent of the adjoining Community Association.

(vii) If a party fence encroaches upon a Community Common Element, a valid easement for such encroachment and for the maintenance of the party fence shall and does exist in favor of the Community Association that shares the party fence.

(viii) A perpetual, nonexclusive easement in favor of the applicable Community Associations is hereby created on, over, under, through and across any Community Common Element on which a party fence is located, to the extent reasonably necessary, for the purpose of the applicable Community Associations maintaining, repairing and replacing any fences subject to this **Subsection 5.4.2.**



5.5 Master Association Fences.

5.5.1 Except for fences covered by **Subsections 5.5.2 and 5.5.3** below, fences located on a Common Element shall be maintained, repaired and replaced by the Master Association.

5.5.2 Any fence that is placed on or along the boundary line between a Unit and a Common Element shall be maintained, repaired and replaced by the Unit Owner, except that the Master Association shall be responsible for the repair and maintenance of the surface of the fence that faces the Common Element. The Master Association shall have no responsibility for any structural repair and maintenance that would require rebuilding all or a portion of any such fence. Notwithstanding the foregoing, if any such fence or portion thereof is a metal view fence, the Master Association shall maintain the entire metal view portion of the fence, and the Master Association shall levy a Specific Assessment against the Unit Owner to cover one-half the cost of any such maintenance performed. A perpetual, nonexclusive easement in favor of the applicable Unit Owner and the Master Association is hereby created on, over, under, through and across any such Unit and Common Element, to the extent reasonably necessary, for the purpose of the applicable Unit Owner and the Master Association maintaining, repairing and replacing any fences subject to this **Subsection 5.5.2**. In the event any damage to a Unit or a Common Element occurs as a result of a party exercising its right under this Subsection, the party responsible for the damage shall immediately restore the Unit or Common Element to the condition existing prior to exercising the right. If any fence described in this **Subsection 5.5.2** encroaches upon a Unit or Common Element, a valid easement for such encroachment shall and does exist in favor of the Unit Owner or the Master Association, as applicable.

5.5.3 Any fence that is placed on or along the boundary line between a Community Common Element and a Common Element shall be maintained, repaired and replaced by the Community Association that shares the fence with the Master Association, except that the Master Association shall be responsible for the repair and maintenance of the surface of the fence that faces the Common Element. The Master Association shall have no responsibility for any structural repair and maintenance that would require rebuilding all or a portion of any such fence. Notwithstanding the foregoing, if any such fence or portion thereof is a metal view fence, the Master Association shall maintain the entire metal view portion of the fence, and the Master Association shall levy a Specific Assessment against the Community Association to cover one-half the cost of any such maintenance performed. A perpetual, nonexclusive easement in favor of the applicable Community Association and the Master Association is hereby created on, over, under, through and across any such Community Common Element and Common Element, to the extent reasonably necessary, for the purpose of the applicable Community Association and the Master Association maintaining, repairing and replacing any fences subject to this **Subsection 5.5.3**. In the event any damage to a Community Common Element or a Common Element occurs as a result of a party exercising its right under this Subsection, the party responsible for the damage shall immediately restore the Community Common Element or Common Element to the condition existing prior to exercising the right. If any fence described in this **Subsection 5.5.3** encroaches upon a Community Common Element



or Common Element, a valid easement for such encroachment and for the maintenance of the fence shall and does exist in favor of the Community Association or the Master Association, as applicable.

5.5.4 Any fence that is placed on or along the boundary line between a Common Element and the Golf Course shall be maintained, repaired and replaced by the Master Association.

5.5.5 Any fence that is placed on or along a boundary line between a Common Element and property adjacent to Anthem Mesquite ("Adjacent Property") shall be maintained, repaired and replaced by the Master Association, provided that such maintenance obligations shall be subject to the Master Association obtaining an easement or other permission from the owner of the Adjacent Property prior to entering the Adjacent Property for maintenance purposes.

**ARTICLE 6
THE MASTER ASSOCIATION**

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

6.2 Directors and Officers.

6.2.1 During the Period of Declarant Control, the Declarant shall have the right to appoint and remove the majority of members of the Board of Directors and the officers of the Master Association as set forth in this Section. The Board of Directors must consist of at least three (3) members during the Period of Declarant Control, or such greater number as provided in the Bylaws. Members of the Board of Directors and officers of the Master Association appointed by the Declarant are not required to be Unit Owners.

6.2.2 Upon the termination of the Period of Declarant Control, the Members shall elect the Board of Directors in accordance with the provisions of the Bylaws. The Board of Directors must consist of at least five (5) members upon termination of the Period of Declarant Control, all of whom must be Unit Owners. The Board of Directors so elected shall then elect the officers of the Master Association.



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

6.2.4 Not later than sixty (60) days after the conveyance of twenty-five percent (25%) of the Units that may be created to Unit Owners other than the Declarant and Builders, at least one (1) member and not less than twenty-five percent (25%) of the members of the Board of Directors must be elected by Unit Owners other than Declarant and Builders. Not later than sixty (60) days after the conveyance of fifty percent (50%) of the Units that may be created to Unit Owners other than Declarant and Builders, not less than thirty-three and one-third percent (33-1/3%) of the members of the Board of Directors must be elected by Unit Owners other than Declarant and Builders. Any member of the Board of Directors elected by the Unit Owners pursuant to this Subsection shall be (i) a Unit Owner, or (ii) an officer, employee, agent or director of a corporate Unit Owner, a trustee or designated beneficiary of a trust that owns a Unit, a partner of a partnership that owns a Unit, a member or manager of a limited liability company that owns a Unit or a fiduciary of an estate that owns a Unit. Prior to having a person's name placed on a ballot for election of directors, such person shall take all actions required by Nevada law to prove such person's eligibility to serve on the Board of Directors. A person shall not be eligible to serve on the Board of Directors if, at the time a person's name is proposed to be placed on a ballot for election of directors, such person (or the Unit Owner if such person is an officer, employee, agent or director of a corporate Unit Owner) is not in compliance with the provisions of the Governing Documents, including the current payment of all Assessments, charges and other fees required thereunder, or any other provision of Nevada law governing the eligibility of directors.

6.2.5 The affairs of the Master Association shall be conducted by the Board of Directors and such officers as the Board of Directors may elect or appoint in accordance with the Articles and the Bylaws. Unless the Governing Documents specifically require the vote or written consent of the Members, approvals or actions to be given or taken by the Master Association shall be valid if given and taken by the Board of Directors. The Board of Directors, from time to time and subject to the provisions of this Master Declaration and the Act, shall have the power to levy reasonable fines against a Unit Owner for a violation of the Governing Documents by the Unit Owner, a guest of the Unit Owner, a lessee of the Unit Owner or by any Resident of the Unit Owner's Unit.

6.3 **Rules.** The Board of Directors, from time to time and subject to the provisions of this Master Declaration and the Act, may adopt, amend, and repeal rules and regulations (collectively, the "Rules"). Except as otherwise provided in this Master Declaration or under the Act, the Rules may, among other things, restrict and govern the use of any area within the Property by any Unit Owner, by the family of such Unit Owner, or by any invitee, licensee or lessee of such Unit Owner. Upon expiration of the Period of Declarant Control and for so long

as Declarant owns any property described on **Exhibit A** or **Exhibit B**, the adoption, amendment and repeal of any rules and regulations by the Board of Directors shall be subject to review and approval of the Declarant, to the extent permitted by Nevada law.

6.4 Composition of Members; Allocation of Votes.

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

6.4.2 The Master Association shall two (2) classes of membership as follows:

(i) **Class A:** Class A shall be composed of all of the Unit Owners of Units except Multi-Family Units. Each Class A Unit Owner shall have one (1) equal vote for each Unit in which it holds the interest required for membership under **Subsection 6.4.1**, except that there shall be only one (1) vote per Unit. Accordingly, the total number of Class A votes for the Master Association shall equal the total number of Units, except Multi-Family Units, subject to this Declaration from time to time.

(ii) **Class B:** Class B shall be composed of all of the Unit Owners of Multi-Family Units. Each Unit Owner of a Multi-Family Unit shall have one (1) equal vote for every five (5) Apartments located on each Multi-Family Unit in which it holds the interest required for membership under **Subsection 6.4.1**, except that there shall be no fractional votes. The total number of Class B votes for each Multi-Family Unit shall equal the total number of Apartments contained on such Multi-Family Unit, divided by five (5) and then rounded to the nearest whole number. Accordingly, the total number of Class B votes for the Master Association shall equal the total number of Apartments subject to this Master Declaration from time to time, divided by five (5) and rounded to the nearest whole number.

As of the date this Declaration is Recorded, there are ninety-nine (99) Class A votes in the Master Association and no Class B Votes.

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



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

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

6.7 Voting Rights. Subject to Section 6.8 below, each Class A Unit Owner, Including Declarant and Builders, shall be entitled to cast one (1) vote for each Unit owned by such Unit Owner, and each Class B Unit Owner, Including Declarant and Builders, shall be entitled to cast one (1) vote for every five (5) Apartments located on each Multi-Family Unit, on any Master Association matter that is put to a vote of the membership in accordance with this Master Declaration, the Articles and/or Bylaws.

6.8 Voting Procedures. No change in the ownership of a Unit shall be effective for voting purposes unless and until the Board of Directors is given actual written notice of such change and is provided satisfactory proof thereof. The vote for each such Unit must be cast as a unit, and fractional votes shall not be allowed. In the event that a Unit is owned by more than one (1) Person and such Unit Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Member casts a vote representing a certain Unit, it will thereafter be conclusively presumed for all purposes that such Unit Owner was acting with the authority and consent of all other Unit Owners of the same Unit unless objection thereto is made at the time the vote is cast. In the event more than one (1) vote is cast by a Member for a particular Unit (or in the case of a Multi-Family Unit, more than one (1) vote is cast by a Member for every five (5) Apartments), none of the votes shall be counted and all of the votes shall be deemed void.

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

6.10 Suspension of Voting Rights. If any Unit Owner fails to pay any Assessment or other amounts due to the Master Association under the Governing Documents within fifteen (15) days after such payment is due or if any Unit Owner violates any other provision of the Governing Documents and such violation is not cured within fifteen (15) calendar days after the



Master Association notifies the Unit Owner of the violation, the Board of Directors shall have the right to suspend the Unit Owner's right to vote until such time as all payments, including interest and attorneys' fees, are brought current and until any other infractions or violations of the Governing Documents are corrected.

6.11 Conveyance or Encumbrance of Common Element. The Common Elements shall not be mortgaged, transferred, dedicated or encumbered without the prior written consent or affirmative vote of Unit Owners representing at least a majority of the votes in the Master Association, including a majority of the votes allocated to Units not owned by Declarant or Builders. Upon the expiration of the Period of Declarant Control and for so long as the Declarant owns any property described on **Exhibit A** or **Exhibit B**, the Common Elements shall not be mortgaged, transferred, dedicated or encumbered without the prior written consent of the Declarant, to the extent permitted by Nevada law.

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

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



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

6.14 Provision of Services; Bulk Service Agreements; Bulk Service Assessments.

The Master Association may provide services and facilities for the Unit Owners, Residents and lessees. The Master Association shall be authorized to enter into contracts or other similar agreements with other entities, including a Declarant, to provide such services and facilities. The Board of Directors shall be authorized to charge use and consumption fees ("**Bulk Service Assessments**") for services and facilities made available to Units that have been conveyed to Persons other than Declarant or a Builder. The Bulk Service Assessment payable to any Bulk Provider (defined below) shall not be included in the Common Expense Assessment but shall be billed to Unit Owners by the Master Association along with and at the same time as the billing for the Common Expense Assessment. After collection by the Master Association from each Unit Owner, the Bulk Service Assessment will be paid to the Bulk Provider by the Master Association. By way of example, some services and facilities that may be provided include cable television service, trash removal, security, caretaker, utilities and similar services and facilities. The Board of Directors shall be permitted to modify or cancel existing services or facilities, if any, or to provide additional services and facilities. Nothing contained herein shall be relied upon as a representation as to what services and facilities, if any, will be provided by the Master Association. Each Unit Owner acknowledges, understands and agrees:

6.14.1 "Bulk Provider" means a private, public or quasi-public utility or other company that provides, or proposes to provide, services to Units within the Property, or within one or more portions thereof, pursuant to a "Bulk Service Agreement" (as defined below).

6.14.2 "Bulk Service Agreement" means any agreement between the Master Association and a Bulk Provider pursuant to which the Bulk Provider would provide services to Units within the Property or within one or more portions thereof.

6.14.3 The Board of Directors, acting on behalf of the Master Association, shall have the right, power and authority (but not the obligation) to enter into Bulk Service Agreements with one or more Bulk Providers, and to amend, supplement and modify the Bulk Service Agreements to the extent permitted thereunder or by law, for such term(s), at such rate(s) and on such other terms and conditions as the Board of Directors deems appropriate, all with the primary goal of providing to Unit Owners within the Property, or within one or more portions thereof, services (i) that might not otherwise be generally available to such Unit Owners, (ii) at rates or charges lower than might otherwise generally be charged to the general public for the same or similar services, (iii) otherwise on terms and conditions that the Board of Directors believes to be in the interests of Unit Owners generally, or (iv) any combination of the foregoing.

6.14.4 Each Unit Owner other than Declarant or a Builder, by becoming the Unit Owner of a Unit, is deemed to covenant and agree to pay all Bulk Service Assessments and



other amounts levied or charged against such Unit Owner and Unit by the Board of Directors pursuant to this **Section 6.14** and all such amounts (i) with interest, late charges and all costs, including reasonable attorneys' fees, incurred by the Master Association in collecting or attempting to collect delinquent amounts, shall be secured by the Assessment Lien established by this Master Declaration, and (ii) also shall be the personal obligation of each Person that was a Unit Owner of the Unit at the time such amount became due, which personal obligation for delinquent amounts shall not pass to the successors in title of the Unit Owner unless expressly assumed by them. No Unit Owner of a Unit subject to a Bulk Service Agreement (other than Declarant and Builders) shall be entitled to avoid or withhold payment of Bulk Service Assessments or other amounts charged by the Board of Directors to such Unit Owner or such Unit Owner's Unit under this Section, whether on the basis that such Unit Owner does not use, accept or otherwise benefit from the services provided under the Bulk Service Agreement or otherwise. However, the Board of Directors shall have the right, at its option, to exempt from payment of such amounts any Unit upon which no Dwelling or other building has been completed.

6.14.5 With respect to any Bulk Service Agreement providing cable television and other telecommunications services (collectively, the "Telecommunications Services"), the Declarant Parties and the Master Association make no representations, warranties or guarantees of the provision or availability of Telecommunications Services or any particular program or channel to be provided by the Telecommunications Services, and the Declarant Parties and the Master Association shall have no responsibility or liability if any particular service is unavailable or if any program is interrupted, discontinued or substituted. Each Unit Owner shall be entitled to subscribe to additional services as may be provided by a Bulk Provider of Telecommunications Services from time to time separate and apart from the Telecommunications Services provided by the Bulk Service Agreement, and each such additional service shall be administered and billed through separate agreements between such Unit Owner and the applicable Bulk Provider. The Declarant Parties and the Master Association shall have no responsibility or liability with respect to such additional services. Declarant and the Master Association reserve the right to subject the Property to easement agreements relating to Telecommunications Services, as may be necessary for the Bulk Provider of Telecommunications Services for the purpose of installing, relocating, reinstalling, maintaining, repairing, upgrading, operating and removing the facilities reasonably necessary to provide the Telecommunications Services.

6.14.6 After termination of the Period of Declarant Control, the Board of Directors shall not, without the approval of Members holding at least fifty-one percent (51%) of the total votes in the Master Association and the prior written approval of Declarant so long as any such Declarant owns any portion of the Property or Additional Property, enter into a Bulk Service Agreement that imposes on the Master Association or its Members any obligation to pay the direct costs of construction of any cables, lines or other facilities or equipment for any Telecommunications Services. However, nothing in this **Subsection 6.14.6** shall prevent the Board of Directors from entering into, or require approval by the Members of, any Bulk Service



Agreement that imposes on the Master Association or its Members installation, connection, service charges or similar charges or fees that do not exceed those generally prevailing at the time within Clark County, Nevada, or that includes as a component of the monthly fee charged by the Bulk Provider of such Telecommunications Services amortization of some or all of its capital costs and related costs in providing Telecommunications Services under a Bulk Service Agreement.

6.15 Commencement of Civil Action. With respect to any disputes or claims not subject to the requirements of Section 12.19 of this Master Declaration, the Master Association may not commence a civil action without the prior written consent or affirmative vote of Unit Owners to which at least a majority of the votes of the Members of the Master Association are allocated. In addition to the notice and meeting requirements set forth in the Act, at least ten (10) days before the Master Association commences a civil action, the Master Association shall provide a written statement to all Unit Owners that includes a reasonable estimate of the costs of the civil action, including reasonable attorneys' fees, an explanation of the potential benefits of the civil action and the potential adverse consequences if the Master Association does not commence the action or if the outcome of the action is not favorable to the Master Association, and all other disclosures required by law. The provisions of this Section do not apply to a civil action that is commenced to (i) enforce the payment of an Assessment, (ii) enforce the Governing Documents, (iii) enforce a contract with a vendor, (iv) proceed with a counterclaim, or (v) protect the health, safety and welfare of the Members of the Master Association.

6.16 Relations with Other Properties. The Master Association may enter into contractual agreements with the Community Associations, other neighboring associations and/or the owners of properties, facilities or Private Amenities within or outside of Anthem Mesquite for maintaining and/or operating shared or mutually beneficial properties or facilities. Each Unit Owner acknowledges and agrees that the Master Association may be obligated under such a contractual agreement to contribute funds for, among other things, shared or mutually beneficial property or services within Anthem Mesquite or the Master Plan.

**ARTICLE 7
ASSESSMENTS**

7.1 Allocation of Common Expense Liability. The liability for the Common Expenses of the Master Association shall be allocated among the Units in the same manner as the allocation of votes set forth in Section 6.4. Accordingly, each Unit other than Multi-Family Units shall be assessed one Common Expense Assessment and each Multi-Family Unit shall be assessed one Common Expense Assessment for every five (5) Apartments located on such Multi-Family Unit. As of the date this Master Declaration is Recorded, each Unit's fractional interest in the Common Expenses of the Master Association shall be 1/99. Upon the annexation of any portion of the Additional Property, the amount of the Common Expense Assessment levied against each Unit shall be recalculated based upon a fraction, the numerator of which is one (1) and the denominator of which is the new number of Units then subject to Assessments based upon the foregoing allocation. Nothing contained in this Section 7.1 shall prohibit certain



Common Expenses from being apportioned to particular Unit(s) under **Articles 5, 7** and other provisions of this Master Declaration.

7.2 Preparation of Budgets.

7.2.1 At least sixty (60) days before the beginning of each fiscal year of the Master Association commencing with the fiscal year in which the first Unit is conveyed to a Purchaser, the Board of Directors shall adopt (i) a budget for the Master Association containing an estimate of the annual revenue of the Master Association and an estimate of the total amount of funds that the Board of Directors believes will be required during the ensuing fiscal year to pay all Common Expenses (except for the Common Expenses that are to be assessed against less than all of the Units pursuant to **Subsections 7.3.3 and 7.3.4** of this Master Declaration), including contributions to be made to the reserve fund, and (ii) a budget to provide adequate funding for the reserves for the repair, replacement and restoration of the major components of the Common Elements prepared in accordance with applicable law.

7.2.2 Within sixty (60) days after the adoption of the budgets, the Board of Directors shall send to each Unit Owner a summary of the budgets (with the complete budgets available for review and/or copying at the Master Association's office upon request) and a statement of the amount of the Common Expense Assessment assessed against each Unit in accordance with **Section 7.3** of this Master Declaration and shall set a date for the meeting of the Unit Owners to consider ratification of the budgets not less than fourteen (14) nor more than thirty (30) calendar days after mailing of the summary. Unless at that meeting a majority of all Unit Owners reject the budgets, the budgets are ratified, whether or not a quorum is present. If the proposed budgets are rejected, the periodic budgets last ratified by the Unit Owners must be continued until such time as the Unit Owners ratify subsequent budgets proposed by the Board of Directors. The failure or delay of the Board of Directors to prepare or adopt budgets for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner's obligation to pay such Unit Owner's allocable share of the Common Expenses as provided in **Section 7.3** of this Master Declaration, and each Unit Owner shall continue to pay the Common Expense Assessment against his Unit as established for the previous fiscal year until notice of the Common Expense Assessment for the new fiscal year has been established by the Board of Directors.

7.3 Common Expense Assessment.

7.3.1 For each fiscal year of the Master Association commencing with the fiscal year in which the first Unit is conveyed to a Purchaser, the total amount of the estimated Common Expenses set forth in the budget adopted by the Board of Directors (except for the Common Expenses that are to be assessed against less than all of the Units pursuant to **Subsections 7.3.3 and 7.3.4** of this Master Declaration) shall be assessed against each Unit in proportion to the Unit's Common Expense Liability as set forth in **Section 7.1** of this Master Declaration, for the purpose of providing funds for the Master Association to pay Common Expenses. The amount of the Common Expense Assessment assessed pursuant to this



Subsection 7.3.1 shall be in the sole discretion of the Board of Directors. If the Board of Directors determines during any fiscal year that its funds budgeted or available for that fiscal year are, or will, become inadequate to meet all Common Expenses for any reason, including nonpayment of Assessments by Members, it may increase the Common Expense Assessment for that fiscal year and the revised Common Expense Assessment shall commence on the date designated by the Board of Directors.

7.3.2 Except as otherwise expressly provided for in this Master Declaration, all Common Expenses shall be assessed against all of the Units in accordance with **Subsection 7.3.1** of this Master Declaration.

7.3.3 If any Common Expense is caused by the misconduct of any Unit Owner or a Community Association, the Master Association shall assess that Common Expense exclusively against such Unit Owner's Unit or against such Community Association pursuant to **Section 7.6**.

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

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

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

7.5 Special Assessments. In addition to Common Expense Assessments and Bulk Service Assessments described in **Section 6.14**, the Master Association may levy, in any fiscal year of the Master Association, a Special Assessment applicable to that fiscal year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement of the Common Elements or any other Area of Common Responsibility, including fixtures and personal property related thereto, or for any other lawful Master Association purpose, provided that any Special Assessment shall have first been approved by Unit Owners representing at least sixty-seven percent (67%) of the votes in the



Master Association who are voting in person or by proxy at a meeting duly called for such purpose, which meeting was noticed in compliance with the requirements set forth in N.R.S. § 116.3115(9), as amended from time to time. Unless otherwise specified by the Board of Directors, Special Assessments shall be due thirty (30) days after they are levied by the Master Association and notice of the Special Assessment is given to the Unit Owners. After the expiration of the Period of Declarant Control and for so long as the Declarant owns any Property or Additional Property, any Special Assessment may be levied only if consented to or approved by the Declarant, to the extent permitted by Nevada law.

7.6 Specific Assessments.

7.6.1 The Master Association shall have the power to levy Specific Assessments against a particular Unit or a Community Association as follows:

(i) to cover the costs incurred by the Master Association for any damage to the Areas of Common Responsibility or for any damage to the Improvements on Units for which the Master Association has responsibility to maintain, if any, that results from the negligence or willful misconduct of a Community Association or a Unit Owner or their respective guests, contractors, employees, agents or invitees;

(ii) to cover the costs incurred by the Master Association in enforcing any provision of this Master Declaration and the Rules with respect to a violation by a Unit Owner or a Community Association upon an Area of Common Responsibility; and

(iii) to cover the costs incurred by the Master Association for maintenance performed on behalf of a Community Association or Unit Owner as authorized by this Master Declaration.

7.6.2 A Specific Assessment levied against a Community Association shall be secured by the Assessment Lien on all Units subject to the applicable Community Declaration. In the event of non-payment of any Specific Assessment by a Community Association that remains delinquent thirty (30) days after the due date therefor, the Master Association shall have the right to bill the members of the Community Association for their proportionate share of the subject Specific Assessment determined on the same basis as the then current common expense liability for each Unit as set forth in the applicable Community Declaration.

7.7 Assessment Period. The period for which the Common Expense Assessment and any Bulk Service Assessment is to be levied (the "Assessment Period") shall be the calendar year. The first Assessment Period, and the obligation of the Unit Owners to pay Common Expense Assessments and Bulk Service Assessments, shall commence upon the conveyance of the first Unit to a Purchaser and shall be adjusted according to the number of months remaining in the fiscal year of the Master Association; provided, no Bulk Service Assessment shall commence prior to the time that the Bulk Provider makes its service available to the Unit



Owners. The Board of Directors, in its sole discretion from time to time may change the Assessment Period.

7.8 Commencement Date of Assessment Obligation. Until the conveyance of the first Unit to a Purchaser, the Declarant shall pay all Common Expenses. All Units described on **Exhibit A** to this Master Declaration shall be subject to Assessments upon the conveyance of the first Unit to a Purchaser. Units annexed pursuant to **Section 2.7** of this Master Declaration shall be subject to Assessments on the date that the amendment annexing the additional Units is Recorded or upon the conveyance of the first Unit to a Purchaser, whichever is later.

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

7.10 Effect of Nonpayment of Assessments; Remedies of the Master Association.

7.10.1 Any Assessment, or any installment of an Assessment, not paid within fifteen (15) days after the Assessment, or the installment of the Assessment, first became due shall bear interest from the due date at the maximum rate allowable under Nevada law. In addition, the Board of Directors may establish a late fee to be charged to any Unit Owner who has not paid any Assessment, or any installment of an Assessment, within fifteen (15) days after such payment was due.

7.10.2 The Master Association shall have a lien on each Unit for: (i) all Assessments levied against the Unit; (ii) all interest, lien fees, late charges and other fees and charges assessed against the Unit or payable by the Unit Owner of the Unit; (iii) all attorneys' fees, court costs, title report fees, costs and fees charged by any collection agency either to the Master Association or to a Unit Owner and any other fees or costs incurred by the Master Association in attempting to collect Assessments or other amounts due to the Master Association by a Unit Owner; and (iv) any amounts payable to the Master Association pursuant to any other provision of this Master Declaration. The Recording of this Master Declaration constitutes Record Notice and perfection of the Assessment Lien, and no further Recordation of any claim of lien shall be required. The Master Association may, at its option, Record a Notice of Lien setting forth the name of the delinquent Unit Owner as shown in the records of the Master



Association, the legal description or street address of the Unit against which the Notice of Lien is Recorded and the amount claimed to be past due as of the date of the Recording of the Notice of Lien, including interest, lien Recording fees and reasonable attorneys' fees. Before Recording any Notice of Lien against a Unit, the Master Association shall make a written demand to the delinquent Unit Owner for payment of the delinquent Assessments, together with interest, late charges and reasonable attorneys' fees, if any. The demand shall state the date and amount of the delinquency. Each default shall constitute a separate basis for a demand, but any number of defaults may be included within the single demand. If the delinquency is not paid within ten (10) days after delivery of the demand, the Master Association may proceed with Recording a Notice of Lien against the Unit.

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

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

7.10.5 The Master Association shall have the right, at its option, to enforce collection of any delinquent Assessments, fees, charges, late charges, penalties and fines, together with interest, lien fees, reasonable attorneys' fees and any other sums due to the Master Association in any manner allowed by law including (i) bringing an action at law against the Unit Owner personally obligated to pay the delinquent Assessments, and such action may be brought without waiving the Assessment Lien securing the delinquent Assessments, or (ii) bringing an action to foreclose the Assessment Lien against the Unit in the manner provided



under the Act. The Master Association shall have the power to bid at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any and all Units purchased at such sale.

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

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

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



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

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

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

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

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

7.19 Reserve Fund. The Master Association shall establish and maintain, from Common Expense Assessments, an adequate reserve fund to provide for the replacement of Improvements to the Areas of Common Responsibility. In addition to the funds collected through Common Expense Assessments, each Person acquiring a Unit from the declarant under a Community Declaration or a Builder shall pay to the Master Association immediately upon becoming a Unit Owner a sum equal to one-sixth (1/6th) of the then current annual Common Expense Assessment attributable to the Unit. Funds paid to the Master Association pursuant to this Section shall be deposited in the reserve fund of the Master Association. Payments made pursuant to this Section shall be nonrefundable and shall not be considered as an advance



payment of any Assessments levied by the Master Association pursuant to this Master Declaration.

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

7.21 Transfer Fee. Each Person other than Declarant, a declarant under a Community Declaration or a Builder that acquires a Unit shall pay to the Master Association, or to its community manager if directed to do so by the Board of Directors, immediately upon becoming a Unit Owner a transfer fee in such amount as is established from time to time by the Board of Directors.

**ARTICLE 8
INSURANCE**

8.1 Scope of Coverage.

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

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

(ii) Commercial general liability insurance, for a limit to be determined by the Board of Directors, but not less than \$2,000,000.00 for any single occurrence. Such insurance shall cover all occurrences commonly insured against for death, bodily injury and property damage arising out of or relating to the use, ownership or maintenance of the Areas of Common Responsibility or arising out of or relating to the performance by the Master Association of its maintenance and other obligations under the Governing Documents, whether on the Common Elements, any Unit or any public or private right-of-way. Such policy shall include a cross liability clause to cover liabilities of the Unit Owners as a group to a Unit Owner.



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

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

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

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

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

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

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

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

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

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

(vii) For policies of hazard insurance, a standard mortgagee clause providing that the insurance carrier shall notify the Master Association and each First Mortgagee named in the policy at least thirty (30) days in advance of the effective date of any substantial change in coverage or cancellation of the policy.

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



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

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

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

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

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

8.4 Allocation of Insurance Deductible. The Master Association shall maintain in its reserve account an amount sufficient to pay the deductible amounts applicable to its insurance policies. If the Master Association submits a claim to an insurance carrier that is then or later determined by the Board of Directors to be the result of negligence or willful misconduct of a Community Association, its agents, licensees or invitees, or a Unit Owner or Resident or their respective guests, lessees or invitees, the Master Association shall levy a Specific Assessment against the Community Association or Unit Owner, as applicable, to cover the cost of any such insurance deductible.

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

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



Owner, and each mortgagee or beneficiary under a deed of trust to whom a certificate or memorandum of insurance has been issued at their respective last known addresses.

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

8.8 Repair and Replacement of Damaged or Destroyed Property. Any portion of the Areas of Common Responsibility that are damaged or destroyed shall be repaired or replaced promptly by the Master Association unless (i) repair or replacement would be illegal under any state or local health or safety statute or ordinance, or (ii) Unit Owners representing at least eighty percent (80%) of the total authorized votes in the Master Association vote not to rebuild. The cost of repair or replacement in excess of insurance proceeds and reserves shall be paid by the Master Association, and the Board of Directors may, without the necessity of a vote of the Unit Owners, levy an assessment against all Unit Owners in proportion to the allocated interest of each Unit Owner as determined pursuant to **Section 7.1** of this Master Declaration. Additional assessments may be made in a like manner at any time during or following the completion of any repair or reconstruction. Any assessment levied pursuant to this **Section 8.8** will be deemed to be a part of the Assessments and will be secured by the Assessment Lien. If all of the Common Elements are not repaired or replaced, insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Property and that is not in violation of any state or local health or safety statute or ordinance. The remainder of the proceeds shall either (a) be distributed to all Unit Owners or lien holders in proportion to the allocated interest of each Unit Owner as determined pursuant to **Section 7.1** of this Master Declaration, or (b) be retained by the Master Association as an additional capital reserve or used for payment of operating expenses of the Master Association if such action is approved by the affirmative vote or written consent, or any combination thereof, of Members representing more than fifty percent (50%) of the votes in the Master Association.

ARTICLE 9 RIGHTS OF FIRST MORTGAGEES

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



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

**ARTICLE 10
RESERVATION OF DEVELOPMENTAL AND
SPECIAL DECLARANT'S RIGHTS**

Pursuant to N.R.S. § 116.2105(1)(h), Declarant reserves all of the developmental and special declarant's rights in the Property afforded under N.R.S. § 116.039 and N.R.S. § 116.089, subject to the expiration time periods set forth below. Specifically, but without limitation, Declarant reserves the following rights:

10.1 Developmental Rights. Declarant hereby reserves, for a period of twenty-five (25) years following the Recordation of this Master Declaration, all developmental rights under N.R.S. § 116.039. Declarant specifically reserves the right to withdraw real estate described on **Exhibit A** from the Property until the first Unit has been conveyed to a Person other than Declarant. If Declarant elects to add any portion of the Additional Property to the Property pursuant to **Section 2.7** of this Master Declaration, each Unit, Common Element and Community Common Element within such portion of the Additional Property, when annexed, shall be deemed a "separate portion" of the Property (for purposes of N.R.S. § 116.211(4)), and Declarant hereby reserves the right to withdraw any such Unit, Common Element or Community Common Element so annexed during the time period set forth in this Section.

10.2 Right to Complete Improvements and Construction Easement. Declarant hereby reserves the right, for a period of thirty (30) years following the Recordation of this Master Declaration, to complete the construction of Improvements in the Property and an easement over the Property for the purpose of doing so. Any damage caused to a Unit, a Common Element or a Community Common Element by Declarant or its agents in the use or exercise of such right and/or easement shall be repaired by and at the expense of Declarant.

10.3 Offices, Model Homes and Promotional Signs. Declarant reserves the right to maintain offices for sales and management and models, and to maintain signs on the Common Elements and Community Common Elements until Declarant no longer owns any Property or Additional Property, or for a period of thirty (30) years following the Recordation of this Master Declaration, whichever occurs first.

10.4 Use of Easements. Declarant reserves the right to use easements through the Common Elements and Community Common Elements for the purpose of making Improvements within the Property or within the Additional Property until Declarant no longer owns any Property or Additional Property, or for a period of thirty (30) years following the Recordation of this Master Declaration, whichever occurs first.



10.5 Master Association. Declarant reserves the right to make the Property subject to any master homeowners association other than the Master Association at any time during the Period of Declarant Control.

10.6 Merger or Consolidation. Declarant reserves the right to merge or consolidate the Master Association with another common-interest community of the same form of ownership at any time during the Period of Declarant Control.

10.7 Appointment and Removal of Directors and Officers. Declarant reserves the right to appoint and remove a majority of the Board of Directors and the officers of the Master Association as set forth in Section 6.2 above, for the time period set forth therein.

**ARTICLE 11
PRIVATE AMENITIES; ADDITIONAL DISCLAIMERS, DISCLOSURES
AND RELEASES**

11.1 Private Amenities.

11.1.1 Access to and use of any Private Amenity within Anthem Mesquite 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 Master Association, ownership of a Unit or occupancy of a Dwelling. All Persons, Including all Unit Owners, are hereby advised that no representations or warranties have been or are made by Declarant Parties, the Master Association, any Community Association or any Builder, or by any Person acting on behalf of any of the foregoing, with regard to the continuing ownership or operation of any 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. 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, subject to direct contractual obligations with third parties and obligations that may be set forth in a Recorded instrument and the zoning and use regulations of any municipality, county, state or the United States applicable to the Private Amenity and the land upon which it is located.

11.1.2 Certain Private Amenities may be required to pay to the Master Association and/or Community Associations reasonable amounts to reimburse the Master Association or Community Associations for the use and benefit of Improvements constructed and installed within the Property, which amounts shall be based upon calculations determined by Declarant in its sole and absolute discretion and set forth in Recorded instruments encumbering the Private Amenities. No other payment shall ever be required by or for the benefit of the Master Association or the Community Associations from the owner of any Private Amenity. It is



not intended that the Private Amenities will be subject to the terms and provisions of this Master Declaration or any Community Declaration.

11.1.3 Except as otherwise set forth in one or more Recorded instruments encumbering the Private Amenities, the Private Amenities are not subject to architectural or any other review process by the Master Association or the Community Associations. Neither the Master Association nor any Community Association shall have the power to establish Rules affecting the activities on or use of the Private Amenities without the prior written consent of the owners of such Private Amenities affected thereby.

11.2 Abutting Golf Course.

11.2.1 Portions of the Property abut the Golf Course. Each Unit Owner and Resident, for himself and his family, invitees and licensees, acknowledges and agrees as follows:

(i) No representations or warranties have been or are made by Declarant Parties, the Master Association or any Person acting on behalf of any of the foregoing, with regard to the continuing ownership or operation of the Golf Course.

(ii) Water hazards, the clubhouse, maintenance facilities and other installations located on the Golf Course may be attractive nuisances to children.

(iii) The operation, maintenance and use of the Golf Course will entail the operation and use of (a) noisy power equipment such as tractors, lawn mowers and blowers on various days of the week, Including weekends, during various times of the day, Including early morning and late evening hours; (b) sprinkler and other irrigation systems in operation during the day and at night; (c) electric, gasoline or other power driven vehicles and equipment used by maintenance and operations personnel; (d) pesticide, herbicide and fertilizing chemicals; and (e) refuse removal trucks, delivery trucks and other vehicles entering and exiting the Golf Course on various days of the week, Including weekends, during various times of the day, Including early morning and late evening hours.

(iv) The Golf Course has exterior lighting and amplified exterior sound and will be regularly used for entertainment and social events on various days of the week, Including weekends, during various times of the day, Including early morning and late evening hours.

(v) Play on the Golf Course will be allowed during all daylight hours up to seven (7) days a week (and may be allowed for evening and night-time hours), and golf tournaments may be conducted at any time during the year. Large numbers of people will be entering, exiting and using the Golf Course during all daylight hours (and may Include evening and night-time hours) up to seven (7) days a week.



(vi) Water used to irrigate the Golf Course and to fill the lakes on the Golf Course may be reclaimed (effluent) or other non-potable water when available for such purposes. The irrigation water is not potable (drinkable) water and consumption of such irrigation water by humans or animals may cause severe illness.

(vii) The Property is subject to a golf ball easement, as set forth in Section 3.6 of this Master Declaration, and play on the Golf Course may result in damage to a Dwelling or other Improvements on Units, Common Elements or Community Common Elements as a result of golf balls leaving the Golf Course, Including damage to windows and exterior areas of Dwellings and other Improvements, damage to automobiles and other personal property of the Unit Owners and Residents and their families, invitees and licensees whether outdoors or within a Dwelling or other building, and injury to persons.

(viii) At the option of the Golf Course Owner (subject to any required approval of Declarant and/or the Master Association and/or any other third party pursuant to a Recorded instrument), fencing, screening, landscaping and other features may be incorporated into the Golf Course (Including areas adjacent to Units, Common Elements and Community Common Elements); furthermore, any Improvements within the Golf Course (Including tee boxes, greens, water and sand hazards and course layout) may be relocated, reconfigured, eliminated, added or modified from time to time (subject to any required approval of Declarant and/or the Master Association and/or any other third party pursuant to a Recorded instrument), which actions may affect the risk associated with golf balls entering the Property from the Golf Course.

(ix) Certain Units, Common Elements and Community Common Elements may be more susceptible to incursions and damage by golf balls than others.

(x) The Property is subject to certain covenants, conditions, restrictions and easements and benefits contained in the Golf Course Restrictions, Including easements for utilities, drainage and access, that may affect the Units, Common Elements and Community Common Elements.

11.2.2 Each Unit Owner and Resident, for himself and his family, invitees and licensees, acknowledges, understands and agrees that the existence of the Golf Course may cause inconvenience and disturbance and possible injury or damage to persons and property. Each Unit Owner and Resident has considered the location of the Property and the Unit and Dwelling or other real property or Improvement being purchased or leased and its proximity to the Golf Course (and the possibility that any Golf Course layout modifications could in the future affect such proximity) before becoming a Unit Owner and/or Resident. By acceptance of a deed or by acquiring any interest in any of the Property, each Unit Owner and Resident, for himself and his family, invitees and licensees, acknowledges the risks of the aforesaid nuisance, inconvenience, disturbance and possible injury, death or damage to persons and property.



11.2.3 Each Unit Owner and Resident, for himself and his family, invitees and licensees, hereby releases the Declarant Parties, the Master Association, Builders, the Golf Course Owner and any operator of the Golf Course from any and all claims, actions, suits, demands, causes of action, losses, damages or liabilities (Including strict liability) arising out of or relating to any nuisance, inconvenience, disturbance, injury, death or damage to persons and property resulting from activities or occurrences described in this **Section 11.2**.

11.3 High Power Electric Transmission Lines; Release of Claims.

11.3.1 High power electric transmission lines and related towers, systems and other equipment, including an electric substation, are located along the southern boundary of the Property and may be upgraded and supplemented from time to time. The high power electric transmission lines, related towers, systems and other equipment and the electric substation are hereinafter referred to as the "Electric Facilities." Each Unit Owner and Resident, for himself and his family, invitees and licensees, acknowledges and agrees as follows:

(i) The Property may now or in the future be exposed to electromagnetic fields from the Electric Facilities.

(ii) The Declarant Parties do not claim any expertise concerning such conditions and make no representations, warranties or statements, express or implied, regarding such Electric Facilities (except to note their existence), or regarding any damage or injury that may occur as a result of the proximity of the Electric Facilities to the Property.

11.3.2 Each Unit Owner and Resident, for himself and his family, invitees and licensees, assumes any and all risks as may now or hereafter be or become associated with Electric Facilities, or any new or replacement equipment or systems. Neither the Declarant Parties, the Master Association, Builders, nor any director, officer, agent or employee of any of the foregoing, shall be liable to any Unit Owner or Resident or his family, invitees or licensees for any claims or damages to persons or property resulting, directly or indirectly, from the existence, operation or maintenance of the Electric Facilities.

11.3.3 Each Unit Owner and Resident hereby releases the Declarant Parties, the Master Association and Builders from any and all claims, actions, suits, demands, causes of action, losses, damages or liabilities (Including strict liability) arising out of or relating to any nuisance, inconvenience, disturbance, injury, death or damage to persons and property resulting from activities or occurrences described in this **Section 11.3**.

11.4 Views Not Guaranteed. Although certain Units in the Property at any point in time may have particular views, no express or implied easements exist for views or for the passage of light and air to any Unit. Declarant Parties and the Master Association make no representations or warranties whatsoever, express or implied, concerning the view that any Unit will have whether at the date this Master Declaration is Recorded or thereafter. Further, the payment of any premium for any Unit does not constitute a guarantee of any view the Unit may



have now or in the future. Any view that exists at any point in time for a Unit may be impaired or obstructed by further construction within the Property, including by construction of Improvements (including landscaping) by Declarant, construction of Improvements by Builders and third parties and by the natural growth of landscaping. No third party, including any broker or salesperson, has any right to bind Declarant or the Master Association with respect to the preservation of any view from any Unit or any view of a Unit from any other property.

ARTICLE 12 GENERAL PROVISIONS

12.1 Enforcement.

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

12.1.2 All remedies set forth in this Master Declaration and the Bylaws shall be cumulative of any remedies available at law or in equity. In the event the Declarant, the Master Association or any Unit Owner employs an attorney or attorneys to enforce a lien or to collect any amounts due from a Unit Owner or a Community Association or to enforce compliance with or recover damages for any violation or noncompliance with the Governing Documents, the prevailing party in any such action (including any such action maintained under **Section 12.19**) shall be entitled to recover from the other party its reasonable attorneys' fees and costs incurred in the action.

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



such enforcement action on behalf of the Master Association. Declarant shall not take such action without first providing the Master Association written notice and a reasonable opportunity to take such action on its own.

12.2 Severability. Any determination by any court of competent jurisdiction that any provision of this Master Declaration is invalid or unenforceable shall not affect the validity or enforceability of any of the other provisions hereof, and the remainder of the Master Declaration shall remain in full force and effect. If any provision herein is adjudged or deemed to be invalid or unenforceable as written by reason of any federal, state or local law, ordinance, rule or regulations, then a court or the Master Association, as applicable, may interpret, construe, rewrite or revise such provision to the fullest extent allowed by law, so as to make such provision valid and enforceable. Such modification shall not serve to extinguish any restriction not adjudged or deemed to be unenforceable.

12.3 Duration. Unless amended in accordance with the provisions of **Section 12.5** below, the covenants and restrictions of this Master Declaration shall run with and bind the Property, for a term of twenty (20) years from the date this Master Declaration is Recorded, after which time they shall be automatically extended for successive periods of ten (10) years.

12.4 Termination of Property. The Property may be terminated only in the manner provided for in the Act.

12.5 Amendment.

12.5.1 Except as otherwise provided by the Act, and except in cases of amendments that may be executed by a Declarant under N.R.S. §§ 116.2109 or 116.211, by the Master Association under N.R.S. §§ 116.1107, 116.2106, Subsection 3 of N.R.S. § 116.2108 or N.R.S. § 116.2113 or by certain Unit Owners under Subsection 2 of N.R.S. §§ 116.2108, 116.2112 or 116.2118, and except as limited by **Subsection 12.5.2** of this Master Declaration, and subject to the provisions of **Subsections 12.5.6 and 12.19.9** of this Master Declaration, this Master Declaration, including the Plat and Plans, may be amended only by the affirmative vote or written consent, or any combination thereof, of the Unit Owners to which at least sixty-seven percent (67%) of the votes in the Master Association are allocated.

12.5.2 Except to the extent expressly permitted or required by the Act, an amendment to the Master Declaration shall not create or increase Special Declarant's Rights nor increase the maximum number of Units that may be created within the Property. Except to the extent expressly permitted or required by the Act and this Master Declaration, an amendment to the Master Declaration shall not change the boundaries of any Unit, change the allocated interests of a Unit, or change the use as to which any Unit is restricted in the absence of unanimous consent of the Unit Owners affected and the consent of a majority of the Unit Owners of the remaining Units in the Property.



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

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

12.5.5 Any amendment adopted by the Unit Owners pursuant to **Subsection 12.5.1** of this Master Declaration shall be signed by the President or Vice President of the Master Association and shall be Recorded. Any such amendment shall certify that the amendment has been approved as required by this Section. Any amendment made by the Declarant pursuant to **Subsection 11.5.4** of this Master Declaration or the Act shall be executed by the Declarant and shall be Recorded. Any amendment shall be effective only upon Recordation.

12.5.6 The provisions of **Sections 3.5, 3.6, 11.1 and 11.2 and Subsection 5.5.4** of this Master Declaration may not be amended without the written approval of the Golf Course Owner or the owner of any other Private Amenity affected by such amendment, as applicable, with such approval having been endorsed on the Recorded amendment, and any such amendment Recorded without such approval being endorsed thereon shall be null and void.

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

12.7 Notices. All notices, demands, statements or other communications required to be given to or served on a Unit Owner or a Community Association under this Master Declaration shall be in writing and shall be deemed to have been duly given and served if delivered personally or sent by United States mail, postage prepaid, return receipt requested, addressed to (i) the Unit Owner, at the address that the Unit Owner shall designate in writing and file with the Master Association or, if no such address is designated, at the address of the Unit of such Unit Owner, or (ii) the Community Association, at the address that the Community Association shall designate in writing and file with the Master Association, or if no such address is designated, at the address of the Resident Agent of the Community Association. A Unit Owner or Community Association may change its address on file with the Master Association for receipt of notices by delivering a written notice of change of address to the Master



Association pursuant to this Section. A notice given by mail, whether regular, certified, or registered, shall be deemed to have been received by the Person to whom the notice was addressed on the earlier of the date the notice is actually received or three (3) days after the notice is mailed. If a Unit is owned by more than one (1) person, notice to one (1) of the Unit Owners shall constitute notice to all Unit Owners of the same Unit. Each Unit Owner and Community Association shall file its correct mailing address with the Master Association, and shall promptly notify the Master Association in writing of any subsequent change of address.

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

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

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

12.11 Survival of Liability. The termination of membership in the Master Association shall not relieve or release any such former Unit Owner or Member from any liability or obligation arising out of or relating to the Master Association during the period of such ownership or membership, or impair any rights or remedies that the Master Association may have against such former Unit Owner or Member arising out of, or in any way connected with, such ownership or membership and the covenants and obligations incident thereto.



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

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

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

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

12.16 Governing Law. The provisions of this Master Declaration shall be liberally construed to promote and effectuate the purpose of the Master Association as set forth in this Master Declaration. The provisions of this Master Declaration shall be construed and governed by the laws of the State of Nevada. This Master Declaration is intended to comply with the provisions of the Act. In the event any provision of this Master Declaration is held to be in violation of the Act, this Master Declaration shall be deemed amended to the extent necessary to comply with the Act.

12.17 Interpretation. Except for judicial construction, the Master Association shall have the exclusive right to construe and interpret the provisions of this Master Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Master



Association's construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all Persons and property benefited or bound by this Master Declaration. In the event of any conflict between this Master Declaration and the Articles, Bylaws or Rules, this Master Declaration shall control except to the extent the Master Declaration is inconsistent with the Act. In the event of any conflict between the Articles and the Bylaws, the Articles shall control. In the event of any conflict between the Bylaws and the Rules, the Bylaws shall control.

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

12.19 Dispute Notification and Resolution Procedure. All actions or claims (i) by the Master Association against any one or more of the Declarant Parties, (ii) by any Unit Owner(s) against any one or more of the Declarant Parties (other than claims under the limited warranty provided by Declarant to a purchaser (the "Limited Warranty") to the extent applicable), or (iii) by both the Master Association and any Unit Owner(s) (other than claims under the Limited Warranty to the extent applicable) against any one or more of the Declarant Parties, arising out of or relating to the Property, including the Master Declaration or any other Governing Documents, the use or condition of the Property or the design or construction of or any condition on or affecting the Property, including construction defects, surveys, soils conditions, grading, specifications, installation of Improvements (including Dwellings) or disputes that allege negligence or other tortious conduct, fraud, misrepresentation, breach of contract or breach of implied or express warranties as to the condition of the Property or any Improvements (collectively, "Dispute(s)") shall be subject to the provisions of this Section 12.19. Declarant and each Unit Owner acknowledge that the provisions set forth in this Section 12.19 shall be binding upon current and future Unit Owners of the Property and upon the Master Association, whether acting for itself or on behalf of any Unit Owner(s). Nothing in this Master Declaration is intended to limit, expand or otherwise modify the terms of the Limited Warranty, and claims under the Limited Warranty will, subject to the terms of the Limited Warranty, be arbitrated in accordance with the arbitration provisions set forth in the Limited Warranty (to the extent applicable).

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



extent of the damage or injury resulting from the defects based on a representative sample of the components of the Improvements involved in the Dispute (the "Claim Notice").

12.19.2 Right to Inspect. Within forty-five (45) days after receipt of the Claim Notice, the Notified Declarant Party and the Notified Declarant Party's representatives, upon written request to the claimant, shall be entitled to inspect the property that is the subject of the Dispute to determine the nature and cause of the defect, damage or injury and the nature and extent of repairs necessary to remedy the defect. After reasonable notice to the claimant and at reasonable times, the Notified Declarant Party and the Notified Declarant Party's representatives shall have the right to conduct inspections, testing and/or destructive or invasive testing in a manner deemed appropriate by the Notified Declarant Party (provided the Notified Declarant Party shall repair or replace any property damaged or destroyed during such inspection or testing), provided that all such activities are reasonably necessary to establish the existence of the defect, which right shall continue until such time as the Dispute is resolved as provided in **Subsection 12.19.3.**

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

12.19.4 No Additional Obligations; Irrevocability and Waiver of Right. Nothing set forth in **Subsections 12.19.2 and 12.19.3** shall be construed to impose any obligation on the Notified Declarant Party to inspect, test, repair or replace any item of the Property for which the Notified Declarant Party is not otherwise obligated under applicable law or the Limited Warranty. The right of the Notified Declarant Party to enter, inspect, test, repair and/or replace reserved hereby shall be irrevocable and may not be waived or otherwise terminated except by a writing executed and Recorded by the Notified Declarant Party.

12.19.5 Mediation. If the parties to the Dispute fail to resolve the Dispute pursuant to the procedures described in **Subsection 12.19.3** above within ninety (90) days after delivery of the Claim Notice, the Person who delivered the Claim Notice shall select a mediator within ten (10) days after such ninety (90) day period. The mediator shall be subject to the approval of the Notified Declarant Party. If the Notified Declarant Party and the claimant fail to agree upon a mediator within twenty (20) days after a mediator is first selected by the claimant, either party may petition the American Arbitration Association, the Nevada Arbitration Association, Nevada Dispute Resolution Services or any other mediation service acceptable to the parties for the appointment of a mediator qualified in the area pertaining to the Dispute. If the Person who delivered the Claim Notice fails to timely submit the Dispute to mediation, then



the claim of the Person who delivered the Claim Notice shall be deemed waived and abandoned and all applicable Declarant Parties shall be relieved and released from any and all liability relating to the Dispute. No person shall serve as a mediator in the Dispute in which the person has any financial or personal interest in the result of the mediation, except by the written consent of all parties. Prior to accepting any appointment, the prospective mediator shall disclose any circumstances likely to create a presumption of bias or to prevent a prompt commencement of the mediation process. No litigation or other action shall be commenced against the Notified Declarant Party or any other Declarant Party without complying with the procedures described in this **Subsection 12.19.5.**

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

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

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

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



by witnesses in the course of the mediation shall be confidential. There shall be no stenographic record of the mediation process.

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

12.19.6 Arbitration. Should mediation pursuant to **Subsection 12.19.5** above not be successful in resolving the Dispute, then the Person who delivered the Claim Notice shall have ninety (90) days after the date of termination of the mediation to submit the Dispute to binding arbitration. If timely submitted, such Dispute shall be resolved by binding arbitration through the American Arbitration Association in accordance with the Construction Industry AAA Rules, as modified or as otherwise provided in this **Subsection 12.19.6**. If the Person who delivered the Claim Notice fails to timely submit the Dispute to arbitration within the ninety (90) day period, then the claim of the Person who delivered the Claim Notice shall be deemed waived and abandoned and all applicable Declarant Parties shall be relieved and released from any and all liability relating to the Dispute. A Person with any Dispute may only submit such Dispute in arbitration on such Person's own behalf. No Person may submit a Dispute in arbitration as a representative or member of a class, and no Dispute may be arbitrated as a class action. All Declarant Parties and any Person(s) with a Dispute and/or submitting a Claim Notice, together with any additional Persons who agree to be bound by this **Section 12.19.6**, such as contractors, subcontractors, brokers, suppliers, architects, engineers and any other Person providing materials or services in connection with the construction of any Improvement upon or benefiting the Property (collectively, the "Bound Parties"), agree that all Disputes that are not resolved by negotiation or mediation shall be resolved exclusively by arbitration conducted in accordance with this **Subsection 12.19.6**, and waive the right to have the Dispute resolved by a court, including the right to file a legal action as the representative or member of a class or in any other representative capacity. The parties shall cooperate in good faith to attempt to cause any Person who may be liable to any other Bound Party to be included in the arbitration proceeding. Subject to the limitations imposed in this **Subsection 12.19.6**, the arbitrator shall have the authority to try all issues, whether of fact or law.

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



(ii) Arbitrator. A single arbitrator shall be selected in accordance with the rules of the American Arbitration Association from panels maintained by the American Arbitration Association with experience in relevant real estate matters or construction. The arbitrator shall not have any relationship to the parties or interest in the Property. The parties to the Dispute shall meet to select the arbitrator within ten (10) days after service of the demand for arbitration on all respondents named therein or in the manner prescribed by the American Arbitration Association.

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

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

(v) Discovery. The parties shall be entitled only to limited discovery, consisting of the exchange between the parties of only the following matters: (i) witness lists; (ii) expert witness designations; (iii) expert witness reports; (iv) exhibits; (v) reports of testing or inspections of the property subject to the Dispute, including destructive or invasive testing; and (vi) hearing briefs. The parties shall also be entitled to conduct further tests and inspections as provided in **Subsection 12.19.2** above. Any other discovery shall be permitted by the arbitrator upon a showing of good cause or based on the mutual agreement of the parties. The arbitrator shall oversee discovery and may enforce all discovery orders in the same manner as any trial court judge.

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

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

12.19.7 WAIVERS

NOTICE: BY ACCEPTANCE OF A DEED OR BY ACQUIRING ANY OWNERSHIP INTEREST IN ANY PORTION OF THE PROPERTY, EACH PERSON, FOR HIMSELF, HIS HEIRS, PERSONAL REPRESENTATIVES, SUCCESSORS, TRANSFERREES AND ASSIGNS, AGREES TO HAVE ANY DISPUTE RESOLVED ACCORDING TO THE



PROVISIONS OF THIS SECTION 12.19 AND WAIVES THE RIGHT TO PURSUE ANY DISPUTE IN ANY MANNER OTHER THAN AS PROVIDED IN THIS SECTION 12.19. SPECIFICALLY, AND WITHOUT LIMITATION, EACH SUCH PERSON WAIVES THE RIGHT TO SUBMIT A DISPUTE IN ARBITRATION AS A REPRESENTATIVE OR MEMBER OF A CLASS AND TO HAVE SUCH DISPUTE ARBITRATED AS A CLASS ACTION AND ALSO WAIVES THE RIGHT TO HAVE THE DISPUTE RESOLVED BY A COURT, INCLUDING THE RIGHT TO FILE A LEGAL ACTION AS THE REPRESENTATIVE OR MEMBER OF A CLASS OR IN ANY OTHER REPRESENTATIVE CAPACITY. THE MASTER ASSOCIATION, EACH UNIT OWNER AND DECLARANT ACKNOWLEDGE THAT BY AGREEING TO RESOLVE ALL DISPUTES AS PROVIDED IN THIS SECTION 12.19, THEY ARE GIVING UP THEIR RESPECTIVE RIGHTS TO HAVE SUCH DISPUTES TRIED BEFORE A JURY. THE MASTER ASSOCIATION, EACH UNIT OWNER AND DECLARANT FURTHER WAIVE THEIR RESPECTIVE RIGHTS TO AN AWARD OF PUNITIVE AND CONSEQUENTIAL DAMAGES RELATING TO A DISPUTE. BY ACCEPTANCE OF A DEED OR BY ACQUIRING ANY OWNERSHIP INTEREST IN ANY PORTION OF THE PROPERTY, EACH UNIT OWNER HAS VOLUNTARILY ACKNOWLEDGED THAT HE IS GIVING UP ANY RIGHTS HE MAY POSSESS TO PUNITIVE AND CONSEQUENTIAL DAMAGES OR THE RIGHT TO A TRIAL BEFORE A JURY RELATING TO A DISPUTE.

12.19.8 Statutes of Limitation and Repose. Except as otherwise provided under N.R.S. § 40.695, nothing in this Section 12.19 shall be considered to toll, stay, reduce or extend any applicable statute of limitation or repose.

12.19.9 Required Consent of Declarant to Modify. This Section 12.19 shall not be amended except in accordance with Subsection 12.5.1 of this Master Declaration and with the express written consent of the Declarant.

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

12.21 Limitation of Liability. Notwithstanding anything to the contrary in this Master Declaration, each Unit Owner, by accepting any interest in any portion of the Property and becoming a Unit Owner, acknowledges and agrees that the Declarant Parties shall not have any personal liability to the Master Association or any Unit Owner, Member or any other Person, arising out of, relating to or resulting from (Including resulting from action or failure to act with respect to) this Master Declaration or the Master Association, except, in the case of Declarant (or its assignee) to the extent of its interest in the Property and, in the event of a judgment, no



execution or other action shall be sought or brought thereon against any other assets or be a lien upon such other assets of the judgment debtor.

PN II, INC., a Nevada corporation

By: *Don Boettcher*
 Don Boettcher
 Its: Attorney-in-Fact

STATE OF NEVADA)
) ss.
 County of Clark)

The foregoing instrument was acknowledged before me this 21st day of May, 2007 by Don Boettcher, the Attorney-in-Fact for PN II, Inc., a Nevada corporation, on behalf of the corporation.

S. Schrock
 Notary Public

My Commission Expires:
July 21, 2009

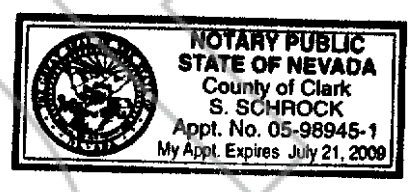




EXHIBIT A

PROPERTY SUBMITTED TO ANTHEM MESQUITE

UNITS

PARCEL 1:

Lots 6, 7, 14, 15, 19, Lots 25 through 28, inclusive, Lots 32 through 43, inclusive, Lots 46, 47, 52 and 53, Lots 68 through 75, inclusive, Lots 81 through 83, inclusive, and Lots 121 through 124, inclusive, Final Map of WAGON TRAIL SUBDIVISION, according to Book 135 of Plats, page 87, Official Records, County Recorder, Clark County, Nevada.

PARCEL 2:

Lots 9 through 11, inclusive, Lots 20 through 31, inclusive, Lots 38 through 44, inclusive, Lots 54 through 57, inclusive, Lots 62 and 63, Lots 66 through 82, inclusive, Lots 89 and 90, and Lots 102 through 105, inclusive, Final Map of SPLIT RAIL SUBDIVISION, according to Book 134 of Plats, page 33, Official Records, County Recorder, Clark County, Nevada.

PARCEL 3:

Lots 36, 40, 41, 42, 43, 46, 50 and 52, Final Map for Unit 19A, BRANDING IRON SUBDIVISION, according to Book 135 of Plats, page 16, Official Records, County Recorder, Clark County, Nevada.

COMMON ELEMENTS

Common Element B, Final Map of SPLIT RAIL SUBDIVISION, according to Book 134 of Plats, page 33, Official Records, County Recorder, Clark County, Nevada.

COMMUNITY COMMON ELEMENTS

PARCEL A:

Common Elements A through E, inclusive, Final Map of WAGON TRAIL SUBDIVISION, according to Book 135 of Plats, page 87, Official Records, County Recorder, Clark County, Nevada.



EXHIBIT A

PROPERTY SUBMITTED TO ANTHEM MESQUITE

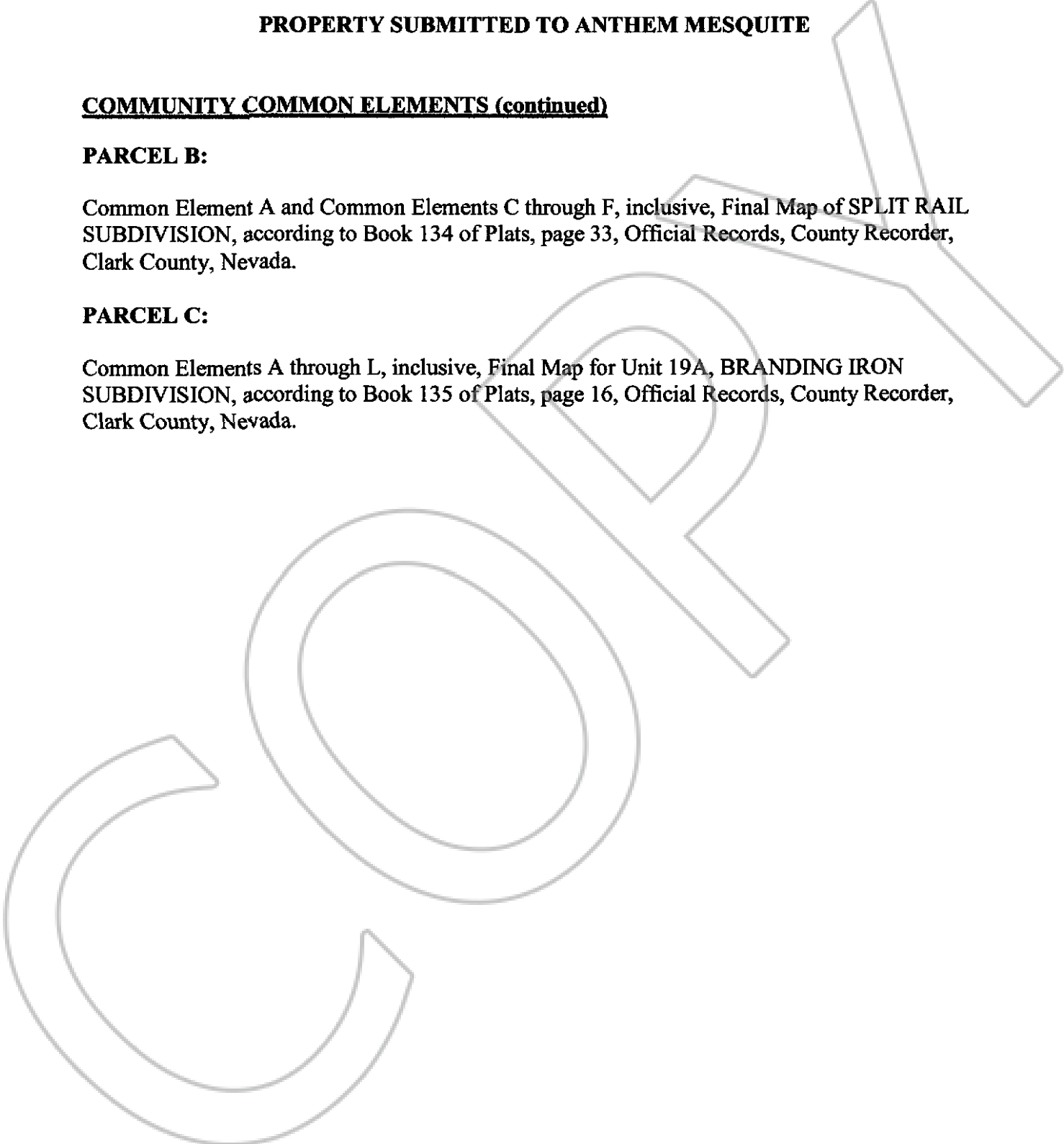
COMMUNITY COMMON ELEMENTS (continued)

PARCEL B:

Common Element A and Common Elements C through F, inclusive, Final Map of SPLIT RAIL SUBDIVISION, according to Book 134 of Plats, page 33, Official Records, County Recorder, Clark County, Nevada.

PARCEL C:

Common Elements A through L, inclusive, Final Map for Unit 19A, BRANDING IRON SUBDIVISION, according to Book 135 of Plats, page 16, Official Records, County Recorder, Clark County, Nevada.





**EXHIBIT B
ADDITIONAL PROPERTY**

PARCEL 1

Lots 1 through 5, inclusive, Lots 8 through 13, inclusive, Lots 16, 17, 18, Lots 20 through 24, inclusive, Lots 29 through 31, inclusive, Lots 44, 45, 48, 49, 50 and 51, Lots 54 through 67, inclusive, and Lots 76 through 80, inclusive, Lots 84 through 120, inclusive, and Lots 125 through 129, inclusive, Final Map of WAGON TRAIL SUBDIVISION, according to Book 135 of Plats, page 87, Official Records, County Recorder, Clark County, Nevada.

PARCEL 2

Lots 1 through 8, inclusive, Lots 12 through 19, inclusive, Lots 32 through 37, inclusive, Lots 45 through 53, inclusive, Lots 58 through 61, inclusive, Lots 64 and 65, Lots 83 through 88, inclusive, Lots 91 through 101, inclusive, and Lots 106 through 114, inclusive, Final Map of SPLIT RAIL SUBDIVISION, according to Book 134 of Plats, page 33, Official Records, County Recorder, Clark County, Nevada.

PARCEL 3

Lots 1 through 35, inclusive, Lots 37 through 39, inclusive, Lots 44, 45, 47, 48, 49, 51, and Lots 53 through 68, inclusive, Final Map for Unit 19A, BRANDING IRON SUBDIVISION, according to Book 135 of Plats, page 16, Official Records, County Recorder, Clark County, Nevada.

PARCEL 4

All Lots and Common Elements lying within the Final Map of ANTHEM AT MESQUITE – CONESTOGA CAMP, according to Book 134 of Plats, page 93, Official Records, County Recorder, Clark County, Nevada.

PARCEL 5

All Lots and Common Elements lying within the Final Map for Unit 4A, WATER BARREL SUBDIVISION, according to Book 135 of Plats, page 18, Official Records, County Recorder, Clark County, Nevada.



EXHIBIT B
ADDITIONAL PROPERTY

PARCEL 6

All Lots and Common Elements lying within the Final Map for Unit 19B, REUNION VALLEY SUBDIVISION , according to Book 135 of Plats, page 17, Official Records, County Recorder, Clark County, Nevada.

PARCEL 7

All Lots and Common Elements lying within the Final Map of ANTHEM AT MESQUITE – PRAIRIE SCHOONER, according to Book 135 of Plats, page 35, Official Records, County Recorder, Clark County, Nevada.

PARCEL 8

Parcels 1, 2, 3 and 5, MAP OF DIVISION INTO LARGE PARCELS, according to File 4 of Miscellaneous Maps, page 90, Official Records, County Recorder, Clark County, Nevada

PARCEL 9

Parcels 2 and 4 as shown by map thereof in File 112 of Parcel Maps, page 87, Official Records, County Recorder, Clark County, Nevada.

PARCEL 10

Parcels 1, 2 and 3 as shown by map thereof in File 113 of Parcel Maps, page 3, Official Records, County Recorder, Clark County, Nevada.

PARCEL 11

Parcel 2 as shown by map thereof in File 113 of Parcel Maps, page 11, Official Records, County Recorder, Clark County, Nevada.

PARCEL 12

Parcels 1 and 4 as shown by map thereof in File 113 of Parcel Maps, page 12, Official Records, County Recorder, Clark County, Nevada.



EXHIBIT B

ADDITIONAL PROPERTY

PARCEL 13

Parcels 1, 2 and 4 as shown by map thereof in File 113 of Parcel Maps, page 13, Official Records, County Recorder, Clark County, Nevada.

PARCEL 14

Parcel 2 as shown by map thereof in File 113 of Parcel Maps, page 93, Official Records, County Recorder, Clark County, Nevada.

PARCEL 15

A parcel of land located in a portion of Township 12 South, Range 70 East, and a parcel of land located in a portion of Township 12 South, Range 71 East, Mount Diablo Base and Meridian, Lincoln County, Nevada, being more particularly described as follows:

Township 12 South, Range 70 East,
Section 25, East Half (E 1/2);
Section 36, East Half (E 1/2), Southwest Quarter (SW 1/4).
Township 12 South, Range 71 East,
Section 29, Lot 2;
Section 30 Lots 6, 7, 10, 11, West Half (W 1/2), West Half (W 1/2) Northeast Quarter (NE 1/4), West Half (W 1/2) Southeast Quarter (SE 1/4);
Section 31, Lots 6, 7, 10, West Half (W 1/2) West Half (W 1/2) Northeast Quarter (NE 1/4), West Half (W 1/2) Southeast Quarter (SE 1/4), Southeast Quarter (SE 1/4);
Section 32, Lots 2 to 3.