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WHEN RECORDED RETURN TO:

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**DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS
AND RESERVATION OF EASEMENTS
FOR
SKYE HILLS**

AFFIRMATION STATEMENT:

As required by NRS 239B.030, by execution of this Declaration, the undersigned Declarant hereby affirms that the attached Declaration, including any exhibits, hereby submitted for recording does not contain the social security number of any person or persons.

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EXHIBIT "A" - Land Initially Submitted
EXHIBIT "B" - Land Constituting a Portion of the Initial Common Elements
EXHIBIT "C" - Land Subject to Annexation

**DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND
RESERVATION OF EASEMENTS
FOR SKYE HILLS**

THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATION OF EASEMENTS FOR SKYE HILLS ("Declaration"), is made this 5 day of November, 2020, by 190 Octane FT Partners, L.L.C., a Nevada limited liability company ("Declarant"). Capitalized terms used herein shall have the meaning set forth in Article 2.

PART ONE: INTRODUCTION TO THE COMMUNITY

Declarant 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 Skye Hills.

**Article 1.
Creation of the Community**

1.1 Purpose and Intent. Declarant as the owner of the real property described in Exhibit "A", intends by Recording this Declaration to create a general plan of development of all portions of the real property now or hereafter made subject to this Declaration as a residential development which may include single family and multi-family dwellings. This Declaration provides a flexible and reasonable procedure for the future expansion of Skye Hills 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 Skye Hills.

1.2 Association. An integral part of the development plan is the creation of Skye Hills Community Association, an association comprised of all owners of real property in Skye Hills, 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.

1.3 Neighborhoods. Declarant intends that Skye Hills may consist of a number of separate residential subdivisions which may be built by different homebuilders. Each of these separate subdivisions is referred to in this Declaration as a Neighborhood. A Neighborhood may or may not be governed by a separate Neighborhood Association and may or may not have Neighborhood Common Elements or be provided special services. The intent of this Declaration is to provide for communications between the Association and the Owners through the Neighborhoods and the Neighborhood Associations, if any.

1.4 The Act. 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.

1.5 Binding Effect. All property described in Exhibit "A", and any additional property which is made a part of Skye Hills 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 Property, their heirs, successors, successors-in-title, and assigns.

1.6 Governing Documents; Conflicts. The Governing Documents create a general plan of development for Skye Hills which may be supplemented by additional covenants, restrictions and easements applicable to particular Lots. The Governing Documents shall be construed to be consistent with one another to the extent possible. If there exists any irreconcilable conflicts or inconsistencies among the Governing Documents, then the terms and provisions of this Declaration shall prevail (unless and to the extent only that any provision of the Declaration fails to comply with any applicable provisions of the Act), and thereafter the Articles shall prevail over the Bylaws and the Rules.

The Governing Documents shall be enforceable by Declarant, any Builder, the Association, 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 14, if applicable, and subject to the provisions of the Governing Documents that describe or limit how the Governing Documents may be enforced. In most cases the Board of Directors of the Association will be responsible for enforcing the Governing Documents.

Article 2. Concepts and Definitions

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

2.1 "Act": The Nevada Common-Interest Ownership Act set forth in NRS Chapter 116, as it may be amended from time to time.

2.2 "Area of Common Responsibility": The Common Elements, 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.

2.3 "Apartment": Each individual single-family dwelling unit located within a building or structure or portion of a building or structure situated upon a Multi-Family Lot.

2.4 "Articles": The Articles of Incorporation of Skye Hills Community Association, a Nevada nonprofit corporation, as filed with the Nevada Secretary of State.

2.5 "Assessment": Each and all of the Base Assessments, Special Assessments, and Specific Assessments, as applicable.

2.6 "Association": Skye Hills Community Association, a Nevada nonprofit corporation, its successors or assigns.

2.7 "Base Assessment": Assessments levied on all Lots subject to assessment under Article 8 to fund Common Expenses for the general benefit of Skye Hills. Each and all of the Assessments, Neighborhood Assessments, Special Assessments, and Specific Assessments, as applicable, are in addition to Base Assessments.

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

2.9 "Builder": Any Person now or hereafter designated by Declarant, who purchases one or more Lots for the purpose of constructing Improvements for later sale to consumers, or who purchases one or more parcels of land within the Property for further subdivision, development, and/or resale in the ordinary course of such Person's business.

2.10 "Bylaws": The Bylaws of Skye Hills Community Association, as may be amended from time to time.

2.11 "City": City of Las Vegas, Nevada.

2.12 "Collection Policy": The policy for the Association concerning the collection of fees, fines, assessments, or costs imposed against Owners adopted by the Board of Directors in compliance with NRS 116.31151(4), as such policy may be amended from time to time.

2.13 "Commercial Vehicles": Commercial Vehicles shall mean (i) a truck of greater than one (1) ton capacity; (ii) a bus; or (iii) any other similar vehicle as may be classified by the Board as a Commercial Vehicle in the Rules. A Commercial Vehicle may be defined as such even if the vehicle does not have a commercial license plate.

2.14 "Common Elements": All (i) real property, other than Lots, owned or leased by the Association, which may include sidewalks, landscaping areas, and open space areas; (ii) real property over which the Association holds an easement for the use and enjoyment of the Owners, which may include easements designated on the Subdivision Maps as access and ingress/egress easements, as landscape easements, as public utility easements, as drainage and/or municipal utility easements, and any other such easements; (iii) any personal property owned by the Association for the use and enjoyment of the Owners; and (iv) any other property owned or held by the Association for the use and enjoyment of the Owners. The Common Elements shall initially consist of (a) the real property described on Exhibit "B" attached hereto and incorporated herein by this reference; and (b) the Improvements now or hereafter constructed on the real property described on Exhibit "B".

2.15 "Common Expenses": The actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of the Owners, including: (a) the cost (amortized over such reasonable period as the Board of Directors shall determine together with interest on the unamortized balance at one percent (1%) per annum over the Prime Rate as hereinafter defined) of any capital improvements that reduce other operating expenses or costs, that are required under any governmental law or regulation, or that are otherwise approved by the Board of Directors and to the extent expressly required under this Declaration, the consent of the Owners; (b) the funding of adequate reserves for repairs, replacements or additions to the Common Elements and other Areas of Common Responsibility; (c) all expenses, fees and other charges imposed upon the Association by any governmental entity because Skye Hills is a common interest community pursuant to the Act; (d) all expenses, fees and other charges incurred by the Association in connection with the dissemination of news and/or information to the Owners and/or such other community building activities; and (e) such other expenses as the Board may find necessary and appropriate pursuant to the Governing Documents.

2.16 "Community-Wide Standard": The standard of conduct, maintenance, or other activity generally prevailing throughout Skye Hills. Such standards may contain both objective and subjective elements and are initially established to be the minimum standards set forth in this Declaration, the Design Guidelines, and/or the Rules and Regulations applicable to Skye Hills. The Community-Wide Standard may evolve as development progresses and as the needs and demands of Skye Hills change.

2.17 "County": Clark County, Nevada.

2.18 "Declarant": Declarant or any successor or assign of each who takes title to any portion of the property described in Exhibit "A" or Exhibit "C" for the purpose of development and/or sale and who is designated as Declarant in a Recorded assignment executed by the immediately preceding Declarant (but excluding any "purchaser" as defined under the Act).

2.19 "Declarant Advance": Funds advances by Declarant to the Association of the type described in Section 8.12(b) of this Declaration.

2.20 "Declarant Control Period": The period of time during which the Declarant is entitled to appoint and remove the entire Board of Directors, or a majority thereof. The Declarant Control Period shall terminate: (a) upon the first to occur of (i) 60 days after Declarant has conveyed 75% of the Maximum Number of Lots to Owners other than Builders, (ii) five years after Declarant and all Builders have ceased to offer Lots for sale in the ordinary course of business, (iii) five years after any right to add all or any portion of the property described on Exhibit "C" under Article 9 was last exercised by Declarant or a Builder or (iv) when, in its discretion, Declarant so determines and declares in a Recorded instrument; or (b) following the expiration of any longer period of time during which Declarant is entitled to appoint and remove one or more members of the Board of Directors under the Act.

2.21 "Declarant Rights Period": Unless earlier terminated by a written instrument executed and Recorded by Declarant, the longest of the following periods of time: (a) the period of time during which Declarant (or any of its affiliates) owns or has the right to acquire any part of the property subject to this Declaration or which may be added to this Declaration by annexation in accordance with Section 9.1, or (b) the Declarant Control Period, or (c) the period of five (5) years following the Recordation of this Declaration.

2.22 "Design Guidelines": The architectural, design and construction guidelines applicable to Skye Hills as may be adopted pursuant to Section 4.3 of this Declaration.

2.23 "Developmental Rights": Any right or combination of rights reserved by the Declarant in this Declaration to exercise any "Developmental Right" as such term is defined in the Act.

2.24 "Director": A duly appointed or elected and current member of the Board of Directors.

2.25 "Dwelling": A building or structure or portion of a building or structure situated on a Lot and which is designed and intended for use and Occupancy as an attached or detached residence by a single family, but specifically excluding "manufactured housing" or mobile homes, neither of which shall be permitted as Dwellings.

2.26 "Emergency Services Vehicle": A vehicle owned by a governmental agency or political subdivision of the State of Nevada and identified by the entity which owns the vehicle as a vehicle used to provide emergency services.

2.27 "Governing Documents": A collective term referring to this Declaration and any applicable Supplemental Declaration, the Articles, the Bylaws, the Rules and Regulations, and other documents governing the administration and operation of the Association, as they may be amended.

2.28 "Improvement": Any structure or appurtenance thereto of every type and kind, whether above or below the land surface, placed in the Property, including, but not limited to, Dwellings and other buildings, walkways, sprinkler or drain pipes, swimming pools, spas and other recreational facilities, carports, garages, roads, driveways, parking areas, hardscape, streetlights, curbs, gutters, walls, perimeter walls, fences, screening walls, block walls, retaining walls, stairs, decks, landscaping, antennae, hedges, windbreaks, patio covers, railings, plantings, planted trees and shrubs, poles, signs, exterior air conditioning and water softener fixtures or equipment.

2.29 "Invitees": Each and all of the following: the tenants, guests, agents, contractors, employees, licensees and other invitees of an Owner or Occupant.

2.30 "Law Enforcement Vehicle": A vehicle owned by any governmental agency or political subdivision of the State of Nevada and identified by the entity which owns the vehicle as a vehicle used to provide law enforcement services.

2.31 "Lot": A Residential Lot or a Multi-Family Lot.

2.32 "Manager": The Person, if any, whether an employee or independent contractor, appointed by the Association, acting through the Board, and delegated the authority to implement certain duties, powers or functions of the Association as provided in this Declaration.

2.33 "Maximum Number of Lots": The Maximum Number of Lots is 1,950 Lots; provided, that nothing in this Declaration shall be construed to require Declarant to develop the maximum number of Lots approved.

2.34 "Member": An Owner subject to membership in the Association pursuant to Section 6.2. A "Member in Good Standing" refers to a Member whose voting rights have not been suspended in accordance with Section 7.4(a)(2) of this Declaration, who does not have outstanding any fines or assessments more than 30 days past due, or who is not otherwise subject to a sanction by the Board for an unresolved violation of the Governing Documents under Section 7.4.

2.35 "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.

2.36 "Multi-Family Lot": A portion of the Property, whether improved or unimproved (other than a Residential Lot, Common Elements, Neighborhood Common Elements, and real property dedicated to the public), which may be independently owned and conveyed, and which is intended to be developed for attached single family residential uses with Apartments, and which is not established as a separate "common-interest community" as defined in the Act. The term "Multi-Family Lot" shall refer to the land,

if any, which is part of the Multi-Family Lot as well as any Improvements, including any Apartment, thereon. The boundaries of each Multi-Family Lot shall be delineated on a Subdivision Map. A Multi-Family Lot may be converted to a "for sale" residential condominium use or other "for sale" residential dwellings in accordance with the requirements of Section 3.4(s), and from and after the date that the Supplemental Declaration is Recorded that establishes the Multi-Family Lot as a "common-interest community" in accordance with such Section 3.4(s), the Multi-Family Lot shall cease to be a Multi-Family Lot for all purposes of this Declaration and thereafter each "unit" (as defined in the Act) therein shall be deemed to be a Residential Lot for the purposes of this Declaration, including without limitation, Section 6.3 (membership classes and voting), Section 8.1 (allocation of Base Assessments) and Section 8.7 (assessment of Base Assessments).

2.37 "Neighborhood": Any residential area within the Property designated by Declarant as a separate Neighborhood, whether or not governed by a Neighborhood Association, as more particularly described in Section 6.4, created for the purpose of sharing Neighborhood Common Elements, or receiving other benefits or services from the Association which are not generally provided to or for the benefit of all Lots within Skye Hills. 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 the benefited Lots shall be subject to an additional Specific Assessment for such benefits or services and shall be subject to a Supplemental Declaration with the Builder providing for capital contributions, supplemental administrative set up fees and such other matters as Declarant may require.

Where the context permits or requires, the term Neighborhood shall also refer to the Neighborhood Committee (established in accordance with the Bylaws) 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.

2.38 "Neighborhood Assessments": Assessments levied by the Association (or a Neighborhood Association, if applicable) uniformly against the Lots in a particular Neighborhood to pay for the Neighborhood Expenses within such Neighborhood, as described in Section 8.3. Neighborhood Assessments are additional to each and all Base Assessments, Special Assessments, and Specific Assessments, as applicable.

2.39 "Neighborhood Association": An owner's association, created by a Supplemental Declaration, 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.

2.40 "Neighborhood Common Elements": A portion of the Common Elements which shall constitute "limited common elements" under the Act, allocated for the primary or exclusive use and benefit of one or more designated Neighborhoods (but less than the all of Skye Hills), as more particularly described in Article 12; and/or the common elements unique to a Neighborhood which itself is a Neighborhood Association.

2.41 "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, which shall include a reserve for repairs, replacements or additions to the Neighborhood Common Elements shared by such Neighborhood and which may include a reasonable administrative charge, as may be authorized pursuant to this Declaration or under a Supplemental Declaration.

2.42 "Notice and Hearing": Written notice and an opportunity for a hearing before the Board, at which the Owner concerned shall have the opportunity to be heard in person, or by counsel at the Owner's expense, in the manner further provided in the Bylaws.

2.43 "Occupy", "Occupies", or "Occupancy": Unless otherwise specified in the Governing Documents, staying overnight in a particular Dwelling for at least 90 days in the subject calendar year. The term "Occupant" shall refer to an individual who Occupies a Dwelling.

2.44 "Officer": A duly elected or appointed and current officer of the Association.

2.45 "Owner": One or more Persons (including Declarant and any Builder) 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. The term shall include sellers under executory contracts of sale but shall exclude Mortgagees.

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

2.47 "Prime Rate": The per annum rate of interest equal to the "reference rate" publicly announced from time to time by Bank of America National Trust and Savings Association, San Francisco, California (or, in the event of the discontinuance of such rate, a reasonable replacement reference rate determined from time to time by the Association).

2.48 "Property": The real property described in Exhibit "A", together with such additional property as is subjected to this Declaration in accordance with Article 9.

2.49 "Purchaser": A Person, other than Declarant or a Builder, who by means of a voluntary transfer acquires a legal or equitable interest in a Lot other than a leasehold interest (including options to renew) of less than 20 years, or as security for an obligation.

2.50 "Record," "Recording," "Recordation," or "Recorded": To file, filing, or filed of record in the Official Records of the County Recorder. The date of Recording shall refer to that time at which a document, map, or plat is Recorded.

2.51 "Recreational Vehicle": As used herein, Recreational Vehicle shall mean any motorhome, bus, trailer coach, trailer, off-road vehicle, boat or other watercraft, aircraft, camper or any other vehicle classified by the Board as a Recreational Vehicle in the Rules.

2.52 "Requisite Membership Percentage": 67% or more of the total aggregate voting power of the Association.

2.53 "Residential Lot": A portion of the Property, whether improved or unimproved (other than Common Elements, Area of Common Responsibility or any property dedicated to the public), which may be independently owned and is intended for development, use, and Occupancy as a Dwelling for a single Family (as shown and separately identified on a Subdivision Map). The term shall mean all interests defined as a "unit" under the Act. The term shall refer to the land, if any, which is part of the Residential Lot as

well as any Improvements thereon. The boundaries of each Residential Lot shall be delineated on the Subdivision Map which creates the Residential Lot.

2.54 "Rules and Regulations": The restrictions relating to an Owner's use of his or her Lot and conduct of Persons on the Property, as more specifically authorized and provided for in Article 3 and the Act. The Rules and Regulations shall also include the Collection Policy.

2.55 "Skye Hills": The residential common-interest community established pursuant to this Declaration under the Act.

2.56 "Special Assessment": Assessments levied in accordance with Section 8.5. Special Assessments are additional to each and all of Base Assessments, Neighborhood Assessments, and Specific Assessments, as applicable.

2.57 "Special Declarant Rights": Any right or combination of rights reserved by the Declarant in this Declaration to exercise any "Special Declarant's Right" as such term is defined in the Act.

2.58 "Specific Assessment": Assessments levied against a particular Lot or Lots for expenses incurred or to be incurred by the Association in accordance with Section 8.6. Specific Assessments are additional to each and all of Base Assessments, Neighborhood Assessments, and Special Assessments, as applicable.

2.59 "Subdivision Map": Each final subdivision map or parcel map of portions of the Property, as Recorded from time to time, as may be amended and supplemented from time to time of Record.

2.60 "Subsidy Agreement": An agreement of the type described in Section 8.12(a) of this Declaration.

2.61 "Supplemental Declaration": An instrument Recorded pursuant to Article 9 which subjects additional property to this Declaration, and/or imposes, expressly or by reference, additional restrictions and obligations on the land described in such instrument.

2.62 "Utility Services Vehicle": Any motor vehicle used in the furtherance of repairing, maintaining or operating any structure or any other physical facility necessary for the delivery of public utility services, including the furnishing of electricity, gas, water, sanitary sewer, telephone, cable or community antenna service and, except for any emergency use, operated primarily within the service area of a utility's subscribers or consumers, without regard to whether the motor vehicle is owned by or leased or rented to the utility.

2.63 Additional Defined Terms: The following terms are defined elsewhere in this Declaration:

- (a) "Alleged Defect" in Section 14.2(a);
- (b) "Assessment Share" in Section 8.1;
- (c) "CAS" in Section 14.4(b);
- (d) "Claimant" in Section 14.2(a);

- (e) "Constructed Improvements" in Section 14.2;
- (f) "Construction Defect Act" in Section 14.4(b);
- (g) "Conversion" in Section in Section 3.4(s);
- (h) "Designated Co-Owner" in Section 6.3(d);
- (i) "Developing Party" in Section 14.4(a)(2);
- (j) "Developing Party's Agents" in Section 14.2(a);
- (k) "Dispute" in Section 14.4(a)(3);
- (l) "DRC" in Section 4.2(a);
- (m) "Electrical Facilities" in Section 19.1(e);
- (n) "Eligible Holder" in Section 15.1;
- (o) "Emergency Situation" in Section 8.2;
- (p) "EMF" in Section 19.2(h)(1);
- (q) "Improved Property" in Section 14.4(a)(4);
- (r) "Neighborhood Budget" in Section 8.3;
- (s) "Neighboring Developments" in Section 19.1(b);
- (t) "Notice of Alleged Defect" in Section 14.2(b);
- (u) "Owner" in Section 19.1;
- (v) "Plans" in Section 4.3(b);
- (w) "Sight Visibility Zones" in Section 3.5(u); and
- (x) "Work" in Section 4.2(a).

PART TWO: CREATION AND MAINTENANCE OF COMMUNITY STANDARDS

The standards for use and conduct, maintenance and architecture within Skye Hills are what give the community its identity and make it a place that people want to call "home." This Declaration establishes procedures for rulemaking as a dynamic process which allows the community standards to evolve as Skye Hills changes and grows over time.

Article 3.
Use and Conduct

3.1 Framework for Regulation. The Governing Documents establish, as part of the general plan of development for the Property, a framework of affirmative and negative covenants, easements and restrictions which govern the Property. 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 technologies which inevitably will affect Skye Hills, its Owners and Occupants.

3.2 Rule Making Authority.

(a) Authority of Board. Subject to the Governing Documents, the Act and the Board's duty to exercise business judgment and reasonableness on behalf of the Association and its Members, the Board may modify, cancel, limit, create exceptions to, or expand the Rules and Regulations. The Board shall send notice to all Owners concerning any proposed action on Rules and Regulations at least ten (10) business days prior to the Board meeting at which such action is to be considered. Such notice shall be sent in the manner provided for in subsection (b) below. Members shall have a reasonable opportunity to be heard at a Board meeting prior to such action being taken. Such action shall become effective, after compliance with subsection (b), unless disapproved by the Requisite Membership Percentage or Declarant (during Declarant Rights Period). The Board shall have no obligation to call a meeting of the Members to consider disapproval except upon receipt of a petition signed by Members representing at least 10% of the total votes of the Association as required for special meetings in the Bylaws. Upon such petition of the Members prior to the effective date of any Board action under this Section, the proposed action shall not become effective until after such meeting is held, and then shall be subject to the outcome of such meeting.

(b) Notice. The Board shall provide a copy of any proposed new Rule or Regulation or explanation of any modifications to the existing Rules and Regulations to each Owner, with the agenda for each Board meeting at which such action is to be considered or notify the Owners of the location where the new, proposed and/or summary may be obtained or reviewed, and each Owner shall be provided an opportunity to be heard at such Board meeting prior to such action being taken subject to reasonable Board imposed restrictions in accordance with the Bylaws and the Act.

3.3 Owners' Acknowledgment and Notice to Purchasers. All Owners are given notice that use of their Lots and the Common Elements is limited by the Design Guidelines and the Rules and Regulations as they may be amended, expanded and otherwise modified hereunder. 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 Design Guidelines and the Rules and Regulations may change from time to time. All Purchasers are on notice that changes may have been adopted by the Association. Copies of the Rules and Regulations may be obtained from the Association.

3.4 Protection of Owners and Others. Rules and Regulations shall be subject to and consistent with the Declaration, the Design Guidelines, applicable federal and state laws, applicable health codes and other ordinances, the Declaration, Bylaws, and must be adopted without intent to circumvent or evade the requirements and provisions of any of the foregoing. Additionally, no Rule or Regulation, or any other action by the Association or Board shall unreasonably hinder or impede the rights of Declarant and/or Builders to develop Skye Hills in accordance with the rights reserved to the Declarant or any other party in this Declaration and/or the Act. The Rules and Regulations shall be binding upon all Owners, Occupants and Invitees, if any, until and unless overruled, canceled or modified in a regular or special meeting of the

Association by the vote the Requisite Membership Percentage and by the Declarant (during the Declarant Rights Period). The Rules shall be uniformly enforced.

3.5 Use Restrictions. The Property shall be used only for residential, recreational and related purposes (which may include, without limitation, offices for any community manager retained by the Association or business offices for Declarant or the Association or any Builder) consistent with this Declaration, any Supplemental Declaration and amendments to either. Any Supplemental Declaration imposed on property within any Neighborhood may impose stricter standards than those contained in this Article.

(a) Residential and Related Uses. Except as provided in the Declaration with respect to Declarant and/or any Builder, each Residential Lot shall be used only for private, single-family residence purposes exclusively. No part of the Project shall be used or caused, allowed or authorized to be used in any way whatsoever, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending or other non-residential purpose, without the prior written consent of the Board. In deciding whether or not to permit an otherwise nonconforming use hereunder, the Board shall consider the potential effect upon traffic in the Project and interference with or annoyance of neighbors; notwithstanding the foregoing, a nonconforming use shall never be permitted unless such use is incidental to the residential use of the Residential Lot and is permitted by applicable law. This Section shall not operate to prohibit a professional or administrative occupation, provided that there is no external evidence of any such occupation; for so long as such occupation is conducted in conformance with all applicable laws and such occupation is merely incidental to the use of the Dwelling as a residential home. In addition, any commercial activity that directly advances the residential and recreational character of the Property may be authorized by Declarant or the Association, unless prohibited by 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) Improvements; Limitations: No structure whatsoever, other than one single-family private residence may be erected or maintained on a Residential Lot at any one time. Every single-family dwelling erected upon a Residential Lot shall contain not less than six hundred (600) square feet floor space, exclusive of porches, patios, garages and carports. No garage or carport shall be used for a living area or used for other purposes other than those uses normally attendant to a garage or carport. All lavatories and toilets shall be built indoors and connected with the sewer system.

(c) Oil, Water and Mineral Operations; Hazardous and Toxic Materials: No tools or equipment and no derrick or other structure designed for use in boring for oil, gas, or other kindred substances, or designed for use in boring for water, or designed for use in any mining operation or exploration shall hereafter be erected or placed upon the Property or any portion thereof; and no Owner of any Lot shall ever consent to the use of the surface of the land, or any portion of the subsurface thereof, by any lessee under any lease to be negotiated or under any lease now of record affecting any Lot, which lease pertains to the exploration, mining, or operating for oil, gas or other hydrocarbon substances and the taking, storing, removing and disposition of same. No Lot or any portion thereof shall ever be used for the storage or disposal of "hazardous waste" or other hazardous or toxic materials, as such terms are defined by federal, state or local laws now or hereafter in effect.

(d) Laws and Insurance Requirements: Nothing shall be done to or kept on any Lot or Improvement thereon or in the Common Elements that might increase the rate of, or cause the cancellation of, insurance for Skye Hills, or any portion of Skye Hills, without the prior written consent of

the Association. No Owner shall permit anything to be done or kept in his or her Lot or any Improvement thereon that violates any of the restrictions contained in this Declaration or any law, ordinance, statute, rule, or regulation of any local, county, state or federal body, including, without limitation, local ordinances relating to zoning and building codes.

(e) Antennae; Satellite Dishes: Except as otherwise expressly permitted by law, no antennae, satellite dish, or other device for the transmission or reception of television or radio signals or any other form of electromagnetic radiation, including, but not limited to, a dish or other device capable of transmitting or receiving signals for cable, satellite or pay-television systems, as well as any other pole or tower, shall be erected, used or maintained outdoors above ground within Skye Hills whether attached to any Dwelling, unless such antenna or device (a) is in compliance with all applicable rules of the Design Review Committee as may be adopted from time to time by the Design Review Committee pursuant to Article 4 hereof, or (b) shall have been approved by the Design Review Committee.

(f) Landscaping:

(1) Installation. If Declarant or a Builder has not provided a ground cover for a Residential Lot, then the Owner of that Residential Lot shall have installed thereon a ground cover acceptable to the Design Review Committee (1) covering the front yard of a Residential Lot within six (6) months following the recordation of a deed conveying title to the Residential Lot to the Owner from Declarant or a Builder or the date of occupancy thereof, whichever occurs first, and (2) covering the rear yard of a Residential Lot within twelve (12) months following the recordation of a deed conveying title to the Residential Lot to the Owner from Declarant or a Builder or the date of occupancy thereof, whichever occurs first. Nothing herein shall operate to permit the Association or Design Review Committee to prevent or unreasonably discourage the use of drought-tolerant landscaping, as defined in the Act.

(2) Restrictions. Plants selected for landscaping should be light weight, deep rooted types which require little water and are capable of surviving the prevailing climate. Only the amount of irrigation necessary to sustain plant life should be provided. Over watering the landscape areas could adversely affect the Improvements on or near the Residential Lot and is therefore prohibited.

(g) Maintenance of Lots: No rubbish, brush, weeds, undergrowth, debris of any kind or character shall ever be placed or permitted to accumulate upon any Lot, or any portion thereof, so as to render it a fire hazard, unsanitary, unsightly, offensive or detrimental to the Common Elements, any other Lot in Skye Hills or to any Occupants in Skye Hills. The Owner of each Lot shall (a) care for, water, cultivate, prune and maintain in good condition any and all trees, shrubs and other landscaping (including without limitation acceptable desert or water-efficient landscaping) growing on his or her Lot and (b) provide only the amount of irrigation necessary to sustain plant life on the Lot because overwatering the landscape areas could adversely affect the Improvements on or near the Lot and is therefore prohibited. Furthermore the Owner of each Lot shall maintain any and all trees, shrubs, and other landscaping growing on the Owner's Lot in a manner consistent with the restrictions set forth in this Declaration and the standards originally established by Declarant or the Design Review Committee for the Property. The Association may assume all or any portion of the landscaping duties set forth in this Section, but the Association shall in no event be obligated to undertake such work, except with respect to Common Elements. Should an Owner fail to perform his or her obligations under this Section or 3.5(f) above, or fail to keep his or her Lot free from rubbish, brush, weeds, dead or dying shrubbery, overgrown landscaping, undergrowth or debris of any character, the Association may, at any time, (i) initiate legal proceedings to enforce compliance with either of such Sections or (ii) upon thirty (30) days' written notice to such Owner of its intention to do so,

enter upon that Lot and (A) remove such rubbish, brush, weeds, dead or dying shrubbery, overgrown landscaping, undergrowth or debris or (B) cause any required ground cover acceptable to the Association, together with any necessary sprinklers and irrigation facilities to be completed and, in either event, assess that Owner for the cost thereof. The Association shall notify the Owner in writing of the cost thereof, and in the event that Owner fails to reimburse the Association for its costs and expenses, such charges shall constitute a lien on that Owner's Lot, which may be enforced by the Association in accordance with the provisions of this Declaration.

(h) Exterior Lighting: Each Owner shall maintain in good and operable condition the exterior lighting installed on the exterior of his or her Dwelling or otherwise located on his/her Lot, to provide lighting of the same character and quality (including light bulb wattage) as was initially installed in Skye Hills. Such maintenance shall include, but not be limited to, maintaining photocells in optimal operable condition, the replacement of light bulbs, the provision of electrical power to such lights, the maintenance of fixtures, and the payment for electrical service. If any Owner shall fail to maintain such exterior lighting, or permit the lighting to fall into disrepair, the Association shall have the right to correct such condition, and to assess such Owner for the cost thereof. The Association shall notify the Owner in writing of the cost thereof, and in the event that Owner fails to reimburse the Association for its costs and expenses, such charges shall constitute a lien on that Owner's Lot, which may be enforced by the Association in accordance with the provisions of this Declaration. Further rules regarding exterior lighting may be promulgated by the Board.

(i) Nuisances:

(1) Refuse, Debris, and Rubbish: No rubbish, clippings, refuse, scrap lumber or metal; no grass, shrub or tree clippings; and no plant waste, compost, bulk materials, or other debris of any kind; (all, collectively, hereinafter, "rubbish and debris") shall be kept, stored or allowed to accumulate on any Lot unless stored within an enclosed structure or container that is screened from view in a manner approved by the DRC, and no odor shall arise therefrom so as to render the Property or any portion thereof unsanitary or offensive. Without limiting the foregoing, a refuse container containing such materials, may be placed outside at times reasonably necessary (in accordance with the Rules and Regulations) to permit garbage or trash pickup.

(2) Offensive Activities: No noxious or offensive action or activities including, but not limited to the repair of motor vehicles, storage of inoperable vehicles, and storage of any other excessive or offensive materials, including defamatory, discriminatory, or generally unacceptable signs, symbols, or objects shall be carried out or kept on the Property. Additionally, no action shall be undertaken that unreasonably interferes with television or radio reception within any Lot or the Common Elements.

(3) Noise: No noise or other nuisance shall be permitted to exist or operate upon any portion of a Lot so as to be offensive or detrimental to any other Lot, the occupants thereof, or to persons on or within the Common Elements. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other similar or unusually loud sound devices (other than devices used exclusively for safety, security, or fire protection purposes), noisy or smoky vehicles, large power equipment or large power tools (excluding lawn mowers and other equipment utilized in connection with ordinary landscape maintenance), or other item that may unreasonably disturb other Owners or Occupants, shall be located, used or placed on any portion of the Property without the prior written approval of the Board. No loud motorcycles, dirt bikes, or other loud mechanized vehicles may be

operated on any portion of the Area of Common Responsibility without the prior written approval of the Board, and said approval may be withheld for any reason whatsoever. Alarm devices used exclusively to protect the security of a Dwelling and its contents shall be permitted, provided that such devices do not produce annoying sounds or conditions as a result of frequently occurring false alarms.

(4) Discretion of the Board: The Board shall have the right to determine if any noise, odor, or activity producing such noise or odor constitutes a nuisance. Each Owner and Resident shall comply with all of the requirements of the local or state health authorities and with all other governmental authorities with respect to the occupancy and use of a Lot, including the Dwelling. Each Owner and Resident shall be accountable to the Association and other Owners and Occupants for the conduct and behavior of children, Family members, and other persons residing in or visiting said Owner's Lot. Any damage to the Common Elements, personal property of the Association, or property of another Owner or Resident caused by such children, Family members, or other persons shall be repaired at the sole expense of the Owner of the Lot where such children, Family members, or persons are residing or visiting.

(j) Signs:

(1) Generally. Except with respect to the Special Declarant Rights reserved to Declarant in this Declaration, no billboards, signs, flags, banners, or advertising of any kind, shall be posted, erected or maintained upon any Residential Lot without the prior written consent of the Design Review Committee; provided, however, that the following signs may be posted on a Residential Lot without the prior written consent of the Design Review Committee (a) one (1) standard "for sale" sign or one (1) standard "for rent" sign and (b) one or more political signs no larger than twenty-four inches (24") by thirty-six inches (36"), but only in the manner and to the extent that the Act and other applicable laws provide for the right of Persons to display such political signs. Notwithstanding the foregoing, except as may be erected by Declarant within Skye Hills, no billboards, signs, flags, banner's, or advertising of any kind (including without limitations any "for sale" or "for rent" signs), shall be posted, erected or maintained upon any Residential Lot, or wall or other fence in Skye Hills.

(2) Flag of United States. Notwithstanding any provision of the Documents to the contrary, an Owner is entitled to display the flag of the United States, provided that the location, size, pole or staff, and display is consistent with all applicable Rules and/or any applicable rules of the Design Review Committee as may be adopted from time to time by the Design Review Committee pursuant to Article 4 hereof, and the provisions of the Act.

(3) Flag of State of Nevada. Notwithstanding any provision of the Governing Documents to the contrary, an Owner is entitled to display the flag of the State of Nevada, provided that the location, size, pole or staff, and display is consistent with all applicable Rules and/or any applicable rules of the Design Review Committee as may be adopted from time to time by the Design Review Committee pursuant to Article 4 hereof, and the provisions of the Act.

(k) Animals: No animals or fowl, other than commonly recognized household pets, shall be kept or maintained on a Residential Lot or any portion thereof; no animal shall be kept, bred or maintained for any commercial purpose; and no animals or fowl, including household pets, which, after Notice and Hearing are determined by the Board of Directors to be dangerous, may be kept or maintained anywhere within Skye Hills. At any one time the total number of household pets shall not exceed three (3) unless otherwise approved by the Board of Directors. If an animal is not confined within the Residential Lot, the animal must be leashed and under direct control of the Owner. It shall be the absolute duty and

responsibility of each Owner or tenant to clean up any animal waste after such animals which have used any portion of the Property or any public property in the vicinity of the Property. No pet shall be permitted to be kept within any portion of the Property if it makes excessive noise or is otherwise determined to be a nuisance. If a pet is determined to be a nuisance, the Board of Directors may, after Notice and Hearing, order the removal of the pet.

(l) Solar Equipment; Wind Energy Systems:

(1) Solar. No solar equipment, including, but not limited to, solar collectors and solar panels, shall be installed unless such equipment (1) is in compliance with all applicable rules of the Design Review Committee as may be adopted from time to time by the Design Review Committee pursuant to Article 4 hereof, or (2) shall have been approved by the Design Review Committee, until approval of the Design Review Committee has been obtained as to (i) the type of solar equipment to be installed and (ii) the location thereof and (iii) the compliance of such equipment with the rules of the Design Review Committee as may be adopted from time to time by the Design Review Committee pursuant to Article 4 hereof. The foregoing provision is not intended to prohibit the use of a system for obtaining solar energy on any Lot for use by the Occupants of the Lot, but rather allow the Association to impose reasonable restrictions on the installation, location and appearance of such equipment on a Lot.

(2) Wind. Except to the extent otherwise prohibited by applicable law, no wind power systems, wind energy systems, or other structures or systems that use wind energy may be installed on any Lot.

(m) Restricted Access: Certain Residential Lots have prohibitions or restrictions on access to adjoining public streets from the rear or side yards of each Residential Lot as set forth in the Subdivision Map (as applicable). No Owner shall at any time permit access, ingress or egress to or from his or her Residential Lot in violation of any prohibitions or restrictions on access set forth on the Subdivision Map (as applicable); nor in any other manner shall an Owner otherwise cause or permit his or her Residential Lot to be in violation of the restrictions set forth in the Subdivision Map (as applicable).

Furthermore, certain Common Element(s) and Residential Lots may have prohibitions or restrictions on direct vehicle access to adjoining public streets over the Common Element(s) and/or Residential Lots in Skye Hills as set forth on the Subdivision Map (as applicable). No access, ingress or egress over any such restricted Common Element(s) and/or Residential Lots shall be permitted at any time except for emergency vehicles. Notwithstanding the foregoing, Declarant shall have the right to all such restricted Common Elements for temporary access throughout the development, construction, marketing and sales of Lots.

(n) Post-Construction Entry Rights: In addition to, and not in limitation of any Special Declarant Rights provided for in this Declaration, Declarant or its designee shall have the right to enter upon each Lot in Skye Hills for the purpose of planting and maintaining any slope or drainage control areas. The right of entry under this Section shall exist for a period not to exceed ninety (90) days after the completion of the construction of all residential structures in Skye Hills, at which time the right of entry and maintenance under this Section shall terminate as to Skye Hills.

(o) Construction of Walls: Without limiting the provisions of this Declaration requiring prior Design Review Committee approval, no fence, wall, hedge, construction, or obstruction shall be installed upon any Residential Lot in Skye Hills except the residence, garage or other improvement

permitted to be erected under the provisions of this Declaration, unless approved as required herein or unless such fence, hedge, wall, construction or obstruction was originally constructed by Declarant.

(p) Restrictions on Alienation; Leasing of Residential Lots:

- (1) A Residential Lot may not be conveyed pursuant to a time-sharing plan.
- (2) All leases shall be subject to the following restrictions and provisions:
 - (i) No Residential Lot may be leased or subleased for transient or hotel purposes or for an initial term of less than ninety (90) days;
 - (ii) All leases and rental agreements shall be in writing and subject to the requirements of the Documents and the Association;
 - (iii) Residential Lots may be leased only in their entirety;
 - (iv) No subleasing or assignment of leases are permitted except with the prior approval of the Board or in accordance with the rules adopted by the Board applicable to leases and subleases;
 - (v) The Owner must make available to the tenant copies of the Documents;
 - (vi) All leases shall include provisions to the effect that (1) each tenant or subtenant shall be bound by the Restrictions and a breach of any Restriction shall constitute a default under the lease or sublease, and (2) the tenant will recognize (or attorn to) the Association as landlord, solely for the purpose of having the power to enforce a violation of the Restrictions against the tenant, provided the Association gives the Owner notice of the Association's intent to so enforce and a reasonable opportunity to cure the violation directly, prior to the commencement of an enforcement action; and
 - (vii) A copy of any lease, or lease renewal, together with such additional information as may be required by the Association shall be given to the Association within ten (10) days of the commencement of the lease term.
- (3) Any Owner who violates this Section may be subject to fines, liens and court action. Furthermore, a violation of this Section that is not cured within fourteen (14) days after an initial fine has been levied, shall be deemed to be a "continuing violation" and shall be subject to the imposition of additional fines until cured.
- (4) The provisions of this Section shall not apply to an Eligible Mortgagee who is in possession of a Residential Lot following a default in such Security Interest, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure; and shall not restrict the exercise of any Special Declarant Rights.

(q) Parking Restrictions: The parking limitations set forth in this Section shall apply to all vehicles within Skye Hills, including but not limited to, automobiles, vans, motorcycles, trucks, Commercial Vehicles, and Recreational Vehicles to the fullest extent not prohibited by the Act.

(1) No Commercial Vehicle or Recreational Vehicle may be parked on any Lot or within Skye Hills (including but not limited to the streets within or adjacent to Skye Hills, to the fullest extent permitted under the Act) unless the entire vehicle is wholly located on a Lot and is within a garage or otherwise adequately screened from view except as permitted by operation of (i) or (ii) below.

(i) A Commercial Vehicle not owned or operated by an Owner or an occupant of a Lot may be parked temporarily in the driveway of any Lot or street during such time as the operator of such Commercial Vehicle is delivering goods or providing services to the Owner or occupant of the Lot.

(ii) Recreational Vehicles owned by an Owner or occupant of a Lot may be parked on the driveway of the Lot or street unless expressly prohibited where marked by painted curbs and/or signs, while the Recreational Vehicle is being loaded or unloaded, for a period not to exceed forty-eight (48) hours unless expressly prohibited where marked by painted curbs and/or signs.

(2) No vehicle, including, but not limited to, automobiles, vans, motorcycles, trucks, Commercial Vehicles, and Recreational Vehicles, or any other equipment may be dismantled, repaired or serviced on: (i) any Lot visible from adjoining property or any street; or (ii) any part of Skye Hills (including but not limited to the streets within or adjacent to Skye Hills, to the fullest extent permitted under the Act).

(3) No person shall park, store or keep anywhere in Skye Hills an unregistered or inoperable vehicle, except only within a fully enclosed garage.

(4) No vehicle, including, but not limited to, automobiles, vans, motorcycles, trucks, and, subject to the limitations set forth in subsection (a), above, Commercial Vehicle or Recreational Vehicle, may be parked in the front yard, side yard or any other portion of a Lot except in the garage or driveway of the Lot. Furthermore, any vehicle parked on any driveway must be parked wholly within the driveway and may not extend beyond the driveway onto any other portion of a Lot or onto any street or Common Element, including without limitation the sidewalk, curb, street, or any area between the street and sidewalk.

(5) Nothing in this Section 3.5 shall prohibit a person from (1) parking a Utility Service Vehicle that has a gross vehicle weight rating of 20,000 pounds or less (i) in an area designated for parking for visitors, in a designated parking area or common parking area, or on the driveway of a Lot of a subscriber or consumer while the person is engaged in any activity relating to the delivery of public utility services to subscribers or consumers or (ii) in an area designated for parking for visitors, in a designated parking area or common parking area, or on the driveway of his or her Lot if the person is an Owner or a tenant of an Owner and brings the vehicle to the Lot pursuant to such person's employment with the entity which owns the vehicle for the purpose of responding to emergency requests for public utility service; or (2) parking a Law Enforcement Vehicle or Emergency Services Vehicle (i) in an area designated for parking for visitors, in a designated parking area or common parking area, or on the driveway of a Lot of a person to whom law enforcement or emergency services are being provided, while such person is

engaged in his or her official duties or (ii) in an area designated for parking for visitors, in a designated parking area or common parking area, or on the driveway of his or her Lot if the person is an Owner or a tenant of an Owner and brings the vehicle to the Lot pursuant to such person's employment with the entity which owns the vehicle for the purpose of responding to emergency requests for law enforcement or emergency services. The Association may require that a person parking a Utility Service Vehicle, Law Enforcement Vehicle or Emergency Services Vehicle pursuant to this subsection provide written confirmation from such person's employer that the person is qualified to park such vehicle in the manner set forth herein.

(r) Rights of Declarant and Builders: As long as Declarant or any Builder (or any of their respective affiliates) owns or leases any Lot or any part of the Annexable Property, Declarant and/or such Builder (as applicable), together with their respective duly authorized agents, representatives and employees may maintain any Lot owned or leased by such party, as model units or sales offices. Such rights shall additionally include the following: (a) Declarant may maintain management offices and signs and displays advertising Skye Hills; and (b) each Builder may maintain construction offices and signs and displays advertising the Builder's project and/or Lots.

(s) Subdivision of Lots; Subdivision and/or Conversion of Multi-Family Lots; Time Sharing:

(1) Residential Lots. No Residential Lot shall be subdivided or its boundary lines changed except with the prior written approval of the Board of Directors. Declarant, however, hereby expressly reserves the right for itself and any Builder to subdivide, change the boundary line of, and replat any Residential Lot(s) or other portion of the Property then owned by Declarant or a Builder without the prior approval of the Board of Directors. Any such division, boundary line change or replatting shall not violate the applicable subdivision and zoning regulations.

(2) Conversion of Multi-Family Lots. In the event that any development or building now or hereafter constructed within a Multi-Family Lot that is used or operated for "for lease" apartments, and the Owner thereof desires to convert the Multi-Family Lot to "for sale" residential condominium use or other "for sale" residential dwellings ("Conversion"), the Owner thereof must first obtain the prior consent of the Declarant. If, however, the Declarant (or any of its affiliates) no longer owns or has rights to acquire any part of the property described in Exhibit "A" or Exhibit "C", then the Owner must obtain the consent of the Board to the Conversion and the Conversion must be submitted the Owners for ratification. The Conversion ratification must occur as follows: (i) the Board gives notice of the Conversion and notice of a Conversion ratification meeting to each Owner; (ii) the Conversion ratification meeting must be not less than 14 or more than 30 days after the mailing of such notice to the Owners; and (iii) unless at that Conversion ratification meeting a majority of the total aggregate voting power of the Association reject the Conversion, the Conversion is ratified, whether or not a quorum is present. All costs and expenses reasonably incurred by the Association in connection with any Conversion ratification meeting shall be paid for by the Owner of the Multi-Family Lot requesting the Conversion. Furthermore, the Declarant must approve, prior to Recordation, the form of both the Subdivision Map and the Supplemental Declaration that is to be Recorded for the purpose of establishing the Multi-Family Lot as a "common-interest community"; provided, however, that if the Declarant (or any of its affiliates) no longer owns or has rights to acquire any part of the property described in Exhibit "A" or Exhibit "C", then the Board must approve the form of both the Subdivision Map and the Supplemental Declaration prior to the Recordation of each.

(3) Time Sharing. Declarant hereby expressly reserves the right to establish, with respect to Lots which it then owns, any type of timesharing, fraction-sharing or similar program whereby the right to exclusive use of the Lot and/or the Dwellings located thereon rotates among members of the program on a fixed or floating time schedule over a period of years. Except as otherwise may be established by Declarant, 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 and/or the Dwellings located thereon rotates among members of the program on a fixed or floating time schedule over a period of years.

(t) Board of Directors and Design Review Committee Discretion: Except as may be expressly provided in this Declaration, any consent or approval of the Board of Directors, Design Review Committee, or Association that is required under the provisions hereof may be granted or withheld in the sole and absolute discretion of the Board of Directors, Design Review Committee, or Association, as applicable. In that regard, the granting or withholding of such consent or approval shall not be subject to any objective standards of "reasonableness" or otherwise. Further, the approval of or consent to any matter shall not be deemed to be a waiver of the right to disapprove the same or similar matters in subsequent requests for consents or approvals from the same or other parties.

(u) Sight Visibility Zones: Certain sight visibility zones ("Sight Visibility Zones") may have been created and/or establish as set forth in the Subdivision Map (as applicable) to prevent obstructions of sightlines of the roadways within Skye Hills. No fence, wall, hedge, tree, shrub planting or other Improvement shall be placed or permitted to remain on any Lot within the Sight Visibility Zone which is higher than any applicable height limitation set forth in the Subdivision Map (as applicable).

(v) Slopes: Each Owner of a Lot agrees that he will permit free access by Owners of adjacent or adjoining Lots to slopes or drainage ways located on his Lot, which affect said adjacent or adjoining Lots, when such access is reasonably necessary for the maintenance or permanent stabilization of said slopes, or maintenance of the drainage facilities for the protection and use of property other than the Lot on which the slope or drainage way is located.

(w) Drainage: Each Owner of a Lot agrees that he will accept the burden of, and not in any way interfere with, the established drainage pattern over his Lot or from adjoining or other Lots over his Lot, or in the event it is necessary to change the established drainage, that he will make adequate provisions for proper drainage over his Lot. No structure or other material, including a wall or fence, shall be placed or permitted to remain which may damage, interfere with, obstruct, or retard the flow of water through drainage channels, or which may change the direction of flow of such channels. Without limiting the foregoing, each Owner shall use his reasonable efforts to prevent surface drainage on his Lot from accumulating behind a wall or fence in order to prevent or minimize the penetration of such water through or under the wall or fence and any staining of such wall or fence. For the purposes of this Declaration, "established" drainage is defined as the drainage which occurred at the time the overall grading of the Property, including, if applicable, the landscaping of each Lot within the Property, was completed by Declarant.

(1) If water drains toward the house or ponds against a residence, there is a possibility for damage to the structure. Each Owner shall be responsible to maintain all grading, landscaping, and hardscaping in such a manner as to keep water away from the foundation of the Owner's residence.

(2) Each Owner of a Lot agrees, as a part of the acceptance of the burden of the established drainage pattern over his Lot from adjoining or other Lots, to maintain any yard drain inlet and all other drainage features and improvements located on his Lot in a clean and fully functioning state, unblocked and free of silt and debris.

(3) Each Owner of a Lot agrees that in the event any slopes located on his Lot have been planted for stabilization of said slope or slopes and/or to comply with jurisdictional agencies' requirements, Owner shall adequately water and continuously maintain said slope or slopes.

(4) Each Owner of a Lot agrees that in the event that any slopes or other area(s) located on said Owner's Lot or elsewhere in the Property have had rip-rap, ground cover, or any other stabilization technique installed for the purpose of stabilization of slopes and/or as part of the drainage system for the Property, the Owner shall take no action that will remove, dislocate, wash out, cover up, or in any other way disturb or interfere with the proper functioning or installation of such material. This provision includes the installation, and/or maintenance of block walls and/or wood fences, including all retaining walls. Further, Owner agrees to restore said material to its condition when originally installed if any material is damaged, dislocated, or has its functioning impaired in any other way.

(5) In the event that an Owner of a Lot alters the grading of his Lot within five feet (5') of its property line, and this alteration results in a slope steeper than one foot (1') vertically to three feet (3') horizontal, that slope must be stabilized mechanically in order to protect the adjoining Lot. However, nothing in this Section shall be construed to prevent any such alteration in any manner, with or without retaining walls, by the Declarant, in carrying out the development and improvement of the Property.

(6) Each Owner agrees to comply with and assume responsibility for anything done or required to be done in compliance with the plans filed by Declarant with respect to the National Pollutant Discharge Elimination System (NPDES) and Declarant's Storm Water Pollution Prevention Plan (SWPPP). Each Owner shall assume all responsibility and liability relating to the prevention of pollutant discharge, including soil materials, from such Owner's Lot.

3.6 Occupants Bound. All of the use restrictions set forth in Section 3.5 shall apply to all Occupants, guests, and invitees of all Dwellings (as applicable). Every Owner shall cause all Occupants, guests, and invitees of his or her Dwelling to comply with the Governing Documents and shall be responsible for all violations and losses to the Areas of Common Responsibility caused by such Persons, notwithstanding the fact that such Persons also are fully liable and may be sanctioned for any violation.

3.7 Declarant Exemption. Each Dwelling owned by Declarant or any Builder shall be exempt from provisions set forth in Section 3.5, until such time as title to the Dwelling is transferred to a Purchaser. The activities of Declarant or a Builder that are reasonably related to the development, construction and marketing of the Property, shall be exempt from the provisions set forth in Section 3.5 and the Rules. This Section 3.7 may not be amended without Declarant's and any Builder's prior consent, and any purported amendment in violation of this provision shall be null and void.

Article 4.
Architecture and Landscaping

Subject to the rights and exemptions of Declarant and Builders as set forth in this Declaration, the following covenants, conditions and restrictions of this Article 4 shall apply to Skye Hills and the Owners and the Occupants and their guests, families, tenants and invitees.

4.1 General. No structure shall be placed, erected, or installed upon any part of the Property and no Improvements or other work (including staking, clearing, excavation, grading and other site work, exterior alterations of existing Improvements, painting the exterior of any structure, or planting or removal of landscaping) shall take place within the Property, except in compliance with the provisions of this Article.

No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme. Any Owner may remodel, paint or redecorate the interior of his or her Dwelling without the need for any approval under this Article 4, subject, however, to any approvals required pursuant to a Supplemental Declaration if the Lot is part of a Neighborhood Association. However, exterior modifications to a Dwelling or other Improvements on a Lot, and modifications to the interior of screened porches, patios, windows, and similar portions of a Dwelling that are visible from outside the structure shall be subject to the approval process set forth in this Article 4.

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

Article 4 shall not apply to (i) the Association after the Declarant Control Period, or (ii) the Declarant at any time, or (iii) a Builder who has obtained Declarant's approval of drawings and specifications for original construction.

4.2 Architectural Review.

(a) By Declarant. Each Owner, by accepting a deed or other instrument conveying any interest in any portion of Skye Hills, acknowledges that Declarant has a substantial interest in ensuring that the Improvements within the Property 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 ("Work") shall be commenced on such Owner's Lot unless and until the DRC has given its prior written approval for such Work.

The rights reserved to Declarant under this Article shall continue throughout the Declarant Rights Period.

Declarant shall delegate all the architectural review rights under this Article 4 to a design review committee appointed by the Declarant (the "DRC"). The members of the DRC designated by Declarant 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.

(b) Design Review Committee. Upon the expiration or termination of Declarant's rights under this Article, the Association, acting through the DRC, shall assume jurisdiction over all

architectural matters hereunder and the members of the DRC shall thereafter be appointed by the Association's Board of Directors. The DRC may, in the Board's direction, be divided into one or more committees, each of which shall have the sole responsibility for performance of those DRC responsibilities as may be designated by the Board. The members of the DRC 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's rights under this Article terminate, the Association shall have no jurisdiction over architectural and landscaping matters.

(c) Fees; Assistance. The DRC with the consent of the Board 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/or 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. The DRC, subject to the approval of the Board, may prepare the initial Design Guidelines, which contain general provisions applicable to all of Skye Hills and may contain specific provisions which vary from Neighborhood to Neighborhood. The Design Guidelines (if adopted) are intended to provide guidance to Owners and Builders regarding matters of particular concern to the DRC in considering applications hereunder. The Design Guidelines are not the exclusive basis for decisions of the DRC and compliance with the Design Guidelines does not guarantee approval of any application. The DRC shall have the authority to amend the Design Guidelines with the consent of the Board. Any amendments to the Design Guidelines shall be prospective only. There shall be no 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.

(b) Procedures. No Work shall commence on any portion of the Property until an application for approval has been submitted to and approved by the DRC. Such application shall include drawings 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 DRC may require the submission of such additional information as may be reasonably necessary to consider any application.

In reviewing each submission, the DRC may consider any factors it deems relevant, including, without limitation, harmony of external design with surrounding structures and environment. 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 DRC shall, within 30 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 DRC may, but shall not be obligated to, specify the reasons

for any objections and/or offer suggestions for curing any objections. If the DRC fails to respond within 30 days after receipt of a completed application, approval shall be deemed to have been denied.

If construction does not commence on a project for which Plans have been approved within one year after the date of approval, such approval shall be deemed withdrawn, and it shall be necessary for the Owner to reapply for approval before commencing the proposed Work. Once construction is commenced, it shall be diligently pursued to completion. All Work shall be completed within one hundred eighty (180) days of commencement unless otherwise specified in the notice of approval or unless the DRC grants an extension in writing, which it shall not be obligated to do. If approved Work is not completed within the required time, it shall be considered nonconforming and shall be subject to enforcement action by the Association, Declarant or any aggrieved Owner.

The DRC 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 Work until the Work is completed, in which case it may be unreasonable to require changes to the Improvements involved, but the DRC 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 Limitation of Liability. The standards and procedures established by this Article are intended as a mechanism for maintaining and enhancing the overall aesthetics of Skye Hills; they do not create any duty to any Person. Review and approval of any application pursuant to this Article is to be made on the basis of aesthetic considerations only and the DRC 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 Dwellings or with the Improvements on a Multi-Family Lot. Neither (1) Declarant nor (2) the Association, the Board, the DRC or any Neighborhood or its board or any committee or member of the foregoing, nor (3) any employee, agent or representative of those listed in (1) or (2) shall be held liable for (x) any claim whatsoever arising out of construction on or modifications to any Lot, (y) soil conditions, drainage or other general site work, any defects in plans revised or approved hereunder, or (z) any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Lot. In all such matters, the Persons protected under this Section 4.5 shall be defended and indemnified by the Association as provided in Section 7.6.

4.6 Certificate of Compliance. Any Owner may request that the DRC issue a certificate of architectural compliance certifying that there are no known violations of this Article 4 or the Design Guidelines. The DRC 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.

4.7 Cure of Nonconforming Work; Enforcement. Any construction, alteration, or other Work done in violation of this Article 4 shall be deemed to be nonconforming. Upon written request from Declarant, a Builder, the Association, or DRC, 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 Lot to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, Declarant, a Builder, 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, together with interest at the rate established by the Board (not to exceed the maximum rate then allowed by applicable law), may be assessed against the benefited Lot and collected as a Specific Assessment unless otherwise prohibited in this Declaration or the Act.

All approvals granted hereunder shall be deemed conditioned upon completion of all elements of the approved Work and all Work 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 Work by the deadline set forth in the approval, the Association shall be authorized, after notice to the Owner of the Lot and an opportunity to be heard in accordance with the Bylaws, to enter upon the Lot and remove or complete any incomplete Work and to assess all costs incurred against the benefited Lot and the Owner thereof as a Specific 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. The Association and/or Declarant shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article 4 and the decisions of the DRC.

Article 5. Maintenance and Repair

5.1 Maintenance of Lots. Each Owner shall maintain his or her Lot and all landscaping and Improvements comprising the Lot in a manner consistent with the Governing Documents, the Community-Wide Standard and all applicable covenants, unless such maintenance responsibility is otherwise assumed by or assigned to the Association or a Neighborhood pursuant to this Declaration, any Supplemental Declaration or any other declaration of covenants applicable to such Lot. If an Owner fails to maintain its Lot in conformance with the Governing Documents or if the condition of the Lot is otherwise in violation of the Governing Documents, then in addition to the authority granted under Section 7.2(d) of this Declaration, the Board shall have the right to either (i) after 30 days' written notice, seek any remedies at law or in equity which it may have; or (ii) after reasonable notice (unless there exists an unsafe or dangerous condition, in which case, the right shall be immediate, and no notice shall be required), to correct such condition and to enter upon such Owner's Lot for the purpose of so doing, and such Owner shall promptly reimburse the Association for the cost thereof, as a Specific Assessment enforceable in the manner set forth in the Declaration.

5.2 Maintenance of Neighborhood Property.

(a) Maintenance by Neighborhood Association. Each Neighborhood Association (if any) 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.

(b) Maintenance by the Association. The Owners within each Neighborhood that is not governed by a Neighborhood Association 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-way and greenspace between the Neighborhood and adjacent public roads 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, however, all Neighborhoods which are similarly situated shall be treated the same.

(c) Right of Association to Maintain Property in Neighborhood. 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.

5.3 Responsibility for Repair and Replacement. Unless otherwise specifically provided 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 Specific 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 or her Lot, the Owner shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other drawings and specifications as are approved in accordance with Article 4. Alternatively, the Owner shall clear the Lot and maintain it in a neat and attractive, landscaped condition consistent with the Community-Wide Standard and as approved by the DRC. 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.

PART THREE: COMMUNITY GOVERNANCE AND ADMINISTRATION

The success of Skye Hills is dependent upon the support and participation of every Owner in its governance and administration. The Declaration establishes the Association as the mechanism by which each Owner is able to provide that support and participation. While many powers and responsibilities are vested in the Association's Board of Directors, some decisions are reserved for the Association's membership -- the Owners of property in Skye Hills.

Article 6.

The Association and its Members

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

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 the restrictions on voting set forth in the Governing Documents, 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 Membership Classes and Voting Rights. The Association shall have two (2) classes of membership: Class A and Class B.

(a) Class A. Class A shall be composed of all of the Owners of Residential Lots. Each Owner shall have one (1) equal vote for each Residential Lot in which it holds the interest required for membership under Section 6.2, except that there shall be only one (1) vote per Lot. Accordingly, the total number of Class A votes for the Association shall equal the total number of Residential Lots subject to this Declaration, from time to time.

(b) Class B. Class B shall be composed of all of the Owners of Multi-Family Lots. Each Owner shall have one (1) equal vote for every five (5) Apartments located on each Multi-Family Lot in which it holds the interest required for membership under Section 6.2, except that there shall be no fractional votes. The total number of Class B votes for each Multi-Family Lot shall be equal the total number of Apartments contained on such Multi-Family Lot, divided by five (5) and then rounded to the nearest whole number. Accordingly, the total number of Class B votes for the Association shall be equal to the total number of Apartments subject to this Declaration, from time to time, divided by five (5) and rounded to the nearest whole number. Notwithstanding the foregoing, if a Multi-Family Lot is Converted in conformance with the requirements of Section 3.4(s), then, from and after the date that the Supplemental Declaration is Recorded that establishes the Multi-Family Lot as a "common-interest community", each "unit" (as defined in the Act) therein shall be deemed to be a Residential Lot for the purposes of this Declaration and this Section 6.3.

(c) Special Declarant Rights. Special Declarant Rights, 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 a majority of the Board of Directors during the Declarant Control Period.

(d) Co-Owners. Where a Lot is owned jointly by co-owners, only one (1) such co-owner ("Designated Co-Owner"), designated from time to time by all of the co-owners in a written instrument provided to the Secretary of the Association, shall be entitled to exercise the one (1) vote to which the Lot is entitled. Where no Designated Co-Owner has been designated, or if such designation has been revoked, the vote for such Lot shall be exercised as the majority of the co-owners of the Lot mutually agree. Fractional votes shall not be allowed. No vote shall be cast for any Lot where the co-owners present in person or by proxy owning the majority interests in such Lot cannot agree to said vote or other action. 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. Every Lot shall be located within a Neighborhood. A Multi-Family Lot may be classified as a single Neighborhood. Unless and until additional Neighborhoods are established, Skye Hills shall consist of a single Neighborhood. Lots within a particular Neighborhood may be subject to additional covenants. In addition, if required by law or otherwise approved by Declarant, Owners within the Neighborhood may be members of a Neighborhood Association in addition to the Association. Owners within a Neighborhood also may, but shall not be required to, elect a Neighborhood Committee to represent their interests. Neighborhood Committees may be elected as provided for in the Bylaws.

Exhibit "C" 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. The Board shall have the right to redesignate Neighborhood boundaries if the proposed action is: (a) approved by each Builder of the Dwellings constructed on the Lots which are to be redesignated, for so long as each such Builder has the right to subject additional property to this Declaration pursuant to rights assigned to such Builder by Declarant, (b) approved by the Board, and (c) ratified by the Owners of Lots in the affected Neighborhoods as set forth below in this paragraph. Any ratification by the Owners of Lots in the affected Neighborhoods required under this paragraph must occur as follows: (i) the Board gives notice of the proposed action and notice of a ratification meeting to each Owner of Lots in the affected Neighborhoods; (ii) the ratification meeting must be not less than 14 or more than 30 days after the mailing of such notice to the Owners of Lots in the affected Neighborhoods; and (iii) unless at that ratification meeting a majority of the total aggregate voting power of the Lots in the affected Neighborhoods reject the proposed action, the proposed action is ratified, whether or not a quorum is present.

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 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 may, in the Board's discretion, provide the requested services. The cost of services requested by a Neighborhood and provided by the Association, 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 Lots within such Neighborhood as a Neighborhood Assessment.

6.5 Declarant Reservation of Right to Notice and Participate. Declarant hereby reserves for itself, the rights set forth in this Section 6.5, to the fullest extent permitted under the Act, from the date of this Declaration and continuing until January 1, 2043.

(a) Notice. Declarant shall be given written notice of all meetings and proposed actions to be approved at meetings (or by written consent in lieu of a meeting) or any correspondence pertaining to any meetings or actions of the Association, the Board, or any committee, including but not limited to all correspondence and notices of all meetings of the Members or the Board. Such notice shall be given to Declarant either personally or by sending a copy of the notice through the mail or by telecopy to the address of Declarant appearing on the books of the Association or supplied in writing by Declarant to the Association for purpose of notice. Such notice shall be given in the same manner and be of the same content as required to be given to Members in accordance with the requirements contained in the Governing Documents and as required by the Act. Any representative of Declarant may attend any meeting at which a Member may attend. This Section may not be amended without the prior written consent of Declarant.

(b) Participation. Declarant shall be given the opportunity at any meeting of the Association, including Board and committee meetings, to join in or to have its representatives, or agents join in discussion from the floor of any prospective action, policy, or program. Declarant and its representatives, or agents may make its concerns, thoughts, and suggestions known to the Board and/or members of the subject committee, either during or outside of the meeting. This Section may not be amended without the prior written consent of Declarant.

Article 7.

Association Powers and Responsibilities

7.1 Acceptance and Control of The Association Property.

(a) To further its functions as set forth above, the Association, through action of its Board, may acquire, hold, improve, remodel, and dispose of tangible and intangible personal and real property. The Association may enter into leases, licenses, or operating agreements for portions of the Area of Common Responsibility, to permit use of such portions of the Area of Common Responsibility by community organizations and by others, whether nonprofit or for profit, or for the provision of goods or services for the general benefit or convenience of Owners and Occupants of Skye Hills.

(b) Within the timeframe required by the Act, and in accordance with the procedures set forth in NRS 116.31038, the Declarant shall deliver to the Association all personal property of the Owners and the Association which Declarant holds or controls including such items as are specifically required to be delivered under the Act.

(c) 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 Exhibit "A" or Exhibit "C". 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. Upon written request of Declarant, the Association shall reconvey to Declarant any property originally conveyed by Declarant to the Association for no consideration, to the extent conveyed by Declarant in error or needed by Declarant to make adjustments in property lines.

(d) The Association shall be responsible for management, operation, and control of the Area of Common Responsibility, subject to any covenants and restrictions set forth in the deed or other instrument transferring such property to the Association. The Board may adopt such reasonable rules regulating use of the Area of Common Responsibility as it deems appropriate.

7.2 Maintenance of Area of Common Responsibility; Maintenance of Exterior of Dwellings.

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

(1) All portions of and structures situated on the Common Elements, including without limitation, entrance monumentation.

(2) Landscaping within or adjacent to public rights-of-way within or abutting the Property.

(3) Such portions of any additional property included within the Area of Common Responsibility as may be dictated by this Declaration, any Supplemental Declaration, any covenant to share costs, or any contract or agreement for maintenance thereof entered into by the Association.

(4) Any property and facilities owned by Declarant and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members, such property and facilities to be identified by written notice from Declarant to the Association and to remain a part of the Area of Common Responsibility and be maintained by the Association until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Association.

(5) All perimeter walls or fences Declarant constructs surrounding the Property (including those walls or fences which separate a Lot from any real property that is not included in the Property), or which separate a Lot from Area of Common Responsibility (regardless of whether such wall or fence is located on the Area of Common Responsibility or on a Lot) and all perimeter walls or fences initially constructed by Declarant which separate any Common Element or Lot from any real property that is not included in the Property but which directly abuts such Common Element or Lot (regardless of whether such wall or fence is located on the Common Element, Lot or the Commercial Component). Except for that portion of the perimeter walls or fences consisting of wrought iron for which the Association shall have complete maintenance responsibility, an Owner shall be responsible for maintaining the interior surface of perimeter walls or fences located on such Owner's Lot. A perimeter wall or fence shall not be a party wall or party fence as set forth in Article 13. With respect to any wall or fence that is required to be maintained by the Association, no Owner may undertake or permit anything to occur on the Owner's Lot that causes any damage or increases the Association's maintenance costs therefor, including without limitation, the installation or placement any object on or against such wall or fence and the over-watering or over-spray of irrigation adjacent to the wall or fence.

(6) The maintenance, repair, and replacement of any irrigation lines or equipment within or serving the Project to the boundary of any Lot. Except as may otherwise be provided in a Supplement, any irrigation lines installed by an Owner and lines lying solely within or serving a single Lot shall be the responsibility of the Lot's Owner.

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

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 the Requisite Membership Percentage or Declarant (during the Declarant Rights Period) agree in writing to discontinue such operation. Notwithstanding the foregoing, the Board shall have the right to establish hours of operation, grant the right to lease, license or use specific areas designated as Common Elements, for exclusive use by one or more but not all Owners, provided that limited hours, lease, license or grant does not operate to deprive the remaining Owners from all useful enjoyment of the specific Common Element affected. The Area of Common Responsibility shall not be reduced during the Declarant Rights Period by amendment of this Declaration or any other means except with Declarant's prior written approval.

(c) Maintenance as Common Expenses. Costs associated with maintenance, repair and replacement of the Area of Common Responsibility 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 Neighborhood Common Elements shall be a Neighborhood Expense assessed to the Neighborhood(s) to which the Neighborhood Common Elements are assigned, notwithstanding that the Association may be responsible for performing such maintenance hereunder.

(d) Exterior Maintenance. Notwithstanding any other provision to the contrary contained herein, if the holder of a Mortgage on a Lot (i) has filed an action for the recovery of the debt or enforcement of any right secured or evidenced by the Mortgage, or (ii) has recorded a notice of breach and election to sell the Lot, then, to the extent permitted under the Act, then the Association after Notice and Hearing shall have the right (but not the obligation) to maintain the exterior of the Dwelling and/or remove or abate a public nuisance on the exterior of the Lot for which the Lot Owner would otherwise be responsible, if the Lot's Owner refuses or fails to do so. The Association shall notify the Owner in writing of the cost thereof, and in the event that Owner fails to reimburse the Association for its costs and expenses, such charges shall constitute a lien on that Owner's Lot, which may be enforced by the Association in accordance with the provisions of Article 8 of this Declaration and any such lien shall have the priority specified in Section 8.9.

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 Elements 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 employer's liability insurance, if and to the extent required by law.

(iv) Directors and officer's liability coverage.

(v) Commercial crime insurance, including fidelity insurance covering all Persons responsible for handling the funds of the Association in an amount determined in the Board's business judgment but not less than an amount equal to one-fourth (1/4) of the annual Base Assessments on all Lots plus reserves on hand; provided, there shall be no requirement that the Association maintain fidelity insurance during the Declarant Control Period. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation.

(vi) Such additional insurance as the Board, in its business judgment, determines is 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 Neighborhood Common Elements may be included in the Neighborhood Expenses of the Neighborhood(s) to which such Neighborhood Common Elements are assigned unless the Board reasonably determines that other treatment of the premiums is more appropriate.

(b) 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 Bylaws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their Occupants or Invitees, then the Board may assess the full amount of such deductible against such Owner(s) and their Lots as a Specific Assessment.

All insurance coverage obtained by the Board shall:

(i) be written by a reputable insurance company or companies qualified to do business in the State of Nevada and having an AM Best rating of not less than a B vii (to the extent available at commercially reasonable rates);

(ii) be written with a company authorized to do business in 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;

(iii) be written in the name of the Association as trustee for the benefited parties, and policies on the Common Elements shall be for the benefit of the Association and its Members but 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;

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

(v) contain an inflation guard endorsement;

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

(vii) 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 Elements as a Member in the Association (provided, this provision shall not be construed as giving an Owner any interest in the Common Elements other than that of a Member);

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

(ix) 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

(x) 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 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.

(c) Restoring Damaged Improvements. In the event of damage to or destruction of Common Elements 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 Elements shall be repaired or reconstructed unless the Owners representing at Requisite Membership Percentage and Declarant (if during the Declarant Control Period), decide within 120 days after the loss 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 120-day period, then the period shall be extended until such funds or information are available. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Elements 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.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by the Association for the benefit of its Members or the Owners of Lots within the insured Neighborhood, as appropriate, and placed in a capital improvements account. This is a covenant for the benefit of Mortgagees and 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 levy Special Assessments to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage under Section 7.3(a).

7.4 Compliance and Enforcement.

(a) Every Owner and Occupant of a Lot shall comply with the Governing Documents. The Board may impose sanctions for violation of the Governing Documents after Notice and Hearing. 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.

(b) 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 the Bylaws:

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

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

(c) 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 Specific Assessment. If a Neighborhood Association fails to perform its maintenance responsibilities, the Association may perform such maintenance and assess the costs as a Specific 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, the prevailing party shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, reasonably incurred in such action.

The Association shall not be obligated to take any action if the Board reasonably determines that, under the facts and circumstances presented: (a) Association's legal position does not justify taking any or further enforcement action; (b) the covenant, restriction or rule being enforced is, or is likely to be construed as, inconsistent with current law; (c) although a violation may exist or may have occurred, it is not so material as to be objectionable to a reasonable person or to justify expending the Association's resources; or (d) it is not in the Association's best interests to pursue an enforcement action. Such a decision shall not be construed a waiver of the right of the Association to enforce such provision at a later time under other circumstances or estop the Association from enforcing any other covenant, restriction or rule.

7.5 Implied Rights; Board Authority. The Association, by contract or other agreement, shall have the right but not the obligation to enforce applicable ordinances of the County within Skye Hills for

the benefit of the Association and its Members. Furthermore, the Association may permit the County access for the enforcement of such ordinances within Skye Hills.

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 may be permitted under the Governing Documents or applicable 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 or wanton misfeasance, or gross negligence. 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).

The Association shall indemnify and forever hold each such officer, director 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.

(c) Adequate Insurance. 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 Security. The Association may, but shall not be obligated to, maintain or support certain activities within Skye Hills designed to make Skye Hills safer than it otherwise might be. Neither the Association nor Declarant shall in any way be considered insurers or guarantors of security within Skye Hills, nor shall either 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 Planned Community or Skye Hills, 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 Occupants of its Lot that the Association, its Board and committees, and Declarant are not insurers and that each Person using Skye Hills assumes all risks of personal injury and loss or damage to property, including Lots and the contents of Lots, resulting from acts of third parties.

7.8 Powers of the Association Relating to Neighborhood Associations. The Association shall have the power to veto any action taken or contemplated to be taken by any Neighborhood Association 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 Specific Assessments to cover the costs, as well as an administrative charge and sanctions.

7.9 View Impairment. DECLARANT AND THE ASSOCIATION 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 AND THE ASSOCIATION SHALL NOT HAVE THE OBLIGATION TO RELOCATE, PRUNE, OR THIN TREES OR OTHER LANDSCAPING. 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. FURTHERMORE, THE CONSTRUCTION OR INSTALLATION OF IMPROVEMENTS BY DECLARANT, THE ASSOCIATION, BUILDERS, OTHER OWNERS, OR THIRD PARTIES MAY IMPAIR OR ELIMINATE THE VIEW, IF ANY, OF OR FROM LOTS AND/OR COMMON ELEMENTS. ANY EXPRESS OR IMPLIED EASEMENTS FOR VIEW PURPOSES OR FOR THE PASSAGE OF LIGHT AND AIR ARE HEREBY EXPRESSLY DISCLAIMED.

Article 8. Association Finances

8.1 Levy and Allocation of Base Assessments. Upon determining the total amount of income required to be generated through the levy of Base Assessments, the Association shall allocate such amount as a Base Assessment among all Lots subject to assessment based upon the assessment shares set forth in this Section 8.1 ("Assessment Share"). The amount allocated to each Lot shall be then levied as a Base Assessment.

(a) **Assessment Share for Lots.** Subject to the provisions of this Section 8.1(b) below, each Residential Lot shall be assessed one Assessment Share.

(b) **Unmapped Residential Lots.** With respect to any portion of the Property (other than Multi-Family Lots) that is owned by a Builder but which has not yet been subdivided into Residential Lots pursuant to a Subdivision Map, the Base Assessments shall be calculated with respect to such parcels based on fifty percent (50%) of an Assessment Share for each of the maximum number of permissible residential lots permitted under the applicable zoning designation for the parcel.

(c) **Multi-Family Lots.** Each Multi-Family Lot shall be assessed one Assessment Share for every five (5) Apartments located on that Multi-Family Lot. Prior to the completion of the Apartments on a Multi-Family Lot, any portion of the Property which is a parcel of vacant land or land on which Improvements are under construction shall be deemed to contain the number of Apartments that are designated for residential use for such parcel pursuant to the terms of any declaration of restrictions Recorded by Declarant against the Multi-Family Lot, or if no designation is made by Declarant, the maximum number of permissible Apartments permitted under the applicable zoning designation for the parcel. Notwithstanding the foregoing, if a Multi-Family Lot is Converted in conformance with the

requirements of Section 3.4(s), then, from and after the date that the Supplemental Declaration is Recorded that establishes the Multi-Family Lot as a "common-interest community", each "unit" (as defined in the Act) therein shall be deemed to be a Residential Lot for the purposes of this Declaration and this Section 8.1.

8.2 Budgeting and Allocating Common Expenses. At least 60 days before the beginning of each fiscal year, the Board shall prepare a budget of the estimated Common Expenses for the coming year in compliance with the Act, which shall include the budget for the daily operation of the Association and an adequate reserve for the repair, replacement and restoration of the major components of the Common Elements and other Areas of Common Responsibility that the Association is obligated to maintain, repair, replace or restore pursuant to Section 8.4. The budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Lots, and the amount to be generated through the levy of Base Assessments and Special Assessments against the Lots, as authorized in Section 8.5. 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.

The Board shall send a copy of the final budget or a summary thereof, together with notice of the amount of the Base Assessment to be levied pursuant to such budget and a copy of the Collection Policy, to each Owner within 60 days after the adoption of the budget and the Board shall set a date for a meeting of the Owners to consider ratification of the budget. The meeting shall be not less than 14 or more than 30 days after mailing of the budget or summary. Unless at that meeting a majority of the total aggregate voting power of the Association reject the budget, the budget is ratified, whether or not a quorum is present.

If any proposed budget is rejected, the periodic budget last ratified by the Owners continues until the Owners ratify a subsequent budget proposed by the Board.

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 Owners to disapprove the revised budget as set forth above.

Notwithstanding the foregoing, to the fullest extent not prohibited by the Act, the Board shall have the power to increase the Base Assessments above the amount set forth in the budget adopted pursuant to the provisions of this Section 8.2, in the situations set forth below in this Section 8.2.

(a) Reserves. The Board shall have the power to increase the Base Assessments above the amount set forth in the budget adopted pursuant to the provisions of Section 8.2 above, if prior to the imposition or collection of an Base Assessment increase pursuant to this Subsection 8.2(a), the Board passes a resolution containing written findings that (1) the increase is necessary and reasonable to establish and/or carry out a funding plan for adequate reserves for the repair, replacement and restoration of the major components of the Common Elements and other Areas of Common Responsibility that the Association is obligated to maintain, repair, replace or restore, and (2) the increase is based on a reserve study prepared in accordance with NRS 116.31152. The resolution shall be distributed to the Members with a notice of Base Assessment increase not less than 30 nor more than 60 days prior to the increased Base Assessment becoming due.

(b) Emergency Situations. The Board shall also have the power to increase the Base Assessments above the amount set forth in the budget adopted pursuant to the provisions of Section 8.2 above, if prior to the imposition or collection of an Base Assessment increase pursuant to this Subsection 8.2(b), the Board passes a resolution containing written findings that the increase is necessary due to any Emergency Situation (as defined below). The resolution shall be distributed to the Members with a notice of Base Assessment increase not less than 30 nor more than 60 days prior to the increased Base Assessment becoming due. As used in this Subsection 8.2(b) "Emergency Situation" shall mean the occurrence of any one of the following: (i) an extraordinary expense required by an order of a court; (ii) an extraordinary expense necessary to repair or maintain Skye Hills or any portion thereof for which the Association is responsible when a threat to personal safety on the Property or Skye Hills is discovered; and (iii) an extraordinary expense necessary to repair or maintain the Property, Skye Hills, or any portion thereof for which the Association is responsible that could not have been reasonably foreseen by the Board when preparing the budget pursuant to Section 8.2 hereof.

8.3 Budgeting and Allocating Neighborhood Expenses. At least 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 ("Neighborhood Budget"). Each such Neighborhood Budget shall be prepared in compliance with the Act, and shall include any costs for additional services or a higher level of services which the Owners in such Neighborhood have ratified pursuant to Section 6.4(a) and an adequate reserve for the repair, replacement and restoration of the major components of the Neighborhood Common Elements attributable to the Neighborhood pursuant to Section 8.4. The Neighborhood 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 8.7 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.

When applicable, the Board shall send a copy of the final Neighborhood Budget or a summary thereof, together with notice of the amount of the Neighborhood Assessment to be levied pursuant to such Neighborhood Budget, to each Owner within 60 days after the adoption of the Neighborhood Budget and the Board shall set a date for a meeting of the Owners in that Neighborhood to consider ratification of the budget. The meeting shall be not less than 14 or more than 30 days after mailing of the Neighborhood Budget or summary. Unless at that meeting a majority of the total aggregate voting power of that Neighborhood reject the budget the Neighborhood Budget is ratified, whether or not a quorum is present.

If any proposed Neighborhood Budget is rejected, the periodic budget last ratified by the applicable Owners in that Neighborhood shall continue in effect until the Owners ratify a subsequent Neighborhood Budget proposed by the Board of Directors.

The Board may revise the Neighborhood 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 Neighborhood Budget as set forth above.

8.4 Budgeting for Reserves. The Board shall establish and maintain a separate reserve account for the repair, replacement and restoration of the major components of the Common Elements and other Areas of Common Responsibility that the Association is obligated to maintain, repair, replace or restore based upon the age, remaining life and the quantity and replacement cost of major components of the Common Elements, in accordance with the provisions of this Declaration and the Bylaws. While the reserve account of the Association may be combined with the applicable reserve funds of any Neighborhood, in no event may any reserve funds be used for the daily maintenance expenses of Skye Hills. The Board shall additionally cause to be conducted at least once every 5 years, or more often as may be required by the Act, a study of the reserves required for the repair, replacement and restoration of the major components of the Common Elements. Such reserve study shall be prepared in compliance with the Act and shall be reviewed at least annually (during the preparation of the Association budget) to determine if those reserves are sufficient in order to make any adjustments as may be necessary to maintain adequate reserves.

8.5 Special Assessments. In addition to other authorized assessments, the Association may levy Special Assessments to cover capital improvements, to cover unbudgeted expenses or to cover expenses in excess of those budgeted. Any such Special Assessment shall 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 the Requisite Membership Percentage (if Common Expense) or the Requisite Neighborhood Percentage (if Neighborhood Expense), and the written Consent of Declarant if during the Declarant Rights Period. 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.

8.6 Specific Assessments. The Association shall have the power to levy Specific Assessments against a particular Lot as follows:

(a) to cover the costs, including overhead and administrative costs, 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 8.9). Specific Assessments for special services may be levied in advance of the provision of the requested service;

(b) to cover costs incurred in bringing the Lot into compliance with the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or Occupants of the Lot, and their Invitees; provided, the Board shall give the Lot Owner prior written notice and an opportunity for a hearing, in accordance with the Bylaws, before levying any Specific Assessment under this subsection (b); and

(c) the Association may also levy a Specific 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, subject to Notice and Hearing with respect to such Owners in the Neighborhood before levying any such assessment.

8.7 Authority to Assess Owners; Time of Payment. Declarant hereby 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 next calendar quarter (or month if the Board establishes monthly installments) following the date the Lot is made subject to this Declaration.

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. Notwithstanding the foregoing, if a Subsidy Agreement is in effect, Assessments as to all unsold Lots owned by Declarant shall commence upon termination or expiration of the Subsidy Agreement.

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. Unless the Board otherwise provides, the Base Assessment and any Neighborhood Assessment shall be due and payable in quarterly installments due on the first day of each calendar quarter. If any Owner is delinquent in paying any assessments or other charges levied on his Lot, the Board may require the outstanding balance on all assessments to be paid in full immediately.

8.8 Personal Obligation for Assessments. Each Owner, by accepting a deed or entering into a Recorded contract of sale for any portion of the Property, is deemed to covenant and agree to pay all Assessments authorized in the Governing Documents. All Assessments, together with interest at the rate established by the Board (not to exceed the maximum rate then allowed by applicable law), late charges as determined by Board resolution, costs, and reasonable attorneys' fees, shall be the personal obligation of each Owner and a lien upon each Lot until paid in full. Upon a transfer of title to a Lot, the grantee shall be jointly and severally liable for any Assessments and other charges due at the time of conveyance.

Failure of the Board to fix Assessment amounts or rates or to deliver or mail each Owner an Assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay Assessments. In such event, each Owner shall continue to pay Base Assessments and any 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 the Common Elements, 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.

Upon written request, the Association shall 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.

8.9 Lien for Assessments. The Association shall have a lien against each Lot to secure payment of delinquent Assessments, as well as interest, late charges (subject to the limitations of Nevada law), and costs of collection (including attorneys' fees). Such lien shall be superior to all other liens which are Recorded after the Recordation of this Declaration, except as otherwise provided in the Act. Such lien, when delinquent, may be enforced by suit, judgment, and judicial or nonjudicial foreclosure.

Fees, charges, late charges, fines and interest charged pursuant to the Act and the Governing Documents are enforceable as Assessments under this Section and, unless otherwise prohibited by the Act, the Association may foreclose upon a lien for unpaid Assessments regardless of whether the Assessment is comprised solely of fines levied against an Owner for violation of the Governing Documents.

The Association's lien may be foreclosed in the manner set forth in the Act or any other manner permitted by law; provided, however, that to the extent prohibited by the Act, the Association may not proceed to foreclose a lien hereunder if: (i) the Lot is "owner-occupied housing" (as defined in NRS Chapter 107) encumbered by a deed of trust; (ii) the beneficiary (or its successor beneficiary) under the deed of trust or the trustee under the deed of trust has recorded a notice of default and election to sell with respect to the Lot pursuant to NRS 107.080(2); and (iii) the trustee of Record under the deed of trust has not recorded the certificate provided to the trustee pursuant to NRS 107.086(2)(e)(1) or (2).

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.

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 shall extinguish the lien as to any installments of such Assessments due prior to the Mortgagee's foreclosure except to the extent that any such Assessments have priority over the lien of the first Mortgage by operation of the Act. The subsequent Owner of 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 8.7, including such acquirer, its successors and assigns. The lien rights created in this Declaration shall be for the benefit of the Association.

8.10 Exempt Property. The following property shall be exempt from payment of Base Assessments, Neighborhood Assessments, Special Assessments and Specific Assessments:

- (a) All Common Elements and such portions of the property owned by Declarant as are included in the Area of Common Responsibility;
- (b) All property within Skye Hills owned or maintained by the Association or by another residential association, and any other property not subject to this Declaration;
- (c) Any property dedicated to and accepted by the County, any governmental authority or public utility;

(d) Property owned by any Neighborhood Association for the common use and enjoyment of its members, or owned by the members of a Neighborhood Association as tenants-in-common; and

(e) Any Lot that is exempt from taxation pursuant to NRS 361.125, but only to the extent that the Lot is exempt from any such assessments, charges and/or liens by operation of NRS 116.3102(3).

8.11 Capitalization of Association. Upon acquisition of record title to a Lot by the first Purchaser, that first Purchaser shall make a contribution to the working capital of the Association in an amount equal to one-sixth (1/6) of the annual Base Assessment per Lot for that year. Capital contributions made under this Section 8.11 shall be in addition to, not in lieu of, the annual Base Assessment and shall not be considered an advance payment of such assessment. Each Lot's share of the working capital fund shall be collected and then contributed to the Association by Declarant either at the time the sale of the Lot is closed or at the termination of the Declarant Control Period, if earlier. While Declarant is in control of the Board, Declarant cannot use any of the working capital funds to defray the Declarant's own development expenses or construction costs.

8.12 Subsidy Agreements and Declarant Advances.

(a) Subsidy Agreements. The Association is specifically authorized to enter into an agreement (a "Subsidy Agreement") with the Declarant under which such party agrees to subsidize, directly or indirectly, the operating costs of the Association.

(b) Declarant Advances. During the Declarant Control Period, Declarant shall have the right, but not the obligation, to advance funds and/or make loan(s) to the Association ("Declarant Advances") from time to time for the sole purpose of paying Common Expenses in excess of Association funds then reasonably available to pay Common Expenses. The aggregate amount of any Declarant Advances outstanding from time to time, together with interest at a reasonable rate established by Declarant, shall be repaid by the Association to Declarant as soon funds are reasonably available therefore (or, at Declarant's sole and absolute discretion, may be set off and applied by Declarant from time to time against any and all past, current, or future Common Expense Assessments and/or contributions to reserve accounts, to such extent, if any, Declarant is obligated to pay any such amounts under this Declaration, any Subsidy Agreement, or under applicable Nevada law).

8.13 Administrative Fee - File Set Up. Upon the transfer of record title to a Lot by each Owner (including Declarant), the transferee of such Lot shall pay to the Association an administrative transfer fee in such amount as may be reasonably determined by the Board from time to time to reimburse the Association for the administrative cost of transferring the membership in the Association to the new Owner on the records of the Association. The amount of the administrative transfer fees imposed under this Section shall be additionally subject to the limitations set forth in the Act.

8.14 Statement of Demand. The Association, upon written request, shall furnish an Owner or its authorized agent or Mortgagee, with a statement of demand to the Person who may request such a statement, in the form and content as may be required by the Act and for the fees and within the time frames as may be required by the Act. The statement is binding on the Association to the extent set forth in the Act.

PART FOUR: COMMUNITY DEVELOPMENT

The Declaration reserves various rights to the Declarant in order to facilitate the smooth and orderly development of Skye Hills.

Article 9. Expansion of the Community

9.1 Expansion by Declarant. Declarant, from time to time, may make subject to the provisions of this Declaration all or any portion of the property described in Exhibit "C", by Recording a Supplemental Declaration which describes the additional property to be subjected and which otherwise complies with the Act and the provisions of this Section 9.1. Other than the property described on Exhibit "C" hereto, no other additional property may be added and subjected to this Declaration or the Property. Declarant shall have the right hereunder to create up to the Maximum Number of Lots in Skye Hills. A Supplemental Declaration Recorded pursuant to this Section shall not require the consent of any Person except the owner of such property, if other than Declarant. Declarant's right to expand Skye Hills includes the right to create Lots, Common Elements, Neighborhoods and Neighborhood Common Elements with respect to such annexed property.

Declarant's rights pursuant to this Section shall expire 20 years after this Declaration is Recorded. 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 Exhibit "A" or Exhibit "C". Any such transfer shall be memorialized in a written, Recorded instrument executed by Declarant.

Nothing in this Declaration shall be construed to require Declarant or any of its respective successors to subject additional property to this Declaration or to develop any of the property described in Exhibit "C" in any manner whatsoever.

Each Supplemental Declaration which subjects real property to the Declaration shall contain the following information, as applicable:

- (a) A legal description of the real property to be annexed;
- (b) The total number Lots and the classification of such Lots (whether Residential Lots or Multi-Family Lots);
- (c) A designation of the Neighborhood or Neighborhoods to which the Lots contained within the real property to be annexed are to be included within;
- (d) A legal description of the Common Elements included therein, if any;
- (e) If any part of the Common Elements is designated as Neighborhood Common Elements then the Supplemental Declaration shall identify the Neighborhood Common Elements and the Lots or Neighborhood to which such Neighborhood Common Elements are assigned;
- (f) If the real property being annexed is part of a Neighborhood Association, then the Supplemental Declaration shall identify the Neighborhood Association and specify the common property and any other property for which the Neighborhood Association has maintenance responsibility;

(g) A description of any additional Areas of Common Responsibility for which the Association is to become obligated to maintain;

(h) If a Builder has been designated by Declarant for the real property to be annexed, then the Supplemental Declaration shall include the name and address of the Builder;

(i) State that the real property to be annexed is subjected to the covenants, conditions, and restrictions contained herein;

(j) Provide for the readjustment of voting rights and assessment allocations in accordance with the formulas provided herein;

(k) State that any such expansion shall be effective upon the Recordation of the Supplemental Declaration except as provided therein; and

(l) Contain such other information as may be necessary to comply with the applicable provisions of the Act.

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 not less than the Requisite Membership Percentage at a meeting duly called for such purpose and the consent of the owner of the property. In addition, so long as Declarant (or any of its affiliates) owns or has rights to acquire any part of the property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1, Declarant's consent 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.

9.3 Additional Covenants and Easements. Declarant may subject any portion of the Property 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 Effect of Filing Supplemental Declaration. A Supplemental Declaration shall be effective upon Recording unless otherwise specified in such Supplemental Declaration. On the effective date of the Supplemental Declaration, any additional property subjected to this Declaration shall be assigned voting rights in the Association and assessment liability in accordance with the provisions of this Declaration.

Article 10.
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 any portion of the Property, which has not yet been improved with structures, from the coverage of this Declaration, provided such withdrawal does not reduce the total number of Lots then subject to the Declaration by more than 10%. Such amendment shall not require the consent of any Person other than the Owner(s) of the property to be withdrawn, if not the Declarant. If the property is part of the Common Elements, the Association shall consent to such withdrawal.

10.2 Marketing and Sales Activities. Declarant and Builders authorized by Declarant may construct and maintain upon portions of the Common Elements such facilities and activities as, in Declarant's sole opinion, may be reasonably required, convenient, or incidental to the construction or sale of Lots, including, but not limited to, business offices, sales offices, signs, flags, banners, displays, model units, and sales offices. Declarant and authorized Builders shall have easements for access to and use of such facilities.

10.3 Right to Develop. Declarant and its respective employees, agents and designees shall have a right of access and use and an easement over and upon all of the Common Elements for the purpose of making, constructing and installing Improvements to (a) the Common Elements, (b) any real property which may be added to Skye Hills by Declarant under Article 9, (c) any real property owned by Declarant or which Declarant has the right to acquire, and (d) any other real property adjacent to the Property.

Every Person that acquires any interest in the Property acknowledges that Skye Hills is a planned community the development of which is likely to extend over many years, and agrees not to protest, challenge or otherwise object to changes in uses or density of property outside Skye Hills.

10.4 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 Property without Declarant's review and written consent. Any attempted Recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by written consent signed and Recorded by Declarant. Once approved by Declarant and Recorded, any declaration (as defined in the Act) or similar instrument affecting any portion of the Property shall be in addition to and not in limitation of, the provisions of this Declaration. In the event of any conflict between this Declaration or any other Governing Document and any declaration (as defined in the Act) or similar instrument affecting any portion of the Property, which is Recorded, then the terms of the Governing Documents shall control.

10.5 Right to Approve Changes in Standards. No amendment to or modification of any Rules and Regulations or the Skye Hills the Design Guidelines shall be effective without prior notice to and the written approval of Declarant so long as Declarant (or any of its affiliates) owns or has rights to acquire any part of the property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1.

10.6 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.

10.7 Right To Appoint and Remove Directors During Declarant Control Period. Declarant may appoint and remove the Association's officers and directors during the Declarant Control Period in accordance with the provisions of this Declaration and the Governing Documents.

10.8 Right To Designate Sites for Governmental and Public Interests. For so long as Declarant (or any of its affiliates) owns or has rights to acquire any part of the of the Property, Declarant may designate sites within or adjacent to the Property 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.

10.9 Right To Transfer or Assign Declarant Rights. Any or all of Declarant's special rights and obligations set forth in this Declaration or the Bylaws 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 Bylaws. No such transfer or assignment shall be effective unless it is in a written instrument signed and Recorded 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 the Property to the extent reasonably necessary for the purposes of access, inspecting, testing, redesigning, correcting, or improving any portion of the Property, including Lots and the Area of Common Responsibility. Declarant shall have the right to redesign, correct, or improve any part of the Property, 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 upon reasonable notice to the Owner; provided, in an emergency, no such notice need be given. Entry into a Lot shall be only after Declarant notifies the Owner (or Occupant) and agrees with the Owner regarding a reasonable time to enter the Lot to perform such activities. Each Owner agrees to cooperate in a reasonable manner with Declarant in Declarant's exercise of the rights provided to it by this Section. Entry onto the Area of Common Responsibility and into any Improvements and structures thereon may be made by Declarant at any time, provided advance notice is given to the Association.

(c) Association. From and after the end of the Declarant Rights Period, the Association shall have each of the easements and rights of entry set forth in Sections 10.10(a) and (b) above, but only to the extent reasonable and necessary in the performance of the Association's express obligations set forth in this Declaration.

10.11 Equal Treatment. Throughout the Declarant Rights Period and continuing thereafter for so long as Declarant (or any of its affiliates) or any Builder owns any part of the real property described in Exhibit "A" and/or Exhibit "C", the Association shall not, without the prior consent of Declarant and/or any Builder to the extent that each may be affected, adopt any policy, rule, or procedure that:

(i) limits the access of Declarant, any Builder, and their respective successors, assigns, and affiliates or their employees, agents, representatives, and/or guests, including visitors, to the Common Elements of the Association or to any real property owned by any of them;

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

(iii) limits or prevents Owners from becoming members of the Association, subject to the provisions of this Declaration and the Bylaws, or enjoying full use of its Common Elements;

(iv) impacts the ability of Declarant, any Builder, and their respective successors, assigns, and affiliates, to carry out to completion its development plans and related construction activities for Skye Hills, 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 Skye Hills 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

(v) impacts the ability of Declarant, any Builder, and their respective 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 Elements to interfere with the rights of Declarant, or any Builder set forth in this Declaration or to impede access over the streets and other Common Elements within the Property to any portion of: (1) the Property, or (2) any other property that may be added to Skye Hills under Article 9.

10.12 Reserved.

10.13 Other Rights. Declarant hereby reserves all other easements, rights, powers, and authority of Declarant set forth in this Declaration.

10.14 Exemption of Declarant. Notwithstanding anything to the contrary in this Declaration, the following shall apply:

(a) Nothing in this Declaration shall limit, and no Owner or Association shall do anything to interfere with, the right of Declarant to complete excavation and grading and the construction of Improvements to and on any portion of the real property described on Exhibit "A" and Exhibit "C", or to alter the foregoing and Declarant's construction plans and designs, or to construct such additional Improvements as Declarant deems advisable in the course of its development of the Planned Community.

(b) This Declaration shall in no way limit the right of Declarant to grant additional licenses, easements, reservations and rights-of-way to itself, to governmental or public authorities

(including without limitation public utility companies), or to others, as from time to time may be reasonably necessary to the proper development and disposal of Lots.

(c) Prospective Purchasers and Declarant shall have the right to use all and any portion of the Common Elements for access to the sales facilities of Declarant.

10.15 Termination of Rights. The rights contained in this Article 10 shall terminate as specifically provided in NRS Chapter 116, or at the end of the Declarant Rights Period, if later. This Article 10 shall not be amended during the Declarant Rights Period without the prior written consent of Declarant.

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 11. Easements

11.1 Easements in the Common Elements. Declarant grants to each Owner a nonexclusive right and easement of use, access, and enjoyment in and to the Common Elements for the purposes for which each such Common Element is intended, 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 use and enjoyment of the Common Elements, including, without limitation, rules limiting the number of guests who may use the Common Elements;
 - (ii) suspend the right of an Owner to use recreational facilities within the Common Elements (A) for any period during which any charge against such Owner's Lot remains delinquent more than 30 days, and (B) for a reasonable period of time, as established by the Board from time to time after Notice and Hearing;
 - (iii) dedicate or transfer all or any part of the Common Elements, 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 Elements;

(v) permit use of any recreational facilities situated on the Common Elements by persons other than Owners, their families, lessees and guests with or without payment of use fees established by the Board and designate other areas and facilities within the Area of Common Responsibility as open for the use and enjoyment of the public; and

(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 the Act;

(d) The rights of certain Owners to the exclusive use of those portions of the Common Elements designated "Neighborhood Common Elements," as described in Article 12;

(e) The use restrictions set forth in Section 3.5 and any other applicable covenants; and

(f) The right of the Association to rent or lease any portion of the recreational facilities within the Common Elements 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.

Any Owner may extend his or her right of use and enjoyment to the Occupant of that Owner's Lot, and the Family members and Invitees of that Owner or Occupant, as applicable, subject to reasonable regulation by the Board. An Owner who leases his or her Lot shall be deemed to have assigned all such rights to the lessee of such Lot for the period of the lease.

11.2 Easements of Encroachment and Maintenance.

(a) Encroachment. Declarant grants reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Lot and any adjacent portion of the Common Elements 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.

(b) Maintenance. Reciprocal, non-exclusive easements are hereby granted to each Owner and each Lot, over the adjoining Lot(s), for: (1) the control, installation, maintenance and repair of any drainage facilities serving such Owner's Lot; (2) drainage of water resulting from the normal use thereof or of neighboring Lots (including without limitation, over and across the roofs, gutters and drains of adjacent Dwellings thereon) and/or Common Elements; and (3) the use, maintenance, repair and replacement of the Owner's Lot and Dwellings to the extent reasonably necessary to perform such use, maintenance, repair and/or replacement. If any Owner exceeds the scope of any easement granted under this Section 11.2(b) and thereby causes bodily injury or damage to property, the injured or damaged Owner shall pursue any and all resultant claims against the offending party, and not against the Association, Declarant or any applicable Builder.

11.3 Easements for Utilities, Etc.

(a) Installation and Maintenance. Declarant reserves for itself, and each Builder, during the Declarant Rights Period and thereafter so long as Declarant (or any of its affiliates) or any Builder owns or has the right to acquire any part of the property described in Exhibit "A" or Exhibit "C" of this Declaration, and grants to the Association and all utility providers, perpetual non-exclusive easements throughout the Common Elements and the Property (but not through a structure) to the extent reasonably necessary for the purpose of:

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

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

(iii) access to read utility meters.

(b) Specific Development. 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 Exhibit "A" and Exhibit "C". The Owner of any property to be burdened by any easement granted pursuant to this subsection (b) shall be given written notice in advance of the grant. The location of the easement shall be subject to the written approval of the Owner of the burdened property, which approval shall not unreasonably be withheld, delayed or conditioned.

(c) Minimal Interference. 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. Regardless of whether such specification is made, upon completion of the work, the Person exercising the easement shall restore the property, to the extent reasonably possible, to its condition prior to the commencement of the work. The exercise of these easements shall not extend to permitting entry into the structures on any Lot, nor shall it unreasonably interfere with the use of any Lot and, except in an emergency, entry onto any Lot shall be made only after reasonable notice to the Owner or Occupant.

11.4 Easements to Serve Additional Property. Declarant hereby reserves for itself and its respective duly authorized agents, successors, assigns, and mortgagees, an easement over the Common Elements for the purposes of enjoyment, use, access, and development of the property described in Exhibit "C", 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 Elements 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 Elements as a result of their actions in connection 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 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 only be during reasonable hours and after notice to the Owner.

11.6 Easement for Special Events. Declarant hereby reserves for itself and its respective successors, agents, assigns and designees, a perpetual, nonexclusive easement over the Common Elements for the purpose of sponsoring or conducting activities, events or projects of general community interest at such locations and times as Declarant, in its sole discretion, deems appropriate. Each Owner, by accepting a deed or other instrument conveying any interest in a Lot, acknowledges and agrees that the exercise of this easement may result in a temporary increase in traffic, noise, gathering of crowds, and related inconveniences, and each Owner agrees on behalf of itself and the Occupants of its Lot to take no action, legal or otherwise, which would interfere with the exercise of such easement. The Association shall take no action which would interfere with or otherwise attempt to restrict the exercise of this easement.

11.7 Easements for Cross-Drainage. Declarant hereby reserves for itself and grants to the Association easements over every Lot and the Common Elements (and other portions of the Area of Common Responsibility, to the extent practicable) for natural drainage of storm water runoff from other portions of the Property provided, no Person shall alter the natural drainage on any Lot to increase materially the drainage of storm water onto adjacent portions of the Property without the consent of the Owner(s) of the affected Property, the Board and the Declarant (during the Declarant Rights Period).

11.8 Rights to Stormwater Runoff, Effluent and Water Reclamation. Declarant hereby reserves for itself and its respective designees all rights to ground water, surface water, storm water runoff, and effluent located or produced within the Property, 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 Property 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.

11.9 Easements for Parking; Easements for Vehicular and Pedestrian Traffic. The Association, through the Board, is hereby empowered to establish "parking" and/or "no parking" areas within the Common Elements, and to establish Rules and Regulations governing such matters, as well as to enforce such parking limitations and rules by all means lawful for such enforcement on public streets, including the removal of any violating vehicle, by those so empowered, at the expense of the Owner of the violating vehicle. If any temporary guest or recreational parking is permitted within the Common Elements, such parking shall be permitted only within any spaces and areas clearly marked for such purpose.

11.10 Easements for Public Service Use. In addition to the foregoing easements over the Common Elements, there shall be and Declarant hereby reserves for itself, all future Owners within the Property, and all Persons owning or occupying any other portion of the real property within the Planned Community, easements for: (a) placement of any fire hydrants on portions of certain Lots and/or Common Elements, and other purposes normally related thereto; and (b) County, state and federal public services,

including but not limited to, the right of postal, law enforcement, and fire protection services and their respective employees and agents, to enter upon any part of the Common Elements or any Lot, for the purpose of carrying out their official duties.

Article 12.

Neighborhood Common Elements

12.1 Purpose. Certain portions of the Common Elements may be designated as Neighborhood Common Elements 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, Neighborhood Common Elements may include landscaped areas, cul-de-sacs and other portions of the Common Elements within a particular Neighborhood or Neighborhoods. All costs associated with maintenance, repair, replacement, and insurance of Neighborhood Common Elements shall be a Neighborhood Expense allocated among the Owners in the Neighborhood(s) to which the Neighborhood Common Elements are assigned.

12.2 Designation. Initially, any Neighborhood Common Elements shall be designated as such in the deed conveying such area to the Association or on the Subdivision Map relating to such Common Elements; provided, however, any such assignment shall not preclude Declarant from later assigning use of the same Neighborhood Common Elements to additional or different Lots and/or Neighborhoods by a Supplemental Declaration, 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 Elements may be assigned as Neighborhood Common Elements and Neighborhood Common Elements may be reassigned upon approval of the Board and the vote or consent of the Owners constituting the Requisite Membership Percentage and the vote or consent of the Requisite Neighborhood Percentage within the Neighborhood(s) affected by the proposed assignment or reassignment. As long as Declarant (or any of its affiliates) owns or has rights to acquire any part of the 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.

12.3 Use by Others. Upon approval of a majority of Owners of Lots within the Neighborhood to which any Neighborhood Common Elements are assigned, the Association may permit Owners of Lots in other Neighborhoods to use all or a portion of such Neighborhood Common Elements upon payment of reasonable user fees, which fees shall be used to offset the Neighborhood Expenses attributable to such Neighborhood Common Elements.

Article 13.

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 which serves and/or separates any two adjoining Lots shall constitute a party structure. Subject to the provisions of any applicable Supplemental Declaration, 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 among the Owners who make use of the party structure or benefit from.

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 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.

PART SIX: RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY

The growth and success of Skye Hills 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 the community.

Article 14.

Dispute Resolution, Limitations on Litigation, Right to Cure and Arbitration of Disputes

14.1 Consensus for Association Litigation. Except as provided in this Section, the Association shall not commence a judicial or administrative proceeding without first providing written notice of such proposed action to each Member at least twenty-one (21) days before a meeting to vote on such proposed action and obtaining the approval at such meeting of at least 80% of the total voting power of the Association. This Section shall not apply, however, to the following matters unless otherwise prohibited by operation of the Act: (a) actions brought by the Association to enforce the payment of an assessment or an assessment lien or other lien against an Owner as provided for in this Declaration; or (b) actions brought by the Association to otherwise enforce compliance with the Governing Documents by, or to obtain other relief from, any Owner or Occupant who has violated any provision thereof; or (c) actions brought by the Association to otherwise enforce a contract with a vendor; (d) defenses, affirmative defenses, and/or counterclaims brought by the Association in proceedings instituted against the Association, including, claims brought by the Association against its carrier for "bad faith" denials; or (e) actions brought by the Association to protect against any matter which imminently and substantially threatens or effects the health, safety and welfare of not less than 80% of the Owners based upon a physical inspection by a third party licensed professional with expertise in the area. This Section shall not be amended unless such amendment is approved by at least 80% of the total voting power of the Association, pursuant to the same procedures necessary to institute proceedings as provided in this Section.

14.2 Right to Cure Alleged Defects. All improvements of every type and kind that may be installed by any "Developing Party" (as defined below in Section 14.4 (a)(2)), including, but not limited to, residences, sidewalks, driveways, streets, roads, parking areas, fences, walls, landscaping, signs, utility pipes, lines or wires, sewer and drainage systems, and grading on all of the Lots within the Improved Property (as defined below in Section 14.4(a)(4)) (collectively, the "Constructed Improvements") shall be

of a quality that is consistent with construction and development practices for production housing of this type. Nevertheless, due to the complex nature of construction and the subjectivity involved in evaluating such quality, disputes may arise as to whether a defect exists and Developing Party's responsibility therefor. It is the express intention hereunder that all disputes and claims regarding "Alleged Defects" (as defined below) be resolved amicably, and without the necessity of time consuming and costly litigation. Accordingly, all Owners shall be bound by the following claim resolution procedure:

(a) Developing Party's Right to Cure. In the event that any Owner or Owners (collectively, "Claimant") claim, contend, or allege that any portion of the Lots on the Improved Property and/or any Constructed Improvements are defective or incomplete, or that a Developing Party or its agents, consultants, contractors, or subcontractors (collectively, "Developing Party's Agents") were negligent in the planning, design, engineering, grading, construction, or other development thereof (collectively, an "Alleged Defect"), Developing Party hereby reserves the right to inspect, cure, repair, and/or replace such Alleged Defect as set forth herein.

(b) Notice to Developing Party. In the event that a Claimant discovers any Alleged Defect, Claimant shall, within a reasonable time after discovery, notify Developing Party, in writing, directed to the attention of the Division President at Developing Party's general business address as reflected in the then current telephone directory for Clark County in Nevada, of the specific nature of such Alleged Defect ("Notice of Alleged Defect").

(c) Right to Enter, Inspect, Cure, Repair, and/or Replace. Immediately after the receipt by Developing Party of a Notice of Alleged Defect or the independent discovery of any Alleged Defect by Developing Party or any governmental agency, and for a reasonable time thereafter, as part of Developing Party's reservation of right, Developing Party shall have the right, upon reasonable notice to Claimant and during normal business hours, to enter onto or into, as applicable, any Lot within the Improved Property, and/or any Constructed Improvements for the purposes of inspecting and, if deemed necessary by Developing Party, curing, repairing, and/or replacing such Alleged Defect. In conducting such inspection, cure, repairs, and/or replacement, Developing Party shall be entitled to take any actions as it shall deem reasonable and necessary under the circumstances.

(d) Legal Actions. No Claimant shall initiate any legal action, cause of action, proceeding or arbitration against Developing Party alleging damages (a) for the costs of curing, repairing, or replacing any Alleged Defect, or (b) for the diminution in value of any real or personal Improved Property resulting from such Alleged Defect, or (c) for any consequential damages resulting from such Alleged Defect, unless and until Claimant has (i) delivered to Developing Party a Notice of Alleged Defect and (ii) Developing Party has, within one hundred twenty (120) days after its receipt of such Notice of Alleged Defect, either (1) failed to cure, repair, or replace such Alleged Defect or (2) if such Alleged Defect can not reasonably be cured, repaired, or replaced within such one hundred twenty (120) day period, failed to commence such cure, repair, or replacement of the Alleged Defect and, thereafter, failed to pursue diligently such cure, repair, or replacement to completion. During any such period while Developing Party is diligently pursuing to completion the cure, repair, or replacement of the Alleged Defect, Claimant shall not stop, restrict, hinder, interrupt, or otherwise interfere with any reasonable action or activity taken by Developing Party, its employees, agents, or independent contractors, to inspect, cure, repair, or replace any Alleged Defect, whether or not such action or activity is taken, or is proposed to be taken, on Improved Property owned by Claimant.

(e) No Additional Obligations; Irrevocability and Waiver of Right. Nothing set forth in this Article shall be construed to impose any obligation on Developing Party to inspect, cure, repair, or replace any item or Alleged Defect for which Developing Party is not otherwise obligated to do under applicable law or any limited warranty provided by Developing Party in connection with the sale of the Lots within the Improved Property and/or the Constructed Improvements constructed thereon, nor shall anything set forth in this Article constitute an express or implied representation, warranty or guarantee by Developing Party concerning any Constructed Improvements or the Improved Property. The right of Developing Party to enter, inspect, cure, repair, and/or replace reserved hereby shall be irrevocable and may not be waived and/or terminated except by a writing, in recordable form, executed and recorded by Developing Party in the Official Records of the Clark County Recorder.

(f) NRS Chapter 40. The terms, conditions and procedures set forth in this Article are in addition to the terms, conditions and procedures set forth in NRS Chapter 40, and shall, to the maximum extent permitted by law, be exercised by any Claimant prior to instituting a claim and/or commencing an action under Chapter 40 for "constructional defects" as defined in Chapter 40; provided, however, the procedures set forth in this Article shall not abrogate any of the requirements of Claimant under Chapter 40, inclusive of the requirement that Claimant, at the end of the foregoing 120 day period, notify Developing Party in writing of any alleged constructional defects that Developing Party failed to cure during that 120 day period at least 60 days prior to bringing an action under Chapter 40 (subject to the limitations contained in Section 14.2 hereof). Such notification shall be given in a format that substantially complies with the notice requirements set forth in NRS 40.645. Further, to the extent any provisions of this Article are inconsistent with the provisions of Chapter 40, the provisions of this Article shall apply to the maximum extent permitted by law and shall extend all the time periods set forth in NRS 40.6472 and 40.695 until expiration of the 120 day period set forth in this Article. It is the express intent of Developing Party to provide, by this Article, an initial 120 day period for Developing Party to investigate and cure any constructional defects alleged by Claimant before the provisions of Chapter 40 are implemented and initiated by Claimant including, without limitation, the notice of claim, inspection, offer of settlement, and repair provisions of Chapter 40. Each Owner, by accepting title to any portion of the Improved Property, as evidenced by recordation of a deed to Owner describing that land, agrees to be bound by all of the provisions of this Article.

14.3 Reserved.

14.4 ARBITRATION OF DISPUTES. DEVELOPING PARTY AND EACH CLAIMANT, BY ACCEPTING TITLE TO OR AN INTEREST IN ANY PORTION OF THE SUBJECT PROPERTY, AGREE AS FOLLOWS:

(a) DEFINITIONS. FOR PURPOSES OF ARTICLE 14, THE FOLLOWING DEFINITIONS SHALL APPLY:

(1) "CLAIMANT" SHALL INCLUDE ALL OWNERS, THE ASSOCIATION, THE BOARD AND THEIR SUCCESSORS, HEIRS, ASSIGNS, SUBSEQUENT OWNERS, AND ANY THIRD PARTY CLAIMING ANY RIGHT OR INTEREST IN THE IMPROVED PROPERTY THROUGH THE FOREGOING.

(2) "DEVELOPING PARTY" SHALL MEAN WITH RESPECT TO EACH DWELLING, LOT OR COMMON ELEMENT LOT, AS APPLICABLE: (1) DECLARANT OR ANY OTHER ENTITY EXECUTING AND/OR CONSENTING TO THE ADDITION OF THE LOT OR

COMMON ELEMENT LOT TO THE IMPROVED PROPERTY) AS THE OWNER THEREOF, AND (2) ANY DECLARANT AFFILIATE OR ANY BUILDER THAT OWNS OR HAS OWNED AT ANY TIME ANY UNIMPROVED OR PARTIALLY IMPROVED PORTION OF THE LAND UPON WHICH THE DWELLING, LOT AND/OR COMMON ELEMENT LOT IS LOCATED, AND (3) AS TO EACH OF THE PARTIES DESCRIBED IN THE PRECEDING CLAUSES (1) OR (2), ITS PREDECESSORS, SUCCESSORS, SUBSIDIARIES, AND/OR AFFILIATED CORPORATIONS, PARENT COMPANIES, SISTER COMPANIES, DIVISIONS, OR OTHER ENTITIES, PARTNERS, JOINT VENTURERS, THE GENERAL CONTRACTOR FOR THE IMPROVED PROPERTY, AFFILIATES, OWNERS, OFFICERS, DIRECTORS, EMPLOYEES, SHAREHOLDERS, AGENTS, AND ASSIGNS.

(3) "DISPUTE" SHALL MEAN ANY AND ALL CLAIMS, CONTROVERSIES, BREACHES, ISSUES, OR DISPUTES BY, BETWEEN OR AMONG ANY CLAIMANT ON THE ONE HAND AND DEVELOPING PARTY AND/OR ANY OF DEVELOPING PARTY'S AGENTS ON THE OTHER HAND.

(4) "IMPROVED PROPERTY" SHALL MEAN EACH DWELLING, LOT AND COMMON ELEMENT LOT, NOW OR HEREAFTER SUBJECT TO THIS DECLARATION.

(b) ANY DISPUTES BY, BETWEEN OR AMONG ANY CLAIMANT ON THE ONE HAND, AND DEVELOPING PARTY AND/OR ANY OF DEVELOPING PARTY'S AGENTS ON THE OTHER HAND, ARISING OUT OF OR RELATED TO THE IMPROVED PROPERTY OR THE SALE OF ANY PORTION OF THE IMPROVED PROPERTY BY DEVELOPING PARTY, OR ANY TRANSACTION RELATED HERETO, WHETHER SUCH DISPUTE IS BASED ON CONTRACT, TORT, STATUTE, OR EQUITY, INCLUDING, WITHOUT LIMITATION, ANY DISPUTE OVER (1) THE DISPOSITION OF ANY DEPOSITS, (2) BREACH OF CONTRACT, (3) NEGLIGENT OR INTENTIONAL MISREPRESENTATION OR FRAUD, (4) NONDISCLOSURE, (5) BREACH OF ANY ALLEGED DUTY OF GOOD FAITH AND FAIR DEALING, (6) ANY CLAIM RELATED TO CONSTRUCTION OR INSTALLATION OF ANY IMPROVEMENTS ON THE IMPROVED PROPERTY, THE GRADING OF THE IMPROVED PROPERTY, OR ANY WORK OR SERVICES PERFORMED BY OR ON BEHALF OF DEVELOPING PARTY ON OR IN CONNECTION WITH THE IMPROVED PROPERTY, INCLUDING, WITHOUT LIMITATION, CLAIMS OF ANY ALLEGED DEFECT (INCLUDING, WITHOUT LIMITATION, DISPUTES SUBJECT TO THE PROVISIONS OF NRS 40.600 TO 40.695 (AS SAME MAY BE AMENDED FROM TIME TO TIME, THE "CONSTRUCTION DEFECT ACT"), OR (7) ANY OTHER MATTER ARISING OUT OF OR RELATED TO THE INTERPRETATION OF ANY TERM OR PROVISION HEREOF OR OF ANY AGREEMENT BY, BETWEEN OR AMONG SUCH PARTIES, OR ANY DEFENSE RELATED THERETO, INCLUDING, WITHOUT LIMITATION, ALLEGATIONS OF UNCONSCIONABILITY, FRAUD IN THE INDUCEMENT, OR FRAUD IN THE EXECUTION, SHALL BE ARBITRATED PURSUANT TO THE FEDERAL ARBITRATION ACT AND SUBJECT TO THE PROCEDURES SET FORTH IN THIS PARAGRAPH. FOR CLAIMS SUBJECT TO THE CONSTRUCTION DEFECT ACT, BEFORE ANY SUCH DISPUTE CAN BE SUBMITTED TO ARBITRATION, THE CLAIMANT SHALL, AT LEAST SIXTY (60) DAYS PRIOR TO FILING A DEMAND FOR ARBITRATION, GIVE DEVELOPING PARTY WRITTEN NOTICE OF THE DISPUTE DESCRIBING WITH REASONABLE SPECIFICITY THE ACTIONS THAT SHOULD BE TAKEN BY DEVELOPING PARTY TO RESOLVE THE DISPUTE. THIS SIXTY (60) DAY NOTICE SHALL COMPLY WITH THE REQUIREMENTS OF NRS 40.645. THE PROVISIONS OF THIS SECTION ARE INTENDED TO BE BINDING UPON CLAIMANT AND DEVELOPING PARTY FOR ALL CLAIMS REGULATED BY THE CONSTRUCTION DEFECT ACT, AFTER ALL THE REQUIREMENTS OF NRS 40.645 TO 40.675

FOR RESOLUTION OF THE DISPUTE PRIOR TO COMMENCEMENT OF A CIVIL ACTION HAVE BEEN SATISFIED OR WAIVED BY CLAIMANT AND DEVELOPING PARTY IN ACCORDANCE WITH SAID STATUTES AND IN PLACE AND INSTEAD OF ANY COURT ACTION DESCRIBED THEREIN. THIS ARBITRATION AGREEMENT SHALL BE DEEMED TO BE A SELF-EXECUTING ARBITRATION AGREEMENT. ANY DISPUTE CONCERNING THE INTERPRETATION OR THE ENFORCEABILITY OF THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ITS REVOCABILITY OR VOIDABILITY FOR ANY CAUSE, ANY CHALLENGES TO THE ENFORCEMENT OR THE VALIDITY OF THIS AGREEMENT, OR THIS SECTION, OR THE SCOPE OF ARBITRABLE ISSUES HEREUNDER, AND ANY DEFENSE RELATING TO THE ENFORCEMENT OF THIS ARBITRATION AGREEMENT, INCLUDING, WITHOUT LIMITATION, WAIVER, ESTOPPEL, OR LACHES, SHALL BE DECIDED BY AN ARBITRATOR IN ACCORDANCE WITH THIS SECTION AND NOT BY A COURT OF LAW. ANY AND ALL SUCH DISPUTES SHALL BE SUBMITTED TO BINDING ARBITRATION BY AND PURSUANT TO THE RULES OF CONSTRUCTION ARBITRATION SERVICES, INC. (HEREINAFTER, "CAS") IN EFFECT AT THE TIME OF THE INITIATION OF THE ARBITRATION. IN THE EVENT CAS IS FOR ANY REASON UNWILLING OR UNABLE TO SERVE AS THE ARBITRATION SERVICE, THE PARTIES SHALL SELECT ANOTHER REPUTABLE ARBITRATION SERVICE. IF THE PARTIES ARE UNABLE TO AGREE ON AN ALTERNATIVE SERVICE, THEN EITHER PARTY MAY PETITION ANY COURT OF COMPETENT JURISDICTION IN THE COUNTY TO APPOINT SUCH AN ALTERNATIVE SERVICE, WHICH SHALL BE BINDING ON THE PARTIES. THE RULES AND PROCEDURES OF SUCH ALTERNATIVE ARBITRATION SERVICE IN EFFECT AT THE TIME OF THE INITIATION OF THE ARBITRATION SHALL BE FOLLOWED.

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

Article 15.

Mortgagee Provisions

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

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

(a) Any condemnation loss or any casualty loss which affects a material portion of the Property or which affects any Lot on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) Any delinquency in the payment of assessments or charges owed by a Lot subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of 60 days, or

any other violation of the Governing Documents relating to such Lot or the Owner or Occupant which is not cured within 60 days;

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

(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 Bylaws 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 Elements.

15.3 Notice to Association. Upon request by the Association, 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.

PART SEVEN: CHANGES IN THE COMMUNITY

Communities such as Skye Hills are dynamic and constantly evolving as circumstances, technology, needs and desires, and laws change, as the Occupants age and change over time, and as the surrounding community changes. Skye Hills and its Governing Documents must be able to adapt to these changes while protecting the things that make Skye Hills unique.

Article 16. Changes in Ownership of Lots

16.1 Notice to Association. 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 17. Changes in the Common Elements

17.1 Condemnation. If a Lot or portion thereof is taken by eminent domain, compensation and the Owner's interest in the Common Elements shall be allocated as provided under the Act. If any part of the Common Elements shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of the Requisite Membership Percentage and of Declarant, as long as

Declarant (or any of its affiliates) owns or has rights to acquire any part of the 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 Elements on which Improvements have been constructed, the Association shall restore or replace such Improvements on the remaining land included in the Common Elements to the extent available, unless within 60 days after such taking Declarant, so long as Declarant (or any of its affiliates) owns or has rights to acquire any part of the property subject to the Declaration or which may be made subject to the Declaration in accordance with Section 9.1, and the Owners constituting the Requisite Membership Percentage 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 Elements, 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 in trust for the Owners and lien holders as their interests appear.

17.2 Partition. Except as permitted in this Declaration, the Common Elements shall remain undivided, and no Person shall bring any action to partition any portion of the Common Elements 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.

Article 18.

Amendment of Declaration

18.1 By Declarant. In addition to specific amendment rights granted elsewhere in this Declaration, Declarant may unilaterally 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 affected Owner shall consent in writing.

18.2 By Members. Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Owners representing the Requisite Membership Percentage, and Declarant's consent, so long Declarant is entitled to exercise rights under Article 10. In addition, the approval requirements set forth in Article 15 and Section 18.3 shall be met, if applicable. Notwithstanding the foregoing, 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.

18.3 Consent of Declarant Required for Certain Amendments. Declarant has reserved and retained certain rights, easements, protections and benefits under the terms of this Declaration. Due to Declarant's significant economic interest in preserving the rights, easements, protections and benefits established under this Declaration, any amendment which operate to change or remove any of Declarant's rights, easements, benefits and/or protections under this Declaration may occur only if the requisite number of Owners have approved the amendment in accordance with Section 18.2, and the Declarant has approved the amendment. The provisions of this Section 18.3 shall specifically apply, without limitation, to the provisions of Article 9, Article 10, Article 11, Article 14, Article 19 and this Article 18.

18.4 Validity, Effective Date, and Conflicts. No amendment may remove, revoke, or modify any right or privilege of Declarant or any assignee of such right or privilege, including without limitation any Builder, without the consent of Declarant or its assignee, as applicable.

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

Any amendment 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 one year of its Recordation 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 provision of this Declaration.

Each of the Governing Documents, including this Declaration, is intended to comply with the requirements of the Act applicable to common interest communities and the Governing Documents shall be interpreted, if at all possible, so as to be consistent with the Act. If there is any conflict between the Governing Documents and the provisions of the foregoing statutes, the provisions of the applicable statutes shall control. In the event of any conflict between this Declaration and any other Governing Document, this Declaration shall control.

18.5 Exhibits. Exhibits "A," "B," and "C" attached to this Declaration are incorporated by this reference and amendment of such exhibits shall be governed by this Article. All other exhibits are attached for informational purposes.

PART EIGHT: ADDITIONAL PROVISIONS

Article 19.

Disclosures, Disclaimers and Releases

19.1 Disclosures, Disclaimers, and Releases of Certain Matters. WITHOUT LIMITING ANY OTHER PROVISION THIS DECLARATION, THE ASSOCIATION AND, BY ACQUIRING TITLE TO A LOT, OR BY POSSESSION OR OCCUPANCY OF A LOT, EACH OWNER FOR ITSELF AND FOR THE OWNER'S TENANTS, IF ANY, AND THEIR RESPECTIVE FAMILY, GUESTS AND OTHER INVITEES ("OWNER"), SHALL CONCLUSIVELY BE DEEMED TO UNDERSTAND, AND TO HAVE ACKNOWLEDGED AND AGREED TO, ALL OF THE FOLLOWING:

(a) Adjacent Property. The Property as well as the real property that may be added to Skye Hills in the future, or portions thereof, are or may be located adjacent to or within the vicinity of certain other property zoned to permit the owners of such other property to keep and maintain thereon

horses, cows or other "farm" animals, which may give rise to matters such as resultant noise, odors, insects, and other "nuisance"; additionally, certain other property located adjacent to or nearby Skye Hills is or may be zoned to permit commercial uses, and/or shall or may be developed for commercial uses. Declarant makes no other representation or warranty, express or implied, with regard or pertaining to the future development or present or future use of property adjacent to or within the vicinity of Skye Hills.

(b) Neighboring Developments. Certain portions of land outside Skye Hills and/or abutting and/or near the perimeter walls of Skye Hills ("Neighboring Developments") have not yet been developed and in the future may or will be developed by third parties over whom the Association has no jurisdiction. Accordingly, no representation is made regarding the nature, use or architecture of any existing or future development or improvements on Neighboring Developments, and Declarant discloses that the use, development and/or construction on Neighboring Developments (i) may result in noise, dust, or other "nuisance" to Skye Hills or Owners, (ii) may result in portions of perimeter walls being utilized by third persons who are not subject to this Declaration or the Governing Documents, and (iii) may result in portions of walls or fences now or hereafter constructed along the boundary of a Lot being utilized by third persons who are not subject to this Declaration or the Governing Documents. Declarant and Association specifically disclaim any and all responsibility liability thereof.

(c) Roads. Skye Hills is or may be located adjacent or near major roadways and may be subject to noise, dust, odors and other nuisance from such roadways and vehicles. For example, Owners may experience noise, glare from headlights, smoke, exhaust, dust, fumes or odors from vehicular traffic and traffic congestion. Furthermore, such adjacent or nearby roadways, are subject to expansion and modification by the applicable governmental bodies or agencies. For example, roadway alignments may be changed and extensions or improvements within the vicinity of Skye Hills may be added. Declarant hereby specifically disclaims any and all representations or warranties, express and implied, with regard to or pertaining to roads and/or noise, dust, odors and other nuisance therefrom; and that Owner hereby releases Declarant from any and all claims arising therefrom or relating thereto.

(d) Airplanes; Noise. Declarant has disclosed that: (i) that the Property is or may be located within or nearby certain airplane flight patterns, and/or subject to significant levels of airplane traffic noise, (ii) that existing and future noise levels at these locations, associated with existing and future airport operations, may have an effect on the livability, value and suitability of the Property for residential use, and (iii) the Federal Aviation Administration will no longer approve remedial noise mitigation measures for incompatible development impacted by aircraft operations which was constructed after October 1, 1998 and funds will not be available in the future should an Owner wish to have any Lot purchased or soundproofed. Declarant hereby specifically disclaims any and all representations or warranties, express and implied, with regard to or pertaining to airplane flight patterns, and/or airplane noise.

(e) Electrical Facilities. Overhead electrical power lines and related facilities may be located adjacent to Skye Hills, and there are presently and may be further major electrical power system components (high voltage transmission or distribution lines, transformers, etc.) from time to time located within or nearby Skye Hills (the "Electrical Facilities"). Declarant makes no representation as to the future locations of any such lines and poles or their proximity to Skye Hills.

(1) EMF. The Electrical Facilities generate certain electric and magnetic fields ("EMF") around the Electrical Facilities; that, without limiting any other provision in this Declaration, Declarant specifically disclaims any and all representations or warranties, express and implied, with regard

to or pertaining to EMF; and that each Owner hereby releases Declarant from any and all claims arising from or relating to said EMF, including, but not necessarily limited to, any claims for nuisance or health hazards.

(2) Release. Each Owner, by acquiring title to a Lot or by occupying or using any portion of Skye Hills, shall be conclusively deemed to have: (1) acknowledged and agreed that Skye Hills and the Lot is in close proximity to the Electrical Facilities which may result in injury to person and/or damage to property (including reduction in market value), and (2) waived and released, any action or suit in law or equity or any claim or demand against Declarant and/or Association for any liability or loss whatsoever for injury to any person or loss of or damage (including reduction in value) to any property whatsoever arising or resulting from or related to the Electrical Facilities, including without limitation EMFs and electrical capacity.

(f) Gas Transmissions. The Lots and other portions of Skye Hills are or may be located on or near major regional underground natural gas transmission pipelines. Declarant hereby specifically disclaims any and all representations or warranties, express and implied, with regard to or pertaining to gas transmission pipelines.

(g) Water Transmissions. The Lots and other portions of Skye Hills are or may be located on or near major regional underground water transmission pipelines. Declarant hereby specifically disclaims any and all representations or warranties, express and implied, with regard to or pertaining to water transmission pipelines.

(h) Security. Installation and maintenance of any security device in any Lot shall not create any presumption or duty whatsoever of Declarant or Association (or their respective officers, directors, managers, employees, agents, and/or contractors) with regard to security or protection of person or property within Skye Hills; and each Owner, by acceptance of a deed to a Lot, whether or not so stated in the deed, shall be deemed to have agreed to take any and all protective and security measures and precautions which such Owner would have taken if the Lot did not contain any such Security devices.

(i) Water Conservation. The Las Vegas Valley currently is undergoing severe drought conditions, and relevant water districts and authorities have announced certain water conservation measures and restrictions on outdoor watering and/or outdoor water features. It is possible that these drought conditions may continue or worsen, and/or that the relevant water districts and authorities may announce further water conservation measures and restrictions, which may affect Lots, the Common Elements, and landscaping and water features within Skye Hills, and the appearance and/or use of same. Each Owner must make its own independent determination regarding such matters, and hereby releases Declarant and/or Association from any and all claims arising from or relating to drought or water conservation measures or restrictions, and/or the effects respectively thereof.

(j) Zoning Disclosures. Owner acknowledges having received from Declarant information regarding the zoning designations and the designations in the master plan regarding land use, adopted pursuant to NRS Chapter 278, for the parcels of land adjoining Skye Hills to the north, south, east, and west, together with a copy of the most recent gaming enterprise district map made available for public inspection by the jurisdiction in which the Lot is located, and related disclosures. Declarant makes no further representation, and no warranty (express or implied), with regard to any matters pertaining to adjoining land or uses thereof or to any gaming uses. Owner is hereby advised that the master plan and zoning ordinances, and gaming enterprise districts, are subject to change from time to time. If additional

or more current information concerning such matters is desired, Owner should contact the appropriate governmental planning department. Each Owner acknowledges and agrees that its decision to purchase a Lot is based solely upon such Owner's own investigation, and not upon any information provided by sales agent.

(k) No Protected Views. Each Owner acknowledges that (i) there are no protected views in Skye Hills, and no Lot is assured the existence or unobstructed continuation of any particular view, and (ii) any construction, landscaping or other installation of Improvements by Declarant, other Owners or owners of other property in the vicinity of Skye Hills may impair the view from any Lot, and the Owners consent to such view impairment.

(l) Seismic Activities. The Las Vegas Valley contains a number of earthquake faults, and the Property or portions thereof may be located on or nearby an identified or yet to be identified seismic fault line. Declarant specifically disclaims any and all representations or warranties, express or implied, with regard to or pertaining to earthquakes or seismic activities.

(m) Pests. The Lot and other portions of the Property from time to time may, but need not necessarily, experience problems with scorpions, bees, ants, spiders, termites, roaches, pigeons, snakes, rats, and/or other insect or pest problems (collectively, "pests"). Declarant hereby specifically disclaims any and all representations or warranties, express and implied, with regard to or pertaining to any pest, and each Owner must make its own independent determination regarding the existence or non-existence of any pest(s) which may be associated with the Lot or other portions of the Property.

(n) Alkalinity. There is a high degree of alkalinity in soils and/or water in the Las Vegas Valley; that such alkalinity tends to produce, by natural chemical reaction, discoloration, leaching and erosion or deterioration of concrete walls and other Improvements ("alkaline effect"). The Lots and other portions of the Property may be subject to such alkaline effect, which may cause inconvenience, nuisance, and/or damage to property.

(o) Nuisances. Residential subdivision and new home construction are subject to and accompanied by substantial levels of noise, dust, construction-related traffic and traffic restrictions, and other construction-related "nuisances". Each Owner acknowledges and agrees that it is purchasing a Lot which is within a residential subdivision currently being developed, and that the Owner will experience and accepts substantial levels of construction-related "nuisances" until the subdivision (and other neighboring portions of land being developed) have been completed and sold out, and thereafter, in connection with repairs or any new construction.

(p) Yucca Mountain. The Las Vegas Valley is located approximately one hundred (100) miles southeast of Yucca Mountain, a federal underground nuclear waste depository; that transportation by the federal government and /or its contractors of nuclear waste to Yucca Mountain may be by train and/or truck, or other means of transportation, and may be over routes passing through or nearby the Las Vegas Valley. Declarant specifically disclaims any and all representations and warranties, express or implied with regard to or pertaining to Yucca Mountain, and/or the storage and/or transportation of nuclear waste related thereto, and/or the safety, or lack thereof, pertaining respectively thereto.

(q) Declarant Rights. Each Owner understands, acknowledges, and agrees that Declarant has reserved certain rights in the Declaration, which may limit certain rights of Owners other than Declarant.

19.2 Release: THE ASSOCIATION AND, BY ACCEPTANCE OF A DEED TO A LOT, EACH OWNER, FOR ITSELF AND ALL PERSONS CLAIMING UNDER SUCH OWNER, SHALL CONCLUSIVELY BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED, TO RELEASE DECLARANT AND ITS AFFILIATES, AND ALL OF THEIR RESPECTIVE OFFICERS, MANAGERS, AGENTS, EMPLOYEES, SUPPLIERS, AND CONTRACTORS, FROM ANY AND ALL CLAIMS, CAUSES OF ACTION, LOSS, DAMAGE OR LIABILITY (INCLUDING, BUT NOT LIMITED TO, ANY CLAIM FOR NUISANCE OR HEALTH HAZARD, PROPERTY DAMAGE, BODILY INJURY, AND/OR DEATH) ARISING FROM OR RELATED TO ALL AND/OR ANY ONE OR MORE OF THE CONDITIONS, ACTIVITIES, OCCURRENCES, OR OTHER MATTERS DESCRIBED IN THE FOREGOING SECTION.

19.3 Third Party Beneficiaries. Declarant is an intended third party beneficiary of this Declaration. Declarant shall be entitled, in its sole discretion, from time to time to enforce this Declaration and/or the Governing Documents. In connection therewith, Declarant shall be entitled to all rights and remedies available at law and in equity, including, without limitation, temporary restraining order(s) and/or injunction(s). In any such action, the substantially prevailing party shall be entitled to its attorneys fees and costs. The provisions of this Section 19.3 may not be revoked, deleted, amended, modified, or supplemented without the prior written consent of Declarant. Any purported amendment made in violation of the foregoing requirement, or any portion hereof, or the effect respectively thereof, without such express prior written consent, shall be void.

Article 20.

General Provisions

20.1 No Public Right or Dedication. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of the Property to the public, or for any public use.

20.2 Compliance with the Act. It is the intent of Declarant that this Declaration shall be in all respects consistent with, and not violative of, applicable provisions of the Act. In the event any provision of this Declaration is found to violate such applicable provision of the Act, such offending provision of the Declaration shall be severed herefrom; provided, however, that if such severance shall impair the integrity of this Declaration, said offending provision shall be automatically deemed modified to the minimum extent necessary to conform to the applicable provision of the Act.

20.3 No Representations or Warranties. No representations or warranties of any kind, express or implied, have been given or made by Declarant or its agents or employees in connection with Skye Hills or any portion of Skye Hills, or any Improvement thereon, its physical condition, zoning, compliance with applicable laws, fitness for intended use, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance or taxes, except as specifically and expressly set forth in this Declaration.

20.4 Invalidity. The invalidity of any provision of this Declaration or any of the Governing Document shall not impair or affect in any manner the validity, enforceability or effect of the remainder, and if a provision is invalid, all of the other provisions of this Declaration or any Governing Document, as applicable, shall continue in full force and effect.

20.5 Constructive Notice and Acceptance. Every Person who owns, Occupies or acquires any right, title, estate or interest in or to any Lot or other portion of the Property does hereby consent and agree,

and shall be conclusively deemed to have consented and agreed, to every limitation, restriction, easements, reservation, conditions and covenant contained herein, whether or not any reference to these restrictions is contained in the instrument by which such person acquired an interest in the Lot, the Property, or any portion thereof.

20.6 Binding Effect. All of the property described in Exhibit "A" and any additional property made a part of Skye Hills from time to time in the future by recording one or more Supplemental Declaration, 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 rights, title, or interest in any portion of the Property, their heirs, successors, successors-in-title, and assigns.

Unless otherwise provided by applicable Nevada law, this Declaration shall run with the land and have a perpetual duration. This Declaration may be terminated only by a Recorded instrument signed by Members comprising at least 80% of the total voting power of the Association, 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 easements.

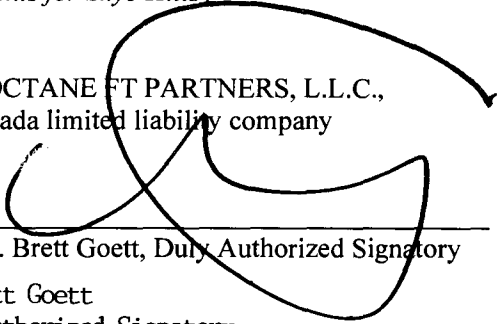
IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration the date and year first written above.

[Remainder of Page Intentionally Left Blank]

*[Signature Page to Declaration of Covenants, Conditions, Restrictions and
Reservation of Easements for Skye Hills]*

190 Octane Partners, L.L.C.
a Nevada limited
liability company

190 OCTANE FT PARTNERS, L.L.C.,
a Nevada limited liability company

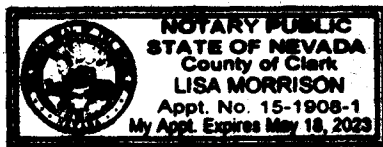
By: 
R. Brett Goett, Duly Authorized Signatory

R. Brett Goett
Duly Authorized Signatory

STATE OF Nevada

COUNTY OF Clark

This instrument was acknowledged before me on the 5th day of November, 2020, by R. Brett Goett as Duly Authorized Signatory of 190 OCTANE FT PARTNERS, L.L.C., a Nevada limited liability company.





Notary Public
Name: Lisa Morrison
My appointment expires: May 18, 2023

EXHIBIT "A"

**Land Initially Submitted
The Property**

All of that certain real property located in the City of Las Vegas, County of Clark, State of Nevada, described as follows:

COMMON ELEMENTS A, B, C, D, E, F, G, H, AND I OF THE PARENT FINAL MAP OF BLM 270, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 162 PAGE 55 OF PLATS, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA, RECORDED ON OR ABOUT JULY 10, 2020, IN BOOK NO. 20200710 OF OFFICIAL RECORDS, AS INSTRUMENT NO. 01191.

EXHIBIT "B"

Land Constituting a Portion of the Initial Common Elements:

All of that certain real property located in the City of Las Vegas, County of Clark, State of Nevada, described as follows:

COMMON ELEMENTS A, B, C, D, E, F, G, H, AND I OF THE PARENT FINAL MAP OF BLM 270, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 162 PAGE 55 OF PLATS, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA, RECORDED ON OR ABOUT JULY 10, 2020, IN BOOK NO. 20200710 OF OFFICIAL RECORDS, AS INSTRUMENT NO. 01191.

EXHIBIT "C"

Land Subject to Annexation:

All of that certain real property located in the City of Las Vegas, County of Clark, State of Nevada, described as follows:

ALL OF THE REAL PROPERTY LOCATED WITHIN THE BOUNDARIES OF THE PARENT FINAL MAP OF BLM 270, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 162 PAGE 55 OF PLATS, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA, RECORDED ON OR ABOUT JULY 10, 2020, IN BOOK NO. 20200710 OF OFFICIAL RECORDS, AS INSTRUMENT NO. 01191; EXCEPTING THEREFROM, ALL OF THE REAL PROPERTY DESCRIBED ON THE FOREGOING EXHIBIT "A".

A.P.N.: 126-14-710-001
126-14-710-002
126-14-810-001

Inst #: 20210114-0002044
Fees: \$42.00
01/14/2021 01:00:40 PM
Receipt #: 4362383
Requestor:
Fidelity National Title
Recorded By: TIKG Pgs: 7
Debbie Conway
CLARK COUNTY RECORDER
Src: ERECORD
Ofc: ERECORD

RECORDING REQUESTED BY, AND
WHEN RECORDED RETURN TO:

190 OCTANE FT PARTNERS, L.L.C.
11411 Southern Highlands Parkway
Suite 300
Las Vegas, NV 89141

SUPPLEMENTAL DECLARATION OF ANNEXATION
TO
MASTER DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS
AND RESERVATION OF EASEMENTS
FOR
SKYE HILLS

(PARCEL A – RICHMOND)

THIS SUPPLEMENTAL DECLARATION OF ANNEXATION TO MASTER DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATION OF EASEMENTS FOR SKYE HILLS (this "Declaration of Annexation") is made by 190 OCTANE FT PARTNERS, L.L.C., a Nevada limited liability company (the "Declarant"), pursuant to that certain Master Declaration of Covenants, Conditions, Restrictions and Reservations of Easements for Skye Hills, recorded on November 5, 2020 in the Official Records of Clark County, Nevada, as Instrument No. 0002775 in Book No. 20201105 (as may be amended from time to time, the "Declaration"). Capitalized terms used but not defined herein shall have those meaning ascribed to them in the Declaration.

RECITALS

A. Section 9.1 of the Declaration provides, in part, that the Declarant may, from time to time, add all or part of the real property described on Exhibit "C" to the Declaration (the "Annexable Property") to the Properties covered by the Declaration; and

B. Declarant desires to annex that portion of the Annexable Property more particularly described in **Attachment "A"**, attached hereto and incorporated herein by this reference (the "Annexed Property").

NOW, THEREFORE, the Declarant hereby agrees and acknowledges as follows:

1. **Annexed Property.** The Annexed Property is hereby added to the Properties currently subject to the Declaration and upon the Recordation of this Declaration of Annexation the Annexed Property shall be subject to each and every provision contained in the Declaration, and each and every covenant, condition, restriction and easement and all other matters contained in the Declaration shall be applicable to the Annexed Property as if the Annexed Property were originally covered by the Declaration and originally constituted a portion of the Properties.

2. **Lots.** The Lots comprising the Annexed Property are Residential Lots, and the Annexed Property shall be deemed to contain one hundred eighty-five (185) Residential Lots pursuant to Section 8.1(b) of the Declaration. Identifying numbers will be assigned to each Lot in the Annexed Property as provided on the final subdivision map(s) hereafter recorded with respect to the Annexed Property in the Office of the County Recorder, Clark County, Nevada.

3. **Common Elements and Areas of Common Responsibility.** There are no Common Elements or Areas of Common Responsibility added to the Properties pursuant to this Declaration of Annexation.

4. **Neighborhood Matters.**

a. The Annexed Property shall be part of a Neighborhood Association to be formed by the Person designated below as the Builder.

b. There are no Neighborhood Common Elements added to the Properties pursuant to this Declaration of Annexation; however, the Neighborhood Association formed by the Person designated below as the Builder shall have maintenance responsibility for all Neighborhood Common Elements hereafter established within the Annexed Property and assigned to the Lots hereafter created within the Annexed Property.

5. **Builder Designation.** The name and address of the Person who has or will acquire the Annexed Property is set forth immediately below, and such Person is hereby designated as a Builder under Section 2.9 of the Declaration with respect to the Annexed Property:

Richmond American Homes of Nevada, Inc.
Attention: John Prlina, Vice President Land Acquisition
7770 South Dean Martin Drive, Suite 308
Las Vegas, Nevada 89139

6. **Reallocation of Allocated Interests.** As a result of the addition of new Lots within the Properties pursuant to this Declaration of Annexation, the voting rights and liability for common assessments shall be reallocated in accordance with Section 6.3 and Section 8.1 of the Declaration.

7. **Private Maintenance Requirements.** The Declaration and this Paragraph 7 shall constitute a "Declaration of Private Maintenance Requirements" in satisfaction of the conditions imposed by the City in connection with the approval of one or more tentative maps applicable to the Properties (including without limitation the Annexed Property subject hereto), and shall run

with, burden, and bind the Properties and the Owners, the Neighborhood Association and the Association, and shall inure to the benefit of the City, and be enforceable by the City.

a. Maintenance Responsibilities. The privately owned and/or maintained infrastructure improvements located within the Properties and the Annexed Property subject hereto, shall be maintained as follows:

(1) Owners. In accordance with Section 5.1 of the Declaration, each Owner shall maintain those privately owned and/or maintained infrastructure improvements located on such Owner's Residential Lot, in a manner consistent with the Governing Documents, the Community Standards, and all applicable covenants, except to the extent that any such maintenance responsibility is otherwise assumed by or assigned to the Association or by a Neighborhood Association pursuant to a Supplemental Declaration that is now or is hereafter Recorded in accordance with the provisions of the Declaration with respect to such Residential Lot in accordance with the provisions of the Declaration.

(2) Neighborhood Association. In accordance with Section 5.2 of the Declaration, each Neighborhood Association shall maintain those privately owned and/or maintained infrastructure improvements located on or included within the Neighborhood Common Elements for which such Neighborhood Association is responsible (including without limitation those located within any easement areas designated on a Plat and/or reserved to the Neighborhood Association for maintenance), in a manner consistent with the Governing Documents, the Community Standards, and all applicable covenants, except to the extent that any such maintenance responsibility is otherwise assumed by or assigned to an Owner or the Association pursuant to a Supplemental Declaration that is now or is hereafter Recorded in accordance with the provisions of the Declaration with respect to all or any part of the Annexed Property.

(3) Association. In accordance with Article 7 of the Declaration, the Association shall maintain those privately owned and/or maintained infrastructure improvements located on or included within the Common Elements and/or Area of Common Responsibility for which the Association is responsible (including without limitation those located within any easement areas designated on a Plat and/or reserved to the Association for maintenance), in a manner consistent with the Governing Documents, the Community Standards, and all applicable covenants, except to the extent that any such maintenance responsibility is otherwise assumed by or assigned to an Owner or a Neighborhood Association pursuant to a Supplemental Declaration that is now or is hereafter Recorded in accordance with the provisions of the Declaration with respect to all or any part of the Annexed Property.

b. Rights of City. If any Owner, the Neighborhood Association and/or the Association fails to maintain any privately owned and/or maintained infrastructure improvements that such party is responsible to maintain, then the City shall have the right but not the obligation, after reasonable notice to such party and a reasonable opportunity to cure, to undertake such actions as may be required to maintain such privately owned and/or maintained infrastructure improvements and shall have the right to levy assessments to recover the costs incurred by City in performing such maintenance against the responsible parties and/or that portion of the Properties directly benefited by such privately owned and/or maintained infrastructure improvements for which the City elects to maintain.

[signatures follow]

executed this

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration as of this 11 day of Jan, 2021.

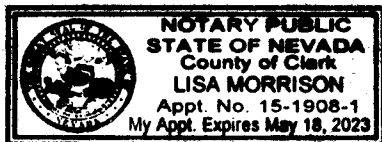
FT PARTNERS, L.L. C.,
liability company

190 OCTANE FT PARTNERS, L.L. C.,
a Nevada limited liability company

By: [Signature]
R. Brett Goett, Duly Authorized Signatory

STATE OF Nevada)
COUNTY OF Clark) ss

This instrument was acknowledged before me on the 11th day of January, 2021, by R. Brett Goett as Duly Authorized Signatory of 190 OCTANE FT PARTNERS, L.L.C., a Nevada limited liability company.



[Signature]
Notary Public
Name: Lisa Morrison
My appointment expires: May 18, 2023

CONSENT OF OWNER
TO
SUPPLEMENTAL DECLARATION OF ANNEXATION
TO
MASTER DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS
AND RESERVATION OF EASEMENTS
FOR
SKYE HILLS

(PARCEL A – RICHMOND)

The undersigned, 190 OCTANE FT PARTNERS, L.L.C., a Nevada limited liability company, as the owner of the real property described in **Attachment "A"** attached hereto, hereby consents to all of the provisions contained in the foregoing Supplemental Declaration of Annexation to Master Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Skye Hills (the "Declaration of Annexation"), and to the recordation of the Declaration of Annexation in the Official Records of the Clark County, Nevada Recorder.

IN WITNESS WHEREOF, the undersigned has executed this Consent of Owner as of this 11 day of Jan, 2021.

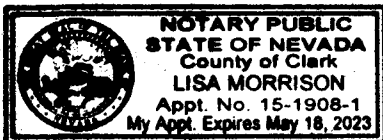
FT
company

190 OCTANE FT PARTNERS, L.L.C., a Nevada
limited liability company:

By: [Signature]
R. Brett Goett, Duly Authorized Signatory

STATE OF Nevada)
COUNTY OF Clark) ss

This instrument was acknowledged before me on the 11th day of January, 2021, by R. Brett Goett as Duly Authorized Signatory of 190 OCTANE FT PARTNERS, L.L.C., a Nevada limited liability company.



[Signature]
Notary Public
Name: Lisa Morrison
My appointment expires: May 18, 2023

ATTACHMENT A

Legal Description of Annexed Property

APN: 126-14-710-001
126-14-710-002
126-14-810-001

That certain real property located in the City of Las Vegas, Clark County, Nevada, described as follows:

PARCELS A1, A2 AND A3 OF PARENT FINAL MAP OF BLM 270, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 162 PAGE 55, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA. RECORDED ON OR ABOUT JULY 10, 2020, IN BOOK NO. 20200710 OF OFFICIAL RECORDS, AS INSTRUMENT NO. 01191.

EXCEPTING THEREFROM, THAT PORTION OF THE NORTHEAST QUARTER (NE1/4) OF THE SOUTHEAST QUARTER (SE1/4) OF SECTION 14, TOWNSHIP 19 SOUTH, RANGE 59 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER (SE1/4) OF SAID SECTION 14;

THENCE ALONG THE NORTHERLY LINE OF THE SOUTHEAST QUARTER (SE1/4) OF SAID SECTION 14, SOUTH 89°29'36" WEST, 610.98 FEET TO THE **POINT OF BEGINNING**;

THENCE DEPARTING THE NORTHERLY LINE OF THE SOUTHEAST QUARTER (SE1/4) OF SAID SECTION 14, SOUTH 00°36'10" EAST, 115.12 FEET;

THENCE SOUTH 89°23'50" WEST, 27.50 FEET;

THENCE CURVING TO THE LEFT ALONG AN ARC HAVING A RADIUS OF 5.00 FEET, CONCAVE SOUTHEASTERLY, THROUGH A CENTRAL ANGLE OF 90°00'00", AN ARC LENGTH OF 7.85 FEET;

THENCE SOUTH 00°36'10" EAST, 13.00 FEET;

THENCE SOUTH 89°23'50" WEST, 27.48 FEET TO A POINT ON THE WESTERLY LINE OF THE NORTHEAST QUARTER (NE1/4) OF THE NORTHEAST QUARTER (NE1/4) OF THE SOUTHEAST QUARTER (SE1/4) OF SAID SECTION 14;

THENCE ALONG THE WESTERLY LINE OF THE NORTHEAST QUARTER (NE1/4) OF THE NORTHEAST QUARTER (NE1/4) OF THE SOUTHEAST QUARTER (SE1/4) OF SAID SECTION 14, NORTH 00°36'10" WEST, 133.22 FEET TO A POINT ON THE NORTHERLY LINE OF THE SOUTHEAST QUARTER (SE1/4) OF SAID SECTION 14;

THENCE ALONG THE NORTHERLY LINE OF THE SOUTHEAST QUARTER (SE1/4) OF SAID SECTION 14, NORTH 89°29'36" EAST, 59.98 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 7408 SQUARE FEET, MORE OR LESS.

A.P.N.: 126-14-810-002
126-23-510-001

RECORDING REQUESTED BY, AND
WHEN RECORDED RETURN TO:

190 OCTANE FT PARTNERS, L.L.C.
11411 Southern Highlands Parkway
Suite 300
Las Vegas, NV 89141

Inst #: 20210210-0003618
Fees: \$42.00
02/10/2021 03:21:44 PM
Receipt #: 4399316
Requestor:
FIDELITY NATIONAL TITLE
Recorded By: DECHO Pgs: 6
Debbie Conway
CLARK COUNTY RECORDER
Src: FRONT COUNTER
Ofc: MAIN OFFICE

SUPPLEMENTAL DECLARATION OF ANNEXATION
TO
MASTER DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS
AND RESERVATION OF EASEMENTS
FOR
SKYE HILLS

(PARCEL B – FORESTAR)

THIS SUPPLEMENTAL DECLARATION OF ANNEXATION TO MASTER DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATION OF EASEMENTS FOR SKYE HILLS (this "Declaration of Annexation") is made by 190 OCTANE FT PARTNERS, L.L.C., a Nevada limited liability company (the "Declarant"), pursuant to that certain Master Declaration of Covenants, Conditions, Restrictions and Reservations of Easements for Skye Hills, recorded on November 5, 2020 in the Official Records of Clark County, Nevada, as Instrument No. 0002775 in Book No. 20201105 (as may be amended from time to time, the "Declaration"). Capitalized terms used but not defined herein shall have those meaning ascribed to them in the Declaration.

RECITALS

A. Section 9.1 of the Declaration provides, in part, that the Declarant may, from time to time, add all or part of the real property described on Exhibit "C" to the Declaration (the "Annexable Property") to the Properties covered by the Declaration; and

B. Declarant desires to annex that portion of the Annexable Property more particularly described in **Attachment "A"**, attached hereto and incorporated herein by this reference (the "Annexed Property").

NOW, THEREFORE, the Declarant hereby agrees and acknowledges as follows:

1. **Annexed Property.** The Annexed Property is hereby added to the Properties currently subject to the Declaration and upon the Recordation of this Declaration of Annexation the Annexed Property shall be subject to each and every provision contained in the Declaration, and each and every covenant, condition, restriction and easement and all other matters contained in the Declaration shall be applicable to the Annexed Property as if the Annexed Property were originally covered by the Declaration and originally constituted a portion of the Properties.

2. **Lots.** The Lots comprising the Annexed Property are Residential Lots, and the Annexed Property shall be deemed to contain three hundred fifty-eight (358) Residential Lots pursuant to Section 8.1(b) of the Declaration. Identifying numbers will be assigned to each Lot in the Annexed Property as provided on the final subdivision map(s) hereafter recorded with respect to the Annexed Property in the Office of the County Recorder, Clark County, Nevada.

3. **Common Elements and Areas of Common Responsibility.** There are no Common Elements or Areas of Common Responsibility added to the Properties pursuant to this Declaration of Annexation.

4. **Neighborhood Matters.**

a. The Annexed Property shall be part of a Neighborhood Association to be formed by the Person designated below as the Builder.

b. There are no Neighborhood Common Elements added to the Properties pursuant to this Declaration of Annexation; however, the Neighborhood Association formed by the Person designated below as the Builder shall have maintenance responsibility for all Neighborhood Common Elements hereafter established within the Annexed Property and assigned to the Lots hereafter created within the Annexed Property.

5. **Builder Designation.** The name and address of the Person who has or will acquire the Annexed Property is set forth immediately below, and such Person is hereby designated as a Builder under Section 2.9 of the Declaration with respect to the Annexed Property:

FORESTAR (USA) REAL ESTATE GROUP INC.
Attn: Brian Konderik, Division President
1661 East Camelback Road, Suite 330
Phoenix, Arizona 85016

6. **Reallocation of Allocated Interests.** As a result of the addition of new Lots within the Properties pursuant to this Declaration of Annexation, the voting rights and liability for common assessments shall be reallocated in accordance with Section 6.3 and Section 8.1 of the Declaration.

7. **Private Maintenance Requirements.** The Declaration and this Paragraph 7 shall constitute a "Declaration of Private Maintenance Requirements" in satisfaction of the conditions imposed by the City in connection with the approval of one or more tentative maps applicable to the Properties (including without limitation the Annexed Property subject hereto), and shall run

with, burden, and bind the Properties and the Owners, the Neighborhood Association and the Association, and shall inure to the benefit of the City, and be enforceable by the City.

a. Maintenance Responsibilities. The privately owned and/or maintained infrastructure improvements located within the Properties and the Annexed Property subject hereto, shall be maintained as follows:

(1) Owners. In accordance with Section 5.1 of the Declaration, each Owner shall maintain those privately owned and/or maintained infrastructure improvements located on such Owner's Residential Lot, in a manner consistent with the Governing Documents, the Community Standards, and all applicable covenants, except to the extent that any such maintenance responsibility is otherwise assumed by or assigned to the Association or by a Neighborhood Association pursuant to a Supplemental Declaration that is now or is hereafter Recorded in accordance with the provisions of the Declaration with respect to such Residential Lot in accordance with the provisions of the Declaration.

(2) Neighborhood Association. In accordance with Section 5.2 of the Declaration, each Neighborhood Association shall maintain those privately owned and/or maintained infrastructure improvements located on or included within the Neighborhood Common Elements for which such Neighborhood Association is responsible (including without limitation those located within any easement areas designated on a Plat and/or reserved to the Neighborhood Association for maintenance), in a manner consistent with the Governing Documents, the Community Standards, and all applicable covenants, except to the extent that any such maintenance responsibility is otherwise assumed by or assigned to an Owner or the Association pursuant to a Supplemental Declaration that is now or is hereafter Recorded in accordance with the provisions of the Declaration with respect to all or any part of the Annexed Property.

(3) Association. In accordance with Article 7 of the Declaration, the Association shall maintain those privately owned and/or maintained infrastructure improvements located on or included within the Common Elements and/or Area of Common Responsibility for which the Association is responsible (including without limitation those located within any easement areas designated on a Plat and/or reserved to the Association for maintenance), in a manner consistent with the Governing Documents, the Community Standards, and all applicable covenants, except to the extent that any such maintenance responsibility is otherwise assumed by or assigned to an Owner or a Neighborhood Association pursuant to a Supplemental Declaration that is now or is hereafter Recorded in accordance with the provisions of the Declaration with respect to all or any part of the Annexed Property.

b. Rights of City. If any Owner, the Neighborhood Association and/or the Association fails to maintain any privately owned and/or maintained infrastructure improvements that such party is responsible to maintain, then the City shall have the right but not the obligation, after reasonable notice to such party and a reasonable opportunity to cure, to undertake such actions as may be required to maintain such privately owned and/or maintained infrastructure improvements and shall have the right to levy assessments to recover the costs incurred by City in performing such maintenance against the responsible parties and/or that portion of the Properties directly benefited by such privately owned and/or maintained infrastructure improvements for which the City elects to maintain.

[signatures follow]

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration as of this 4 day of Feb, 2021.

Partners, L.L.C.
liability

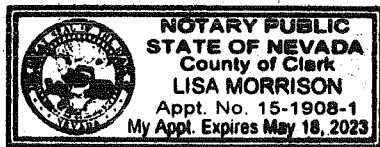
190 OCTANE FT PARTNERS, L.L.C.,
a Nevada limited liability company

By: [Signature]
R. Brett Goett, Duly Authorized Signatory

Authorized Signatory

STATE OF Nevada)
COUNTY OF Clark) ss

This instrument was acknowledged before me on the 4th day of February, 2021, by R. Brett Goett as Duly Authorized Signatory of 190 OCTANE FT PARTNERS, L.L.C., a Nevada limited liability company.



[Signature]
Notary Public
Name: Lisa Morrison
My appointment expires: May 18, 2023

CONSENT OF OWNER
TO
SUPPLEMENTAL DECLARATION OF ANNEXATION
TO
MASTER DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS
AND RESERVATION OF EASEMENTS
FOR
SKYE HILLS

(PARCEL B – FORESTAR)

The undersigned, 190 OCTANE FT PARTNERS, L.L.C., a Nevada limited liability company, as the owner of the real property described in **Attachment "A"** attached hereto, hereby consents to all of the provisions contained in the foregoing Supplemental Declaration of Annexation to Master Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Skye Hills (the "Declaration of Annexation"), and to the recordation of the Declaration of Annexation in the Official Records of the Clark County, Nevada Recorder.

IN WITNESS WHEREOF, the undersigned has executed this Consent of Owner as of this
4 day of Feb, 2021.

company

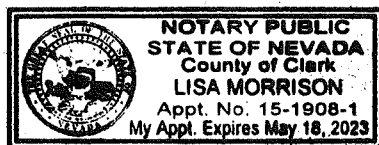
190 OCTANE FT PARTNERS, L.L.C., a Nevada
limited liability company:

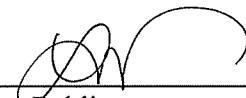
By: 
R. Brett Goett, Duly Authorized Signatory

Signatory

STATE OF Nevada)
COUNTY OF Clark) ss

This instrument was acknowledged before me on the 4th day of February, 2021,
by R. Brett Goett as Duly Authorized Signatory of 190 OCTANE FT PARTNERS, L.L.C., a
Nevada limited liability company.




Notary Public
Name: Lisa Morrison
My appointment expires: May 18, 2023

ATTACHMENT A

Legal Description of Annexed Property

A.P.N.: 126-14-810-002
126-23-510-001

That certain real property located in the City of Las Vegas, Clark County, Nevada,
described as follows:

PARCELS B1 AND B2 OF PARENT FINAL MAP OF BLM 270, AS SHOWN BY MAP
THEREOF ON FILE IN BOOK 162 PAGE 55, IN THE OFFICE OF THE COUNTY
RECORDER OF CLARK COUNTY, NEVADA. RECORDED ON OR ABOUT JULY 10, 2020,
IN BOOK NO. 20200710 OF OFFICIAL RECORDS, AS INSTRUMENT NO. 01191.

A.P.N.: 126-23-610-001

RECORDING REQUESTED BY, AND
WHEN RECORDED RETURN TO:

190 OCTANE FT PARTNERS, L.L.C.
11411 Southern Highlands Parkway
Suite 300
Las Vegas, NV 89141

Inst #: 20220518-0002202
Fees: \$42.00
05/18/2022 01:27:53 PM
Receipt #: 4998902
Requestor:
FIDELITY NATIONAL TITLE
Recorded By: SCHIABLE Pgs: 6
Debbie Conway
CLARK COUNTY RECORDER
Src: FRONT COUNTER
Ofc: MAIN OFFICE

SUPPLEMENTAL DECLARATION OF ANNEXATION
TO
MASTER DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS
AND RESERVATION OF EASEMENTS
FOR
SKYE HILLS

(PARCEL C1 – HORTON)

THIS SUPPLEMENTAL DECLARATION OF ANNEXATION TO MASTER DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATION OF EASEMENTS FOR SKYE HILLS (this "Declaration of Annexation") is made by 190 OCTANE FT PARTNERS, L.L.C., a Nevada limited liability company (the "Declarant"), pursuant to that certain Master Declaration of Covenants, Conditions, Restrictions and Reservations of Easements for Skye Hills, recorded on November 5, 2020 in the Official Records of Clark County, Nevada, as Instrument No. 0002775 in Book No. 20201105 (as may be amended from time to time, the "Declaration"). Capitalized terms used but not defined herein shall have those meaning ascribed to them in the Declaration.

RECITALS

A. Section 9.1 of the Declaration provides, in part, that the Declarant may, from time to time, add all or part of the real property described on Exhibit "C" to the Declaration (the "Annexable Property") to the Properties covered by the Declaration; and

B. Declarant desires to annex that portion of the Annexable Property more particularly described in **Attachment "A"**, attached hereto and incorporated herein by this reference (the "Annexed Property").

NOW, THEREFORE, the Declarant hereby agrees and acknowledges as follows:

1. **Annexed Property.** The Annexed Property is hereby added to the Properties currently subject to the Declaration and upon the Recordation of this Declaration of Annexation the Annexed Property shall be subject to each and every provision contained in the Declaration, and each and every covenant, condition, restriction and easement and all other matters contained in the Declaration shall be applicable to the Annexed Property as if the Annexed Property were originally covered by the Declaration and originally constituted a portion of the Properties.

2. **Lots.** The Lots comprising the Annexed Property are Residential Lots, and the Annexed Property shall be deemed to contain two hundred six (206) Residential Lots pursuant to Section 8.1(b) of the Declaration. Identifying numbers will be assigned to each Lot in the Annexed Property as provided on the final subdivision map(s) hereafter recorded with respect to the Annexed Property in the Office of the County Recorder, Clark County, Nevada.

3. **Common Elements and Areas of Common Responsibility.** There are no Common Elements or Areas of Common Responsibility added to the Properties pursuant to this Declaration of Annexation.

4. **Neighborhood Matters.**

a. By this Declaration of Annexation, Declarant designates and establishes the Annexed Property as a "Neighborhood" under the Declaration and such "Neighborhood" shall be known as the Accolade Neighborhood (the "Neighborhood"). The Annexed Property will not be part of a Neighborhood Association.

b. No Neighborhood Common Elements are added by this Declaration of Annexation. In the future, Neighborhood Common Elements may be assigned to the Neighborhood in the manner provided in Section 12.2 of the Declaration. The Association shall maintain, and be responsible for repairing and replacing, any Neighborhood Common Elements assigned to the Neighborhood as a Neighborhood Expense of the Lots within the Neighborhood.

5. **Builder Designation.** The name and address of the Person who has or will acquire the Annexed Property is set forth immediately below, and such Person is hereby designated as a Builder under Section 2.9 of the Declaration with respect to the Annexed Property:

D.R. HORTON, INC.
Attn: Tim Colbert, Division President
1081 Whitney Ranch Drive, Suite 141
Henderson, NV 89014

6. **Reallocation of Allocated Interests.** As a result of the addition of new Lots within the Properties pursuant to this Declaration of Annexation, the voting rights and liability for common assessments shall be reallocated in accordance with Section 6.3 and Section 8.1 of the Declaration.

7. **Private Maintenance Requirements.** The Declaration and this Paragraph 7 shall constitute a "Declaration of Private Maintenance Requirements" in satisfaction of the conditions

imposed by the City in connection with the approval of one or more tentative maps applicable to the Properties (including without limitation the Annexed Property subject hereto), and shall run with, burden, and bind the Properties and the Owners and the Association, and shall inure to the benefit of the City, and be enforceable by the City.

a. Maintenance Responsibilities. The privately owned and/or maintained infrastructure improvements located within the Properties and the Annexed Property subject hereto, shall be maintained as follows:

(1) Owners. In accordance with Section 5.1 of the Declaration, each Owner shall maintain those privately owned and/or maintained infrastructure improvements located on such Owner's Residential Lot, in a manner consistent with the Governing Documents, the Community Standards, and all applicable covenants.

(2) Association. In accordance with Article 7 of the Declaration, the Association shall maintain those privately owned and/or maintained infrastructure improvements located on or included within the Common Elements and/or Area of Common Responsibility for which the Association is responsible (including without limitation those located within any easement areas designated on a Plat and/or reserved to the Association for maintenance), in a manner consistent with the Governing Documents, the Community Standards, and all applicable covenants.

b. Rights of City. If any Owner and/or the Association fails to maintain any privately owned and/or maintained infrastructure improvements that such party is responsible to maintain, then the City shall have the right but not the obligation, after reasonable notice to such party and a reasonable opportunity to cure, to undertake such actions as may be required to maintain such privately owned and/or maintained infrastructure improvements and shall have the right to levy assessments to recover the costs incurred by City in performing such maintenance against the responsible parties and/or that portion of the Properties directly benefited by such privately owned and/or maintained infrastructure improvements for which the City elects to maintain.

[signatures follow]

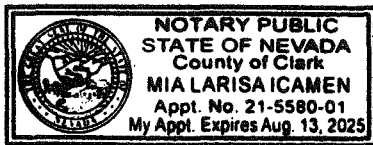
IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration as of this 16 day of May, 2022.

190 OCTANE FT PARTNERS, L.L.C.,
a Nevada limited liability company

By: [Signature]
R. Brett Goett, Duly Authorized Signatory

STATE OF Nevada)
) ss
COUNTY OF Clark)

This instrument was acknowledged before me on the 16 day of May, 2022,
by R. Brett Goett as Duly Authorized Signatory of 190 OCTANE FT PARTNERS, L.L.C., a
Nevada limited liability company.



[Signature]
Notary Public

Name: Mia Icamen

My appointment expires: August 13, 2025

Mia Larisa Icamen 21-5580-01 Aug 13, 2025

For Clarification Only

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration as of this ____ day of _____, 2022.

190 OCTANE FT PARTNERS, L.L.C.,
a Nevada limited liability company

By: _____
R. Brett Goett, Duly Authorized Signatory

STATE OF _____)
) ss
COUNTY OF _____)

This instrument was acknowledged before me on the ____ day of _____, 2022,
by R. Brett Goett as Duly Authorized Signatory of 190 OCTANE FT PARTNERS, L.L.C., a
Nevada limited liability company.

Notary Public

Name: _____

My appointment expires: _____

ATTACHMENT A

Legal Description of Annexed Property

The land referred to hereinbelow is situated Las Vegas, in the County of Clark, State of Nevada, and is described as follows:

LOT C1 OF THE PARENT FINAL MAP OF BLM 270, A COMMON INTEREST COMMUNITY, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 162 OF PLATS, PAGE 55, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

EXCEPTING THEREFROM THAT PORTION CONVEYED IN THE GRANT DEED RECORDED DECEMBER 7, 2020 AS INSTRUMENT NO. 20201207-0000705, OF OFFICIAL RECORDS AND RE-RECORDED JANUARY 7, 2021 AS INSTRUMENT NO. 20210107-0002150, OF OFFICIAL RECORDS.

APN: 126-23-610-001

A.P.N.: 126-23-610-002
126-23-710-001

RECORDING REQUESTED BY, AND
WHEN RECORDED RETURN TO:

190 OCTANE FT PARTNERS, L.L.C.
11411 Southern Highlands Parkway
Suite 300
Las Vegas, NV 89141

Inst #: 20210317-0003448
Fees: \$42.00
03/17/2021 04:16:19 PM
Receipt #: 4447175
Requestor:
FIDELITY NATIONAL TITLE
Recorded By: MAYSM Pgs: 5
Debbie Conway
CLARK COUNTY RECORDER
Src: FRONT COUNTER
Ofc: MAIN OFFICE

SUPPLEMENTAL DECLARATION OF ANNEXATION
TO
MASTER DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS
AND RESERVATION OF EASEMENTS
FOR
SKYE HILLS

(PARCEL C2 AND C3 – DRP NV 1, LLC)

THIS SUPPLEMENTAL DECLARATION OF ANNEXATION TO MASTER DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATION OF EASEMENTS FOR SKYE HILLS (this "Declaration of Annexation") is made by 190 OCTANE FT PARTNERS, L.L.C., a Nevada limited liability company (the "Declarant"), pursuant to that certain Master Declaration of Covenants, Conditions, Restrictions and Reservations of Easements for Skye Hills, recorded on November 5, 2020 in the Official Records of Clark County, Nevada, as Instrument No. 0002775 in Book No. 20201105 (as may be amended from time to time, the "Declaration"). Capitalized terms used but not defined herein shall have those meaning ascribed to them in the Declaration.

RECITALS

A. Section 9.1 of the Declaration provides, in part, that the Declarant may, from time to time, add all or part of the real property described on Exhibit "C" to the Declaration (the "Annexable Property") to the Properties covered by the Declaration; and

B. Declarant desires to annex that portion of the Annexable Property more particularly described in **Attachment "A"**, attached hereto and incorporated herein by this reference (the "Annexed Property").

NOW, THEREFORE, the Declarant hereby agrees and acknowledges as follows:

1. **Annexed Property.** The Annexed Property is hereby added to the Properties currently subject to the Declaration and upon the Recordation of this Declaration of Annexation the Annexed Property shall be subject to each and every provision contained in the Declaration, and each and every covenant, condition, restriction and easement and all other matters contained in the Declaration shall be applicable to the Annexed Property as if the Annexed Property were originally covered by the Declaration and originally constituted a portion of the Properties.

2. **Lots.** The Lots comprising the Annexed Property are Residential Lots, and the Annexed Property shall be deemed to contain two hundred fifty (250) Residential Lots pursuant to Section 8.1(b) of the Declaration. Identifying numbers will be assigned to each Lot in the Annexed Property as provided on the final subdivision map(s) hereafter recorded with respect to the Annexed Property in the Office of the County Recorder, Clark County, Nevada.

3. **Common Elements and Areas of Common Responsibility.** There are no Common Elements or Areas of Common Responsibility added to the Properties pursuant to this Declaration of Annexation.

4. **Neighborhood Matters.**

a. By this Declaration of Annexation, Declarant designates and establishes the Annexed Property as one or more "Neighborhood(s)" under the Declaration and such "Neighborhoods" shall be known as the Sage Point Neighborhood and the Sage Reserve Neighborhood (each a "Neighborhood," or collectively, "Neighborhoods"). The Annexed Property will not be part of a Neighborhood Association.

b. No Neighborhood Common Elements are added by this Declaration of Annexation. In the future, Neighborhood Common Elements may be assigned to the Neighborhood in the manner provided in Section 12.2 of the Declaration. The Association shall maintain, and be responsible for repairing and replacing, any Neighborhood Common Elements assigned to the Neighborhood as a Neighborhood Expense of the Lots within the Neighborhood.

5. **Builder Designation.** The name and address of the Person who has or will acquire the Annexed Property is set forth immediately below, and such Person is hereby designated as a Builder under Section 2.9 of the Declaration with respect to the Annexed Property:

DRP NV 1, LLC
c/o Domain Real Estate Partners
6900 E. Camelback Road, Suite 906
Scottsdale, AZ 85251
Attn.: Ryan Mott

Declarant acknowledges that the aforementioned Person has contemporaneously entered into a "land banking" arrangement with the Person set forth immediately below, and such additional

Person is hereby designated as a Builder under Section 2.9 of the Declaration with respect to the Annexed Property:

Beazer Homes Holdings, LLC
Attention: Steven Cervino
2490 Paseo Verde Parkway, Suite 120
Henderson, NV 89074

6. **Reallocation of Allocated Interests.** As a result of the addition of new Lots within the Properties pursuant to this Declaration of Annexation, the voting rights and liability for common assessments shall be reallocated in accordance with Section 6.3 and Section 8.1 of the Declaration.

7. **Private Maintenance Requirements.** The Declaration and this Paragraph 7 shall constitute a "Declaration of Private Maintenance Requirements" in satisfaction of the conditions imposed by the City in connection with the approval of one or more tentative maps applicable to the Properties (including without limitation the Annexed Property subject hereto), and shall run with, burden, and bind the Properties and the Owners and the Association, and shall inure to the benefit of the City, and be enforceable by the City.

a. Maintenance Responsibilities. The privately owned and/or maintained infrastructure improvements located within the Properties and the Annexed Property subject hereto, shall be maintained as follows:

(1) Owners. In accordance with Section 5.1 of the Declaration, each Owner shall maintain those privately owned and/or maintained infrastructure improvements located on such Owner's Residential Lot, in a manner consistent with the Governing Documents, the Community Standards, and all applicable covenants.

(2) Association. In accordance with Article 7 of the Declaration, the Association shall maintain those privately owned and/or maintained infrastructure improvements located on or included within the Common Elements and/or Area of Common Responsibility for which the Association is responsible (including without limitation those located within any easement areas designated on a Plat and/or reserved to the Association for maintenance), in a manner consistent with the Governing Documents, the Community Standards, and all applicable covenants.

b. Rights of City. If any Owner and/or the Association fails to maintain any privately owned and/or maintained infrastructure improvements that such party is responsible to maintain, then the City shall have the right but not the obligation, after reasonable notice to such party and a reasonable opportunity to cure, to undertake such actions as may be required to maintain such privately owned and/or maintained infrastructure improvements and shall have the right to levy assessments to recover the costs incurred by City in performing such maintenance against the responsible parties and/or that portion of the Properties directly benefited by such privately owned and/or maintained infrastructure improvements for which the City elects to maintain.

[signatures follow]

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration as of this 15 day of march, 2021.

Octane
limited liability company

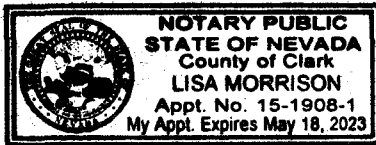
190 OCTANE FT PARTNERS, L.L.C.,
a Nevada limited liability company

By: _____
R. Brett Goett, Duly Authorized Signatory

Duly Authorized Signatory

STATE OF Nevada)
COUNTY OF Clark) ss

This instrument was acknowledged before me on the 15 day of March, 2021,
by R. Brett Goett as Duly Authorized Signatory of 190 OCTANE FT PARTNERS, L.L.C., a
Nevada limited liability company.



Notary Public
Name: Lisa Morrison
My appointment expires: May 18, 2023

ATTACHMENT A

Legal Description of Annexed Property

A.P.N.: 126-23-610-002
126-23-710-001

That certain real property located in the City of Las Vegas, Clark County, Nevada, described as follows:

PARCEL 1: (APN: 126-23-610-002)

PARCEL C2 OF PARENT FINAL MAP OF BLM 270 AS SHOWN BY MAP THEREOF ON FILE IN BOOK 162, PAGE 55 OF PLATS IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA.

PARCEL 2: (APN: 126-23-710-001)

PARCEL C3 OF PARENT FINAL MAP OF BLM 270 AS SHOWN BY MAP THEREOF ON FILE IN BOOK 162, PAGE 55 OF PLATS IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA.

A.P.N.: 126-23-810-001
126-23-810-002

Inst #: 20201209-0002555
Fees: \$42.00
12/09/2020 02:12:08 PM
Receipt #: 4320792
Requestor:
Fidelity National Title
Recorded By: CHSHD Pgs: 6
Debbie Conway
CLARK COUNTY RECORDER
Src: ERECORD
Ofc: ERECORD

RECORDING REQUESTED BY, AND
WHEN RECORDED RETURN TO:

190 OCTANE FT PARTNERS, L.L.C.
11411 Southern Highlands Parkway
Suite 300
Las Vegas, NV 89141

SUPPLEMENTAL DECLARATION OF ANNEXATION
TO
MASTER DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS
AND RESERVATION OF EASEMENTS
FOR
SKYE HILLS

(PARCEL D1 AND D2 – PULTE)

THIS SUPPLEMENTAL DECLARATION OF ANNEXATION TO MASTER DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATION OF EASEMENTS FOR SKYE HILLS (this "Declaration of Annexation") is made by 190 OCTANE FT PARTNERS, L.L.C., a Nevada limited liability company (the "Declarant"), pursuant to that certain Master Declaration of Covenants, Conditions, Restrictions and Reservations of Easements for Skye Hills, recorded on November 5, 2020 in the Official Records of Clark County, Nevada, as Instrument No. 0002775 in Book No. 20201105 (as may be amended from time to time, the "Declaration"). Capitalized terms used but not defined herein shall have those meaning ascribed to them in the Declaration.

RECITALS

A. Section 9.1 of the Declaration provides, in part, that the Declarant may, from time to time, add all or part of the real property described on Exhibit "C" to the Declaration (the "Annexable Property") to the Properties covered by the Declaration; and

B. Declarant desires to annex that portion of the Annexable Property more particularly described in **Attachment "A"**, attached hereto and incorporated herein by this reference (the "Annexed Property").

NOW, THEREFORE, the Declarant hereby agrees and acknowledges as follows:

1. **Annexed Property.** The Annexed Property is hereby added to the Properties currently subject to the Declaration and upon the Recordation of this Declaration of Annexation the Annexed Property shall be subject to each and every provision contained in the Declaration, and each and every covenant, condition, restriction and easement and all other matters contained in the Declaration shall be applicable to the Annexed Property as if the Annexed Property were originally covered by the Declaration and originally constituted a portion of the Properties.

2. **Lots.** The Lots comprising the Annexed Property are Residential Lots, and the Annexed Property shall be deemed to contain three hundred three (303) Residential Lots pursuant to Section 8.1(b) of the Declaration. Identifying numbers will be assigned to each Lot in the Annexed Property as provided on the final subdivision map(s) hereafter recorded with respect to the Annexed Property in the Office of the County Recorder, Clark County, Nevada.

3. **Common Elements and Areas of Common Responsibility.** There are no Common Elements or Areas of Common Responsibility added to the Properties pursuant to this Declaration of Annexation.

4. **Neighborhood Matters.**

a. By this Declaration of Annexation, Declarant designates and establishes the Annexed Property as one or more "Neighborhood(s)" under the Declaration and such "Neighborhoods" shall be known as the Valridge at Skye Hills Neighborhood and the Stillwater at Skye Hills Neighborhood (each a "Neighborhood," or collectively, "Neighborhoods"). The Annexed Property will not be part of a Neighborhood Association.

b. No Neighborhood Common Elements are added by this Declaration of Annexation. In the future, Neighborhood Common Elements may be assigned to the Neighborhood in the manner provided in Section 12.2 of the Declaration. The Association shall maintain, and be responsible for repairing and replacing, any Neighborhood Common Elements assigned to the Neighborhood as a Neighborhood Expense of the Lots within the Neighborhood.

5. **Builder Designation.** The name and address of the Person who has or will acquire the Annexed Property is set forth immediately below, and such Person is hereby designated as a Builder under Section 2.9 of the Declaration with respect to the Annexed Property:

PN II, INC., dba Pulte Homes Nevada
Attention: Ryan Breen
7225 S. Tenaya Way, Suite 200
Las Vegas, Nevada 89113

6. **Reallocation of Allocated Interests.** As a result of the addition of new Lots within the Properties pursuant to this Declaration of Annexation, the voting rights and liability for common assessments shall be reallocated in accordance with Section 6.3 and Section 8.1 of the Declaration.

7. **Private Maintenance Requirements.** The Declaration and this Paragraph 7 shall constitute a "Declaration of Private Maintenance Requirements" in satisfaction of the conditions imposed by the City in connection with the approval of one or more tentative maps applicable to the Properties (including without limitation the Annexed Property subject hereto), and shall run with, burden, and bind the Properties and the Owners and the Association, and shall inure to the benefit of the City, and be enforceable by the City.

a. **Maintenance Responsibilities.** The privately owned and/or maintained infrastructure improvements located within the Properties and the Annexed Property subject hereto, shall be maintained as follows:

(1) **Owners.** In accordance with Section 5.1 of the Declaration, each Owner shall maintain those privately owned and/or maintained infrastructure improvements located on such Owner's Residential Lot, in a manner consistent with the Governing Documents, the Community Standards, and all applicable covenants.

(2) **Association.** In accordance with Article 7 of the Declaration, the Association shall maintain those privately owned and/or maintained infrastructure improvements located on or included within the Common Elements and/or Area of Common Responsibility for which the Association is responsible (including without limitation those located within any easement areas designated on a Plat and/or reserved to the Association for maintenance), in a manner consistent with the Governing Documents, the Community Standards, and all applicable covenants.

b. **Rights of City.** If any Owner and/or the Association fails to maintain any privately owned and/or maintained infrastructure improvements that such party is responsible to maintain, then the City shall have the right but not the obligation, after reasonable notice to such party and a reasonable opportunity to cure, to undertake such actions as may be required to maintain such privately owned and/or maintained infrastructure improvements and shall have the right to levy assessments to recover the costs incurred by City in performing such maintenance against the responsible parties and/or that portion of the Properties directly benefited by such privately owned and/or maintained infrastructure improvements for which the City elects to maintain.

8. **Easements.**

a. Certain Residential Lots within the Neighborhood, as determined by the U.S. Postal Service (the "USPS"), may be made subject to a permanent, perpetual, and non-exclusive easement (the "Mail Box Easement") for the installation and maintenance of USPS mail boxes and appurtenant facilities (the "Mail Boxes"). The Mail Box Easement shall be located on the portion of each Residential Lot where the USPS requires the Mail Boxes to be constructed, and shall include such portions of the Residential Lot reasonably necessary to install and maintain the Mail Boxes (the "Mail Box Easement Area"). Each Mail Box Easement shall be for the benefit of (i) the residents of the Neighborhood for receipt and delivery of U.S. mail, and (ii) Builder and the Association for the purpose of permitting Builder to install the Mail Boxes and the Association to perform any maintenance, repair, and replacement of the Mail Boxes not performed by the USPS. In the event any such maintenance, repair, and replacement is not performed by the USPS, the Mail Box Easement Areas shall be deemed to be a Neighborhood Common Element. An Owner (i) shall not alter, remove, replace, or disturb the improvements within the Mailbox Easement Area,

(ii) shall not place or permit to be placed any materials that would obstruct access to the Mailbox Easement Area or construct or install any improvements within the Mailbox Easement Area without the prior written consent of the Association, and (iii) shall cooperate with the Association in any way required by the Association in order for the Association to fulfill its obligations under this section. The Association shall have the right to adopt reasonable rules and regulations governing the use of the Mailbox Easement Area.

b. Certain Lots in the Neighborhood may be subject to other easements as more particularly described in the Subdivision Map for such Lot or other Recorded instrument, including without limitation: landscape, utility, drainage, sewer, streetlight, traffic control device, and pedestrian access. The Lot shall be subject to the terms and conditions of the instrument which created such easement. Such easements may be publicly or privately maintained as set forth in the instrument which created such easement. An Owner shall not interfere with the use of such easements. The Association shall have the right to adopt reasonable rules and regulations governing the use of such easement areas.

9. **Restricted Access Gates.** Builder intends to construct a gated entrance into the Neighborhood in order to limit vehicular access to the Neighborhood and to provide some privacy for the Owners. Each Owner, on the Owner's behalf and for the Owner's family, invitees and licensees, acknowledges, understands, and agrees as follows: (i) neither Builder nor the Association make any representations or warranties that a gated entrance will provide security and safety to Owners or their families, invitees and licensees; (ii) the gated entrance may restrict or delay entry into the Neighborhood by the police, fire department, ambulances and other emergency vehicles or personnel; and (iii) installation and operation of an entry gate shall not create any presumption or duty whatsoever of Builder or the Association (or their respective officers, directors, managers, employees, agents, or contractors) with regard to security or protection of persons or property within or adjacent to the Neighborhood. Builder shall have the right to allow any gated entrance to remain open during business and construction hours for the period of time necessary to sell and construct all Residential Lots in the Neighborhood.

10. **Capitalization of Neighborhood Expenses.** Upon the acquisition of record title to a Residential Lot in the Neighborhood by the first Purchaser, that first Purchaser shall make a contribution to the working capital of the Association for specific application to the Neighborhood Common Elements, in the amount of \$700.00. Capital contributions under this Section 10 shall be in addition to, not in lieu of, the working capital contributions for the Common Elements due under Section 8.11 of the Declaration. Furthermore, capital contributions under this Section 10 shall be in addition to, not in lieu of, the annual Base Assessment and the annual Neighborhood Assessment due with respect to the Residential Lot, and shall not be considered an advance payment of any such assessment. Each Residential Lot's capital contribution under this Section 10 shall be collected at the time the sale of the Residential Lot to the first Purchaser is closed and then contributed to the Association for application to the Neighborhood Expenses. Capital contributions under this Section 10 shall be applied by the Association to Neighborhood Expenses as follows: (a) one-half (1/2) shall be applied to the working capital needs of the Neighborhood and (b) one-half (1/2) shall be applied to the reserve funds of the Neighborhood.

[signatures follow]

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration as of this 2 day of Dec, 2020.

(u)

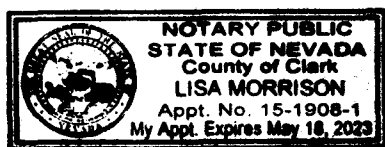
Octane
190 OCTANE FT PARTNERS, L.L.C.,
a Nevada limited liability company limited

By: [Signature]
R. Brett Goett, Duly Authorized Signatory

Duly Authorized Signatory

STATE OF Nevada)
COUNTY OF Clark) ss

This instrument was acknowledged before me on the 2nd day of December, 2020, by R. Brett Goett as Duly Authorized Signatory of 190 OCTANE FT PARTNERS, L.L.C., a Nevada limited liability company.



[Signature]
Notary Public
Name: Lisa Morrison
My appointment expires: May 18, 2023

ATTACHMENT A

Legal Description of Annexed Property

A.P.N.: 126-23-810-001
126-23-810-002

That certain real property located in the City of Las Vegas, Clark County, Nevada, described as follows:

PARCELS D1 AND D2 OF PARENT FINAL MAP OF BLM 270, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 162 PAGE 55, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA. RECORDED ON OR ABOUT JULY 10, 2020, IN BOOK NO. 20200710 OF OFFICIAL RECORDS, AS INSTRUMENT NO. 01191.

Inst #: 20211208-0001238
Fees: \$42.00
12/08/2021 11:48:31 AM
Receipt #: 4809678
Requestor:
FIDELITY NATIONAL TITLE
Recorded By: RYUD Pgs: 6
Debbie Conway
CLARK COUNTY RECORDER
Src: FRONT COUNTER
Ofc: MAIN OFFICE

A.P.N.: 126-26-510-001
126-26-610-001

Signed in counterpart

RECORDING REQUESTED BY, AND
WHEN RECORDED RETURN TO:

190 OCTANE FT PARTNERS, L.L.C.
11411 Southern Highlands Parkway
Suite 300
Las Vegas, NV 89141

SUPPLEMENTAL DECLARATION OF ANNEXATION
TO
MASTER DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS
AND RESERVATION OF EASEMENTS
FOR
SKYE HILLS

(PARCEL E – LENNAR)

THIS SUPPLEMENTAL DECLARATION OF ANNEXATION TO MASTER DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATION OF EASEMENTS FOR SKYE HILLS (this "Declaration of Annexation") is made by 190 OCTANE FT PARTNERS, L.L.C., a Nevada limited liability company (the "Declarant"), pursuant to that certain Master Declaration of Covenants, Conditions, Restrictions and Reservations of Easements for Skye Hills, recorded on November 5, 2020 in the Official Records of Clark County, Nevada, as Instrument No. 0002775 in Book No. 20201105 (as may be amended from time to time, the "Declaration"). Capitalized terms used but not defined herein shall have those meaning ascribed to them in the Declaration.

RECITALS

A. Section 9.1 of the Declaration provides, in part, that the Declarant may, from time to time, add all or part of the real property described on Exhibit "C" to the Declaration (the "Annexable Property") to the Properties covered by the Declaration; and

B. Declarant desires to annex that portion of the Annexable Property more particularly described in **Attachment "A"**, attached hereto and incorporated herein by this reference (the "Annexed Property").

NOW, THEREFORE, the Declarant hereby agrees and acknowledges as follows:

1. **Annexed Property.** The Annexed Property is hereby added to the Properties currently subject to the Declaration and upon the Recordation of this Declaration of Annexation the Annexed Property shall be subject to each and every provision contained in the Declaration, and each and every covenant, condition, restriction and easement and all other matters contained in the Declaration shall be applicable to the Annexed Property as if the Annexed Property were originally covered by the Declaration and originally constituted a portion of the Properties.

2. **Lots.** The Lots comprising the Annexed Property are Residential Lots, and the Annexed Property shall be deemed to contain two hundred fifty-five (255) Residential Lots pursuant to Section 8.1(b) of the Declaration. Identifying numbers will be assigned to each Lot in the Annexed Property as provided on the final subdivision map(s) hereafter recorded with respect to the Annexed Property in the Office of the County Recorder, Clark County, Nevada.

3. **Common Elements and Areas of Common Responsibility.** There are no Common Elements or Areas of Common Responsibility added to the Properties pursuant to this Declaration of Annexation.

4. **Neighborhood Matters.**

a. By this Declaration of Annexation, Declarant designates and establishes the Annexed Property as a "Neighborhood" under the Declaration and such "Neighborhood" shall be known as the Avery Landing Neighborhood (the "Neighborhood"). The Annexed Property will not be part of a Neighborhood Association.

b. No Neighborhood Common Elements are added by this Declaration of Annexation. In the future, Neighborhood Common Elements may be assigned to the Neighborhood in the manner provided in Section 12.2 of the Declaration. The Association shall maintain, and be responsible for repairing and replacing, any Neighborhood Common Elements assigned to the Neighborhood as a Neighborhood Expense of the Lots within the Neighborhood.

5. **Builder Designation.** The name and address of the Person who has or will acquire the Annexed Property is set forth immediately below, and such Person is hereby designated as a Builder under Section 2.9 of the Declaration with respect to the Annexed Property:

Greystone Nevada, LLC
9275 W. Russell Road, Suite 400
Henderson, Nevada 89148

6. **Reallocation of Allocated Interests.** As a result of the addition of new Lots within the Properties pursuant to this Declaration of Annexation, the voting rights and liability for common assessments shall be reallocated in accordance with Section 6.3 and Section 8.1 of the Declaration.

7. **Private Maintenance Requirements.** The Declaration and this Paragraph 7 shall constitute a "Declaration of Private Maintenance Requirements" in satisfaction of the conditions imposed by the City in connection with the approval of one or more tentative maps applicable to

the Properties (including without limitation the Annexed Property subject hereto), and shall run with, burden, and bind the Properties and the Owners and the Association, and shall inure to the benefit of the City, and be enforceable by the City.

a. Maintenance Responsibilities. The privately owned and/or maintained infrastructure improvements located within the Properties and the Annexed Property subject hereto, shall be maintained as follows:

(1) Owners. In accordance with Section 5.1 of the Declaration, each Owner shall maintain those privately owned and/or maintained infrastructure improvements located on such Owner's Residential Lot, in a manner consistent with the Governing Documents, the Community Standards, and all applicable covenants.

(2) Association. In accordance with Article 7 of the Declaration, the Association shall maintain those privately owned and/or maintained infrastructure improvements located on or included within the Common Elements and/or Area of Common Responsibility for which the Association is responsible (including without limitation those located within any easement areas designated on a Plat and/or reserved to the Association for maintenance), in a manner consistent with the Governing Documents, the Community Standards, and all applicable covenants.

b. Rights of City. If any Owner and/or the Association fails to maintain any privately owned and/or maintained infrastructure improvements that such party is responsible to maintain, then the City shall have the right but not the obligation, after reasonable notice to such party and a reasonable opportunity to cure, to undertake such actions as may be required to maintain such privately owned and/or maintained infrastructure improvements and shall have the right to levy assessments to recover the costs incurred by City in performing such maintenance against the responsible parties and/or that portion of the Properties directly benefited by such privately owned and/or maintained infrastructure improvements for which the City elects to maintain.

[signatures follow]

Declarant

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration as of this 2nd day of December, 2021.

FT

limited liability company

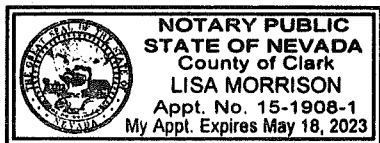
190 OCTANE FT PARTNERS, L.L.C.,
a Nevada limited liability company

By: [Signature]
R. Brett Goett, Duly Authorized Signatory

Authorized Signatory

STATE OF Nevada)
COUNTY OF Clark) ss

This instrument was acknowledged before me on the 2 day of December, 2021, by R. Brett Goett as Duly Authorized Signatory of 190 OCTANE FT PARTNERS, L.L.C., a Nevada limited liability company.



15-1908-1

[Signature]
Notary Public

CONSENT OF BUILDER:

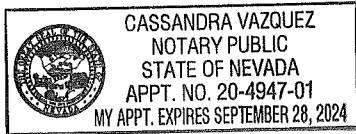
The undersigned Builder agrees to all the terms and conditions as set forth in the Declaration Amendment and consents to the recordation of this instrument against the Annexed Property.

GREYSTONE NEVADA, LLC,
a Delaware limited liability company,

By: Joy Broddle
Joy Broddle, Authorized Signatory

STATE OF NEVADA)
) ss
COUNTY OF CLARK)

This instrument was acknowledged before me on the 1TH day of DECEMBER, 2021,
by Joy Broddle, Authorized Signatory of GREYSTONE NEVADA, LLC, a Delaware limited
liability company.



[Signature]
Notary Public

ATTACHMENT A

Legal Description of Annexed Property

A.P.N.: 126-26-510-001 and 126-26-610-001

THE LAND REFERRED TO HEREINBELOW IS SITUATED IN THE COUNTY OF CLARK, STATE OF NEVADA, AND IS DESCRIBED AS FOLLOWS:

PARCELS E1 AND E2 OF PARENT FINAL MAP OF BLM 270 AS SHOWN BY MAP THEREOF ON FILE IN BOOK 162 OF PLATS, PAGE 55 IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA, AND AS AMENDED BY THAT CERTAIN CERTIFICATE OF AMENDMENT RECORDED JANUARY 27, 2021 AS INSTRUMENT NO. 20210127-0001393, OF OFFICAL RECORDS.

EXCEPTING THEREFROM THAT PORTION CONVEYED TO CITY OF LAS VEGAS BY DEED RECORDED DECEMBER 7, 2020 AS INSTRUMENT NO. 20201207-000706 AND RE-RECORDED JANUARY 5, 2021 AS INSTRUMENT NO. 20210105-0002775, OF OFFICIAL RECORDS.

Inst #: 20220404-0002734
Fees: \$42.00
04/04/2022 03:01:34 PM
Receipt #: 4948140
Requestor:
RICHMOND AMERICAN HOMES O
Recorded By: SCHIABLE Pgs: 11
Debbie Conway
CLARK COUNTY RECORDER
Src: FRONT COUNTER
Ofc: MAIN OFFICE

A.P.N.: 126-14-710-001 and 002
126-14-810-001

RECORDING REQUESTED BY, AND
WHEN RECORDED RETURN TO:

Richmond American Homes of Nevada, Inc.
7770 South Dean Martin Drive, Suite 308
Las Vegas, Nevada 89139
Attention: John Prlina

SUPPLEMENTAL DECLARATION OF ANNEXATION
AND
ADDITIONAL NEIGHBORHOOD COVENANTS
TO AND PARTIAL ASSIGNMENT OF
DECLARANT RIGHTS UNDER
DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND RESERVATION OF EASEMENTS
FOR
SKYE HILLS
(Parcel A - Richmond)

THIS SUPPLEMENTAL DECLARATION OF ANNEXATION AND ADDITIONAL NEIGHBORHOOD COVENANTS TO AND PARTIAL ASSIGNMENT OF DECLARANT RIGHTS UNDER DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATION OF EASEMENTS FOR SKYE HILLS (this "**Supplement**") is made by 190 FT PARTNERS, L.L.C., a Nevada limited liability company (the "**Declarant**"), with reference to the following facts and purposes:

RECITALS

A. Declarant recorded that certain Declaration of Covenants, Conditions, Restrictions and Reservations of Easements for Skye Hills on November 5, 2020 as Instrument No. 20201105-0002775 in the Office of the Recorder, Clark County, Nevada (as may be amended from time to time, the "**Declaration**"). Capitalized terms used but not defined herein shall have those meaning ascribed to them in the Declaration.

B. Pursuant to that certain Supplemental Declaration of Annexation to Master Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Skye Hills (Parcel A - Richmond), recorded on January 14, 2021 as Instrument No. 20210114-0002044 in the Office of the Recorder, Clark County, Nevada ("**Annexation Supplement**"), Declarant annexed the real property described in Exhibit "A", attached hereto and incorporated herein by this

reference ("**Parcel A**") to the Property covered by the Declaration in connection with the sale of Parcel A to the Parcel Builder (defined in Section 3(a) below); and

C. Section 2.61 and Section 9.3 of the Declaration provide that a supplement to the Declaration may also impose additional covenants, conditions, restrictions and reservations of easements; and

D. Section 2.18 and Section 10.9 of the Declaration further provide that the Declarant may assign special rights and obligations of the Declarant under the Declaration for the purpose of development and/or sale, by an express Recorded assignment; and

E. Declarant, with the consent of the Parcel Builder desires to (i) amend the Annexation Supplement to designate Parcel A as a "Neighborhood" under the Declaration, (ii) impose additional covenants, conditions, restrictions and reservations of easements thereon in addition to those set forth in the Declaration, and (iii) assign to Parcel Builder certain special rights and obligations of the Declarant under the Declaration with respect to Parcel A.

NOW, THEREFORE, the Declarant hereby agrees and acknowledges as follows:

1. **Amendment to Annexation Supplement Regarding Neighborhood Matters and Additional Covenants.** By this Supplement, Declarant amends the Annexation Supplement to delete Section 4 and add the following as a new Section 4 to the Annexation Supplement.

"4. **Neighborhood Matters.**

a. **Neighborhood Designation.** By this Supplement, Declarant designates and establishes Parcel A as a "Neighborhood" under Section 6.4 of the Declaration and such "Neighborhood" shall be known as: Parcel A Neighborhood (the "**Parcel A Neighborhood**"). Parcel A will not be part of a Neighborhood Association as defined in Section 2.39 of the Declaration.

b. **Neighborhood Common Elements.** In addition to such other Neighborhood Common Elements as may be assigned to the Parcel A Neighborhood by deed or recorded Subdivision Map pursuant to Section 12.2 of the Declaration, those Common Elements, if any, described in Exhibit "B" attached hereto shall be Neighborhood Common Elements reserved for the use and benefit of the Owners and Occupants of the Lots within the Parcel A Neighborhood. Additional Neighborhood Common Elements may be assigned to the Parcel A Neighborhood in the manner provided in Section 12.2 of the Declaration subject to the prior written consent of Parcel Builder. The Association shall maintain, and be responsible for repairing and replacing, all Neighborhood Common Elements assigned to the Parcel A Neighborhood as a Neighborhood Expense of the Lots within the Parcel A Neighborhood.

c. **Neighborhood Expenses.** Subject to the Declaration, and in addition to other expenses, if any, identified on Exhibit "C" attached hereto as Neighborhood Expenses, the expenses that the Association incurs or expects to incur in connection with

the ownership, maintenance, and operation of the Neighborhood Common Elements now or hereafter assigned to the Parcel A Neighborhood for which the Association has such responsibility shall be Neighborhood Expenses for which the Owners of Lots within the Parcel A Neighborhood."

2. **Additional Covenants.** Parcel A shall be subject the additional covenants, conditions, restrictions and reservations of easements set forth in Exhibit "C" of this Supplement, and such additional covenants, restrictions, and easements shall be binding upon the Owners and Occupants of Lots within such Parcel A, their guests and invitees, in addition to the terms of the Declaration.

3. **Partial Assignment of Declarant Rights.**

a. **Parcel Builder.** Pursuant to the Annexation Supplement, Declarant designated Richmond American Homes of Nevada, Inc., a Colorado corporation, as the Builder under Section 2.9 of the Declaration with respect to Parcel A ("**Parcel Builder**").

b. **Notice and Partial Assignment of Declarant Rights.** Declarant hereby assigns to the Parcel Builder (on a non-exclusive basis), and by execution of the Consent and Assumption of Builder attached to this Supplement, Parcel Builder hereby accepts, the following rights as "Declarant" under the Declaration (collectively, the "**Assigned Rights**"): (i) the special declarant's rights set forth in NRS 116.089 (1), (2) and (4), including without limitation the right to market and sell homes along with rights of access to Parcel A for construction and to the public for viewing and purchase through the gates to the Parcel A Neighborhood being held open during business hours; (ii) the right to enter into a Subsidy Agreement with the Association pursuant to Section 8.12 with respect to the Neighborhood Expenses of the Parcel A Neighborhood; (iii) the right to approve any additional covenants pursuant to Section 10.4 of the Declaration but only with respect to Parcel A; (iv) amendments to or modification of any Rules or Regulations or the Design Guidelines, but only with respect to Parcel A; and (v) the right to easement rights reserved under Section 10.10 but only with respect to Parcel A. Parcel Builder shall have the right to assign some or all of the Assigned Rights in connection with the conveyance of any unimproved Residential Lot, subject to Declarant's prior written consent which may not be unreasonably withheld or delayed.

c. **Architectural Review Protections.** Declarant further agrees that (i) Parcel Builder shall be and is hereby designated to be a Builder under the Declaration who has obtained Declarant's approval of drawings and specifications for original construction and shall be exempt from review by the ARC of the Association as set forth in the last paragraph of Section 4.1 of the Declaration, and (ii) the architectural review process under the Declaration is hereby waived with respect to Parcel Builder in accordance with the last paragraph of Section 4.1 of the Declaration.

d. **Application.** The rights, protections and obligations assigned and/or designated to Parcel Builder pursuant to this Section 3 shall be limited solely to Parcel A and shall not apply to or include any other property.

e. Limitations. As a successor declarant with respect to the rights, protections and obligations under this Section 3, Parcel Builder's liabilities and obligations as a "declarant" under NRS Chapter 116 are expressly limited to the obligation to provide a public offering statement and any liability arising as a result of the exercise of the assigned rights, protections and obligations hereunder with respect to the Parcel A Neighborhood and the Neighborhood Common Elements assigned to such Parcel A Neighborhood.

3. **Amendment.**

a. Unilaterality By the Declarant. The Declarant (as such term is defined in Section 2.18 of the Declaration) with the prior written consent of the Parcel Builder may unilaterally amend this Supplement (a) to correct clerical, typographical, or technical errors; (b) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (c) to enable any reputable title insurance company to issue title insurance coverage on the Lots; (d) 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; (e) to satisfy the requirements of any local, state, or federal governmental agency; (f) to assign Common Elements as Neighborhood Common Elements pursuant to Section 12.2 of the Declaration; (g) to designate additional real property to be part of the Parcel A Neighborhood or change the boundaries of the Parcel A Neighborhood pursuant to Section 6.4 of the Declaration; (f) as necessary to exercise those rights reserved to the Declarant under the Declaration; and (g) otherwise as permitted by the Act. Notwithstanding this reserved right, a revision or amendment to a Subdivision Map which includes all or any portion of the Parcel A Neighborhood shall not require an amendment to this Supplement.

b. Amendment of Exhibit "C". Except as otherwise specifically provided in Section 8(a) above, the provision of Exhibit "C" may be amended only by the affirmative vote or written consent, or any combination thereof, of Owners of at least 75% of the Lots within the Parcel A Neighborhood and the written consent of the Association (acting through its board of directors). In addition, (i) so long as Parcel Builder owns any Residential Lot within the Parcel A Neighborhood, the consent of such Builder shall also be required, and (ii) so long as Declarant (as such term is defined in Section 2.18 of the Declaration) or any affiliate of such Declarant owns any of the Property subject to the Declaration or owns any of the real property which may be added to the Declaration by Declarant pursuant to Section 9.1 of the Declaration, the consent of such Declarant shall also be required.

4. **Conflicts**. If there is any conflict between the provisions of this Supplement and the provisions of any other agreement or instrument between Declarant and Parcel Builder as of the date this Supplement is Recorded, the provisions of this Supplement shall control.

5. **Exhibits**. Each Exhibit attached to this Supplement is hereby incorporated in this Supplement and is an integral part hereof.

[Continued on Next Page]

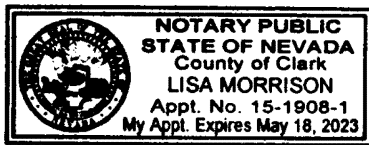
IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration as of this 21 day of March, 2022.

190 OCTANE FT PARTNERS, L.L.C.,
a Nevada limited liability company

By: [Signature]
R. Brett Goett, Duly Authorized Signatory

STATE OF Nevada)
COUNTY OF Clark) ss

This instrument was acknowledged before me on the 21 day of March, 2022, by R. Brett Goett as Duly Authorized Signatory of 190 OCTANE FT PARTNERS, L.L.C., a Nevada limited liability company.



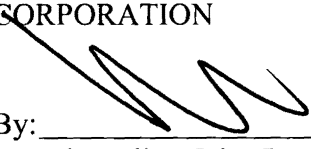
[Signature]
Notary Public
Name: Lisa Morrison
My appointment expires: May 18, 2023

CONSENT AND ASSUMPTION OF PARCEL BUILDER

The undersigned, as the owner of the real property described in Exhibit "A" attached hereto and the designated Parcel Builder hereunder, hereby (i) consents to all of the provisions contained in the foregoing Supplemental Declaration of Annexation and Additional Neighborhood Covenants to and Partial Assignment of Declarant Rights Under Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Skye Hills (Parcel A – Richmond), including without limitation the additional covenants, conditions, restrictions and reservations of easements set forth in Exhibit "C" attached hereto; and (ii) hereby accepts each of the Assigned Rights as such term is defined in Section 5(b) of the Supplement.

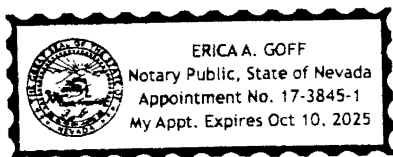
PARCEL BUILDER

RICHMOND AMERICAN HOMES OF
NEVADA, INC., A COLORADO
CORPORATION

By: 
John Prlina, Vice President of Land
Acquisition

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

This instrument was acknowledged before me was acknowledged before me on March 28, 2022, by John Prlina as Vice President of Land Acquisition for Richmond American Homes of Nevada, Inc., a Colorado corporation, on behalf of such corporation.



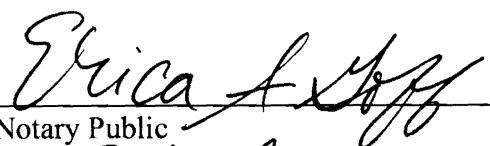

Notary Public
Name: ERICA A. GOFF
My appointment expires: 10.10.2025

EXHIBIT "A"

Legal Description of Parcel A

That certain real property located in the City of Las Vegas, Clark County, Nevada, described as follows:

Phase 1

Residential Lots 1 through 16, inclusive, 45 through 110, inclusive, and 174 through 185, inclusive, of BLM 270 Parcel A Phase 1, A Common Interest Community, as shown by map thereof on file in Book 165 of Plats page 16, in the Office of the Clark County, Nevada Recorder; and

Common Elements Lots C.E. B, C.E. C, C.E. D, C.E. E, C.E. F, C.E. H, C.E. K and C.E. Z (Private Streets) of BLM 270 Parcel A Phase 1, A Common Interest Community, as shown by map thereof on file in Book 165 of Plats page 16, in the Office of the Clark County, Nevada Recorder.

Phase 2

Large Lot 1 and Remnant Lot 1 of BLM 270 Parcel A Phase 1, A Common Interest Community, as shown by map thereof on file in Book 165 of Plats page 16, in the Office of the Clark County, Nevada Recorder.

EXHIBIT "B"

Legal Description of Neighborhood Common Elements

That certain real property located in the City of Las Vegas, Clark County, Nevada, described as follows:

Common Elements Lots C.E. B, C.E. C, C.E. D, C.E. E, C.E. F, C.E. H and C.E. K of BLM 270 Parcel A Phase 1, A Common Interest Community, as shown by map thereof on file in Book 165 of Plats page 16, in the Office of the Clark County, Nevada Recorder.

EXHIBIT "B"

Page 1 of 1

EXHIBIT "C"

Additional Covenants

Article 1. Association Responsibility for Maintenance of Neighborhood Common Elements.

1.1 Association's Responsibility. Under this Supplement, the Association shall have the additional responsibility to accept and maintain all entry monumentation, landscape areas and parks now or hereafter installed within the Neighborhood Common Elements identified on Exhibit "B" attached hereto, together with such other Neighborhood Common Elements as may be assigned to the Parcel A Neighborhood by deed or recorded Subdivision Map pursuant to Section 12.2 of the Declaration (collectively, the "**Neighborhood Improvements**"). Further, the Association shall accept title to each Neighborhood Improvement when requested by Parcel Builder, provided that such Neighborhood Improvement has been substantially completed. The costs for such additional responsibility shall be a Parcel A Neighborhood Expense under this Supplement and shall be assessed as a Neighborhood Assessment against all Lots contained in the Parcel A Neighborhood.

1.2 Commencement of Association's Responsibility. The Association's responsibility to maintain each Neighborhood Improvement under this Supplement shall commence upon the first day of the month following the later to occur of the following: (a) the substantial completion of the Neighborhood Improvement, and (b) the transfer or conveyance of the Neighborhood Improvement to the Association, and (c) the Association's acceptance of the Neighborhood Improvement, following an inspection thereof by or on behalf of the Association's Board of Directors and compliance with all other reasonable requirements of the Association's Board of Directors.

Article 2. Association Finances Regarding Neighborhood Common Elements.

2.1 Neighborhood Assessments and Commencement. The Neighborhood Expenses of the Association with respect to the Neighborhood Improvements shall be a Neighborhood Expense under this Supplement and shall be assessed as a Neighborhood Assessment against all Lots contained in the Parcel A Neighborhood, in accordance with the Neighborhood Budget and the provisions of the Declaration. The obligation to pay Neighborhood Expense assessments shall commence as to each Residential Lot (including each Residential Lot owned by a Builder) on the first day of the month following the date that the Association's responsibility to maintain any Neighborhood Improvement by operation of Section 1.2 above of this Exhibit "C". No provision of this Supplement shall modify Section 8.1 of the Declaration which operates to provide that Base Assessments for Parcel A shall be calculated based on fifty percent (50%) of an Assessment Share for each of the one hundred eighty-five (185) Residential Lots deemed to be contained in Parcel A until such time as a Subdivision Map which subdivides all or part of Parcel A into Residential Lots is Recorded with respect to Parcel A; provided, however, that if Parcel A is subdivided into Residential Lots

EXHIBIT "C"

Page 1 of 3

pursuant to more than one Subdivision Map then that portion of Parcel A which has not been subdivided shall continue to be assessed Base Assessments at fifty percent (50%) based on the difference between one hundred eighty-five (185) and the total number of Residential Lots that have been created by a Subdivision Map.

2.2 Capitalization of Neighborhood Expenses.

2.2.1 Upon the acquisition of record title to a Residential Lot in the Neighborhood by the first Purchaser, that first Purchaser shall make a contribution to the working capital of the Association for specific application to the reserve account for the Neighborhood Common Elements, in an amount equal to one-half (1/2) of the annual Neighborhood Assessment allocated to the Residential Lot for that year (the "**Neighborhood Working Capital Contribution**"). The Neighborhood Working Capital Contributions made under this Section shall be in addition to, not in lieu of, the working capital contributions for the Common Elements due under Section 8.11 of the Declaration. Furthermore, the Neighborhood Working Capital Contributions made under this Section shall be in addition to, not in lieu of, the annual Base Assessment and the annual Neighborhood Assessment due with respect to the Residential Lot, and shall not be considered an advance payment of any such assessment.

2.2.2. Each Residential Lot's share of the Neighborhood Working Capital Contributions shall be collected at the time the sale of the Residential Lot to the first Purchaser is closed and then contributed to the Association for application to the reserve account repair, replacement, and restoration of the major components of the Neighborhood Common Elements of the Parcel A Neighborhood and may not be used or applied to any Neighborhood other than the Parcel A Neighborhood for the Neighborhood Common Elements and/or Neighborhood Expenses, as applicable.

2.2.3. Each Neighborhood Working Capital Contribution shall be applied by the Association to the reserve funds of the Parcel A Neighborhood.

2.3 Budgeting and Allocating Neighborhood Expenses; Limitations on Increases. Without limiting the provisions of Section 8.3 of the Declaration (which requires the Neighborhood Budget to be ratified by the Owners in that Neighborhood each year), the Board shall not levy, for any fiscal year, an annual Neighborhood Assessment which exceeds the "Maximum Authorized Annual Neighborhood Assessment" as determined below, unless first approved by the vote of Members representing at least a majority of the Owners within the Neighborhood. The "Maximum Authorized Annual Neighborhood Assessment" in any fiscal year following the initial budgeted year shall be a sum which does not exceed the aggregate of (a) the annual Neighborhood Assessment for the prior fiscal year, plus (b) a twenty-five percent (25%) increase thereof.

2.4 Neighborhood Setup Fees. Upon the transfer of record title to a Residential Lot to each Owner made after the recordation of this Supplement, the transferee of

EXHIBIT "C"

Page 2 of 3

such Residential Lot shall pay to the Association a Neighborhood transfer fee in such amount as may be reasonably determined by the Board from time to time to reimburse the Association and/or its Manager for the administrative cost of transferring the membership in the Association to the new Owner on the records of the Association. The amount of the administrative transfer fees imposed under this Section shall be additionally subject to the limitations set forth in the NRS Chapter 116.

Article 3. Rights of Builder. This Supplement shall not limit the right of a Builder at any time prior to the acquisition of title by a Purchaser from a Builder to establish on the Neighborhood Common Elements then owned by the Builder such additional easements, reservations, and rights of way for itself, utility companies, or others as may from time to time be reasonably necessary for the development and disposal of the Lots within the Neighborhood then owned by the Builder.

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Fees: \$42.00
12/02/2021 12:24:22 PM
Receipt #: 4803293
Requestor:
Snell Wilmer LLP Las Ve
Recorded By: WDMN Pgs: 20
Debbie Conway
CLARK COUNTY RECORDER
Src: ERECORD
Ofc: ERECORD

A.P.N.: 126-23-611-001; See Schedule 1

RECORDING REQUESTED BY, AND
WHEN RECORDED RETURN TO:

Skye Hills Community Association
11411 Southern Highlands Parkway,
Suite 300
Las Vegas, NV 89141

SPACE ABOVE FOR RECORDER'S USE ONLY

**SUPPLEMENTAL DECLARATION OF
ANNEXATION AND ADDITIONAL NEIGHBORHOOD
COVENANTS TO AND PARTIAL ASSIGNMENT OF
DECLARANT RIGHTS UNDER
DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
AND RESERVATION OF EASEMENTS
FOR
SKYE HILLS**

(Sage Neighborhood)

THIS SUPPLEMENTAL DECLARATION OF ANNEXATION AND ADDITIONAL NEIGHBORHOOD COVENANTS TO AND PARTIAL ASSIGNMENT OF DECLARANT RIGHTS UNDER DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS AND RESERVATION OF EASEMENTS FOR SKYE HILLS (SAGE NEIGHBORHOOD) (this "**Supplemental Declaration**") is made by 190 OCTANE FT PARTNERS, L.L.C., a Nevada limited liability company (the "**Declarant**"), pursuant to that certain Declaration of Covenants, Conditions, and Restrictions and Reservation of Easements for Skye Hills, recorded on November 5, 2020 in the Official Records of Clark County, Nevada, as Instrument No. 0002775 in Book No. 20201105 (as may be amended from time to time, the "**Declaration**"). Capitalized terms used but not defined herein shall have those meaning ascribed to them in the Declaration.

RECITALS

A. Section 9.1 of the Declaration provides, in part, that the Declarant may, from time to time, add real property to the Property covered by the Declaration; and

B. Section 2.61, Section 6.4, and Section 9.1 of the Declaration provide that a supplement to the Declaration may also impose additional covenants, conditions, restrictions and reservations of easements; and

C. Section 2.18 and Section 10.9 of the Declaration further provide that the Declarant may assign special rights and obligations of the Declarant under the Declaration for the purpose of development and/or sale, by an express Recorded assignment; and

D. DRP NV 1, LLC, a Nevada limited liability company, as the owner (“**DRP**” or “**Parcel Owner**”), and BEAZER HOMES HOLDINGS, LLC, a Delaware limited liability company (“**Beazer**” or “**Parcel Builder**”), as the optionee under that certain Option Agreement dated as of March 17, 2021 by and between DRP and Beazer, as Owner and Builder, respectively therein, and as memorialized pursuant to that certain Memorandum of Option Agreement by and between DRP and Beazer recorded on March 17, 2021 in the Official Records of Clark County, Nevada, as Instrument No. 0003452 in Book No. 20210317 (collectively, as to DRP and Beazer, the “**Parcel Developer**”), of the that certain real property more particularly described in Exhibit “A”, attached hereto and incorporated herein by this reference (the “**Annexed Property**”), desires to have the Property covered by this Supplemental Declaration; and

E. Declarant, with the consent of the Parcel Developer desires to (i) annex the Annexed Property to provide that the Property be covered by the Declaration, (ii) designate the Annexed Property as a “Neighborhood” under the Declaration, (iii) impose additional covenants, conditions, restrictions and reservations of easements thereon in addition to those set forth in the Declaration, and (iv) assign to Parcel Developer certain special rights and obligations of the Declarant under the Declaration with respect to the Annexed Property.

NOW, THEREFORE, the Declarant hereby agrees and acknowledges as follows:

1. **Annexed Property.** The Annexed Property is hereby added to the Property currently subject to the Declaration and, upon the Recordation of this Supplemental Declaration, the Annexed Property shall be subject to each and every provision contained in the Declaration, and each and every covenant, condition, restriction and easement and all other matters contained in the Declaration shall be applicable to the Annexed Property as if the Annexed Property were originally covered by the Declaration and originally constituted a portion of the Property.

2. **Lots.** The Lots comprising the Annexed Property will be Residential Lots, and the Annexed Property shall be deemed to contain two hundred fifty (250) single-family Lots pursuant to Section 8.1(b) of the Declaration. Identifying numbers will be assigned to each Unit in the Annexed Property as provided on the final subdivision map(s) hereafter recorded with respect to the Annexed Property in the Office of the County Recorder, Clark County, Nevada.

3. **Common Elements and Areas of Common Responsibility.** Except for the Neighborhood Common Elements as set forth in Section 6 below, there are no other Common Elements or Areas of Common Responsibility added to the Property pursuant to this Supplemental Declaration.

4. **Builder Designation.** The name and address of the Persons who have acquired the Annexed Property or acquired relevant rights to the Annexed Property is set forth below, and such Persons are hereby designated as a Builder under Section 2.9 of the Declaration with respect to the Annexed Property:

DRP

DRP NV 1, LLC
c/o Domain Real Estate Partners
Attn: Ryan Mott
6900 E. Camelback Road, Suite 906
Scottsdale, Arizona 85251

Beazer

Beazer Homes Holdings, LLC
Attn: Kyle Tibbitts
2490 Paseo Verde Parkway, Suite 120
Henderson, Nevada 89074

5. **Reallocation of Allocated Interests.** As a result of the addition of new Lots within the Property pursuant to this Supplemental Declaration, the voting rights and liability for common assessments shall be reallocated in accordance with Section 6.3 and Section 8.1 of the Declaration.

6. **Neighborhood Matters.**

a. **Neighborhood Designation.** By this Supplemental Declaration, Declarant designates and establishes the Annexed Property as a "Neighborhood" under Section 6.4 of the Declaration and such "Neighborhood" shall be known as the Sage Neighborhood (the "**Sage Neighborhood**"). The Annexed Property will not be part of a Neighborhood Association as defined in Section 2.39 of the Declaration.

b. **Neighborhood Common Elements.** In addition to such other Neighborhood Common Elements as may be assigned to the Sage Neighborhood by deed or recorded Plat pursuant to Section 12.2 of the Declaration, those Common Elements, if any, described in Exhibit "B" attached hereto shall be Neighborhood Common Elements reserved for the use and benefit of the Owners and Residents of the Lots within the Sage Neighborhood. Additional Neighborhood Common Elements may be assigned to the Sage Neighborhood in the manner provided in Section 12.2 of the Declaration subject to the prior written consent of Parcel Developer. The Association, as defined in Section 2.6 of the Declaration, shall maintain, and be responsible for repairing and replacing, any Neighborhood Common Elements assigned to the Sage Neighborhood as a Neighborhood Expense of the Lots within the Sage Neighborhood.

c. **Neighborhood Expenses.** Subject to the Declaration, and in addition to other expenses, if any, identified on Exhibit "C" attached hereto as Neighborhood Expenses, the expenses that the Association incurs or expects to incur in connection with the ownership, maintenance, and operation of the Neighborhood Common Elements now or hereafter assigned to the Sage Neighborhood for which the Association has such responsibility shall be Neighborhood Expenses for which the Owners of Lots within the Sage Neighborhood.

7. **Additional Covenants.** The Annexed Property shall be subject the additional covenants, conditions, restrictions and reservations of easements set forth in Exhibit "C" of this Supplemental Declaration, and such additional covenants, restrictions, and easements shall be

binding upon the Owners and Residents of Lots within such Annexed Property, their guests and invitees, in addition to the terms of the Declaration.

8. **Partial Assignment of Declarant Rights.**

a. **Notice and Partial Assignment of Declarant Rights.** Declarant hereby assigns to the Parcel Developer (on a non-exclusive basis), and by execution of the Consent and Assumption of Parcel Developer attached to this Supplemental Declaration, Parcel Developer hereby accepts, the following rights as “Declarant” under the Declaration (collectively, the “Assigned Rights”): (i) the special declarant’s rights set forth in NRS 116.089 (1), (2) and (4), including without limitation the right to market and sell homes along with rights of access to the Annexed Property for construction and to the public for viewing and purchase through the gates to the Sage Neighborhood being held open during business hours; (ii) the right to enter into a Subsidy Agreement with the Association pursuant to Section 8.12 with respect to the Neighborhood Expenses of the Sage Neighborhood; (iii) the right to approve any additional covenants pursuant to Section 10.4 of the Declaration but only with respect to the Annexed Property; and (iv) the right to easement rights reserved under Section 11.10 but only with respect to the Annexed Property. Parcel Developer shall have the right to assign some or all of the Assigned Rights in connection with the conveyance of any unimproved residential Unit, subject to Declarant’s prior written consent which may not be unreasonably withheld or delayed.

b. **Architectural Review Protections.** Declarant further agrees that (i) Parcel Developer shall be and is hereby designated to be a Builder under the Declaration who has obtained Declarant’s approval of drawings and specifications for original construction and shall be exempt from review by the ARC of the Association as set forth in Section 4.1 of the Declaration, and (ii) the architectural review process under the Declaration is hereby waived with respect to Parcel Developer in accordance with Section 4.1(iii) of the Declaration.

c. **Application.** The rights, protections and obligations assigned and/or designated to Parcel Developer pursuant to this Section 8 shall be limited solely to the Annexed Property and shall not apply to or include any other property.

d. **Limitations.** As a successor declarant with respect to the rights, protections and obligations under this Section 8, Parcel Developer’s liabilities and obligations as a “declarant” under NRS Chapter 116 are expressly limited to the obligation to provide a public offering statement and any liability arising as a result of the exercise of the assigned rights, protections and obligations hereunder with respect to the Sage Neighborhood and the Neighborhood Common Elements assigned to such Sage Neighborhood.

9. **Amendment.**

a. **Unilaterality By the Declarant.** The Declarant (as such term is defined in Section 2.18 of the Declaration) with the prior written consent of the Parcel Developer may unilaterally amend this Supplemental Declaration (a) to correct clerical, typographical, or technical errors; (b) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (c) to enable any reputable title insurance company to issue title insurance coverage on the Lots; (d) 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; (e) to satisfy the requirements of any local, state, or federal governmental agency; (f) to assign Common Elements as Neighborhood Common Elements pursuant to Section 12.2 of the Declaration; (g) to designate additional real property to be part of the Sage Neighborhood or change the boundaries of the Sage Neighborhood pursuant to Section 6.4 of the Declaration; (f) as necessary to exercise those rights reserved to the Declarant under the Declaration; and (g) otherwise as permitted by the Act. Notwithstanding this reserved right, a revision or amendment to a Plat which includes all or any portion of the Sage Neighborhood shall not require an amendment to this Supplemental Declaration.

b. Amendment of Exhibit "B". Except as otherwise specifically provided in Section 9(a) above, either party comprising the Parcel Developer may, with concurrent notice to Declarant and the Association, unilaterally amend Exhibit "B" of this Supplemental Declaration to assign currently unmapped portions of the Annexed Property as Neighborhood Common Elements pursuant to Section 12.2 of the Declaration, provided that such areas are identified as Common Elements or private streets upon subsequent mapping of the Annexed Property.

c. Amendment of Exhibit "C". Except as otherwise specifically provided in Section 9(a) above, the provisions of Exhibit "C" may be amended only by the affirmative vote or written consent, or any combination thereof, of Owners of at least 75% of the Lots within the Sage Neighborhood and the written consent of the Association (acting through its board of directors). In addition, (i) so long as Parcel Developer owns any Unit within the Sage Neighborhood, the consent of such Parcel Developer shall also be required, and (ii) so long as Declarant (as such term is defined in Section 2.18 of the Declaration) or any affiliate of such Declarant owns any of the Property subject to the Declaration or owns any of the real property which may be added to the Declaration by Declarant pursuant to Section 9.1 of the Declaration, the consent of such Declarant shall also be required.

10. Exhibits. Each Exhibit attached to this Supplemental Declaration is hereby incorporated in this Supplemental Declaration and is an integral part hereof.

[Continued on Next Page]

has executed this

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration as of this 2nd day of DECEMBER, 2021.

190 OCTANE FT PARTNERS L.L.C.
a Nevada limited liability company

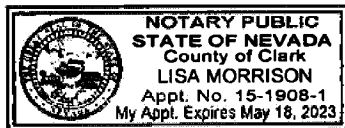
190 OCTANE FT PARTNERS, L.L.C.,
a Nevada limited liability company

R. Brett Goett, Duly Authorized Signatory

By: [Signature]
R. Brett Goett, Duly Authorized Signatory

STATE OF Nevada)
COUNTY OF Clark) ss.

This instrument was acknowledged before me on this 2nd day of December, 2021, by R. Brett Goett as Duly Authorized Signatory for 190 OCTANE FT PARTNERS, L.L.C., a Nevada limited liability company.



[Signature]
Notary Public

Name: Lisa Morrison

My appointment expires: May 18, 2023

CONSENT AND ASSUMPTION OF PARCEL OWNER (DRP)

The undersigned, as the owner of the real property described in Exhibit "A" attached hereto and the designated Builder hereunder, hereby (i) consents to all of the provisions contained in the foregoing Supplemental Declaration of Annexation and Additional Neighborhood Covenants to and Partial Assignment of Declarant Rights under Declaration of Covenants, Conditions, and Restrictions and Reservation of Easements for Skye Hills (Sage Neighborhood), including without limitation the additional covenants, conditions, restrictions and reservations of easements set forth in Exhibit "C" attached hereto; and (ii) hereby accepts each of the Assigned Rights as such term is defined in Section 8(a) of the Supplemental Declaration.

DRP

DRP 1 NV, LLC,
a Delaware limited liability company

By: DW General Partner, LLC, a Delaware limited
liability company, its manager

By: Houdin Honarvar
Name: ~~Ryan Mott~~ HOUDIN HONARVAR
Title: Authorized Signatory

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

Houdin Honarvar This instrument was acknowledged before me on the 30 day of NOVEMBER, 2021,
by ~~Ryan Mott~~ as Authorized Signatory of DW General Partners, LLC, a Delaware limited liability
company, the manager of DRP NV 1, LLC, a Delaware limited liability company, on behalf of the
companies.

TARIQ K. GEORGE
NOTARY PUBLIC-STATE OF NEW YORK
No. 01GE6340718
Qualified in Kings County
My Commission Expires 04-25-2024

Notary Public

Name: Tariq K. George Tariq K. George
My appointment expires: 04/25/2024

CONSENT AND ASSUMPTION OF PARCEL BUILDER (BEAZER)

The undersigned, as the builder and optionee of the real property described in Exhibit "A" attached hereto and the designated Builder hereunder, hereby (i) consents to all of the provisions contained in the foregoing Supplemental Declaration of Annexation and Additional Neighborhood Covenants to and Partial Assignment of Declarant Rights under Declaration of Covenants, Conditions, and Restrictions and Reservation of Easements for Skye Hills (Sage Neighborhood), including without limitation the additional covenants, conditions, restrictions and reservations of easements set forth in Exhibit "C" attached hereto; and (ii) hereby accepts each of the Assigned Rights as such term is defined in Section 8(a) of the Supplemental Declaration.

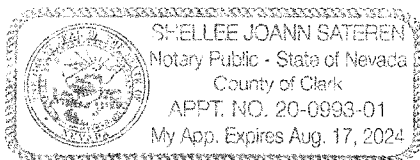
BEAZER

BEAZER HOMES HOLDINGS, LLC,
a Delaware limited liability company

By: [Signature]
Name: Kyle Tibbitts Kyle Tibbitts
Title: Division President

STATE OF Nevada)
) ss.
COUNTY OF Clark)

This instrument was acknowledged before me on the 23 day of November, 2021, by Kyle Tibbitts as Division President of BEAZER HOMES HOLDINGS, LLC, a Delaware limited liability company, on behalf of the company.



Shellee Joann Sateren
Notary Public
Name: Shellee Joann Sateren
My appointment expires: August 17, 2024

SCHEDULE 1

List of APNs

126-23-611-001
126-23-611-002
126-23-611-003
126-23-611-004
126-23-611-005
126-23-611-006
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List of APNs

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126-23-713-031
126-23-713-032

List of APNs

126-23-713-033

126-23-795-005

EXHIBIT "A"

Legal Description of Annexed Property

That certain real property located in Clark County, Nevada, described as follows:

PARCELS C2 AND C3 OF PARENT FINAL MAP OF BLM 270 AS SHOWN BY MAP THEREOF ON FILE IN BOOK 162, PAGE 55 OF PLATS IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA, AND AS AMENDED BY THAT CERTAIN CERTIFICATE OF AMENDMENT RECORDED JANUARY 27, 2021 AS INSTRUMENT NO. 20210127-0001393, OF OFFICIAL RECORDS.

EXHIBIT "B"

Legal Description of Neighborhood Common Elements

That certain real property located in Clark County, Nevada, described as follows:

COMMON ELEMENT LOTS C.E. "A", C.E. "D", C.E. "Z", AND ALL PRIVATE STREETS OF FINAL MAP OF BLM 270 PARCEL C-2 & C-3 PHASE 1A, A COMMON INTEREST COMMUNITY, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 165 OF PLATS PAGE 32, IN THE OFFICE OF THE CLARK COUNTY, NEVADA RECORDER.

COMMON ELEMENT LOTS C.E. "C", C.E. "E," C.E. "Z", AND ALL PRIVATE STREETS OF FINAL MAP OF BLM 270 PARCEL C-2 & C-3 PHASE 1B, A COMMON INTEREST COMMUNITY, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 165 OF PLATS PAGE 32, IN THE OFFICE OF THE CLARK COUNTY, NEVADA RECORDER.

ANY FUTURE COMMON ELEMENT LOTS TO BE MAPPED UPON REMAINDER OF LARGE LOT 1 OF FINAL MAP OF BLM 270 PARCEL C-2 & C-3 PHASE 1A, A COMMON INTEREST COMMUNITY, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 165 OF PLATS PAGE 32, IN THE OFFICE OF THE CLARK COUNTY, NEVADA RECORDER.

EXHIBIT "C"

Additional Covenants

Article 1. Association Responsibility for Maintenance of Neighborhood Common Elements.

1.1 Association's Responsibility. Under this Supplemental Declaration, the Association shall have the additional responsibility to maintain all private streets, traffic access gates, entry monumentation, landscape areas and parks now or hereafter installed within the Neighborhood Common Elements identified on Exhibit "B" attached hereto, together with such other Neighborhood Common Elements as may be assigned to the Sage Neighborhood by deed or recorded Plat pursuant to Section 12.2 of the Declaration (collectively, the "**Neighborhood Improvements**"). The costs for such additional responsibility shall be a Sage Neighborhood Expense under this Supplemental Declaration and shall be assessed as a Neighborhood Assessment against all Lots contained in the Sage Neighborhood.

1.2 Commencement of Association's Responsibility. The Association's responsibility to maintain each Neighborhood Improvement under this Supplemental Declaration shall commence upon the first day of the month following the later to occur of the following: (a) the substantial completion of the Neighborhood Improvement, and (b) the transfer or conveyance of the Neighborhood Improvement to the Association, and (c) the Association's acceptance of the Neighborhood Improvement, following an inspection thereof by or on behalf of the Association's Board of Directors and compliance with all other reasonable requirements of the Association's Board of Directors.

Article 2. Association Finances Regarding Neighborhood Common Elements.

2.1 Neighborhood Assessments and Commencement. The Neighborhood Expenses of the Association with respect to the Neighborhood Improvements shall be a Neighborhood Expense under this Supplemental Declaration and shall be assessed as a Neighborhood Assessment against all Lots contained in the Sage Neighborhood, in accordance with the Neighborhood Budget and the provisions of the Declaration. The obligation to pay assessments shall commence as to each Unit (including each Unit owned by a Builder) on the first day of the month following the date that the Association's responsibility to maintain any Neighborhood Improvement by operation of Section 1.2 above of this Exhibit "C".

2.2 Capitalization of Neighborhood Expenses.

2.2.1 Upon the acquisition of record title to a Unit in the Neighborhood by the first Purchaser, that first Purchaser shall make a contribution to the working capital of the Association for specific application to the reserve account for the Neighborhood Common Elements, in an amount equal to one-quarter (1/4) of the annual Neighborhood Assessment allocated to the Unit for that year (the "**Neighborhood Working Capital Contribution**"). The Neighborhood Working Capital Contributions made under this Section shall be in addition to, not in lieu of, the working capital contributions for the Common Elements due under Section 8.11 of the Declaration. Furthermore, the Neighborhood Working Capital Contributions made under this

Section shall be in addition to, not in lieu of, the annual Base Assessment and the annual Neighborhood Assessment due with respect to the Unit, and shall not be considered an advance payment of any such assessment.

2.2.2 Each Unit's share of the Neighborhood Working Capital Contributions shall be collected at the time the sale of the Unit to the first Purchaser is closed and then contributed to the Association for application to the reserve account repair, replacement, and restoration of the major components of the Neighborhood Common Elements of the Sage Neighborhood and may not be used or applied to any Neighborhood other than the Sage Neighborhood for the Neighborhood Common Elements and/or Neighborhood Expenses, as applicable.

2.2.3 Each Neighborhood Working Capital Contribution shall be applied by the Association to the reserve funds of the Sage Neighborhood.

2.3 Budgeting and Allocating Neighborhood Expenses; Limitations on Increases. Without limiting the provisions of Section 8.1 of the Declaration (which requires the Neighborhood Budget to be ratified by the Owners in that Neighborhood each year), the Board shall not levy, for any fiscal year, an annual Neighborhood Assessment which exceeds the "Maximum Authorized Annual Neighborhood Assessment" as determined below, unless first approved by the vote of Members representing at least a majority of the Owners within the Neighborhood. The "Maximum Authorized Annual Neighborhood Assessment" in any fiscal year following the initial budgeted year shall be a sum which does not exceed the aggregate of (a) the annual Neighborhood Assessment for the prior fiscal year, plus (b) a twenty-five percent (25%) increase thereof.

2.4 Neighborhood Setup Fees. Upon the transfer of record title to a Unit to each Owner made after the recordation of this Supplemental Declaration, the transferee of such Unit shall pay to the Association a Neighborhood transfer fee in such amount as may be reasonably determined by the Board from time to time to reimburse the Association and/or its Manager for the administrative cost of transferring the membership in the Association to the new Owner on the records of the Association. The amount of the administrative transfer fees imposed under this Section shall be additionally subject to the limitations set forth in the NRS Chapter 116.

Article 3. Rights of Builder. This Supplemental Declaration shall not limit the right of a Builder at any time prior to the acquisition of title by a Purchaser from a Builder to establish on the Neighborhood Common Elements then owned by the Builder such additional easements, reservations, and rights of way for itself, utility companies, or others as may from time to time be reasonably necessary for the development and disposal of the Lots within the Neighborhood then owned by the Builder.

Article 4. Claims Against Parcel Developer; Right To Cure And Arbitration.

4.1 Parcel Developer's Right to Cure Alleged Defects. It is Parcel Developer's intent that all improvements of every type and kind which may be installed by Parcel Developer on any part of the Sage Neighborhood, including, but not limited to, residences, sidewalks, driveways, streets, roads, fences, walls, landscaping, signs, utility pipes, lines or wires, sewer and

drainage systems, and grading on each of the Lots within the Sage Neighborhood (collectively, the “**Parcel Developer Improvements**”) be of a quality that is consistent with construction and development practices for production housing of this type. Nevertheless, due to the complex nature of construction and the subjectivity involved in evaluating such quality, disputes may arise as to whether a defect exists and Parcel Developer’s responsibility therefor. It is Parcel Developer’s intent to resolve all disputes and claims regarding “**Alleged Defects**” (as defined below) amicably, and without the necessity of time consuming and costly litigation. Accordingly, all Owners shall be bound by the claim resolution procedure set forth below in this Section.

4.1.1 Parcel Developer’s Right to Cure. In the event that any Owner or Owners (collectively, “**Claimant**”) claim, contend, or allege that any portion of the Lots in the Sage Neighborhood and/or any Parcel Developer Improvements are defective or incomplete, or that Parcel Developer or its agents, consultants, contractors, or subcontractors (collectively, “**Parcel Developer’s Agents**”) were negligent in the planning, design, engineering, grading, construction, or other development thereof (collectively, an “**Alleged Defect**”), Parcel Developer hereby reserves the right to inspect, cure, repair, and/or replace such Alleged Defect as set forth herein.

4.1.2 Notice to Parcel Developer. In the event that a Claimant discovers any Alleged Defect, Claimant shall, within a reasonable time after discovery, notify Parcel Developer, in writing, directed to Parcel Developer at the general business address for Sage Neighborhood as reflected in the then current telephone directory for Clark County in Nevada, of the specific nature of such Alleged Defect (“**Notice of Alleged Defect**”).

4.1.3 Right to Enter, Inspect, Cure, Repair and/or Replace. Immediately after the receipt by Parcel Developer of a Notice of Alleged Defect or the independent discovery of any Alleged Defect by Parcel Developer or any governmental agency, and for a reasonable time thereafter, as part of Parcel Developer’s reservation of right, Parcel Developer shall have the right, upon reasonable notice to Claimant and during normal business hours, to enter onto or into, as applicable, any Unit within the Sage Neighborhood, and/or any Parcel Developer Improvements for the purposes of inspecting and, if deemed necessary by Parcel Developer, curing, repairing, and/or replacing such Alleged Defect. In conducting such inspection, cure, repairs, and/or replacement, Parcel Developer shall be entitled to take any actions as it shall deem reasonable and necessary under the circumstances.

4.1.4 Legal Actions. No Claimant shall initiate any legal action, cause of action, proceeding or arbitration against Parcel Developer alleging damages (a) for the costs of curing, repairing, or replacing any Alleged Defect, (b) for the diminution in value of any real or personal property resulting from such Alleged Defect, or (c) for any consequential damages resulting from such Alleged Defect, unless and until Claimant has (i) delivered to Parcel Developer a Notice of Alleged Defect, and (ii) Parcel Developer has, within one hundred twenty (120) days after its receipt of such Notice of Alleged Defect, either (1) failed to cure, repair, or replace such Alleged Defect or (2) if such Alleged Defect cannot reasonably be cured, repaired, or replaced within such one hundred twenty (120) day period, failed to commence such cure, repair, or replacement of the Alleged Defect and, thereafter, failed to pursue diligently such cure, repair, or replacement to completion. During any such period while Parcel Developer is diligently pursuing to completion the cure, repair, or replacement of the Alleged Defect, Claimant shall not stop,

restrict, hinder, interrupt, or otherwise interfere with any reasonable action or activity taken by Parcel Developer, its employees, agents, or independent contractors, to inspect, cure, repair, or replace any Alleged Defect, whether or not such action or activity is taken, or is proposed to be taken, on property owned by Claimant.

4.1.5 No Additional Obligations; Irrevocability and Waiver of Right. Nothing set forth in this Article shall be construed to impose any obligation on Parcel Developer to inspect, cure, repair, or replace any item or Alleged Defect for which Parcel Developer is not otherwise obligated to do under applicable law or any limited warranty provided by Parcel Developer in connection with the sale of the Lots within the Sage Neighborhood and/or the Parcel Developer Improvements constructed thereon, nor shall anything set forth in this Article constitute an express or implied representation, warranty or guarantee by Parcel Developer concerning any Parcel Developer Improvements on the Sage Neighborhood. The right of Parcel Developer to enter, inspect, cure, repair, and/or replace reserved hereby shall be irrevocable and may not be waived and/or terminated except by a writing, in recordable form, executed and recorded by Parcel Developer in the Official Records of the Clark County Recorder.

4.1.6 NRS Chapter 40. The terms, conditions and procedures set forth in this Article are in addition to the terms, conditions and procedures set forth in NRS Chapter 40, and shall, to the maximum extent permitted by law, be exercised by any Claimant prior to instituting a claim and/or commencing an action under Chapter 40 for “constructional defects” as defined in Chapter 40; provided, however, the procedures set forth in this Article shall not abrogate any of the requirements of Claimant under Chapter 40, inclusive of the requirement that Claimant, at the end of the foregoing one hundred twenty (120) day period, notify Parcel Developer in writing of any alleged constructional defects which Parcel Developer failed to cure during that one hundred twenty (120) day period at least sixty (60) days prior to bringing an action under Chapter 40 (subject to the limitations contained in Section 4.2 hereof). Such notification shall be given in a format that substantially complies with the notice requirements set forth in NRS 40.645. Further, to the extent any provisions of this Article are inconsistent with the provisions of Chapter 40, the provisions of this Article shall apply to the maximum extent permitted by law and shall extend all the time periods set forth in NRS 40.6472 and 40.695 until expiration of the one hundred twenty (120) day period set forth in this Article. It is the express intent of Parcel Developer to provide, by this Article, an initial one hundred twenty (120) day period for Parcel Developer to investigate and cure any constructional defects alleged by Claimant before the provisions of Chapter 40 are implemented and initiated by Claimant including, without limitation, the notice of claim, inspection, offer of settlement, and repair provisions of Chapter 40. Each Owner, by accepting title to any portion of the Sage Neighborhood, as evidenced by recordation of a deed to Owner describing that land, agrees to be bound by all of the provisions of this Article.

4.2 Limited Warranties and Disclaimer of Warranties: EACH UNIT IN THE SAGE NEIGHBORHOOD (TOGETHER WITH THE DWELLING AND OTHER IMPROVEMENTS CONSTRUCTED BY PARCEL DEVELOPER THEREON, COLLECTIVELY, THE “SUBJECT UNIT”) REASONABLY SHALL COMPLY WITH THE LIMITED WARRANTY DELIVERED TO THE PURCHASER WHO INITIALLY PURCHASED THE SUBJECT UNIT FROM PARCEL DEVELOPER. PARCEL DEVELOPER SHALL ALSO PERFORM ANY WARRANTY WORK REQUIRED FOR PARCEL DEVELOPER TO COMPLY WITH PARCEL DEVELOPER’S OBLIGATIONS UNDER SAID

LIMITED EXPRESS WARRANTY PROVIDED BY PARCEL DEVELOPER TO SAID PURCHASER.

PARCEL DEVELOPER HEREBY DISCLAIMS AND EXCLUDES, AND EACH OWNER BY ACCEPTANCE OF A DEED TO A SUBJECT UNIT, EXPRESSLY WAIVES, ALL OTHER EXPRESS WARRANTIES AND ALL IMPLIED WARRANTIES (BOTH WITH REGARD TO THE SUBJECT UNIT AND THE COMMON ELEMENTS CONSTRUCTED BY PARCEL DEVELOPER) TO THE MAXIMUM EXTENT PERMITTED BY LAW, AND THE PERIOD OF LIMITATIONS THEREFOR SHALL IN NO EVENT EXCEED TWO YEARS, PURSUANT TO NRS § 116.4116.

ALL IMPLIED WARRANTIES (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, HABITABILITY AND WORKMANSHIP), WITH REGARD TO BOTH THE SUBJECT UNIT AND THE COMMON ELEMENTS, ARE HEREBY DISCLAIMED AND EXCLUDED BY PARCEL DEVELOPER TO THE MAXIMUM EXTENT PERMITTED BY LAW.

PARCEL DEVELOPER'S WARRANTY SHALL IN NO EVENT EXTEND TO ANY CONSUMER PRODUCT, APPLIANCE, AIR CONDITIONING UNIT, FURNACE OR WATER HEATER INCLUDED IN OR FOR THE EXCLUSIVE USE OF THE DWELLING UNIT ("**CONSUMER PRODUCT**"). PURCHASER SHALL HAVE NO RIGHT TO RECOVER FOR ANY CONSEQUENTIAL DAMAGES SUFFERED AS A RESULT OF ANY DEFECTIVE MATERIALS OR WORKMANSHIP. WITHOUT LIMITING ANY OF THE FOREGOING, THERE SHALL BE NO WARRANTY ON ANY LANDSCAPING INSTALLED BY PARCEL DEVELOPER ON ANY SUBJECT UNIT OR COMMON ELEMENT, IF ANY.

4.3 Arbitration of Disputes. EACH CLAIMANT, BY ACCEPTING TITLE TO OR AN INTEREST IN ANY PORTION OF THE SUBJECT PROPERTY, AGREE AS FOLLOWS:

4.3.1 Definitions. FOR PURPOSES OF THIS SECTION 4.3, THE FOLLOWING DEFINITIONS SHALL APPLY:

(a) "**CLAIMANT**" SHALL INCLUDE ALL OWNERS, HEIRS, ASSIGNS, SUBSEQUENT OWNERS, ANY PARTY ACTING ON BEHALF OF THE SAGE NEIGHBORHOOD, AND ANY THIRD PARTY CLAIMING ANY RIGHT OR INTEREST IN THE IMPROVED PROPERTY THROUGH THE FOREGOING.

(b) "**DISPUTE**" SHALL MEAN ANY AND ALL CLAIMS, CONTROVERSIES, BREACHES, ISSUES, OR DISPUTES BY, BETWEEN OR AMONG ANY CLAIMANT ON THE ONE HAND AND PARCEL DEVELOPER AND/OR ANY OF PARCEL DEVELOPER'S AGENTS ON THE OTHER HAND.

(c) "**IMPROVED PROPERTY**" SHALL MEAN EACH DWELLING, LOT AND COMMON ELEMENT LOT, NOW OR HEREAFTER SUBJECT TO THIS SUPPLEMENTAL DECLARATION.

4.3.2 ANY DISPUTES BY, BETWEEN OR AMONG ANY CLAIMANT ON THE ONE HAND, AND PARCEL DEVELOPER AND/OR ANY OF PARCEL DEVELOPER'S AGENTS ON THE OTHER HAND, ARISING OUT OF OR RELATED TO THE IMPROVED PROPERTY OR THE SALE OF ANY PORTION OF THE IMPROVED PROPERTY BY PARCEL DEVELOPER, OR ANY TRANSACTION RELATED HERETO, WHETHER SUCH DISPUTE IS BASED ON CONTRACT, TORT, STATUTE, OR EQUITY, INCLUDING, WITHOUT LIMITATION, ANY DISPUTE OVER (1) THE DISPOSITION OF ANY DEPOSITS, (2) BREACH OF CONTRACT, (3) NEGLIGENT OR INTENTIONAL MISREPRESENTATION OR FRAUD, (4) NONDISCLOSURE, (5) BREACH OF ANY ALLEGED DUTY OF GOOD FAITH AND FAIR DEALING, (6) ANY CLAIM RELATED TO CONSTRUCTION OR INSTALLATION OF ANY IMPROVEMENTS ON THE IMPROVED PROPERTY, THE GRADING OF THE IMPROVED PROPERTY, OR ANY WORK OR SERVICES PERFORMED BY OR ON BEHALF OF PARCEL DEVELOPER ON OR IN CONNECTION WITH THE IMPROVED PROPERTY, INCLUDING, WITHOUT LIMITATION, CLAIMS OF ANY ALLEGED DEFECT (INCLUDING, WITHOUT LIMITATION, DISPUTES SUBJECT TO THE PROVISIONS OF NRS 40.600 TO 40.695 (AS SAME MAY BE AMENDED FROM TIME TO TIME, THE "**CONSTRUCTION DEFECT ACT**"), OR (7) ANY OTHER MATTER ARISING OUT OF OR RELATED TO THE INTERPRETATION OF ANY TERM OR PROVISION HEREOF OR OF ANY AGREEMENT BY, BETWEEN OR AMONG SUCH PARTIES, OR ANY DEFENSE RELATED THERETO, INCLUDING, WITHOUT LIMITATION, ALLEGATIONS OF UNCONSCIONABILITY, FRAUD IN THE INDUCEMENT, OR FRAUD IN THE EXECUTION, SHALL BE ARBITRATED PURSUANT TO THE FEDERAL ARBITRATION ACT AND SUBJECT TO THE PROCEDURES SET FORTH IN THIS PARAGRAPH. FOR CLAIMS SUBJECT TO THE CONSTRUCTION DEFECT ACT, BEFORE ANY SUCH DISPUTE CAN BE SUBMITTED TO ARBITRATION, THE CLAIMANT SHALL, AT LEAST SIXTY (60) DAYS PRIOR TO FILING A DEMAND FOR ARBITRATION, GIVE PARCEL DEVELOPER WRITTEN NOTICE OF THE DISPUTE DESCRIBING WITH REASONABLE SPECIFICITY THE ACTIONS THAT SHOULD BE TAKEN BY PARCEL DEVELOPER TO RESOLVE THE DISPUTE. THIS SIXTY (60) DAY NOTICE SHALL COMPLY WITH THE REQUIREMENTS OF NRS 40.645. THE PROVISIONS OF THIS SECTION ARE INTENDED TO BE BINDING UPON CLAIMANT AND PARCEL DEVELOPER FOR ALL CLAIMS REGULATED BY THE CONSTRUCTION DEFECT ACT, AFTER ALL THE REQUIREMENTS OF NRS 40.645 TO 40.675 FOR RESOLUTION OF THE DISPUTE PRIOR TO COMMENCEMENT OF A CIVIL ACTION HAVE BEEN SATISFIED OR WAIVED BY CLAIMANT AND PARCEL DEVELOPER IN ACCORDANCE WITH SAID STATUTES AND IN PLACE AND INSTEAD OF ANY COURT ACTION DESCRIBED THEREIN. THIS ARBITRATION AGREEMENT SHALL BE DEEMED TO BE A SELF-EXECUTING ARBITRATION AGREEMENT. ANY DISPUTE CONCERNING THE INTERPRETATION OR THE ENFORCEABILITY OF THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ITS REVOCABILITY OR VOIDABILITY FOR ANY CAUSE, ANY CHALLENGES TO THE ENFORCEMENT OR THE VALIDITY OF THIS AGREEMENT, OR THIS SECTION, OR THE SCOPE OF ARBITRABLE ISSUES HEREUNDER, AND ANY DEFENSE RELATING TO THE ENFORCEMENT OF THIS ARBITRATION AGREEMENT, INCLUDING, WITHOUT LIMITATION, WAIVER, ESTOPPEL, OR LACHES, SHALL BE DECIDED BY AN ARBITRATOR IN ACCORDANCE

WITH THIS SECTION AND NOT BY A COURT OF LAW. ANY AND ALL SUCH DISPUTES SHALL BE SUBMITTED TO BINDING ARBITRATION BY AND PURSUANT TO THE RULES OF CONSTRUCTION ARBITRATION SERVICES, INC. (HEREINAFTER, "CAS") IN EFFECT AT THE TIME OF THE INITIATION OF THE ARBITRATION. IN THE EVENT CAS IS FOR ANY REASON UNWILLING OR UNABLE TO SERVE AS THE ARBITRATION SERVICE, THE PARTIES SHALL SELECT ANOTHER REPUTABLE ARBITRATION SERVICE. IF THE PARTIES ARE UNABLE TO AGREE ON AN ALTERNATIVE SERVICE, THEN EITHER PARTY MAY PETITION ANY COURT OF COMPETENT JURISDICTION IN THE COUNTY TO APPOINT SUCH AN ALTERNATIVE SERVICE, WHICH SHALL BE BINDING ON THE PARTIES. THE RULES AND PROCEDURES OF SUCH ALTERNATIVE ARBITRATION SERVICE IN EFFECT AT THE TIME OF THE INITIATION OF THE ARBITRATION SHALL BE FOLLOWED.

4.4 Attorney's Fees. In the event an action is instituted to enforce any of the provisions contained in this Supplemental Declaration, then the prevailing party in such action shall be entitled to recover from the other party thereto as part of the judgment, reasonable attorneys' fees and costs, including administrative and lien fees, of such suit.

Inst #: 20220225-0001821
Fees: \$42.00
02/25/2022 12:06:12 PM
Receipt #: 4903457
Requestor:
PGP Title BSC
Recorded By: SOV Pgs: 12
Debbie Conway
CLARK COUNTY RECORDER
Src: ERECORD
Ofc: ERECORD

A.P.N.s: 126-23-711-002 thru -005;
126-23-712-001 thru -111;
126-23-811-001 thru -163;
126-23-812-001 thru -040;
126-23-795-001 thru -004; and
126-23-895-001 thru -005

RECORDING REQUESTED BY, AND
WHEN RECORDED RETURN TO:
190 OCTANE FT PARTNERS, L.L.C.
11411 Southern Highlands Parkway
Suite 300
Las Vegas, NV 89141

AMENDED AND RESTATED
SUPPLEMENTAL DECLARATION OF ANNEXATION
AND ADDITIONAL USE RESTRICTIONS
TO
DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS
AND RESERVATION OF EASEMENTS
FOR
SKYE HILLS

(PARCEL D1 AND D2 – PULTE)

THIS AMENDED AND RESTATED SUPPLEMENTAL DECLARATION OF ANNEXATION AND ADDITIONAL USE RESTRICTIONS TO DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATION OF EASEMENTS FOR SKYE HILLS (this "Declaration of Annexation") is made by 190 OCTANE FT PARTNERS, L.L.C., a Nevada limited liability company (the "Declarant"), pursuant to that certain Declaration of Covenants, Conditions, Restrictions and Reservations of Easements for Skye Hills, recorded on November 5, 2020 in the Official Records of Clark County, Nevada, as Instrument No. 0002775 in Book No. 20201105 (as may be amended from time to time, the "Declaration"). Capitalized terms used but not defined herein shall have those meaning ascribed to them in the Declaration.

RECITALS

A. Section 9.1 of the Declaration provides, in part, that the Declarant may, from time to time, add all or part of the real property described on Exhibit "C" to the Declaration (the "Annexable Property") to the Properties covered by the Declaration; and

B. Declarant desires to annex that portion of the Annexable Property more particularly described in **Attachment "A"**, attached hereto and incorporated herein by this reference (the "Annexed Property").

C. Pursuant to Section 9.3 of the Declaration, Declarant, with the consent of the builder of the Annexed Property as designed in Section 6 hereof, desires to annex the Annexed Property, designate the Annexed Property as a "Neighborhood" under the Declaration, and impose additional covenants, conditions, restrictions and reservations of easements thereon in addition to those set forth in the Declaration.

D. Declarant previously executed that certain Supplemental Declaration of Annexation to Master Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Skye Hills, which was recorded on December 9, 2020 in the Official Records of Clark County, Nevada, as Instrument No. 20201209-0002555 (the "Original Supplemental Declaration"). The parties desire amend and restate the Original Supplemental Declaration in its entirety.

E. PN II, Inc., a Nevada corporation dba Pulte Homes of Nevada is the sole owner of the Annexed Property and has requested that Declarant enter into this Declaration of Annexation.

NOW, THEREFORE, the Declarant hereby agrees and acknowledges as follows:

1. **Amendment and Restatement.** This instrument amends and restates in its entirety the Original Supplemental Declaration.

2. **Annexed Property.** The Annexed Property is hereby added to the Properties currently subject to the Declaration and upon the Recordation of this Declaration of Annexation the Annexed Property shall be subject to each and every provision contained in the Declaration, and each and every covenant, condition, restriction and easement and all other matters contained in the Declaration shall be applicable to the Annexed Property as if the Annexed Property were originally covered by the Declaration and originally constituted a portion of the Properties.

3. **Lots.** The Lots comprising the Annexed Property are Residential Lots, and the Annexed Property shall be deemed to contain three hundred three (303) Residential Lots pursuant to Section 8.1(b) of the Declaration. Identifying numbers are assigned to each Lot in the Annexed Property as provided on the final subdivision maps recorded with respect to the Annexed Property in the Office of the County Recorder, Clark County, Nevada.

4. **Common Elements.**

a. The legal parcels and easement areas described in **Attachment "B"** attached hereto and incorporated herein by this reference, are hereby declared to be Common Elements under the Declaration.

b. Within Lot 13 as shown in the Final Map of BLM 270 Parcel D Unit 1 (which is recorded in Book 165 of Plats, Page 9, in the Official Records of Clark County, Nevada)

at the southern end of Corsari Ridge Street, is an area encumbered by a 36' public drainage easement granted to the City of Las Vegas, which easement is to be privately maintained (the "Lot 13 Drainage Easement Area"). Pursuant to Section 5(b), below, the Lot 13 Drainage Easement Area is a Neighborhood Common Element under the Declaration. To the extent such matters are not the responsibility of the City of Las Vegas, the Association shall have the obligation to maintain, repair, and replace the utility facilities within, and the surface area of, the Lot 13 Drainage Easement Area. The owner of the Lot 13 shall not (i) change the surface improvements of the Lot 13 Drainage Easement Area, including without limitation the construction of any permanent improvements; (ii) park any vehicles on the Lot 13 Drainage Easement Area; (iii) use the Lot 13 Drainage Easement Area for storage of any type; or (iv) otherwise interfere with access to or use of the Lot 13 Drainage Easement Area for its intended purpose. The Association shall have the right to adopt reasonable rules governing the use and occupancy of the Lot 13 Drainage Easement Area.

c. Certain Residential Lots in the Neighborhood are subject to a perpetual, non-exclusive easement for the benefit of the Association upon, under, over, and across the Residential Lots in the locations designated on a Subdivision Map as "Landscape Easement" or similar designation (the "Landscape Easement Areas") for the purpose of permitting the Association to maintain, repair, and replace the landscaping improvements installed within the Landscape Easement Areas. Pursuant to Section 5(b), below, the Landscape Easement Areas, including without limitation all landscaping improvements and irrigation facilities installed within the Landscape Easement Areas, are Neighborhood Common Elements under the Declaration; provided, however, that each Owner of a Residential Lot subject to a Landscape Easement shall be responsible for providing and maintaining access to irrigation water and paying the cost of all irrigation water required for the Residential Lot's applicable Landscape Easement Area by connection of the landscape irrigation lines to the Residential Lot's domestic water lines. An Owner (i) shall not alter, remove, replace, or disturb the improvements within the Landscape Easement Areas that are maintained by the Association, (ii) shall not construct or install any improvements within the Landscape Easement Areas without the prior written consent of the Board of Directors, (iii) shall not obstruct or interfere with the Landscape Easement Areas, and (iv) shall cooperate with the Board of Directors in any way required by the Board of Directors in order for the Association to fulfill its obligations under this paragraph. The Association shall have the right to adopt reasonable rules and regulations governing the use of the Landscape Easement Areas.

5. Neighborhood Matters.

a. By this Declaration of Annexation, Declarant designates and establishes the Annexed Property as a "Neighborhood" under the Declaration and such "Neighborhood" shall be known as the Skye Ridge Neighborhood (the "Neighborhood"). The Annexed Property will not be part of a Neighborhood Association.

b. The legal parcels and easements areas described in **Attachment "C"** attached hereto and incorporated herein by this reference, are hereby declared to be Neighborhood

Common Elements under the Declaration for the benefit and exclusive use of the Owners and Occupants of the Neighborhood.

c. Upon any transfer of record title of a Residential Lot within the Neighborhood, the new Owner shall pay to the Association a Neighborhood transfer fee in such amount as may be reasonably determined by the Board from time to time to reimburse the Association and/or its Manager for the administrative cost of transferring the records in the Neighborhood to the new Owner.

6. **Builder Designation.** The name and address of the Person who has or will acquire the Annexed Property is set forth immediately below, and such Person is hereby designated as a Builder under Section 2.9 of the Declaration with respect to the Annexed Property:

PN II, INC., dba Pulte Homes Nevada
Attention: Ryan Breen
7225 S. Tenaya Way, Suite 200
Las Vegas, Nevada 89113

7. **Reallocation of Allocated Interests.** As a result of the addition of new Lots within the Properties pursuant to this Declaration of Annexation, the voting rights and liability for common assessments shall be reallocated in accordance with Section 6.3 and Section 8.1 of the Declaration.

8. **Private Maintenance Requirements.** The Declaration and this Paragraph 8 shall constitute a "Declaration of Private Maintenance Requirements" in satisfaction of the conditions imposed by the City in connection with the approval of one or more tentative maps applicable to the Properties (including without limitation the Annexed Property subject hereto), and shall run with, burden, and bind the Properties and the Owners and the Association, and shall inure to the benefit of the City, and be enforceable by the City.

a. **Maintenance Responsibilities.** The privately owned and/or maintained infrastructure improvements located within the Properties and the Annexed Property subject hereto, shall be maintained as follows:

(1) **Owners.** In accordance with Section 5.1 of the Declaration, each Owner shall maintain those privately owned and/or maintained infrastructure improvements located on such Owner's Residential Lot, in a manner consistent with the Governing Documents, the Community Standards, and all applicable covenants.

(2) **Association.** In accordance with Article 7 of the Declaration, the Association shall maintain those privately owned and/or maintained infrastructure improvements located on or included within the Common Elements and/or Area of Common Responsibility for which the Association is responsible (including without limitation those located within any easement areas designated on a Plat and/or reserved to the Association for maintenance), in a manner consistent with the Governing Documents, the Community Standards, and all applicable covenants.

b. Rights of City. If any Owner and/or the Association fails to maintain any privately owned and/or maintained infrastructure improvements that such party is responsible to maintain, then the City shall have the right but not the obligation, after reasonable notice to such party and a reasonable opportunity to cure, to undertake such actions as may be required to maintain such privately owned and/or maintained infrastructure improvements and shall have the right to levy assessments to recover the costs incurred by City in performing such maintenance against the responsible parties and/or that portion of the Properties directly benefited by such privately owned and/or maintained infrastructure improvements for which the City elects to maintain.

9. Easements.

a. Certain Residential Lots within the Neighborhood, as determined by the U.S. Postal Service (the "USPS"), may be made subject to a permanent, perpetual, and non-exclusive easement (the "Mail Box Easement") for the installation and maintenance of USPS mail boxes and appurtenant facilities (the "Mail Boxes"). The Mail Box Easement shall be located on the portion of each Residential Lot where the USPS requires the Mail Boxes to be constructed, and shall include such portions of the Residential Lot reasonably necessary to install and maintain the Mail Boxes (the "Mail Box Easement Area"). Each Mail Box Easement shall be for the benefit of (i) the residents of the Neighborhood for receipt and delivery of U.S. mail, and (ii) Builder and the Association for the purpose of permitting Builder to install the Mail Boxes and the Association to perform any maintenance, repair, and replacement of the Mail Boxes not performed by the USPS. In the event any such maintenance, repair, and replacement is not performed by the USPS, the Mail Box Easement Areas shall be deemed to be a Neighborhood Common Element. An Owner (i) shall not alter, remove, replace, or disturb the improvements within the Mailbox Easement Area, (ii) shall not place or permit to be placed any materials that would obstruct access to the Mailbox Easement Area or construct or install any improvements within the Mailbox Easement Area without the prior written consent of the Association, and (iii) shall cooperate with the Association in any way required by the Association in order for the Association to fulfill its obligations under this section. The Association shall have the right to adopt reasonable rules and regulations governing the use of the Mailbox Easement Area.

b. Certain Lots in the Neighborhood may be subject to other easements as more particularly described in the Subdivision Map for such Lot or other Recorded instrument, including without limitation: landscape, utility, drainage, sewer, streetlight, traffic control device, and pedestrian access. The Lot shall be subject to the terms and conditions of the instrument which created such easement. Such easements may be publicly or privately maintained as set forth in the instrument which created such easement. An Owner shall not interfere with the use of such easements. The Association shall have the right to adopt reasonable rules and regulations governing the use of such easement areas.

10. Restricted Access Gates. Builder intends to construct two gated entrances into the Neighborhood in order to limit vehicular access to the Neighborhood and to provide some privacy for the Owners. Each Owner, on the Owner's behalf and for the Owner's family, invitees and licensees, acknowledges, understands, and agrees as follows: (i) neither Builder nor the

Association make any representations or warranties that a gated entrance will provide security and safety to Owners or their families, invitees and licensees; (ii) the gated entrances may restrict or delay entry into the Neighborhood by the police, fire department, ambulances and other emergency vehicles or personnel; and (iii) installation and operation of an entry gate shall not create any presumption or duty whatsoever of Builder or the Association (or their respective officers, directors, managers, employees, agents, or contractors) with regard to security or protection of persons or property within or adjacent to the Neighborhood. Builder shall have the right to allow any gated entrance to remain open during business and construction hours for the period of time necessary to sell and construct all Residential Lots in the Neighborhood.

11. Capitalization of Neighborhood Expenses. Upon the acquisition of record title to a Residential Lot in the Neighborhood by the first Purchaser, that first Purchaser shall make a contribution to the working capital of the Association for specific application to the Neighborhood Common Elements, in the amount of \$700.00. Capital contributions under this Section 11 shall be in addition to, not in lieu of, the working capital contributions for the Common Elements due under Section 8.11 of the Declaration. Furthermore, capital contributions under this Section 11 shall be in addition to, not in lieu of, the annual Base Assessment and the annual Neighborhood Assessment due with respect to the Residential Lot, and shall not be considered an advance payment of any such assessment. Each Residential Lot's capital contribution under this Section 11 shall be collected at the time the sale of the Residential Lot to the first Purchaser is closed and then contributed to the Association for application to the Neighborhood Expenses. Capital contributions under this Section 11 shall be applied by the Association to Neighborhood Expenses as follows: (a) one-half (1/2) shall be applied to the working capital needs of the Neighborhood and (b) one-half (1/2) shall be applied to the reserve funds of the Neighborhood.

12. Association Responsibility for Neighborhood Common Elements.

a. The Association shall maintain, repair, and replace the Neighborhood Common Elements and the Areas of Common Responsibility within the Neighborhood, including without limitation all private streets, traffic access gates, entry monumentation, landscape areas, parks, and the exterior surface of all walls that face any Neighborhood Common Elements within the Neighborhood now or hereafter installed within the Neighborhood Common Elements identified in **Attachment "C"** to this Declaration of Annexation, together with any other Neighborhood Common Elements that may be created and assigned to the Neighborhood by deed or recorded Subdivision Map pursuant to Article 12 of the Declaration (collectively, the "**Neighborhood Improvements**"). The costs for such additional responsibility shall be a Neighborhood Expense.

b. The Association's responsibility to maintain each Neighborhood Improvement shall commence upon the first day of the month following the later to occur of the following: (i) the substantial completion of the Neighborhood Improvement, and (ii) the transfer or conveyance of the Neighborhood Improvement to the Association, and (iii) the Association's acceptance of the Neighborhood Improvement, following an inspection thereof by or on behalf of the Association and compliance with all other reasonable requirements of the Association.

13. **Neighborhood Assessments.** The Neighborhood Expenses of the Association with respect to the Neighborhood Improvements shall be assessed as a Neighborhood Assessment against all Residential Lots in the Neighborhood, in accordance with the Neighborhood Budget and the provisions of the Declaration.

[signatures follow]

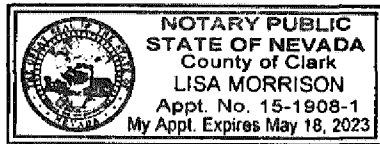
IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration as of this 21 day of February, 2022.

190 OCTANE FT PARTNERS, L.L.C.,
a Nevada limited liability company

By: [Signature]
R. Brett Goett, Duly Authorized Signatory

STATE OF Nevada)
COUNTY OF Clark) ss

This instrument was acknowledged before me on the 21 day of February, 2022, by R. Brett Goett as Duly Authorized Signatory of 190 OCTANE FT PARTNERS, L.L.C., a Nevada limited liability company.



[Signature]
Notary Public

Name: Lisa Morrison

My appointment expires: May 18, 2023

CONSENT OF BUILDER

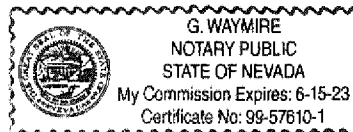
The undersigned, as the owner of the real property described in Exhibit "A" attached hereto and the designated Builder hereunder, hereby consents to all of the provisions contained in the foregoing instrument.

Builder
PN II, Inc., a Nevada corporation dba Pulte
Homes of Nevada

By: [Signature]
Name: QUINCY EDWARDS
Title: VICE PRESIDENT, LAND

STATE OF NEVADA)
) ss
COUNTY OF CLARK)

This instrument was acknowledged before me on the 21ST day of February, 2022, by QUINCY EDWARDS as VICE PRESIDENT OF LAND of PN II, Inc., a Nevada corporation dba Pulte Homes of Nevada.



[Signature]
Notary Public
Name: G. Waymire
My appointment expires: 6-15-23

ATTACHMENT A

Legal Description of Annexed Property

That certain real property located in the City of Las Vegas, Clark County, Nevada, described as follows:

All lots, common elements and private streets, including without limitation Lots 1-22, 69-138, 186-197, 214-232, 237, 242, 260-267 and 281-303, and Common Elements A, B, D, E, F, G, H, J, K, L, Q, Y, Z, as shown on FINAL MAP OF BLM 270 PARCEL D UNIT 1, according to Book 165 of Plats, page 009, Official Records, County Recorder, Clark County, Nevada.

AND

All lots, common elements and private streets, including without limitation Lots 23-68, 139-185, 198-213, 233-236, 238-241, 243-259 and 268-280, and Common Elements B, C, M, N, V, W and X, as shown on FINAL MAP OF BLM 270 PARCEL D UNIT 2, according to Book 165 of Plats, page 0029, Official Records, County Recorder, Clark County, Nevada.

ATTACHMENT B

Community Common Elements

That certain real property located in the City of Las Vegas, Clark County, Nevada, described as follows:

All common elements and private streets, including without limitation Common Elements A, B, D, E, F, G, H, J, K, L, Q, Y, Z, as shown on FINAL MAP OF BLM 270 PARCEL D UNIT 1, according to Book 165 of Plats, page 009, Official Records, County Recorder, Clark County, Nevada.

AND

All common elements and private streets, including without limitation Common Elements B, C, M, N, V, W and X, as shown on FINAL MAP OF BLM 270 PARCEL D UNIT 2, according to Book 165 of Plats, page 0029, Official Records, County Recorder, Clark County, Nevada.

AND

All areas designated as "Landscape Easements" in the FINAL MAP OF BLM 270 PARCEL D UNIT 1, according to Book 165 of Plats, page 009, Official Records, County Recorder, Clark County, Nevada, and also in the FINAL MAP OF BLM 270 PARCEL D UNIT 2, according to Book 165 of Plats, page 0029, Official Records, County Recorder, Clark County, Nevada.

AND

The area designated as "36' Public Drainage Easement" within Lot 13, as shown on FINAL MAP OF BLM 270 PARCEL D UNIT 1, according to Book 165 of Plats, page 009, Official Records, County Recorder, Clark County, Nevada.

ATTACHMENT C

Neighborhood Common Elements

That certain real property located in the City of Las Vegas, Clark County, Nevada, described as follows:

All common elements and private streets, including without limitation Common Elements A, B, D, E, F, G, H, J, K, L, Y, Z, as shown on FINAL MAP OF BLM 270 PARCEL D UNIT 1, according to Book 165 of Plats, page 009, Official Records, County Recorder, Clark County, Nevada.

AND

All common elements and private streets, including without limitation Common Elements B, C, M, N, V, W and X, as shown on FINAL MAP OF BLM 270 PARCEL D UNIT 2, according to Book 165 of Plats, page 0029, Official Records, County Recorder, Clark County, Nevada.

AND

All areas designated as "Landscape Easements" in the FINAL MAP OF BLM 270 PARCEL D UNIT 1, according to Book 165 of Plats, page 009, Official Records, County Recorder, Clark County, Nevada, and also in the FINAL MAP OF BLM 270 PARCEL D UNIT 2, according to Book 165 of Plats, page 0029, Official Records, County Recorder, Clark County, Nevada.

AND

The area designated as "36' Public Drainage Easement" within Lot 13, as shown on FINAL MAP OF BLM 270 PARCEL D UNIT 1, according to Book 165 of Plats, page 009, Official Records, County Recorder, Clark County, Nevada.