

Upon Recording, please return to:  
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Del Webb's Coventry Homes of Nevada, Inc.  
11500 S. Eastern Avenue  
Henderson, NV 89052

**AMENDED AND RESTATED  
DECLARATION OF COVENANTS, CONDITIONS, AND  
RESTRICTIONS**

**FOR**

**COVENTRY HOMES AT ANTHEM**

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"A"	Land Initially Submitted	1
"B"	Land Subject to Annexation	6
"C"	By-Laws of Coventry Homes at Anthem	5

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**AMENDED AND RESTATED**  
**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS**  
**FOR**  
**COVENTRY HOMES AT ANTHEM**

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS is made this 4<sup>th</sup> day of February, 2000, by Del Webb's Coventry Homes of Nevada, Inc., an Arizona corporation (the "Declarant").

**PART ONE: INTRODUCTION TO THE COMMUNITY**

*Del Webb's Coventry Homes of Nevada, Inc., as developer of Coventry Homes at Anthem, has established this Declaration to provide a governance structure and a flexible system of standards and procedures for the overall development, administration, maintenance, and preservation of Coventry Homes at Anthem as a master planned community.*

**Article I      Creation of the Community**

1.1.    Purpose and Intent.

Declarant intends by Recording this Declaration to perpetuate the general plan of development created the planned community known as Coventry Homes at Anthem. This Declaration provides a flexible and reasonable procedure for the future expansion of Coventry Homes at Anthem 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 Coventry Homes at Anthem. An integral part of the development plan is the creation of Coventry Homes at Anthem Community Association, Inc., an association comprised of all owners of real property in Coventry Homes at Anthem, to own, operate, and maintain various common areas and community improvements, and to administer and enforce this Declaration and the other Governing Documents referred to in this Declaration.

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

1.2.    Binding Effect.

All property described in Exhibit "A," and any additional property which is made a part of Coventry Homes at Anthem in the future by Recording one or more Supplemental Declarations, shall be owned, conveyed, and used subject to all of the provisions of this Declaration, which shall run with the title to such property. This Declaration shall be binding upon all Persons having any

right, title, or interest in any portion of the Properties, their heirs, successors, successors-in-title, and assigns.

Unless otherwise provided by Nevada law, this Declaration shall run with the land and have perpetual duration. This Declaration may be terminated only by a Recorded instrument signed by the Owners of at least 80% of the total Lots, and which complies with the termination procedures set forth in the Act. Nothing in this Section shall be construed to permit termination of any easement created in this Declaration without the consent of the holder of such easement.

1.3. Governing Documents.

The Governing Documents create a general plan of development for Coventry Homes at Anthem which may be supplemented by additional covenants, restrictions, and easements applicable to particular Neighborhoods within Coventry Homes at Anthem.

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

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

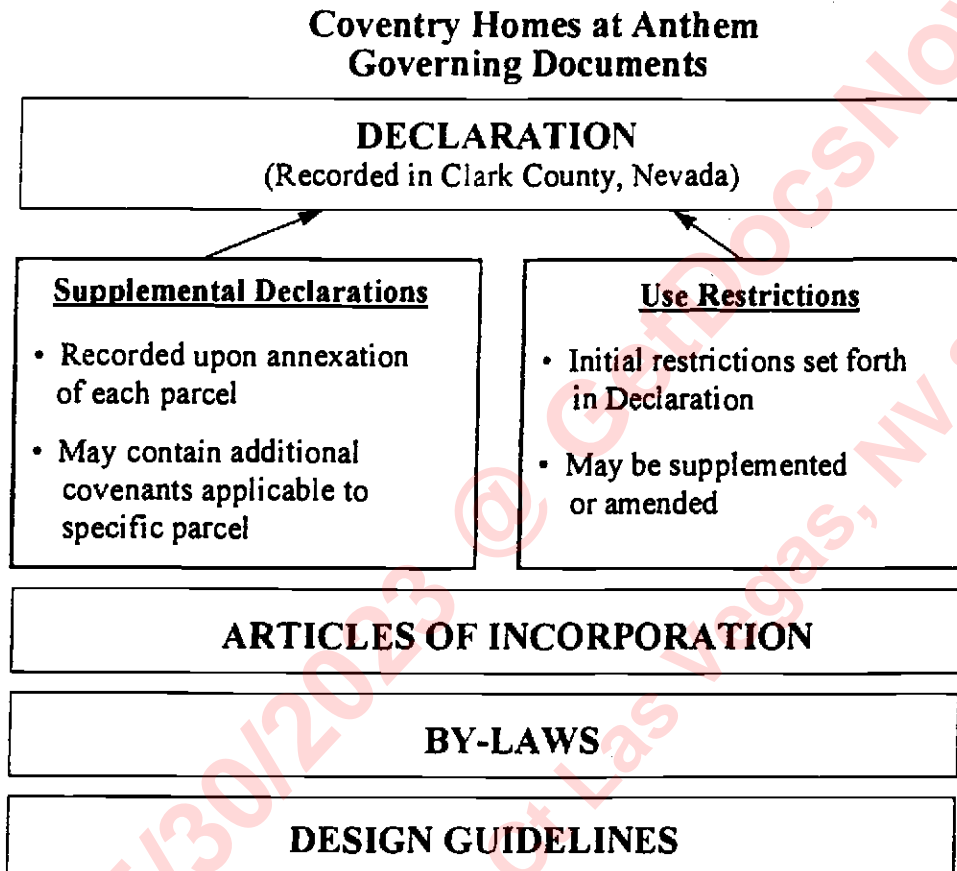
All provisions of the Governing Documents shall apply to all Owners and to all occupants of their Lots, as well as their respective tenants, guests, and invitees. Any lease on a Lot shall provide that the tenant and all occupants of the leased Lot shall be bound by the terms of the Governing Documents.

Unless otherwise specifically provided, notices required under the Governing Documents shall be provided in accordance with the By-Laws.

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

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The following diagram summarizes the Governing Documents for Coventry Homes at Anthem:



All diagrams which are included in the Governing Documents are intended only to summarize the express written terms therein. **Diagrams are not intended to supplant or supplement the express written or implied terms contained in the Governing Documents.**

1.4. Anthem Community Council.

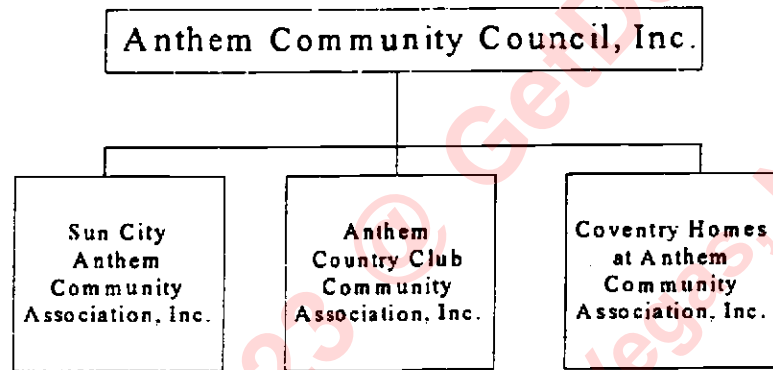
Declarant has recorded the Declaration of Covenants and Easements for the Anthem Community and has created the Anthem Community Council to provide a means for each Anthem residential community jointly to participate in community-wide affairs. The members of the Council shall be the Association, the Sun City Anthem Community Association, Inc., and the Anthem Country Club Community Association, Inc. While Home Owners are not members of the Council, each Home Owner is subject to the Community Covenant.

The Council is authorized to organize, fund, and administer such activities, services, and programs designed to build and enhance the sense of community within Anthem as its board of directors deems necessary, desirable, or appropriate. By way of example, such activities, services, and programs may include primary and adult education programs; community-wide recycling or other services; cultural, arts, and entertainment activities; and promotional or public relations

activities on behalf of the Anthem community. In addition, the Council shall own and maintain such real property and facilities as is conveyed or transferred to it by Declarant or its affiliates.

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

## Council Membership Structure



### Article II Concepts and Definitions

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

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

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

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

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

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

**"Articles of Incorporation" or "Articles"**: The Articles of Incorporation of Coventry Homes at Anthem Community Association, Inc., as filed with the Nevada Secretary of State.

**"Association"**: Coventry Homes at Anthem Community Association, Inc., a Nevada nonprofit corporation, its successors or assigns.

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

**"Benefited Assessment"**: Assessments levied against a particular Lot or Lots for expenses incurred or to be incurred by the Association for the purposes described in Section 8.5.

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

**"By-Laws"**: The Amended and Restated By-Laws of Coventry Homes at Anthem Community Association, Inc., attached as Exhibit "C," as they may be amended from time to time.

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

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

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

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

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

**"Declarant Control Period"**: The period of time during which Declarant is entitled to appoint a majority of the members of the Board of Directors as provided in Section 3.3 of the By-Laws.

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

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

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

**"Home Owner"**: An Owner other than Declarant.

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

**"Lot"**: A contiguous portion of the Properties, whether improved or unimproved, other than Common Area, common property of any Neighborhood Association, and property dedicated to the public, which may be independently owned and conveyed and which is intended to be developed, used, and occupied for residential purposes and to contain a Dwelling Unit. The term shall mean all interests defined as "Lot" in Section 166.11039 of the Act. The term shall refer to the land, if any, which is part of the Lot as well as any improvements, including any Dwelling Unit, thereon. The boundaries of each Lot shall be delineated on a Recorded Plat.

Prior to Recording a Plat, a parcel of vacant land, or land on which improvements are under construction shall be deemed to contain the number of Lots designated for residential use for such parcel on the applicable preliminary plat or site plan approved by Declarant, whichever is



more current. Until a preliminary plat or site plan has been approved, such parcel shall contain the number of Lots set by Declarant in conformance with the Master Plan.

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

**"Master Plan"**: The master land use plan for the development of Coventry Homes at Anthem approved by Henderson, Nevada, and as it may be amended, which plan includes all of the property described in Exhibit "A" and all or a portion of the property described in Exhibit "B" that Declarant may from time to time subject to this Declaration. The Master Plan may also include subsequent plans which Henderson, Nevada approves for the development of all or a portion of the property described in Exhibit "B" which Declarant may from time to time subject to this Declaration. Inclusion of property on the Master Plan shall not, under any circumstances, obligate Declarant to subject such property to this Declaration, nor shall the omission of property described in Exhibit "B" from the Master Plan bar its later submission to this Declaration as provided in Article IX.

**"Maximum Lots"**: The maximum number of Lots approved for development within Coventry Homes at Anthem under the Master Plan, as amended from time to time; provided, however, that nothing in this Declaration shall be construed to require Declarant to develop the maximum number of Lots approved. The Maximum Lots as of the date of this Declaration is 1368 Lots. This number shall increase if additional Lots are approved for development under the Master Plan.

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

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

**"Neighborhood"**: Any residential area within the Properties which is designated as a Neighborhood, whether or not governed by a Neighborhood Association, as more particularly described in Section 6.4, created for the purpose of sharing Limited Common Areas, receiving benefits or services from the Association which are not provided to all Lots, and for the purpose of electing Neighborhood Representatives as provided in Section 6.4. A Neighborhood may be comprised of more than one housing type and may include noncontiguous parcels of property. If the Association provides benefits or services to less than all Lots within a particular Neighborhood, then such benefited Lots shall be assessed an additional Benefited Assessment for such benefits or services.

Where the context permits or requires, the term Neighborhood shall also refer to the Neighborhood Committee (an advisory committee established in accordance with the By-Laws) or Neighborhood Association, if any, having concurrent jurisdiction over the property within the

Neighborhood. Neighborhood boundaries may be established and modified as provided in Section 6.4.

**"Neighborhood Assessments"**: Assessments levied against the Lots in a particular Neighborhood or Neighborhoods to fund Neighborhood Expenses, as described in Section 8.2.

**"Neighborhood Association"**: An owners association having subordinate, concurrent jurisdiction with the Association over any Neighborhood. Nothing in this Declaration shall require the creation of a Neighborhood Association for any Neighborhood.

**"Neighborhood Expenses"**: The actual and estimated expenses which the Association incurs or expects to incur for the benefit of Owners of Lots within a particular Neighborhood or Neighborhoods, which may include, without limitation, the expenses of maintaining, operating, insuring, repairing, and replacing Limited Common Area assigned to the Neighborhood, a reasonable reserve for capital repairs and replacements and a reasonable administrative charge, as may specifically be authorized pursuant to this Declaration or in the Supplemental Declaration(s) applicable to such Neighborhood(s).

**"Neighborhood Representative"**: The representative or alternate selected by the Members within each Neighborhood to represent the Neighborhood in Association matters other than those requiring a vote of the membership, as described in Section 6.4.

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

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

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

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

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

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

**"Rules"**: Regulations and guidelines relating to the use of Common Area and conduct of persons on the Properties, as more specifically provided and authorized in Article III.

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

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

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

## **PART TWO: CREATION AND MAINTENANCE OF COMMUNITY STANDARDS**

*The standards for use, conduct, maintenance, and architecture within Coventry Homes at Anthem are what give the community its identity and make it a place that people want to call "home." Yet those standards must be more than a static recitation of "thou shalt not's." This Declaration establishes procedures for rulemaking as a dynamic process which allows the community standards to evolve as the community grows and as technology evolves.*

### **Article III Use and Conduct**

#### **3.1. Restrictions on Use, Occupancy, and Alienation.**

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

(a) **Residential and Related Uses.** The Properties shall be used only for residential, recreational, and related purposes. Related purposes may include, without limitation, offices for any management agent or agents retained by the Association, business offices for Declarant or the Association consistent with this Declaration and any Supplemental Declaration, and any business use which meets the conditions of Section 3.1(b) below. In addition, any commercial activity that directly advances the residential and recreational character of the Properties may be authorized by Declarant or the Association, if consistent with the Governing Documents. Any Supplemental Declaration or any additional Recorded covenants may impose stricter standards than those contained in this Article and the Association shall have standing and the power to enforce such standards.

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

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

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

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

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

"Business and trade" shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to Persons other than the family of the producer of such goods or services and for which the producer receives a fee, compensation, or other form of consideration, regardless of whether (a) such activity is engaged in full or part time, (b) such activity is intended to or does generate a profit, or (c) a license is required.

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

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

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

No structure on a Lot other than the primary residential Dwelling Unit shall be leased or otherwise occupied for residential purposes, except that structures used for ancillary purposes, such as an "in-law suite" or detached "guest house," may be occupied, but not independently leased. There shall be no subleasing of Dwelling Units or assignment of leases except with the Board's prior written approval. All leases shall be in writing.

No transient tenants may be accommodated in a Dwelling Unit. All leases shall be for an initial term of no less than six months, except: (a) with the prior written consent of the Board, or (b) as initially authorized by Declarant in a Supplemental Declaration for Lots located within certain Neighborhoods. The Owners may not amend this provision to prohibit leasing of Dwelling Units by, or under the authority of, Declarant within such Neighborhoods for a term less than six months until: (a) 75% of the Maximum Lots are owned by Home Owners; and (b) such amendment is approved by the vote of Persons, other than Declarant, representing at least 75% of the total votes of the Association. The restrictions on lease terms set forth in this paragraph shall not apply to Lots owned by Declarant.

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

(d) Maximum Occupancy. Dwelling Units shall not be occupied on a regular and consistent basis (as determined in the Board's discretion) by more than two Persons per bedroom in the Dwelling Unit.

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

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

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

### 3.2. Framework for Regulation.

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

### 3.3. Use Restriction and Rule Making Authority.

(a) Board's Authority. Subject to the terms of this Article, the Act, and the Board's duty to exercise business judgment and reasonableness on behalf of the Association and its Members, the Board may modify, cancel, limit, create exceptions to, or expand the Use Restrictions and may create, modify, and enforce reasonable Rules governing the use of the Properties, consistent with other provisions in the Governing Documents. The Board shall send notice to all Owners concerning any proposed action on Use Restrictions or Rules at least ten business days prior to the Board meeting at which such action is to be considered. For this purpose, notice may be sent to each Owner in any manner permitted under the Act, including, if so permitted: U.S. mail; electronic telecommunication (*i.e.*, fax or "e-mail") with confirmation of receipt; or publication in the community newsletter delivered or mailed to each Owner, provided that such notice is clearly identified under a separate headline in the newsletter. Neighborhood Representatives and Members shall have an opportunity to be heard at a Board meeting prior to such action being taken, subject to reasonable Board imposed restrictions.

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

(b) Members' Authority. Alternatively, Members, at an Association meeting duly called for such purpose and in accordance with Section 2.4 of the By-Laws, may adopt provisions which modify, cancel, limit, create exceptions to, or expand the Use Restrictions or Rules by a vote of Members representing a majority of the total votes in the Association and the approval of Declarant, for so long as it owns any property described on Exhibits "A" or "B."

(c) Notice. At least 30 days prior to the effective date of any action taken under subsections (a) or (b) of this Section, the Board shall provide a copy of the new Use Restriction or Rule or explanation of any modifications to the existing Use Restrictions or Rules to each

Owner specifying the effective date. For this purpose, the Board may send a copy of the new or modified Use Restriction or Rule either by: U.S. mail; electronic telecommunication (*i.e.*, fax or "e-mail") with confirmation of receipt; or, publication in the community newsletter delivered or mailed to each Owner, provided that such notice is clearly identified under a separate headline in the newsletter.

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

(d) No Authorization To Change Design Guidelines. Nothing in this Article shall authorize the Board or the Neighborhood Representatives to modify, repeal, or expand the Design Guidelines. In the event of a conflict between the Design Guidelines and the Use Restrictions and Rules, the Design Guidelines shall control.

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

#### 3.4. Owners' Acknowledgment and Notice to Purchasers.

All Owners are given notice that use of their Lots and the Common Area is limited by the Use Restrictions and Rules as may be amended, expanded, and otherwise modified. **Each Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of his or her Lot can be affected by this provision and that the Use Restrictions and Rules may change from time to time as provided under Section 3.3.** All purchasers of Lots are on notice that changes may have been adopted by the Association and that such changes may not be set forth in a Recorded document. Copies of the current Use Restrictions and Rules may be obtained from the Association.

#### 3.5. Protection of Owners and Others.

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

(a) Abridging Existing Rights. If any Use Restriction or Rule would otherwise require Owners to dispose of personal property which they maintained in or on the Lot prior to the effective date of such regulation, or to vacate a Lot in which they resided prior to the effective date of such regulation, and such property was maintained or such occupancy was in compliance

with the Governing Documents, such Use Restriction or Rule shall not apply to any such Owners without their written consent.

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

(c) Alienation. No Use Restriction or Rule shall place a blanket prohibition on leasing or conveying any Lot or require the Association's consent before leasing or conveying any Lot. However, the Association may (i) require that Owners use Association approved lease forms; (ii) impose a reasonable fee on the lease or conveyance of a Lot based upon the Association's related administrative costs; (iii) require that Owners provide the Association advance notice of any lease or conveyance; and, (iv) require such other payments or actions as this Declaration may require. Additionally, Section 3.1 requires a minimum lease term.

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

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

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

(f) Similar Treatment. Similarly situated Owners shall be treated similarly; provided, the Use Restrictions and Rules may vary by Neighborhood.

(g) Household Composition. No Use Restriction or Rule shall interfere with the freedom of Owners to determine the composition of their households, except that the Association shall have the power to limit the total number of Persons permitted to occupy or reside in a



Dwelling Unit on the basis of the size of the Dwelling Unit, the facilities within the Dwelling Unit, and the fair use of the Common Area.

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

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

3.6. Initial Use Restrictions and Rules.

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

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

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

(c) Nuisances. No Owner shall engage in any activity which materially disturbs or destroys the vegetation, wildlife, or air quality within the Properties or which results in unreasonable levels of sound or light pollution.

(d) Garage Doors. Garage doors shall remain closed at all times except when entering and exiting the garage and for a reasonable length of time during day-light hours while performing regular home maintenance activities (e.g., lawn care and gardening, car washing, etc.).

(e) Exterior Lighting. Excessive exterior lighting is prohibited on any Lot. The Board (or its designee) in its sole discretion shall determine whether any exterior lighting is excessive.

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

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

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

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

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

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

(k) Trash Containers and Collection. No garbage or trash shall be placed or kept on any Lot, except in covered containers of a type, size, and style which are pre-approved by the Architectural Review Committee, specifically permitted under Design Guidelines, or required by

the applicable governing jurisdiction. In no event shall such containers be maintained so as to be visible from outside the Lot unless they are being made available for collection and then only for the shortest time reasonably necessary to effect such collection. All rubbish, trash, or garbage shall be removed from the Lots and shall not be allowed to accumulate thereon. No outdoor incinerators shall be kept or maintained on any Lot.

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

(m) Vehicles and Parking. The term "vehicles," as used in this Section, shall include, without limitation, automobiles, trucks, boats, trailers, motorcycles, campers, vans, and recreational vehicles.

No person shall park any commercial vehicles, recreational vehicles, mobile homes, trailers, campers, boats or other watercraft, or other oversized vehicles, stored vehicles, and unlicensed vehicles or inoperable vehicles within the Properties other than in enclosed garages; provided, however, one boat or recreational vehicle may be temporarily kept or stored completely in a driveway or completely on a parking pad on a Lot for not more than four nights within each calendar month. This Section shall not apply to emergency vehicle repairs.

Notwithstanding the above, for purposes of cleaning, loading, unloading, and short term parking, recreational vehicles may be parked on the Properties for 72 hours per calendar month. Owners must obtain a recreational vehicle permit for such short term parking from the Association office.

(n) Wetlands, Lakes, and Other Water Bodies. All wetlands, lakes, ponds, and streams within the Properties, if any, shall be aesthetic amenities only, and no other active use of lakes, ponds, streams, or other bodies of water within the Properties or within any golf course is permitted, except that the Association and its agents shall have the exclusive right and easement to retrieve golf balls from bodies of water within the Common Areas. The Association shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of lakes, ponds, streams, or other bodies of water within or adjacent to the Properties.

## Article IV Architecture and Landscaping

### 4.1. General.

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

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

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

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

### 4.2. Architectural Review.

(a) By Declarant. Each Owner, by accepting a deed or other instrument conveying any interest in any portion of the Properties, acknowledges that, as the developer of the Properties and as an Owner of portions of the Properties as well as other real estate within the vicinity of the Properties, Declarant has a substantial interest in ensuring that the improvements within the Properties enhance Declarant's reputation as a community developer and do not impair Declarant's ability to market, sell, or lease its property. Therefore, each Owner agrees that no activity within the scope of this Article shall be commenced on such Owner's Lot unless and until Declarant or its designee has given its prior written approval for such activity, which approval may be granted or withheld in the sole discretion of Declarant or its designee.

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

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

Declarant may from time to time, but shall not be obligated to, delegate all or a portion of its reserved rights under this Article to (i) the Architectural Review Committee, or (ii) a

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

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

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

(c) Fees; Assistance. For purposes of this Article, the entity having jurisdiction in a particular case shall be referred to as the "Reviewer." The Reviewer may establish and charge reasonable fees for review of applications and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers, or other professionals. Declarant and the Association may employ architects, engineers, or other persons as deemed necessary to perform the review. The Board may include the compensation of such persons in the Association's annual operating budget.

#### 4.3. Guidelines and Procedures

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

Declarant shall have sole and full authority to amend the Design Guidelines as long as it owns any portion of the Properties or has the right to expand the Properties pursuant to Section 9.1, notwithstanding a delegation of reviewing authority to the ARC, unless Declarant also delegates the power to amend to the ARC. Upon termination or delegation of Declarant's right to amend, the ARC shall have the authority to amend the Design Guidelines with the Board's

consent. Any amendments to the Design Guidelines shall be prospective only and shall not require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no other limitation on the scope of amendments to the Design Guidelines, and such amendments may remove requirements previously imposed or otherwise make the Design Guidelines less restrictive.

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

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

In reviewing each submission, the Reviewer may consider any factors it deems relevant. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that determinations as to such matters are purely subjective and opinions may vary as to the desirability and/or attractiveness of particular improvements. The Reviewer shall have the sole discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment and such determinations shall not be subject to review so long as they are made in good faith and in accordance with the procedures set forth herein.

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

In the event that the Reviewer fails to respond within the 45-day period, the application shall be deemed denied and the applicant shall be required to resubmit an application for approval. No approval shall be inconsistent with the Design Guidelines unless a variance has been granted pursuant to Section 4.5. Notice shall be deemed to have been given at the time the envelope containing the response is deposited with the U. S. Postal Service. Personal delivery of such written notice shall, however, be sufficient and shall be deemed to have been given at the time of delivery to the applicant.

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

If construction does not commence on a project for which Plans have been approved within 120 days after the date of closing of escrow on the Lot or the date of approval, whichever is later, such approval shall be deemed withdrawn and it shall be necessary for the Owner to reapply for approval before commencing any construction activity. Once construction is commenced, it shall be diligently pursued to completion. All construction shall be completed within 180 days of commencement unless otherwise specified in the notice of approval or unless the Reviewer grants an extension in writing, which it shall not be obligated to do. If approved construction is not completed within the required time, it shall be considered nonconforming and, unless an extension of time is granted, shall be subject to enforcement action by the Association, Declarant, or any aggrieved Owner.

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

#### 4.4. No Waiver of Future Approvals.

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

#### 4.5. Variances.

The Reviewer may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) estop the Reviewer from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance. Notwithstanding the

above, the ARC may not authorize variances without the written consent of Declarant, so long as Declarant owns any portion of the Properties or has the right to expand the Properties pursuant to Section 9.1.

#### 4.6. Limitation of Liability.

The standards and procedures in this Article are intended as a mechanism for maintaining and enhancing the overall aesthetics of the Properties but shall not create any duty to any Person. Review and approval of any application are made on the basis of aesthetic considerations only, and the Reviewer shall not bear any responsibility for ensuring (a) structural integrity or soundness of approved construction or modifications, (b) compliance with building codes and other governmental requirements; or (c) conformity of quality, value, size, or design with other Dwelling Units. Declarant, the Association, the Council, the Board, any committee, or member of any of the foregoing shall not be held liable for any claim whatsoever arising out of construction on or modifications to any Lot.

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

#### 4.7. Certificate of Compliance.

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

#### 4.8. Enforcement.

Any construction, alteration, or other work done in violation of this Article or the Design Guidelines shall be deemed to be nonconforming. Upon written request from Declarant, the Association, or the Reviewer, Owners shall, at their own cost and expense and within such reasonable time frame as set forth in such written notice, cure such nonconformance to the satisfaction of the requester or restore the property, Lot, and/or Dwelling Unit to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, Declarant, the Association, or their designees shall have the right to enter the



property, remove the violation, and restore the property to substantially the same condition as previously existed. All costs (which may include administrative charges), together with the interest at the rate established by the Board (not to exceed the maximum rate then allowed by law), may be assessed against the benefited Lot and collected as a Benefited Assessment unless otherwise prohibited in this Declaration.

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

All acts by any contractor, subcontractor, agent, employee, or invitee of an Owner shall be deemed as an act done by or on behalf of such Owner. Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Design Guidelines may be excluded from the Properties, subject to the notice and hearing procedures contained in the By-Laws. In such event, Declarant, the Association, and their officers and directors shall not be held liable to any Person for exercising the rights granted by this paragraph.

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

#### 4.9. Prohibited Structures and Improvements.

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

- (a) Outside clotheslines or other outside facilities for drying or airing clothes;
- (b) Detached storage buildings and detached sheds;
- (c) Compost piles or containers;
- (d) Free-standing flag poles; and
- (e) Satellite dishes of greater than one meter in diameter.

All other proposed structures or improvements (e.g., signs, fences, dog runs, ramadas, gazebos, lawn statues, fountains, etc.) are subject to the review and approval requirements set

forth in this Article IV and the Design Guidelines and, in any event, may be prohibited under the Design Guidelines.

## **Article V Maintenance and Repair**

### **5.1. Maintenance of Lots.**

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

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

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

### **5.2. Maintenance of Neighborhood Property.**

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

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

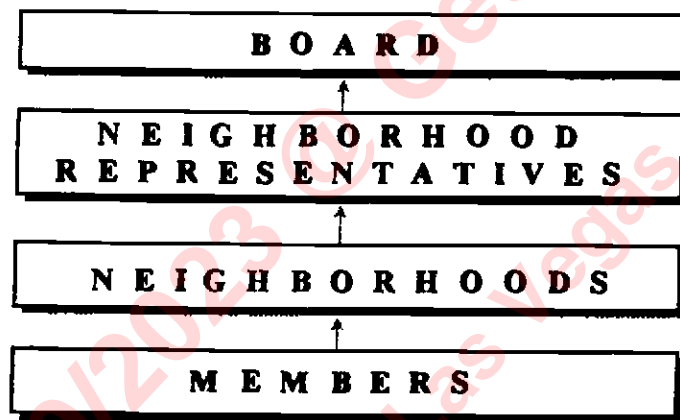
Upon resolution of the Board, the Owners within each Neighborhood shall be responsible for paying, through Neighborhood Assessments, the costs of operating, maintaining, and insuring certain portions of the Area of Common Responsibility within or adjacent to such Neighborhood. This may include, without limitation, the costs of maintaining any signage, entry features, right-of-

advise the Secretary of the Association in writing prior to the vote being taken. Absent such advice and in the event that more than one such co-Owner casts a vote, the Lot's vote shall be suspended and shall not be included in the final vote tally on the matter being voted upon.

6.4. Neighborhoods and Neighborhood Representatives.

The following diagram illustrates the interrelationships between various components of the Association:

**Components of Association**



(a) Neighborhoods. Exhibit "A" to this Declaration, and each Supplemental Declaration submitting additional property to this Declaration, shall initially assign the property submitted thereby to a specific Neighborhood (by name or other identifying designation), which Neighborhood may be then existing or newly created. So long as it has the right to expand the Properties pursuant to Section 9.1, Declarant unilaterally may amend this Declaration or any Supplemental Declaration to create or redesignate Neighborhood boundaries; provided, two or more existing Neighborhoods shall not be combined without the consent of Owners of a Majority of the Lots in the affected Neighborhoods.

## PART THREE: COMMUNITY GOVERNANCE AND ADMINISTRATION

*The success of the community is dependent upon the support and participation of every Owner in its governance and administration. The Declaration establishes Coventry Homes at Anthem Community Association, Inc. as the mechanism by which each Owner is able to provide that support and participation. While many powers and responsibilities are vested in the Board, some decisions are reserved for the Association's membership -- the owners of property in the community.*

### Article VI The Association and Its Members

#### 6.1. Function of the Association.

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

#### 6.2. Membership.

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

#### 6.3. Voting.

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

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

Members may vote directly or by proxy as provided in the By-Laws. The Board shall determine whether votes shall be cast in person or by mail. If there is more than one Owner of a Lot, the vote for such Lot shall be exercised as the co-Owners determine among themselves and

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way, and green space between the Neighborhood and adjacent public roads, private streets within the Neighborhood, and lakes or ponds within the Neighborhood, regardless of ownership and regardless of the fact that such maintenance may be performed by the Association; provided, all Neighborhoods which are similarly situated shall be treated in a similar manner.

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

### 5.3. Responsibility for Repair and Replacement.

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

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

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

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

The following is a summary of the formation and function of Neighborhoods:

## NEIGHBORHOOD

- Created by Declarant when property is annexed or later
- Comprised of Lots which share common interests
- May request that Association provide special services or higher level of services

Owners of Lots within any Neighborhood may request that the Association provide a higher level of service than that which the Association generally provides to all Neighborhoods, or may request that the Association provide special services for the benefit of the Lots in such Neighborhood. Upon the affirmative vote, written consent, or a combination thereof, of Owners of a Majority of the Lots within the Neighborhood, the Association shall provide the requested services. The cost of such services, which may include a reasonable administrative charge in such amount as the Board deems appropriate (provided, any such administrative charge shall apply at a uniform rate per Lot to all Neighborhoods receiving the same service), shall be assessed against the benefited Lots within such Neighborhood as a Neighborhood Assessment.

Each Neighborhood shall hold meetings annually or more frequently as may be required by the Board or upon the petition of at least 10% of the Owners of Lots within the Neighborhood. The Neighborhood Representative shall preside over Neighborhood meetings, shall place such issues on the agenda as the Board may determine, and shall provide for an open forum for Neighborhood Owners to discuss new matters. The presence of at least 15% of the Owners in a Neighborhood shall constitute a quorum at any Neighborhood meeting. Except as otherwise provided herein, Neighborhood meetings shall be called and held in accordance with the relevant provisions of Article II of the By-Laws; provided, references to Owners shall be deemed to be references to Owners of Lots within the Neighborhood.

(b) Neighborhood Representative. The Owners within each Neighborhood shall elect a Neighborhood Representative who shall preside over Neighborhood meetings and shall be responsible for communication between the Owners in the Neighborhood and the Board. Neighborhood Representatives also shall attend Neighborhood Representative meetings when requested by the Board. In addition, each Neighborhood shall elect an alternate Neighborhood Representative who shall act in the absence of the Neighborhood Representative. The Neighborhood Representative and alternate Neighborhood Representative shall be Owners in good standing of a Lot in the Neighborhood they represent.

The Neighborhood Representative and alternate Neighborhood Representative shall be elected on an annual basis, either by written ballot cast by mail or at a meeting of the Members within such Neighborhood, as the Board determines; provided, however, upon written petition signed by Members holding at least 10% of the votes attributable to Lots within any Neighborhood, the election for the Neighborhood Representatives shall be held at a Neighborhood meeting (as provided for in subsection (a) above). In the event quorum is not obtained at a Neighborhood meeting called for the purpose of electing the Neighborhood Representatives, the election shall be conducted by written ballot.

The Board may appoint a nominating committee for the purpose of selecting candidates for the Neighborhood Representative positions. Additionally, eligible candidates may nominate themselves for election to these positions in accordance with procedures adopted by the Board.

The Board shall call for the first election of a Neighborhood Representative from a Neighborhood not later than one year after the conveyance of a Lot in the Neighborhood to a Home Owner. Subsequent elections shall be held each year on a date established by the Board. Each Member who owns a Lot within the Neighborhood shall be entitled to cast one equal vote per Lot owned. The candidate who receives the greatest number of votes shall be elected as the Neighborhood Representative and the candidate receiving the next greatest number of votes shall be elected as the alternate Neighborhood Representative. The Neighborhood Representative and the alternate Neighborhood Representative shall serve a term of one year and until their successors are elected.

The Board shall remove any Neighborhood Representative or alternate Neighborhood Representative from office upon submission of a signed petition from a Majority of the applicable Neighborhood's Lot Owners requesting that such action be taken. Any Neighborhood Representative may be removed with or without cause. In the event that the Neighborhood Representative is removed, or the position becomes vacant for any other reason, the alternative Neighborhood Representative shall fill the vacancy for the remainder of the term. In the event that the alternate Neighborhood Representative position becomes vacant, or both positions become vacant at the same time, the Board shall fill such vacancies by appointing a replacement from the pool of qualified Neighborhood Owners.

Until such time as the Board first calls for election of a Neighborhood Representative for any Neighborhood, the Owners within such Neighborhood shall be entitled personally to cast the votes attributable to their respective Lots on any issue requiring a membership vote under the Governing Documents.

#### **6.5. Voting Groups and Representative Voting.**

Declarant may, but shall not be obligated to, combine different Neighborhoods into "voting groups" for the purpose of electing directors to the Board. Such voting groups shall be designated to promote representation on the Board by groups with dissimilar interests and to avoid particular groups dominating the Board due to the number of votes held by such groups.



Declarant shall establish voting groups, if at all, no later than the expiration of the Declarant Control Period by recording a Supplemental Declaration identifying each group by legal description or other means by which the Lots within each group can clearly be determined. Declarant may amend such designations, in its discretion, at any time during the Declarant Control Period. In any event, each voting group shall elect an equal number of directors to the Board.

Declarant also may, with the consent of the Board, require that votes of Members on any matter permitted under Nevada law be exercised by or through Neighborhood Representatives. In such event, a Neighborhood Representative may be permitted to exercise the vote of Members owning Lots within its Neighborhood in its discretion or in accordance with the specific instruction of the Member. Declarant shall establish such voting authority for Neighborhood Representatives, if at all, by Recording a Supplemental Declaration describing such authority prior to the termination of the Declarant Control Period. Such Supplemental Declaration shall not be an amendment to this Declaration and shall not require the consent or approval of any Person other than the Board. The purpose of giving Neighborhood Representatives voting authority shall be to promote efficiency, simplicity, and manageability in Association meetings and voting.

## **Article VII Association Powers and Responsibilities**

### **7.1. Acceptance and Control of Association Property.**

(a) The Association, through action of its Board, may acquire, hold, and dispose of tangible and intangible personal property and real property.

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

### **7.2. Maintenance of Area of Common Responsibility.**

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

- (i) all portions of and structures situated upon the Common Area;
- (ii) landscaping within public rights-of-way within or abutting the Properties;

(iii) such portions of any additional property included within the Area of Common Responsibility as may be dictated by this Declaration, any Plat of any portion of the Properties, or any covenant, contract, or agreement for maintenance thereof entered into by the Association (or by Declarant on the Association's behalf);

(iv) all ponds, streams, and wetlands located within the Properties which serve as part of the stormwater drainage system for the Properties, including improvements and equipment installed therein or used in connection therewith;

(v) any property and facilities Declarant owns and makes available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members. Such property and facilities must be identified by written notice from Declarant to the Association and shall remain a part of the Area of Common Responsibility and shall be maintained by the Association until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Association; and,

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

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

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

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

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

(b) Continuous Operation. The Association shall maintain the facilities and equipment within the Area of Common Responsibility in continuous operation, except for any periods

necessary, as determined in the sole discretion of the Board, to perform required maintenance or repairs, unless Members representing 75% of the votes in the Association and Declarant, for so long as it owns any property described on Exhibits "A" or "B," agree in writing to discontinue such operation.

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

(c) Maintenance as Common Expense. The costs associated with maintenance, repair, and replacement of the Area of Common Responsibility and such other costs as provided in Section 7.2(a) shall be a Common Expense; provided, the Association may seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the Area of Common Responsibility pursuant to this Declaration, other Recorded covenants, or agreements with the owner(s) thereof. Maintenance, repair, and replacement of Limited Common Areas shall be a Neighborhood Expense assessed to the Neighborhood(s) to which such Limited Common Areas are assigned, notwithstanding that the Association may be responsible for performing such maintenance hereunder.

### 7.3. Insurance.

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

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

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

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

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

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

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

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

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

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

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

All insurance coverage obtained by the Board shall:

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

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

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

(iv) contain an inflation guard endorsement;

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

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

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

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

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

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

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

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

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

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

(v) a cross-liability provision; and

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

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

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

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

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

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

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

provided above) not to repair or reconstruct improvements on Common Area, then any insurance proceeds attributable to such Common Area, minus the costs of clearing and landscaping, shall be distributed to all Owners in equal amounts. This provision may be enforced by the Mortgagee of any affected Lot.

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

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

#### 7.4. Compliance and Enforcement.

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

(i) imposing a graduated range of reasonable monetary fines which shall, pursuant to the Act, constitute a lien upon the violator's Lot. In the event that any occupant other than the Owner, or any guest or invitee of a Lot violates the Governing Documents and a fine is imposed, the fine shall first be assessed against the violator; provided, however, if the fine is not paid by the violator within the time period set by the Board, the Owner shall pay the fine upon notice from the Board. The Board shall publish and deliver to each Owner a schedule of fines applicable to particular violations. For each failure to comply, the amount of said fine shall not exceed the maximum permitted by the Act unless the violation is of a type that threatens the health and welfare of the community;

(ii) suspending an Owner's right to vote;

(iii) suspending any Person's right to use any recreational facilities within the Common Area; provided, however, nothing herein shall authorize the Board to limit ingress or egress to or from a Lot;

(iv) suspending any services provided by the Association to an Owner or the Owner's Lot if the Owner is more than 30 days delinquent in paying any assessment or other charge owed to the Association;

(v) exercising self-help or taking action to abate any violation of the Governing Documents in a non-emergency situation;

(vi) requiring an Owner, at its own expense, to remove any structure or improvement on such Owner's Lot in violation of Article IV and to restore the Lot to its previous condition and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass;

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

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

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

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

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

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

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

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



- (i) the Association's position is not strong enough to justify taking any or further action;
- (ii) the covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with applicable law;
- (iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or
- (iv) that it is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

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

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

#### 7.5. Implied Rights; Board Authority.

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

#### 7.6. Indemnification of Officers, Directors and Others.

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

(b) Claims Related to Breach of Duty. The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action

taken in good faith on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association).

Decisions whether to institute litigation are no different from other decisions directors make. There is no independent legal obligation to bring a civil action against another party, and no provision of the Governing Documents shall be construed to impose a duty upon the Board to sue under any circumstances. In deciding whether to bring a civil action against another party, a director is protected by the business judgment rule as explained in the By-Laws.

(c) Exclusion from Liability for Other Tortious Acts.

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

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

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

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

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

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

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

7.7. Safety.

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

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

7.8. Provision of Services.

The Association shall be authorized, but not obligated, to enter into and terminate, in the Board's discretion, contracts or agreements with other entities, including Declarant and the Council, to provide services to and facilities for the Members of the Association, their guests,

lessees, and invitees and to charge use and consumption fees for such services and facilities. For example, some services and facilities which might be offered include landscape maintenance, pest control service, cable television service, security, caretaker, transportation, fire protection, utilities, and similar services and facilities.

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7.9. Change of Services and Use of Common Area.

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

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

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

7.10. View Impairment.

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

7.11. Relationship with Neighborhoods.

The Association shall have the power to veto any action taken or contemplated to be taken by any Neighborhood Association (if such Neighborhood Associations are established) which the Board reasonably determines to be adverse to the interests of the Association or its Members or inconsistent with the Community-Wide Standard. The Association also shall have the power to require specific action to be taken by any Neighborhood Association in connection with its obligations and responsibilities, such as requiring specific maintenance or repairs or

aesthetic changes to be effectuated and requiring that a proposed budget include certain items and that expenditures be made therefor.

A Neighborhood Association shall take appropriate action required by the Association in a written notice within the reasonable time frame set by the Association in the notice. If the Neighborhood Association fails to comply, the Association shall have the right to effect such action on behalf of the Neighborhood Association and levy Benefited Assessments to cover the costs, as well as an administrative charge and sanctions.

**7.12. Relationship with Governmental and Tax-Exempt Organizations.**

The Association may create, enter into agreements or contracts with, or grant exclusive and/or non-exclusive easements over the Common Area to state or local governments and non-profit, tax-exempt organizations for the benefit of the Properties, the Association, its Members, and residents. The Association may contribute money, real property (including Common Area), personal property, or services to any such entity. Any such contribution shall be a Common Expense of the Association and included as a line item in the Association's annual budget.

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

**7.13. Relationship with Council and Anthem Communities.**

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

**7.14. Recycling Programs.**

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

## **Article VIII Association Finances**

### **8.1. Budgeting and Allocating Common Expenses.**

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

Within 60 days before the beginning of each fiscal year, the Board shall prepare a budget of the estimated Common Expenses for the coming year, including any contributions to be made to a reserve fund pursuant to Section 8.3. The budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Lots, and the amount to be generated through the levy of Base Assessments against the Lots, as authorized in Section 8.6. The budget may include amounts for operating reserves.

The budget shall contain a statement as to whether any Special Assessments are planned or anticipated for the coming year and a general statement describing the procedures used for the estimation and accumulation of cash reserves, including the qualifications of the Person preparing the reserve study required under the Act.

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

Declarant may, but shall not be obligated to, reduce the Base Assessment for any fiscal year by payment of a subsidy (in addition to any amounts paid by Declarant under Section 8.7(b)), which may be either a contribution, an advance against future assessments due from Declarant, or a loan, in Declarant's discretion. Any such subsidy shall be disclosed as a line item in the income portion of the budget. The payment of such subsidy in any year shall not obligate Declarant to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and Declarant.

At least 30 days but not more than 60 days prior to the beginning of the fiscal year, the Board shall send a copy or a summary of the annual budget, together with notice of the amount of the Base Assessment to be levied pursuant to such budget and notice of the time, date, and place of a membership meeting to consider such budget, to each Owner. A summary must be accompanied by a written notice that the budget is available for review at the Association's office or other reasonable location within the Properties and that a copy of the budget is available upon

request. The membership meeting to consider the annual budget shall occur not less than 14 nor more than 30 days from the notice date, and the Board may hold such meeting in conjunction with any other scheduled membership meeting. Except as otherwise provided herein, such meeting shall be governed by the relevant provisions of the By-Laws concerning special meetings of the members. Whether or not a quorum is present, the budget shall automatically become effective unless disapproved at the meeting by Persons representing at least 75% of the total votes in the Association.

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

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

Any amounts accumulated from assessments for general Common Expenses in excess of the amount actually required for such Common Expenses and reserves for future Common Expenses may be credited to each Lot assessed in proportion to the share of the assessments so assessed. Such credits may be applied to the next annual Base Assessment against that Lot and thereafter until exhausted, unless the Board determines that calculation and application of such credit on a more frequent basis is preferable. In the alternative, the Board, in its discretion, may apply such excess amounts to operating or capital reserve accounts or otherwise.

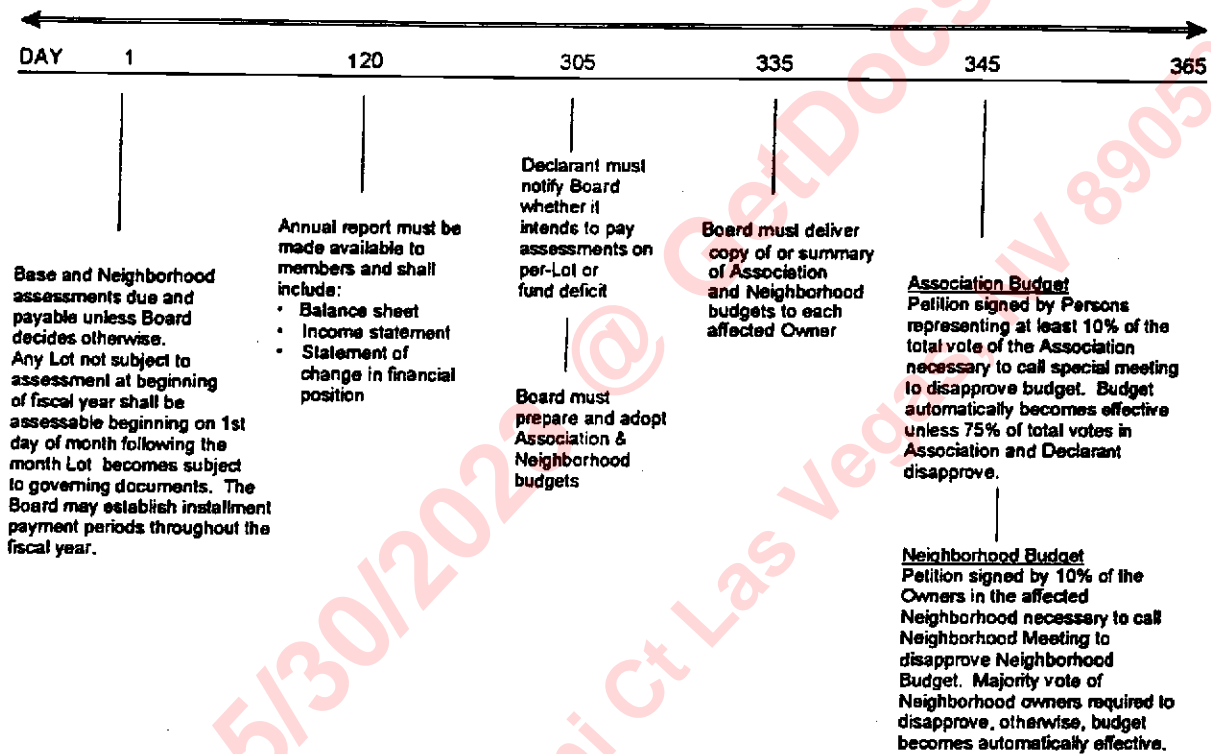
The procedures outlined above shall not apply to the initial Association budget established by Declarant.

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The following diagram depicts the timing for submitting budgets and collecting assessments:

## COVENTRY HOMES AT ANTHEM COMMUNITY ASSOCIATION, INC. FISCAL YEAR



### 8.2. Budgeting and Allocating Neighborhood Expenses.

Within 60 days before the beginning of each fiscal year, the Board shall prepare a separate budget covering the estimated Neighborhood Expenses for each Neighborhood on whose behalf Neighborhood Expenses are expected to be incurred during the coming year. Each such budget shall include any costs for additional services or a higher level of services which the Owners in such Neighborhood have approved pursuant to Section 6.4(a) and any contribution to be made to a reserve fund pursuant to Section 8.3. The budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Lots, and the amount required to be generated through the levy of Neighborhood and Special Assessments against the Lots in such Neighborhood.

The Association is hereby authorized to levy Neighborhood Assessments equally against all Lots in the Neighborhood which are subject to assessment under Section 8.6 to fund Neighborhood Expenses; provided, if so specified in the applicable Supplemental Declaration or if so directed by petition signed by a Majority of the Owners within the Neighborhood, any portion

of the assessment intended for exterior maintenance of structures, insurance on structures, or replacement reserves which pertain to particular structures shall be levied on each of the Benefited Lots in proportion to the benefit received.

The Board shall cause a copy or a summary (with the accompanying notice described in Section 8.1) of the Neighborhood budget and notice of the amount of the Neighborhood Assessment for the coming year to be delivered to each Owner in the Neighborhood at least 30 days prior to the beginning of the fiscal year. The Board shall set a date for a meeting of the Owners within the Neighborhood to consider ratification of the Neighborhood budget not less than 14 nor more than 30 days after the budget is delivered. Such budget and assessment shall become effective unless disapproved at a meeting of the Neighborhood by Owners of a Majority of the Lots in the Neighborhood to which the Neighborhood Assessment applies. This right to disapprove shall only apply to those line items in the Neighborhood budget which are attributable to services requested by the Neighborhood and shall not apply to any item which the Governing Documents require to be assessed as a Neighborhood Assessment.

If the proposed budget for any Neighborhood is disapproved or if the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year.

The Board may revise the budget for any Neighborhood and the amount of any Neighborhood Assessment from time to time during the year, subject to the notice requirements and the right of the Owners of Lots in the affected Neighborhood to disapprove the revised budget as set forth above.

Any amounts accumulated from assessments for Neighborhood Expenses in excess of the amount required for actual Neighborhood Expenses and reserves for future Neighborhood Expenses may be credited to each Lot assessed in proportion to the share of such assessments so assessed. Such credits may be applied to the next annual assessment for such Neighborhood Expenses against that Lot and thereafter until exhausted, unless the Board determines that calculation and application of such credit on a more frequent basis is preferable. In the alternative, the Board, in its discretion, may apply such excess amounts to the Neighborhood operating or capital reserve accounts or otherwise.

### 8.3. Budgeting for Reserves.

The Board shall prepare and review at least annually a reserve budget for the Area of Common Responsibility and for each Neighborhood for which the Association maintains capital items as a Neighborhood Expense. The budgets shall be based on the reserve studies required under the Act and shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall include in the Common Expense budget adopted pursuant to Section 8.1 or the Neighborhood Expense budgets adopted pursuant to Section 8.2, as appropriate, a capital contribution to fund reserves in an amount sufficient to meet the projected need with respect both to amount and timing by annual contributions over the budget period. So long as the Board exercises business judgment in

determining an adequate amount of reserves, the amount of the reserve fund shall be considered adequate.

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

#### 8.4. Special Assessments.

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

#### 8.5. Benefited Assessments.

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

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

(b) bringing the Lot into compliance with the Governing Documents, or as a consequence of the conduct of the Owner or occupants of the Lot, their agents, contractors, employees, licensees, invitees, or guests; provided, the Association shall give the Lot Owner prior written notice and an opportunity for a hearing, in accordance with Section 3.26 of the By-Laws, before levying any Benefited Assessment under this subsection (b).

The Association may also levy a Benefited Assessment against the Lots within any Neighborhood to reimburse the Association for costs incurred in bringing the Neighborhood into compliance with the provisions of the Governing Documents, provided the Board gives prior written notice to the Owners of Lots in, or the Neighborhood Representative representing, the

Neighborhood and an opportunity for such Owners or Neighborhood Representative to be heard before levying any such assessment.

8.6. Authority to Assess Owners; Time of Payment.

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

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

8.7. Obligation for Assessments.

(a) Personal Obligation. Each Owner, by accepting a deed or entering into a contract of sale for any portion of the Properties, is deemed to covenant and agree to pay all assessments authorized in the Governing Documents. All assessments, together with interest (computed from its due date at a maximum rate of 18% per annum), late charges as determined by Board resolution, costs, and reasonable attorneys' fees, shall be the personal obligation of each Owner and a lien upon each Lot until paid in full. Upon a transfer of title to a Lot, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance.

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

No Owner may exempt himself from liability for assessments by non-use of Common Area, abandonment of his or her Lot, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or

Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

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

(b) Declarant's Obligation to Pay Assessments. During the Declarant Control Period, Declarant's assessment obligations may be satisfied in the form of cash or 'in kind' contributions of services or materials, or by a combination of these. Such 'in kind' contributions shall abate or reduce Declarant's obligation by the commercially reasonable value of such contributions, as determined in the Board's discretion. After termination of the Declarant Control Period, Declarant shall pay assessments on its Lots in the same manner as any other Owner.

#### 8.8. Lien for Assessments.

In accordance with the Act, and subject to the limitations of any applicable provision of the Act or Nevada law, the Association shall have an automatic statutory lien against each Lot to secure payment of delinquent assessments, as well as interest, late charges, and costs of collection (including administrative costs and attorneys' fees). Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, (b) the lien or charge of any first Mortgage Recorded on the Lot before the date on which the assessment sought to be enforced became delinquent, or (c) liens and encumbrances Recorded before the Recording of the Declaration. Notwithstanding the foregoing, the Association's lien for delinquent assessments shall be prior to a Recorded first Mortgage equal to the Common Expenses based on the Association's annual budget as provided in this Article VIII which would have become due in the absence of acceleration during the six months immediately preceding the institution of an action to enforce the lien.

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

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

The sale or transfer of any Lot shall not affect the assessment lien or relieve such Lot from the lien for any subsequent assessments. However, the sale or transfer of any Lot pursuant to foreclosure of the first mortgage or security interest shall extinguish the lien as to any installments of such assessments due prior to the foreclosure. The subsequent Owner to the foreclosed Lot

shall not be personally liable for assessments on such Lot due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Lots subject to assessment under Section 8.6, including such acquirer, its successors and assigns.

8.9. Limitation on Increases of Assessments.

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

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

An emergency situation is any one of the following:

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

8.10. Exempt Property.

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

- (a) all Common Area and such portions of the property Declarant owns which are included in the Area of Common Responsibility pursuant to Section 5.1;

(b) any property dedicated to and accepted by any governmental authority or public utility; and

(c) property any Neighborhood Association owns for the common use and enjoyment of its members, or owned by the members of a Neighborhood Association as tenants-in-common.

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

#### **PART FOUR: COMMUNITY DEVELOPMENT**

*The Declaration reserves various rights to the developer in order to facilitate the smooth and orderly development of Coventry Homes at Anthem and to accommodate changes in the master plan which inevitably occur as a community the size of Coventry Homes at Anthem grows and matures.*

#### **Article IX Expansion of the Community**

##### **9.1. Expansion by Declarant.**

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

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

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

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

9.2. Expansion by the Association.

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

9.3. Additional Covenants and Easements.

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

9.4. Effective Date of Supplemental Declaration.

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

**Article X Additional Rights Reserved to Declarant**

10.1. Withdrawal of Property.

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



Association shall consent to such withdrawal upon the request of Declarant subject to any limitations imposed under §116.3112 of the Act.

10.2. Marketing and Sales Activities.

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

10.3. Right to Develop.

Declarant and its employees, agents, and designees shall have a right of access and use and an easement over and upon all of the Common Area for the purpose of making, constructing, and installing such improvements to the Common Area and to the real property described on Exhibit "B" as indicated on any Plat, in this Declaration, as it deems appropriate in its sole discretion.

Every Person that acquires any interest in the Properties acknowledges that Coventry Homes at Anthem is a master planned community, the development of which is likely to extend over many years, and agrees not to protest, challenge, or otherwise object to (a) changes in uses or density of property outside the Neighborhood in which such Person holds an interest, or (b) changes in the Master Plan as it relates to property outside the Neighborhood in which such Person holds an interest.

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

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

10.5. Right to Approve Additional Covenants.

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

10.6. Right to Approve Changes in Community Standards.

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

10.7. Right to Merge or Consolidate the Association.

Declarant reserves the right to merge or consolidate the Association with another common interest community of the same form of ownership or make it subject to a master association.

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

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

10.9. Right to Transfer or Assign Declarant Rights.

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

10.10. Easement to Inspect and Right to Correct.

(a) Easement. Declarant reserves for itself and such other Persons as it may designate perpetual, non-exclusive easements throughout Coventry Homes at Anthem to the extent reasonably necessary for the purposes of access, inspecting, testing, redesigning, correcting, or improving any portion of Coventry Homes at Anthem, including Lots and the Area of Common Responsibility. Declarant shall have the right to redesign, correct, or improve any part of Coventry Homes at Anthem, including Lots and the Area of Common Responsibility.

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

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

(c) Damage. Any damage to a Lot or the Area of Common Responsibility resulting from the exercise of the easement and right of entry described in subsections (a) and (b) of this Section shall promptly be repaired by, and at the expense of, Declarant. The exercise of these easements shall not unreasonably interfere with the use of any Lot and entry onto any Lot shall be made only after reasonable notice to the Owner or occupant.

10.11. Exclusive Rights to Use Name of Development.

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

10.12. Del Webb Marks.

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

10.13. Equal Treatment.

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

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

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

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

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

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

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

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

10.14. Right to Use Common Area for Special Events.

As long as Declarant owns any property described in Exhibits "A" or "B," Declarant shall have the right to use all Common Area, including any recreational facilities, for up to eight days each year to sponsor special events for charitable, philanthropic, political, or marketing purposes as determined by Declarant in its sole discretion. Any such event shall be subject to the following conditions:

(a) the availability of the facilities at the time a request is submitted to the Association;

(b) Declarant shall pay all costs and expenses incurred and shall indemnify the Association against any loss or damage (excluding lost revenue) resulting from the special event; and

(c) Declarant shall return the facilities and personal property owned by the Association and used in conjunction with the special event to the Association in the same condition as existed prior to the special events.

Declarant shall have the right to assign the rights contained in this Section 10.14 to charitable organizations or foundations selected by Declarant. Declarant's right to use the Common Area for special events shall be enforceable by injunction, by any other remedy in law or equity, and by the terms of this Declaration.

10.15. Termination of Rights.

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

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## **PART FIVE: PROPERTY RIGHTS WITHIN THE COMMUNITY**

*The nature of living in a planned community, with its wide array of properties and development types and its ongoing development activity, requires the creation of special property rights and provisions to address the needs and responsibilities of the Owners, Declarant, the Association, and others within or adjacent to the community.*

### **Article XI Easements**

#### **11.1. Easements in Common Area.**

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

- (a) the Governing Documents and any other applicable covenants;
- (b) any restrictions or limitations contained in any deed conveying such property to the Association;
- (c) the Board's right to:
  - (i) adopt rules regulating the use and enjoyment of the Common Area, including rules limiting the number of guests who may use the Common Area;
  - (ii) suspend the right of an Owner to use recreational facilities within the Common Area:
    - (A) for any period during which any charge against such Owner's Lot remains delinquent; and
    - (B) for a period not to exceed 30 days for a single violation or for a longer period in the case of any continuing violation, of the Governing Documents after notice and a hearing pursuant to Section 3.26 of the By-Laws;
  - (iii) dedicate or transfer all or any part of the Common Area, subject to such approval requirements as may be set forth in this Declaration;
  - (iv) impose reasonable membership requirements and charge reasonable admission or other use fees for the use of any recreational facility situated upon the Common Area;
  - (v) permit use of any recreational facilities situated on the Common Area by Persons other than Owners, their families, lessees, and guests upon payment of use fees established by the Board;

(vi) mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to the approval requirements set forth in Sections 15.5 and 18.4;

(vii) limit the use of those portions of the Common Area designated "Limited Common Areas," as described in Article XII to the exclusive use of certain Owners;

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

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

(e) the right of the Association to require Members, Owners, and/or their guests to present activity or use privilege cards, as may be issued by the Association, for access and use of recreational facilities within the Properties.

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

#### 11.2. Easements of Encroachment.

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

#### 11.3. Easements for Utilities, Etc.

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

(i) installing utilities and infrastructure to serve the Properties, cable and other systems for sending and receiving data and/or other electronic signals, security and similar systems, walkways, pathways, trails, drainage systems, street lights, and signage on property

which Declarant owns or within public rights-of-way or easements reserved for such purpose on a Plat;

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

(iii) reading utility meters.

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

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

#### 11.4. Easements to Serve Additional Property.

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

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

#### 11.5. Easements for Maintenance, Emergency, and Enforcement.

Declarant grants to the Association easements over the Properties as necessary to enable the Association to fulfill its maintenance responsibilities under Section 7.2. The Association shall also have the right, but not the obligation, to enter upon any Lot for emergency, security, and safety reasons, to perform maintenance and to inspect for the purpose of ensuring compliance



with and enforcing the Governing Documents. Such right may be exercised by any member of the Board and its duly authorized agents and assignees, and all emergency personnel in the performance of their duties. Except in an emergency situation, entry shall be only during reasonable hours and after notice to the Owner. Any damage caused as a result of the Association fulfilling its maintenance responsibilities shall be repaired by the Association at its expense.

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

**11.6. Easements for Lake and Pond Maintenance and Flood Water.**

Declarant reserves for itself, the Association, and their successors, assigns, and designees, the nonexclusive right and easement, but not the obligation, to enter upon bodies of water located within the Area of Common Responsibility to (a) install, operate, maintain, and replace pumps to supply irrigation water to the Area of Common Responsibility; (b) construct, maintain, and repair structures and equipment used for retaining water; and (c) maintain such areas in a manner consistent with the Community-Wide Standard. Declarant, the Association, and their successors, assigns, and designees shall have an access easement over and across any of the Properties abutting or containing bodies of water to the extent reasonably necessary to exercise their rights under this Section. Except in the case of an emergency, reasonable notice shall be given prior to the exercise of the above easements.

Declarant further reserves for itself, the Association, and their successors, assigns, and designees, a perpetual, nonexclusive right and easement of access and encroachment over the Common Area and Lots (but not the dwellings thereon) adjacent to or within 100 feet of bodies of water within the Properties, in order to (a) temporarily flood and back water upon and maintain water over such portions of the Properties; (b) alter in any manner and generally maintain the bodies of water within the Area of Common Responsibility; and (c) maintain and landscape the slopes and banks pertaining to such areas. All persons entitled to exercise these easements shall use reasonable care in and repair any damage resulting from the intentional exercise of such easements. Nothing herein shall be construed to make Declarant or any other Person liable for damage resulting from flooding due to hurricanes, heavy rainfall, or other natural occurrences.

**11.7. Easements for Cross-Drainage.**

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

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

Declarant hereby reserves for itself and its designees all rights to ground water, surface water, storm water runoff, and effluent located or produced within the Properties, and each Owner agrees, by acceptance of a deed to a Lot, that Declarant shall retain all such rights. Such rights shall include the reservation of an easement over the Properties for access, and for installation and maintenance of facilities and equipment to capture and transport such water, runoff, and effluent. This Section 11.8 may not be amended without the consent of Declarant or its successor, and the rights created in this Section 11.8 shall survive termination of this Declaration.

**Article XII Limited Common Areas**

12.1. Purpose.

Certain portions of the Common Area may be designated as Limited Common Area and reserved for the exclusive use or primary benefit of Owners and occupants within a particular Neighborhood or Neighborhoods. By way of illustration and not limitation, Limited Common Areas may include entry features, recreational facilities, landscaped medians, cul-de-sacs, lakes, and other portions of the Common Area within a particular Neighborhood or Neighborhoods. All costs associated with maintenance, repair, replacement, and insurance of an Limited Common Area shall be a Neighborhood Expense allocated among the Owners in the Neighborhood(s) to which the Limited Common Areas are assigned.

12.2. Designation.

Initially, any Limited Common Area shall be designated as such in the deed conveying such area to the Association or on the subdivision Plat relating to such Common Area; provided, however, any such assignment shall not preclude Declarant from later assigning use of the same Limited Common Area to additional Lots and/or Neighborhoods, so long as Declarant has a right to subject additional property to this Declaration pursuant to Section 9.1.

Thereafter, a portion of the Common Area may be assigned as Limited Common Area and Limited Common Area may be reassigned upon approval of the Board and the vote of Neighborhood Representatives representing a Majority of the total votes in the Association, including a Majority of the votes within the Neighborhood(s) affected by the proposed assignment or reassignment. As long as Declarant owns any property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1, any such assignment or reassignment shall also require Declarant's written consent. Any assignment or reassignment of Limited Common Area shall be made in accordance with the requirements of the Act.

12.3. Use by Others.

The Association may, upon approval of a Majority of the Owners or upon approval of the board of directors of a Neighborhood Association (if applicable) for the Neighborhood(s) to

which any Limited Common Area is assigned, permit Owners of Lots in other Neighborhoods to use all or a portion of such Limited Common Area upon payment of reasonable user fees, which fees shall be used to offset the Neighborhood Expenses attributable to such Limited Common Area.

### **Article XIII Party Walls and Other Shared Structures**

#### **13.1. General Rules of Law to Apply.**

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

#### **13.2. Maintenance, Damage, and Destruction.**

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

If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and is not repaired out of the proceeds of insurance, any Owner who has used the structure may restore it. If other Owners thereafter use the structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions.

#### **13.3. Right to Contribution Runs with Land.**

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

#### **13.4. Disputes.**

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

### **PART SIX: RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY**

*The growth and success of Coventry Homes at Anthem as a community in which people enjoy living, working, and playing requires good faith efforts to resolve disputes amicably, attention to and understanding of relationships within the community and with our neighbors, and protection of the rights of others who have an interest in Coventry Homes at Anthem.*

## **Article XIV Dispute Resolution and Limitation on Litigation**

### **14.1 Prerequisites to Actions Against Declarant.**

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

### **14.2. Consensus for Association Litigation.**

Except as provided in this Section, the Association or a Neighborhood Association shall not commence a judicial or administrative proceeding without first providing at least 21 days written notice of a meeting to consider such proposed action to its Members. Taking such action shall require the vote of Owners of 75% of the total number of Lots in the Association. At least 10 days prior to commencing such proceeding, the Association shall provide Owners with a written statement setting forth a reasonable estimate of the costs of the proceeding, including reasonable attorney's fees; an explanation of the potential benefits of the proceeding and the potential adverse consequences if the Association is unsuccessful; and any further disclosures otherwise required to be made upon the sale of a Lot. This Section shall not apply, however, to (a) actions brought by the Association to enforce the Governing Documents (including, without limitation, the foreclosure of liens and the collection of assessments); (b) counterclaims brought by the Association in proceedings instituted against it; or (c) actions to protect the health, safety, and welfare of the Members. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

### **14.3. Alternative Method for Resolving Disputes.**

Declarant, the Association, their officers, directors, and committee members, all Persons subject to this Declaration, and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes involving the Properties, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to resolve those claims, grievances, or disputes described in Sections 14.4 ("Claims") using the procedures set forth in Section 14.5 in lieu of filing suit in any court.

### **14.4. Claims.**

Unless specifically exempted below, all Claims arising out of or relating to the interpretation, application, or enforcement of the Governing Documents, or the rights, obligations, and duties of any Bound Party under the Governing Documents or relating to the

design or construction of improvements on the Properties shall be subject to the provisions of Section 14.5.

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

(a) any suit by the Association against any Bound Party to enforce the provisions of Article VIII;

(b) any suit by the Association to obtain a temporary restraining order (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of Article III and Article IV;

(c) any suit between Owners, which does not include Declarant or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents;

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

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

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

#### 14.5. Mandatory Procedures.

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

- (i) the nature of the Claim, including the Persons involved and Respondent's role in the Claim;
- (ii) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);
- (iii) Claimant's proposed remedy; and
- (iv) that Claimant will meet with Respondent to discuss good faith ways to resolve the Claim.

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

If the Parties do not resolve the Claim within 30 days of the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), Claimant shall have 30 additional days to submit the Claim to mediation pursuant to N.R.S. §§38.330 through 38.360, inclusive, or N.R.S. §40.680, as applicable.

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

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

14.6. Allocation of Costs of Resolving Claims.

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

14.7. Enforcement of Resolution.

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

14.8. Attorneys' Fees.

In the event of an action instituted to enforce any of the provisions contained in the Governing Documents, the party prevailing in such action shall be entitled to recover from the other party thereto as part of the judgment, reasonable attorneys' fees and costs, including



(c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; and

(d) Any proposed action which would require the consent of a specified percentage of Eligible Holders.

15.2. No Priority.

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

15.3. Notice to Association.

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

15.4. Failure of Mortgagee to Respond.

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

15.5. HUD/VA Approval.

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

**Article XVI Private Amenities**

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



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

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

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

## **PART SEVEN: CHANGES IN THE COMMUNITY**

*Communities such as Coventry Homes at Anthem are dynamic and constantly evolving as circumstances, technology, needs, desires, and laws change over time. Coventry Homes at Anthem and its governing documents must be able to adapt to these changes while protecting the things that make Coventry Homes at Anthem unique.*

### **Article XVII Changes in Ownership of Lots**

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

### **Article XVIII Changes in Common Area**

#### **18.1. Condemnation.**

If a Lot or portion thereof shall be taken by eminent domain, compensation and the Owner's interests in the Common Area shall be allocated as provided in the Act. If any part of the

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

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

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

#### 18.2. Partition.

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

#### 18.3. Transfer or Dedication of Common Area.

The Association may dedicate portions of the Common Area to Clark County, Nevada, or to any other local, state, or federal governmental or quasi-governmental entity, subject to such approval as may be required by Sections 15.5 and 18.4.

#### 18.4. Actions Requiring Owner Approval.

If either the U.S. Department of Housing and Urban Development or the U.S. Department of Veterans Affairs is insuring or guaranteeing the Mortgage on any Lot, then the following actions shall require the prior approval of Home Owners representing not less than sixty-seven percent (67%) of the total votes held by Home Owners in the Association and the consent of Declarant, if such exists: merger, consolidation, or dissolution of the Association; annexation of additional property other than that described in Exhibit "B"; and dedication, conveyance, or

mortgaging of Common Area. Notwithstanding anything to the contrary in Section 19.1 or this Section, the Association, acting through the Board, may grant easements over the Common Area for installation and maintenance of utilities and drainage facilities and for other purposes not inconsistent with the intended use of the Common Area, without the approval of the membership.

## **Article XIX Amendment of Declaration**

### **19.1. Corrective Amendments.**

In addition to specific amendment rights granted elsewhere in this Declaration, until conveyance of the first Lot to a Home Owner, Declarant may unilaterally amend this Declaration for any purpose. Thereafter, Declarant, or the Board with consent of Declarant, unilaterally may amend this Declaration if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on the Lots; (c) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure, or guarantee mortgage loans on the Lots; or (d) to satisfy the requirements of any local, state, or federal governmental agency. However, any such amendment shall not adversely affect the title to any Lot unless the Owner shall consent in writing.

### **19.2. By Members.**

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

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

### **19.3. Validity and Effective Date.**

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

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

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

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

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

19.4. Exhibits.

Exhibits "A" and "B" attached to this Declaration are incorporated by this reference and amendment of such exhibits shall be governed by this Article. Exhibit "C" is attached for informational purposes and may be amended as provided therein.

[SIGNATURES ON FOLLOWING PAGE]

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

Del Webb's Coventry Homes of Nevada, Inc.,  
an Arizona corporation

By: [Signature]  
Name: JAMES B. RIZZI  
Title: DIRECTOR OF LAND DEVELOPMENT

STATE OF NEVADA )  
                          ) ss.  
COUNTY OF CLARK )

On ~~February 4~~ February 4, 2000, personally appeared before me a notary public, Bianca Bonner, James B. Rizzi, personally known to me to be the person whose name is subscribed to the above instrument who acknowledged that he executed the instrument.



BIANCA G. BONNER  
Notary Public - Nevada  
My appt. exp. Aug. 8, 2000  
No. 96-3967-1

[NOTARIAL SEAL]

Notary Public: [Signature]  
By: \_\_\_\_\_  
Name: Bianca G. Bonner  
Title: Sales + Escrow Coordinator

My Commission Expires: Aug. 8, 2000

**EXHIBIT "A"**

**Land Initially Submitted**

**Neighborhood Designation:**

Provence and Weston:

Lots 1-12 in Block 1; Lots 37-58 in Block 2; Lots 59-85 in Block 3; Lots 86-102 in Block 4; Lots 103-119 in Block 5; Lots 120-132 and 260-273 all in Block 6; Lots 133-182 in Block 7; Lots 183-193 in Block 8; Lots 194-244 in Block 9; Lots 245-259 in Block 10; and Common Lots A-F of Coventry Homes at Anthem Units No. 1 and No. 2 Phase 1 as shown by map thereof on file in Book 84 of Plats, Page 66, in the Office of the County Recorder of Clark County, Nevada lying within Section 6, Township 23 South, Range 62 East, M.D.M. City of Henderson, Clark County, Nevada.

**Neighborhood Designation:**

Provence:

Lots 13-36, inclusive, in Block 2 as shown by that certain plat map on file in Book 85, Page 75, in the Office of the County Recorder of Clark County, Nevada, and lying and being within Section 6, Township 23 South, Range 62 East, M.D.M., City of Henderson, Clark County, Nevada.

**Neighborhood Designation:**

Weston II:

Those certain Lots lying and being within Sections 5 and 6, Township 23 South, Range 62 East, M.D.M., City of Henderson, Clark County, Nevada, and more particularly described as Lots 137-155, inclusive, in Block 4; lots 156-196, inclusive, in Block 6; lots 197-235, inclusive, in Block 7; lots 236-269, inclusive, in Block 8; lots 270-309, inclusive, in Block 9; and lots 310-334, inclusive, in Block 10, all lots being in Unit 4 as shown and described on that certain plat on file in Book 87, Page 48, in the Office of the County Recorder of Clark County, Nevada.

**EXHIBIT "B"**

**Land Subject to Annexation**

All of Parcel 2 as shown by map thereof on file in File 091, Page 087 of Parcel Maps in the Clark County Recorder's Office, Clark County, Nevada, lying within Section 6, Township 23 South, Range 62 East, M.D.M., City of Henderson, Clark County, Nevada and any contiguous property within a two mile radius.

Ordered on 5/30/2023 @ GetDocNow.com  
Order#231983 - 2284 Pacini Ct Las Vegas, NV 89052