

1 IN THE SUPREME COURT OF THE STATE OF NEVADA

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4 SFR INVESTMENTS POOL, LLC, a Nevada  
limited liability company,

5 Appellant,

6 v.

7 US BANK, N.A., a national banking association  
as Trustee for the Certificate Holders of Wells  
8 Fargo Asset Securities Corporation, Mortgage  
Pass-Through Certificates, Series 2006-AR4, ,

9  
10 Respondent.

CASE NO.: 63614

District Court Case No. A6-18814

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12 Appeal from the Eighth Judicial District Court  
of the State of Nevada  
13 In and For the County of Clark

14 **APPENDIX VOLUME I**

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24 Certificates, Series 2006-AR4  
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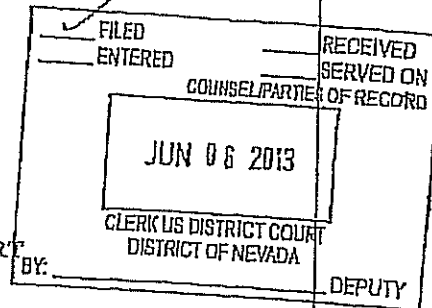
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Page 3 of 3



UNITED STATES DISTRICT COURT  
DISTRICT OF NEVADA

BAYVIEW LOAN SERVICING, LLC, )  
 )  
 Plaintiff, )  
 )  
 vs. )  
 )  
 ALESSI & KOENIG, LLC et al., )  
 )  
 Defendants. )

2:13-cv-00164-RCJ-NJK

ORDER

This quiet title action arises out of the foreclosure of a lien for delinquent homeowner's association ("HOA") fees. Pending before the Court are cross motions for summary judgment. For the reasons given herein, the Court grants Plaintiff's motion and denies Defendant's.

I. FACTS AND PROCEDURAL HISTORY

Third-party Defendant Jesus Simiano ("Borrower") gave Third-party Defendant Silver State Financial Services ("Lender") a promissory note for \$176,000, secured by a deed of trust ("DOT"), to refinance real property located at 5124 Lost Canyon Dr., North Las Vegas, NV 89031 (the "Property"). (Compl. ¶ 9, Jan. 30, 2013, ECF No. 1; DOT 1-3, July 27, 2004, ECF No. 1, at 9). Mortgage Electronic Registration Systems, Inc. ("MERS") was the beneficiary of the DOT and Lender's nominee for the purpose of transferring the beneficial interest in the promissory note. (See DOT 1-3). MERS later assigned both its own interest in the DOT and Lender's interest in the promissory note to Plaintiff Bayview Loan Servicing, LLC ("Bayview"). (Compl. ¶ 10; see Assignment, Apr. 14, 2010, ECF No. 1, at 27).

Defendant Alessi & Koenig, LLC ("A&K") later caused to be recorded a Notice of

Delinquent Assessment (Lien) ("NODA") against the Property on behalf of Defendant  
Hometown Ovation Owners Association ("HOOA") based upon \$3391.58 in delinquent fees,  
assessments, interest, late fees, service charges, and collection costs. (Compl. ¶ 13; *see* NODA,  
Feb. 6, 2012, ECF No. 1, at 29). A&K then caused to be recorded a Notice of Default and  
Election to Sell Under Homeowners Association Lien ("NOD") against the Property on behalf of  
HOOA, alleging a total of \$3541.58 in delinquencies. (Compl. ¶ 14; *see* NOD, Mar. 12, 2012,  
ECF No. 1, at 31). A&K then caused to be recorded a Notice of Trustee's Sale ("NOS") as to the  
Property on behalf of HOOA, indicating a sale for December 5, 2012 based upon a total  
delinquency of \$4386.06. (Compl. ¶ 15; *see* NOS, Oct. 22, 2012, ECF No. 1, at 33).

Bayview contacted A&K concerning the NOS, and A&K postponed the sale until January  
16, 2013. (Compl. ¶ 16). Bayview alleges it tendered the full amount due to A&K several times  
before that date, but that A&K refused to accept payment. (*See id.* ¶¶ 17-18). A&K sold the  
Property at the instruction of HOOA at the January 16, 2013 foreclosure sale to Defendant SFR  
Investments Pool 1, LLC ("SFR Pool 1") or Defendant SFR Investments, LLC ("SFR")  
(collectively, "SFR Defendants") for approximately \$10,000. (*Id.* ¶¶ 19, 22). SFR later contacted  
Bayview and communicated its position that the sale had extinguished Bayview's DOT. (*Id.*  
¶ 23).

Bayview sued A&K, HOOA, and SFR Defendants in this Court on two causes of action:  
(1) Wrongful Foreclosure; and (2) Declaratory Relief.<sup>1</sup> A&K and HOOA jointly moved for  
defensive summary judgment against the wrongful foreclosure claim, and while that motion was  
pending, SFR Pool 1 filed its Answer, which included counterclaims and third-party claims for  
quiet title against Bayview, Borrower, and Lender. The Court granted the motion for summary

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<sup>1</sup>The declaratory relief claim is essentially a quiet title claim. *See Krass v. Corey*, 189  
P.2d 352, 364 (Nev. 1948). Plaintiff asks the Court to declare in the alternative that under state  
law the trustee's sale was void or that it did not extinguish the first mortgage. (*See id.* ¶¶ 34-36).

1 judgment as against the wrongful foreclosure claim. The parties have now moved for summary  
2 judgment on their remaining quiet title claims.

3 II. LEGAL STANDARDS

4 A court must grant summary judgment when "the movant shows that there is no genuine  
5 dispute as to any material fact and the movant is entitled to judgment as a matter of law." Fed. R.  
6 Civ. P. 56(a). Material facts are those which may affect the outcome of the case. *See Anderson v.*  
7 *Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986). A dispute as to a material fact is genuine if there  
8 is sufficient evidence for a reasonable jury to return a verdict for the nonmoving party. *See id.* A  
9 principal purpose of summary judgment is "to isolate and dispose of factually unsupported  
10 claims." *Celotex Corp. v. Catrett*, 477 U.S. 317, 323-24 (1986). In determining summary  
11 judgment, a court uses a burden-shifting scheme:

12 When the party moving for summary judgment would bear the burden of proof at  
13 trial, it must come forward with evidence which would entitle it to a directed verdict  
14 if the evidence went uncontroverted at trial. In such a case, the moving party has the  
initial burden of establishing the absence of a genuine issue of fact on each issue  
material to its case.

15 *C.A.R. Transp. Brokerage Co. v. Darden Rests., Inc.*, 213 F.3d 474, 480 (9th Cir. 2000) (citations  
16 and internal quotation marks omitted). In contrast, when the nonmoving party bears the burden  
17 of proving the claim or defense, the moving party can meet its burden in two ways: (1) by  
18 presenting evidence to negate an essential element of the nonmoving party's case; or (2) by  
19 demonstrating that the nonmoving party failed to make a showing sufficient to establish an  
20 element essential to that party's case on which that party will bear the burden of proof at trial. *See*  
21 *Celotex Corp.*, 477 U.S. at 323-24. If the moving party fails to meet its initial burden, summary  
22 judgment must be denied and the court need not consider the nonmoving party's evidence. *See*  
23 *Adickes v. S.H. Kress & Co.*, 398 U.S. 144, 159-60 (1970).

24 If the moving party meets its initial burden, the burden then shifts to the opposing party to  
25 establish a genuine issue of material fact. *See Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*,

1 475 U.S. 574, 586 (1985). To establish the existence of a factual dispute, the opposing party  
2 need not establish a material issue of fact conclusively in its favor. It is sufficient that "the  
3 claimed factual dispute be shown to require a jury or judge to resolve the parties' differing  
4 versions of the truth at trial." *T.W. Elec. Serv., Inc. v. Pac. Elec. Contractors Ass'n*, 809 F.2d  
5 626, 631 (9th Cir. 1987). In other words, the nonmoving party cannot avoid summary judgment  
6 by relying solely on conclusory allegations unsupported by facts. See *Taylor v. List*, 880 F.2d  
7 1040, 1045 (9th Cir. 1989). Instead, the opposition must go beyond the assertions and  
8 allegations of the pleadings and set forth specific facts by producing competent evidence that  
9 shows a genuine issue for trial. See Fed. R. Civ. P. 56(e); *Celotex Corp.*, 477 U.S. at 324.

10 At the summary judgment stage, a court's function is not to weigh the evidence and  
11 determine the truth, but to determine whether there is a genuine issue for trial. See *Anderson*, 477  
12 U.S. at 249. The evidence of the nonmovant is "to be believed, and all justifiable inferences are  
13 to be drawn in his favor." *Id.* at 255. But if the evidence of the nonmoving party is merely  
14 colorable or is not significantly probative, summary judgment may be granted. See *id.* at 249-50.

### 15 III. ANALYSIS

16 In Nevada, HOAs have immediate liens against real property when HOA assessments or  
17 other costs against a unit become delinquent. See Nev. Rev. Stat. § 116.3116(1). Under Nevada  
18 law, a lien for delinquent HOA assessments is not prior to "[a] first security interest on the unit  
19 recorded before the date on which the assessment sought to be enforced became delinquent," *id.*  
20 § 116.3116(2)(b), except:

21 *to the extent of any charges incurred by the association on a unit pursuant to NRS*  
22 *116.310312 and to the extent of the assessments for common expenses based on the*  
23 *periodic budget adopted by the association pursuant to NRS 116.3115 which would*  
24 *have become due in the absence of acceleration during the 9 months immediately*  
25 *preceding institution of an action to enforce the lien . . . .*

1 *Id.* § 116.3116(2) (unnumbered paragraph following subsection (2)(c) (emphases added)).<sup>2</sup> In  
2 other words, a first mortgage recorded before HOA assessments become delinquent is senior to  
3 an HOA lien, except to the extent of nine months of regular HOA dues immediately preceding  
4 the action to enforce the HOA lien and any HOA fees and costs related to exterior maintenance  
5 of the unit at issue or the removal or abatement of a public nuisance related to the unit at issue.<sup>3</sup>  
6 It seems clear that the super-priority amount is unextinguished by foreclosure of a first mortgage,  
7 even if the first mortgage is otherwise senior under the first mortgage rule. The question is  
8 whether the foreclosure of an HOA lien including some super-priority amount extinguishes a first  
9 mortgage that has benefit of the first mortgage rule. The Court believes that the best  
10 interpretation of the statutes is that it does not.

11 Bayview's interpretation of the statute, with which the Court agrees, is that the first  
12 mortgage rule prevents a prior-recorded first mortgage from being extinguished by foreclosure of  
13 an HOA lien that contains a super-priority amount. Under this interpretation, an HOA lien  
14 arising *before* a first mortgage is recorded is senior to the first mortgage in all traditional  
15 respects, i.e., it survives a foreclosure of the first mortgage, and its own foreclosure extinguishes  
16 the first mortgage. But an HOA lien arising *after* a first mortgage is recorded operates  
17 unorthodoxly in relation to traditional liens. The super-priority amount is senior to an earlier-  
18 recorded first mortgage in the sense that it must be satisfied before a first mortgage upon its own  
19 foreclosure, but it is *in parity with* an earlier-recorded first mortgage with respect to

20  
21 <sup>2</sup>Section 116.310312 concerns HOA fines and costs imposed when an HOA must  
22 maintain the exterior of a unit in accordance with the CC&R or remove or abate a public  
23 nuisance on the exterior of the unit where the unit owner has failed to do so. *See id.*  
24 § 116.310312(2). Section 116.3115 governs regular HOA dues. *See id.* § 116.3115.

25 <sup>3</sup>The Court will refer to this amount as the "super-priority amount" and will refer to the  
section of the statute defining it as the "super-priority rule." The Court will refer to any excess  
portion of an HOA lien, i.e., the total amount of a lien under subsection (1) minus the super-  
priority amount, as the "sub-priority amount." The Court will refer to subsection (2)(b) as the  
"first mortgage rule."



1 extinguishment, i.e., the foreclosure of neither extinguishes the other.

2       In practice, two options present themselves under this theory when a first mortgage is  
3 recorded before an HOA lien arises. First, an HOA may of course foreclose its lien under the  
4 statutes so providing, but the first mortgagee's lien survives such a foreclosure, and the first  
5 mortgagee may later foreclose against the buyer at the HOA foreclosure sale if that buyer (or  
6 someone else) does not satisfy the first mortgage out of the proceeds of the HOA foreclosure sale  
7 or otherwise. An HOA conducting a foreclosure sale will be made whole under the statute so  
8 long as the super-priority amount is satisfied by the foreclosure sale price, and if an HOA's  
9 foreclosure sale leaves some portion of its "super-priority" lien unsatisfied—which  
10 circumstances are unlikely ever to occur—it must pursue the unit owner for the deficiency.  
11 Second, a first mortgagee may foreclose while an HOA lien exists. In such a case, the super-  
12 priority amount of the HOA lien survives foreclosure, and the HOA may later foreclose against  
13 the buyer at the foreclosure sale if that buyer (or someone else) does not satisfy the super-priority  
14 amount out of the proceeds of the foreclosure sale or otherwise. In either case, any sub-priority  
15 amount of an HOA lien is extinguished along with any other junior liens. Those junior liens are  
16 satisfied in sequence of priority out of the foreclosure proceeds after the lien upon which the  
17 foreclosure was based is fully satisfied, and junior lien holders must pursue the defaulted party  
18 for any deficiencies, if they can.

19       In summary, an HOA may effectively have two liens: a super-priority lien, and a sub-  
20 priority lien. The foreclosure of neither a super-priority lien nor a first mortgage extinguishes the  
21 other. They are in parity with one another in this regard. But a super-priority lien must be  
22 satisfied first out of the proceeds of the foreclosure of a junior lien. It is "first amongst equals" in  
23 this regard. The sub-priority lien, on the other hand, like any other junior lien, is extinguished by  
24 the foreclosure of either the super-priority lien or the first mortgage.

25       Another court of this District recently ruled consistently with this interpretation, though

1 with less discussion. *See Diakonos Holdings, LLC v. Countrywide Home Loans*, No. 2:12-cv-  
2 00949, 2013 WL 531092, at \*2–3 (D. Nev. Feb. 11, 2013) (Dawson, J.) (ruling that the  
3 foreclosure of an HOA lien containing a super-priority amount does not extinguish a first  
4 mortgage protected by the first mortgage rule). Moreover, the real estate community in Nevada  
5 clearly understands the statutes to work the way the Court finds. In the current real estate market  
6 in Nevada, most homes sold at foreclosure are purchased by investors for cash in order to  
7 renovate the homes and then resell them for a quick profit or rent them. If investors believed that  
8 HOA foreclosures extinguished first mortgages, homes sold at HOA foreclosure sales would sell  
9 for significant fractions of their fair market value, not for the tiny fractions of their fair market  
10 value approximating the HOA lien at which HOA-foreclosed homes invariably sell. That  
11 investors will not pay significant amounts, i.e. fair amounts, for HOA-foreclosed homes indicates  
12 their perception that the first mortgage survives, preventing any profit through resale. If the  
13 actors in the real estate market in Nevada believed that an HOA foreclosure extinguished the first  
14 mortgage, one would expect the Property here to have sold for something on the order of \$80,000  
15 (assuming the home is worth roughly half of the \$176,000 for which Borrower refinanced it in  
16 2004). But the Property sold for a mere \$10,000, only slightly more than HOOA's lien. This  
17 shows that the Nevada real estate community does not operate as if HOA foreclosures extinguish  
18 first mortgages recorded before the HOA delinquency arises.

19 SFR Pool 1's interpretation of the statute is different. Under its theory, the foreclosure  
20 of HOOA's lien completely extinguished Bayview's first mortgage in the same way that the  
21 foreclosure of a first mortgage extinguishes a second mortgage (although SFR Pool 1 presumably  
22 agrees that Bayview was entitled after HOOA's foreclosure sale to satisfy its first mortgage out  
23 of the proceeds after any super-priority amount was satisfied and before any sub-priority amount  
24 was satisfied). SFR Pool 1 argues that the foreclosure of an HOA lien that includes any super-  
25 priority amount—and they always will, as the super-priority amount is defined—extinguishes a

1 first mortgage. Under this theory, an HOA may foreclose its lien, and the first mortgagee's lien  
2 would not survive, though it would be entitled to satisfaction from the proceeds after the super-  
3 priority amount is satisfied and before any sub-priority amount is satisfied. And a first  
4 mortgagee could still foreclose the first mortgage while an HOA lien exists, but the super-priority  
5 amount of the HOA lien would survive.

6 SFR Pool 1 argues that the Division of Real Estate has interpreted the statutes this way.  
7 But a close look at the relevant document indicates no such authoritative interpretation.  
8 See Dep't of Business and Indus., Real Estate Div., Adv. Op. No. 13-01 (Dec. 12, 2012). The  
9 relevant advisory opinion answers three questions: (1) whether the super-priority amount  
10 includes "costs of collecting" as defined under section 116.310313 (no); (2) whether the super-  
11 priority amount may ever exceed nine months of regular dues plus removal, abatement, and  
12 maintenance costs (no); and (3) whether an HOA must institute a "civil action" as defined under  
13 Nevada Rules of Civil Procedure 2 and 3 to create the super-priority lien (no). There is *obiter*  
14 *dicta* on page nine of the advisory opinion supporting SFR Pool 1's view. See *id.* at 9 ("The  
15 ramifications of the super priority lien are significant in light of the fact that superior liens, when  
16 foreclosed, remove all junior liens. An association can foreclose its super priority lien and the  
17 first security interest holder will either pay the super priority lien amount or lose its security.").  
18 The opinion quotes the comments to section 3-116 of the Uniform Act, noting that first  
19 mortgagees will typically pay HOA liens rather than suffer foreclosure. But that says nothing of  
20 extinguishment. A first mortgagee may pay an HOA lien rather than suffer foreclosure because it  
21 will inevitably have to foreclose itself anyway and does not wish to experience the hassle of  
22 waiting for the first foreclosure to be completed, or because it may wish to take a deed in lieu of  
23 foreclosure or authorize a short sale, and those options would be frustrated by an intermittent  
24 foreclosure by an HOA. A first mortgagee's practical desire to avoid an HOA foreclosure does  
25 not necessarily imply that the first mortgagee thinks its security would be lost thereby. The Real

1 Estate Division engaged in no further statutory analysis. Its *obiter dicta* in an advisory opinion  
2 directed to other issues is unpersuasive.

3 The Court rejects this reading of the statutes. It is clear to the Court that the legislative  
4 intent was to ensure that no matter which entity forecloses, an HOA will be made whole (up to a  
5 limited amount), while also ensuring that first mortgagees who record their interest before notice  
6 of any delinquencies giving rise to a super-priority lien do not lose their security. The Court does  
7 not believe that the legislature intended the extreme result of extinguishment of a first mortgage  
8 in any case where an HOA forecloses its own lien.

9 The Court agrees with Bayview that interpreting the statutes as SFR Pool 1 does reads the  
10 first mortgage rule out of the statutes. The statute creating the HOA lien (subsection  
11 116.3116(1)) is the rule. The first mortgage rule (subsection (2)(b)) is an exception to the rule.  
12 The super-priority rule (the unnumbered paragraph following subsection (2)(c)) is an exception  
13 to the exception. Because the exception to the exception here necessarily includes all instances  
14 of the rule itself—there can be no subsection (1) lien that does not include some super-priority  
15 amount, because that amount includes virtually every kind of assessment that could be  
16 delinquent, except for collection fees and costs arising therefrom—the exception under  
17 subsection (2)(b) would be totally subsumed by the exception to the exception, rendering it  
18 meaningless if its operation were not limited in a way that permits the exception to have some  
19 application. That is, in order to give each part of the statutes some effect, the Court must read  
20 them together to mean that the super-priority rule affects the priority of reimbursement, but not  
21 extinguishment. Reading the super-priority rule to affect extinguishment would read the first  
22 mortgage rule out of the statutes almost entirely.

23 It is true that under SFR Pool 1's interpretation, the first mortgage rule would continue to  
24 have effect in a limited class of cases when an HOA forecloses a lien containing some sub-  
25 priority amount. In such cases, the first mortgage rule will still ensure that the first mortgage is

1 satisfied before the sub-priority amount of the HOA lien, giving the first mortgage rule some  
2 effect. Imagine a property of fair market value  $V$ , with a first mortgage balance of  $M$  and an  
3 HOA lien with super-priority amount  $H1$  and sub-priority amount  $H2$ . If the HOA forecloses,  
4 and if the foreclosure extinguishes the first mortgage, the order of reimbursement will be  
5  $H1-M-H2$ . The first mortgagee is therefore no better off under the first mortgage rule in cases  
6 where  $V > H1 + H2 + M$ , because in such cases the priority of reimbursement as between  $H2$  and  
7  $M$  is of no consequence—the first mortgagee will be made whole in either case. The first  
8 mortgagee is only better off under SFR Pool 1's interpretation of the first mortgage rule in cases  
9 where  $V < H1 + H2 + M$ , because in such cases the first mortgagee's losses are limited to  $H1$ ,  
10 whereas without the first mortgage rule, the first mortgagee's losses would be  $H1 + H2$ . So SFR  
11 Pool 1's interpretation of the statutes does retain some effect for the first mortgage rule. But the  
12 effect is only seen in cases where the fair market value of the property at the time of foreclosure  
13 is less than the amount due on the first mortgage or no more than a few thousand dollars more.  
14 Although that circumstance is common today, it is not the historical norm, and it was not  
15 common when the statutes were first adopted in 1991, over a decade before the real estate market  
16 crash made "underwater" mortgages common. See 1991 Nev. Stat 535, 567–68.

17 The legislature cannot possibly have intended the super-priority rule to divest the equally  
18 or more conspicuous first mortgage rule of any effect except in a class of cases that was rare  
19 when the statutes were adopted. Not only would such an interpretation divest the first mortgage  
20 rule of any significant application, it would cause an extreme result that the Court does not  
21 believe the legislature intended in light of long-standing historical practice, including the practice  
22 of the actors in the real estate market even after the statutes were adopted.<sup>4</sup>

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24 <sup>4</sup>The Court also notes that the federal Contract Clause would likely be violated by any  
25 application of such a reading of the statutes, at least as to first mortgages recorded before the  
statutes took effect.

1 The Court rejects SFR Pool 1's argument that an HOA lien necessarily extinguishes a  
2 first mortgage because the HOA foreclosure statutes indicate, just as the general non-judicial  
3 foreclosure statutes do, that foreclosure gives the purchaser title "without equity or right of  
4 redemption." Compare *id.* § 116.31166(3), with *id.* § 107.080(5). These statutes have nothing to  
5 do with the extinguishment of junior liens. It simply means, in both cases, that a defaulted owner  
6 cannot redeem his default after the sale has occurred. These are simple and otherwise  
7 uninteresting recitations of the ancient common law rule that a sale after default "forecloses"  
8 (ends the possibility of) the "equity of redemption" (cure of the default). From here, SFR Pool 1  
9 argues that it is indisputable that foreclosure of a senior lien extinguishes all junior liens. That is  
10 of course true as a general matter, but if the statutes in this case work as Bayview argues they do,  
11 and the Court believes they do, they work a twist on the general rule as between first mortgages  
12 and HOA liens. *See supra.* SFR Pool 1 also argues that Bayview's position that foreclosure of an  
13 HOA lien can never extinguish a first mortgage would render the last sentence of section  
14 116.310312(4) meaningless. But this conclusion is both factually and legally wrong. Bayview  
15 does not appear to argue, and the Court does not believe, that foreclosure of an HOA lien can  
16 never extinguish a first mortgage. It seems plain that when delinquencies giving rise to an HOA  
17 lien occur *before* a first mortgage is recorded, foreclosure of the resulting HOA lien extinguishes  
18 the first mortgage, but SFR Pool 1 admits those circumstances are not present here.<sup>5</sup> Also, the  
19 sentence at issue reads, "The lien may be foreclosed under NRS 116.31162 to 116.31168,  
20 inclusive." *Id.* § 114.310312(4). A statute permitting foreclosure is not rendered meaningless  
21 simply because another statute permits some other lien to survive such a foreclosure. The State  
22 of Nevada may structure its foreclosure and priority laws however it sees fit. It may structure its

23  
24 <sup>5</sup>It appears undisputed that the DOT to Bayview's predecessor-in-interest was recorded on  
25 August 4, 2004, such that SFR Pool 1 is clearly not a bona fide purchaser protected from  
Bayview's interest by the recording statute, and Defendants admit that HOA dues did not become  
delinquent until 2006.

1 laws to ensure that prior-recorded first mortgagees do not entirely lose their interest upon an  
2 HOA foreclosure, while also ensuring that HOAs are protected for certain costs they have  
3 incurred and up to nine months of delinquent fees.

4 In conclusion, the Court believes Bayview's interpretation of the statutes is correct.  
5 Bayview's position appears to represent the dominant understanding of the actors in the real  
6 estate market. Bayview's interpretation also gives each section of the statutes significant  
7 application and avoids an extreme result that was almost certainly not intended by the state  
8 legislature, i.e., that the foreclosure of a small lien for even \$1000 of delinquent HOA dues could  
9 extinguish an earlier-recorded security interest on the order of hundreds of thousands of dollars,  
10 when the purpose behind the super-priority statute was simply to ensure that HOA's are made  
11 whole up to a certain amount.

12 Finally, even if HOOA's foreclosure had extinguished Bayview's first mortgage, that  
13 would not end the matter here. Bayview would still have been entitled to satisfy its first  
14 mortgage out of the sale proceeds after satisfaction of the super-priority amount of HOOA's lien.  
15 It therefore has standing to challenge the commercial reasonableness of the foreclosure sale, and  
16 the sale for \$10,000 of a Property that was worth \$176,000 in 2004, and which was probably  
17 worth somewhat more than half as much when sold at the foreclosure sale, raises serious doubts  
18 as to commercial reasonableness. *See Levers v. Rio King Land & Inv. Co.*, 560 P.2d 917, 919-20  
19 (Nev. 1977).

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CONCLUSION


IT IS HEREBY ORDERED that the Motion for Summary Judgment (ECF No. 33) is GRANTED. The mortgage of Bayview Loan Servicing, LLC against the Property at 5124 Lost Canyon Dr., North Las Vegas, NV 89031 was not extinguished by the foreclosure sale at which SFR Investments Pool 1, LLC obtained title to the Property.

IT IS FURTHER ORDERED that the Motion for Summary Judgment (ECF No. 35) is DENIED.

IT IS FURTHER ORDERED that the Clerk shall enter judgment and close the case.

IT IS SO ORDERED.

Dated this 6th day of June, 2013.

  
ROBERT C. JONES  
United States District Judge



**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON JUDICIARY**

**Seventy-Fifth Session  
March 6, 2009**

The Committee on Judiciary was called to order by Chairman Bernie Anderson at 8:12 a.m. on Friday, March 6, 2009, in Room 3138 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda (Exhibit A), the Attendance Roster (Exhibit B), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/75th2009/committees/](http://www.leg.state.nv.us/75th2009/committees/). In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: [publications@lcb.state.nv.us](mailto:publications@lcb.state.nv.us); telephone: 775-684-6835).

**COMMITTEE MEMBERS PRESENT:**

Assemblyman Bernie Anderson, Chairman  
Assemblyman Tick Segerblom, Vice Chair  
Assemblyman John C. Carpenter  
Assemblyman Ty Cobb  
Assemblywoman Marilyn Dondero Loop  
Assemblyman Don Gustavson  
Assemblyman John Hambrick  
Assemblyman William C. Horne  
Assemblyman Ruben J. Kihuen  
Assemblyman Mark A. Manendo  
Assemblyman Harry Mortenson  
Assemblyman James Ohrenschall  
Assemblywoman Bonnie Parnell

**COMMITTEE MEMBERS ABSENT:**

Assemblyman Richard McArthur (excused)

Minutes ID: 391

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**GUEST LEGISLATORS PRESENT:**

Assemblyman Joseph M. Hogan, Clark County Assembly District No. 10  
Assemblywoman Ellen Spiegel, Clark County Assembly District No. 21

**STAFF MEMBERS PRESENT:**

Jennifer M. Chisel, Committee Policy Analyst  
Nick Anthony, Committee Counsel  
Katherine Maizahn-Bass, Committee Manager  
Robert Gonzalez, Committee Secretary  
Nichole Bailey, Committee Assistant

**OTHERS PRESENT:**

Pam Borda, President and General Manager, Spring Creek Association,  
Spring Creek, Nevada  
Stephanie Licht, Private Citizen, Spring Creek, Nevada  
Warren Russell, Commissioner, Board of Commissioners, Elko County,  
Nevada  
Michael Buckley, Commissioner, Las Vegas, Commission for  
Common-Interest Communities Commission, Real Estate Division,  
Department of Business and Industry; Real Property Division, State  
Bar of Nevada  
Robert Robey, Private Citizen, Las Vegas, Nevada  
Barbara Holland, Private Citizen, Las Vegas, Nevada  
Jon L. Sasser, representing Washoe Legal Services, Reno, Nevada  
Rhea Gerken, Directing Attorney, Nevada Legal Services,  
Las Vegas, Nevada  
James T. Endres, representing McDonald, Carano & Wilson; and the  
Southern Nevada Chapter of the National Association of Industrial  
and Office Properties, Reno, Nevada  
Paula Berkley, representing the Nevada Network Against Domestic  
Violence, Reno, Nevada  
Jan Gilbert, representing the Progressive Leadership Alliance of Nevada,  
Carson City, Nevada  
David L. Howard, representing the National Association of Industrial and  
Office Properties, Northern Nevada Chapter, Reno, Nevada  
Ernie Nielsen, representing Washoe County Senior Law Project,  
Reno, Nevada  
Shawn Griffin, Director, Community Chest, Virginia City, Nevada  
Charles "Tony" Chinnici, representing Corazon Real Estate, Reno, Nevada

Jennifer Chandler, Co-Chair, Northern Nevada Apartment Association,  
Reno, Nevada  
Rhonda L. Cain, Private Citizen, Reno, Nevada  
Kellie Fox, Crime Prevention Officer, Community Affairs, Reno Police  
Department, Reno, Nevada  
Bret Holmes, President, Southern Nevada Multi-Housing Association, Las  
Vegas, Nevada  
Zelda Ellis, Director of Operations, City of Las Vegas Housing Authority,  
Las Vegas, Nevada  
Jenny Reese, representing the Nevada Association of Realtors,  
Reno, Nevada  
Roberta A. Ross, Private Citizen, Reno, Nevada  
Bill Uffelman, President and Chief Executive Officer, Nevada Bankers  
Association, Las Vegas, Nevada  
Alan Crandall, Senior Vice President, Community Association Bank,  
Bothell, Washington  
Bill DiBenedetto, Private Citizen, Las Vegas, Nevada  
Michael Trudell, Manager, Caughlin Ranch Homeowners Association,  
Reno, Nevada  
Lisa Kim, representing the Nevada Association of Realtors, Las Vegas,  
Nevada  
John Radocha, Private Citizen, Las Vegas, Nevada  
David Stone, President, Nevada Association Services, Las Vegas, Nevada  
Wayne M. Pressel, Private Citizen, Minden, Nevada

**Chairman Anderson:**

[Roll called. Chairman reminded everyone present of the Committee rules.]

We have a rather large number of people who have indicated a desire to speak. We have three bills which must be heard today, so we will try to allocate a fair amount of time to hear from those both in favor and against so that everybody has an opportunity to be heard.

Ms. Chisel, do we have a handout from legislation we saw yesterday?

**Jennifer M. Chisel, Committee Policy Analyst:**

Yesterday we heard Assembly Bill 182, which was brought to the Committee by Majority Leader Ocegüera. During that conversation, Lieutenant Tom Roberts indicated that he would provide to the Committee a list of the explosive materials that is in the Federal Register. That has been provided to the Committee, and that is what is before you (Exhibit C).

**Chairman Anderson:**

Mr. Gustavson, I think this was part of the concerns you raised. You wanted to see the specific prohibited materials. With that, Mr. Carpenter, I think we are going to start with your bill. Let me open the hearing on Assembly Bill 207.

**Assembly Bill 207:** Makes various changes concerning common-interest communities. (BDR 10-694)

**Assemblyman John C. Carpenter, Assembly District No. 33:**  
Thank you, Mr. Chairman and members of the Committee.

[Read from prepared text, Exhibit D.]

**Chairman Anderson:**

The amendment (Exhibit E) is part of the copy of Mr. Carpenter's prepared testimony. Are there any questions on the amendment? No? Is there anyone else to speak on A.B. 207?

**Pam Borda, President and General Manager, Spring Creek Association, Spring Creek, Nevada:**

Thank you, Mr. Chairman and members of the Committee. I am the President and General Manager of the Spring Creek Association (SCA). We have existed for about 38 years, long before the Ombudsman Office was even thought about. When it was created in 1997 and then broadened in 1999, we were exempted from that office and from its fees. In 2005, there was a change to legislation, which compelled us to pay fees, but still exempted us from the services of the Ombudsman Office. We are here today to ask you to change it back and exempt us from paying those fees because we do not utilize their services. We have been taking care of our own problems in Spring Creek for 38 years, and we are pretty good at it. We do not believe we need the services of the Ombudsman Office, and therefore should not be paying fees to them. I have provided you with a handout with a lot of information about the history of Spring Creek. The biggest issue I would like to portray today is that, while this may not seem like a lot of money, our deed restrictions limit the amount that our assessments can be raised, unlike a lot of other homeowners' associations (HOA). Any raise in cost to us generally means we need to cut something out of our budget. If you can imagine, we have 158 miles of road that we are responsible for maintaining, which costs hundreds of thousands of dollars a year. We are not even doing the job that we need to do. This year, for example, we had to cut \$500,000 out of our budget because of a 110 percent increase in our water rates and other utilities. The impact of the Ombudsman fees means that, if we have to pay those fees, we will be cutting out some other service to our homeowners.

**Chairman Anderson:**

Ms. Borda, you do not use the Ombudsman, at least you have not to date? You are precluded from using the Ombudsman?

**Pam Borda:**

We are exempt from it, yes.

**Chairman Anderson:**

That is because you have chosen not to avail yourself of the use of that office?

**Pam Borda:**

Yes, we have been exempt from it since the office was created.

**Assemblywoman Dondero Loop:**

I have actually been to Spring Creek many times visiting your schools. You mentioned 5,420 lots. Is this how many homes are actually up there, or simply lots?

**Pam Borda:**

That is referring to the number of lots. We are at 74 percent capacity.

**Stephanie Licht, Private Citizen, Spring Creek, Nevada:**

I have been a resident of Spring Creek HOA since September 1987. My first husband was Chairman of the Board for quite a few years in the early 1990s. I have been through eight different general managers, so I have some history of the particular problems that are related to the Association. All of those have been solved by things that are in place in our board—the way they conduct themselves, and the way the Committee of Architecture conducts themselves. Basically, we have taken care of our own problems for 38 years. If you look on the Ombudsman's page on the website, most of the things they deal with are arbitration and disputes between a homeowner and an overzealous board. We do not feel that we should fall under the Ombudsman, primarily because we are quite different from other HOAs. Mr. Chairman, I have brought with me a low-tech visual. If you will allow me to show a map, I would appreciate it.

This map is on loan from the Nevada Department of Transportation. In the upper left hand corner is just part of the mobile home section. The line transecting most of the center of that is Lamoille Highway. You can see that the lots are quite spread out. In fact, we abut a rancher's place on the right. All of our lots are over an acre, and are spread out all over. I think that part of Chapter 116 of *Nevada Revised Statutes* (NRS) at one time requested gated communities. The only way we could do that is by blocking off the state route with a toll gate, I guess. We are spread over most of 25 to 30 square miles.

We cover 19,000 acres that are interspersed with a lot of different kinds of things, some common and some private or federal. You can see some of the common elements in that, but there is quite a bit of Bureau of Land Management (BLM) property that surrounds us. There are some private areas in between. Some of what you see on the map are other small developments. We are just not like the other HOA properties, which are so close to one another.

**Pam Borda:**

We have four different housing tracts of land in the Spring Creek Association. It covers 30 square miles; and we have 158 miles of road.

**Stephanie Licht:**

I would be happy to answer any questions.

**Assemblyman Horne:**

What is to stop other associations from coming to the Legislature and asking to be exempted because they are not like others? Is this not a slippery slope? You say it is different because you are rural and, I think you said, "we take care of ourselves," and you are spread out over 30 square miles. Next time it could be another association with other dynamics who will want to be excluded.

**Pam Borda:**

That is a good question. The answer would be that our Conditions, Covenants and Restrictions (CC&Rs) are not restrictive like the typical HOA. We do not care what color someone paints his house, or what kind of fence he puts in. It is truly a rural environment where we do not make a lot of rules about how people live. They move out there to be left alone and to live as they choose. You will find that the typical HOA is extremely restrictive and makes more rules for homeowners and how they live. That is one of the primary differences between a rural agricultural HOA and an urban HOA.

**Warren Russell, Commissioner, Board of Commissioners, Elko County, Nevada:**

Thank you, Mr. Chairman. Two-thirds of my district, which is the Fifth District, is part of the Spring Creek HOA. I try to attend at least half the meetings by the SCA Board, both as a commissioner and as official liaison from the Elko County Commission. We continue to have a very close working relationship with this group. I support this bill, and everything that has been said before.

**Chairman Anderson:**

Commissioner Russell, are there services that the county provides in that area in which the HOA is treated differently than other organizations? Is that the only HOA you have in the county?

**Warren Russell:**

No, sir, that is not the only HOA in the county. We subsidize the road program throughout the HOA. The HOA is subject to codes and resolutions that we have established. Many of the issues that might arise for the residents who live in isolated areas would probably have no other recourse for resolution except through the HOA. There might be limited options for recourse pertaining to the laws of the county.

**Chairman Anderson:**

Do you have a similar relationship with other HOAs in the county in that you maintain their roads?

**Warren Russell:**

We do not maintain the roads of other HOAs. We do not maintain the roads in the Spring Creek HOA, either. We provide a subsidy.

**Chairman Anderson:**

Do you have any influence in deciding infrastructural questions such as the upkeep and development of roads, inasmuch as your budget is affected?

**Warren Russell:**

As a county, our budget would not be affected by this bill. The SCA would be affected. Our primary relationship would revolve around the use of the right-of-ways. All the roads have already been established in SCA, so we are not looking to develop new roads. That would be an exception rather than the rule.

**Chairman Anderson:**

You are misinterpreting the question. Obviously, this is going to be an economic advantage to SCA. Given the peculiar nature of this relationship between the county and SCA, is there any time when the SCA can place upon the county an economic demand without the input of the county? If the SCA wanted to build additional roads, would they not have to come to the county to gain approval since it is an additional cost to the county?

**Warren Russell:**

I think that it would be a voluntary decision if there were additional fiscal costs to the county associated with building new roads in Spring Creek. For example,

there are additional units that have decided to connect to utilities and roads that are outside of Spring Creek. That issue is handled by the SCA in a satisfactory manner in coordination with Elko County. I would say there is no impact to the county, but rather it falls upon the residents of Spring Creek, and the tax base in a general way.

**Chairman Anderson:**

I see no other questions. Thank you very much.

**Michael Buckley, Commissioner, Las Vegas, Commission for Common-Interest Communities Commission, Real Estate Division, Department of Business and Industry; Real Property Division, State Bar of Nevada:**

The Commission has no objection to the bill that would take these associations out of paying the ombudsman's fee.

**Chairman Anderson:**

Has the Commission taken a position regarding the loss of revenue that would stem from passage of A.B. 207?

**Michael Buckley:**

At the Commission meeting on March 2, 2009, we were advised that the compliance department of the Division had not ever had problems with Spring Creek. In that sense, there was never a use of the ombudsman facilities. We did not discuss the loss of revenue.

**Chairman Anderson:**

That is the heart of the bill. They have always been exempt from your oversight. Now, what they are saying is, "we should not be paying for it."

**Michael Buckley:**

Mr. Chairman, I think that is right. They have not been paying it in the past. They paid it only one year, I think. The loss would not affect the Ombudsman office.

**Chairman Anderson:**

Thank you, Mr. Buckley. Are there any questions? Thank you, sir. Is there anyone else compelled to speak in support of A.B. 207?

**Robert Robey, Private Citizen, Las Vegas, Nevada:**

I am supporting A.B. 207. I found the most interest in the idea of the open meeting law being applied. I wish that applied to all HOAs. I feel that HOAs are taxing authorities. We put assessments on people that they have to pay.



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**Chairman Anderson:**

We are distributing the amendment that was faxed here just before we started today (Exhibit F). Did you have an opportunity to discuss this with Mr. Carpenter, Mr. Robey?

**Robert Robey:**

No, sir, I did not.

**Assemblyman Carpenter:**

I am aware that there are some people who want all associations to be under the open meeting law, but I think that would need discussion with all the people involved. All I know is that it works well at Spring Creek. Whether it would work with all the other associations, I am not in a position to say at this time.

**Chairman Anderson:**

It sounds as if the maker of the bill does not perceive this as a friendly amendment, Mr. Robey. The question of open meeting may require a longer discussion. The Chair will be placing several bills dealing with common-interest communities in a subcommittee. There are several bills that deal with that, and all of those will be worked out. If you would like, I will add your amendment to their responsibilities to include in the general law, rather than the specific law in this particular piece of legislation. If you would like to pursue it, I would be happy to put it in the work session and put it in front of the Committee. Your choice, sir.

**Robert Robey:**

I appreciate the time that you took to respond to me. Whatever you think is the wisest and best. I think that the open meetings are very important.

**Chairman Anderson:**

I do not disagree with you. It would be one of the recommendations that we would want to make to this piece of legislation to deal with all the common-interest communities. I do not disagree with the concept of having an open meeting law. Thank you.

We will not hold it for the work session on this particular piece of legislation unless a member of the Committee wants me to put it into the work session document. Two people have indicated to me a desire to serve on the common-interest community subcommittee. It is my intention to put in the recommendation for open meetings.

Anybody else feel compelled to speak on A.B. 207? Anyone in opposition?

**Barbara Holland, Private Citizen, Las Vegas, Nevada:**

Looking at number one, which exempts HOAs from paying the \$3, you ask if there would be an impact on the Ombudsman Office. I can tell you right now, it would probably not have an impact. The Ombudsman Office has never had an audit. The \$3 per unit per year is substantially more than what they actually need, so if we are going to exempt people from paying the \$3, maybe we should look at reducing the \$3 for everybody to a different number. I think it is about time the Legislature does something as far as auditing the Ombudsman Office. Number two, the last legislative session, the Legislature approved electronic mail. We can use the computer age electronic mail, which is still available for rural areas, to facilitate open meetings and to reduce scheduling costs. The law allows HOAs to create one newsletter, which they can create at the very beginning of the year, and list every single meeting time, thereby avoiding additional costs associated with the mailing of notices of their meetings.

Let us talk about the reserves. Assembly Bill No. 396 of the 74th Session, for which the Governor's veto was upheld, also had a section that talked about the reserve study. It talked about the counties with fewer than a certain number of people should be exempt from paying fees. I think the slippery slope is a very dangerous situation with many inequities. We have many small HOAs, and right now in southern Nevada, where we have a lot of foreclosures, they would love to be exempt from paying \$3 to the Real Estate Division. As to reserve studies, I will let you know that these reserve studies cost an average of about \$1,200 a year.

**Chairman Anderson:**

Ms. Holland, I do not believe the issue of reserve studies is in this bill.

**Barbara Holland:**

I am reading where they would be exempt from conducting a reserve study, as per item number 3.

**Chairman Anderson:**

So, you are speaking against this particular group.

**Barbara Holland:**

That is exactly correct, sir. I am against the exemption of HOAs from paying \$3 for the ombudsman fee because: One, I think you can argue that there are many other types of properties that should be exempt. There is a need for an audit, because I think that \$3 is too much. Two, the electronic mail that I mentioned would facilitate the open meeting laws. Three, HOAs should notify homeowners once a year about meetings. Because they do not have many of

the improvements that we have here in the urban areas, whether they are high-rises, condominiums, townhomes, and so forth, the average reserve study costs \$1,200. That reserve study is done once every five years. There is absolutely no reason why they cannot budget for this. One of the Assembly members said something to the effect that, if we allow this exemption, there are many other associations that can come back with their own idiosyncrasies. I agree with this sentiment. Though Spring Creek may have 5,000 lots, there are some large associations in southern Nevada, in the thousands already, that could certainly look for having a reduction in their costs. We have a lot of planned urban developments (PUD) that are single-family homes. There are many associations that are not over-regulated, especially the PUDs. I certainly have many associations that have never been before the Ombudsman Office. We have a very clean record; we try to resolve all of our problems, too. The whole concept of NRS Chapter 116 was to be able to protect the members of the public. I am very glad they do not have any troubles today. People from the county areas other than Clark County have written letters to me about their issues for the column I write in southern Nevada on HOAs.

**Chairman Anderson:**

Thank you, Ms. Holland. Is there anyone else who wishes to speak in opposition? Is there anyone who is neutral? Let me close the hearing on A.B. 207. We will now turn to Assembly Bill 189.

**Assembly Bill 189:** Revises provisions governing the eviction of tenants from property. (BDR 3-655)

I will turn the Chair over to Vice Chair Segerblom.

**Vice Chair Segerblom:**

Is the sponsor for A.B. 189 ready? I will open the hearing on A.B. 189.

**Assemblyman Joseph M. Hogan, Clark County Assembly District No. 10:**

Good morning, Vice Chair Segerblom. Good to see you this morning.

[Read from prepared testimony (Exhibit G); submitted (Exhibit H) and (Exhibit I).]

**Vice Chair Segerblom:**

Thank you, Mr. Hogan. Mr. Sasser?

**Jon L. Sasser, representing Washoe Legal Services, Reno, Nevada:**

I appear today in support of A.B. 189. By way of background, I have been involved in the Nevada Legislature since 1983. I have testified on each landlord-tenant bill that has come before this body since that time. This is the third time I have been involved in an attempt to expand the time frames in this

process. The first time was in 1983, when Congresswoman Shelley Berkley (then Assemblywoman, 1983-1984) sponsored a bill that we got through the Assembly, but died in the final days of the session in the Senate. It would have wiped out our summary eviction process entirely, and created a normal summons and complaint process. Then, in 1995, I was involved with a bill to expand the time frame again. I am back today, and my hope is that the applicable cliché is "the third time is a charm," rather than "three strikes and you're out." I represent two legal services organizations that represent tenants in this eviction process. Rarely do we have the luxury of representing tenants in court. Most of the time, we provide advice and brief service, and help with some pro se forms.

The number of evictions in Nevada is staggering. I have given you some statistics in my written testimony (Exhibit J). For example, in a Las Vegas Justice Court, they have 23,000 evictions filed each year. As you know, there are many good tenants, and some bad tenants. There are also many good landlords and a few bad ones. There are some transient tenants that have little contact with our state, and there are some huge apartment complexes owned by out-of-state landlords who also care little about Nevada. There is much mud that can be thrown in both directions. You will probably hear some of that mud today, unfortunately. However, I ask you to stay above the fray and look at the process dispassionately and try to decide if the process is fair or if it needs change.

Nevada's eviction procedures, as Assemblyman Hogan mentioned, are among the fastest in the country. You have been given a wonderful chart prepared by the Legislative Counsel Bureau (LCB) research staff showing the process in the western states around us. You will see that there are three stages in the process. The first is, prior to any court action, there is a notice that must be given from a landlord to a tenant telling him to do something: pay rent, get out, to cure a lease violation, or to be out after a certain period of time if there is an alleged nuisance. Our time frames are in-line with other states there. Some are actually a little bit shorter. California was mentioned with 3 days for nonpayment of rent, whereas we have 5 days.

The next stage is the court process. That is where Nevada is truly unique. As mentioned in a nonpayment of rent case, you get a five-day notice to pay or quit, or, if you are going to contest the matter, file an affidavit with the court. If you file an affidavit, a hearing is scheduled the next day. If you do not file an affidavit, then on noon of the fifth day, the landlord can go down and get an order removing the tenant within 24 hours. If you lose that hearing the day after you file your affidavit, you again can be evicted within 24 hours. That, too, is unique in Nevada. If you look at the chart provided to you, in all of the

other states, there are somewhere between 2 to 7 days that the sheriff has to put you out at the end of the process, instead of within 24 hours as it is in Nevada. Also, in every other state, there is a regular lawsuit filed, a summons and complaint, where the defendant can either file an answer within a certain period of time, or the summons and complaint contains a court date, which is usually 7 days or more until there is an actual hearing. So the speed in our process is in step two and in step three. Because the summary eviction process is well-rooted in Nevada, we have not proposed changing that. Instead, we ask you to add some time on the front end. We think that would be very helpful in a number of cases. It might even avoid eviction. If a tenant has 10 days instead of 5 days to try and raise the rent, and they pay it, then the landlord is better off and the court system is better off. An eviction has been avoided, and the rent has been paid. Nowadays, with people who had a job two months ago and are now trying to live on unemployment compensation, for example, juggling those bills, that extra time can often make a crucial difference. Also, we have a few programs around the state that offer some rental assistance to tenants in this situation. Unfortunately, those are few and far between. Their processes take some time to go through, and frequently the programs do not have enough money. For example, calls to the Catholic Community Services in Reno indicate they get 300 applications a month, and they have only enough money to help about 10 to 12 families each month. The rest are out of luck.

Let me walk you through the bill. First, in section 1, we are expanding the nonpayment of rent notice from 5 to 10 days. In section 2, we are expanding from 3 to 5 days the notice for waste or nuisance. Section 3 talks about a breach of lease. Today, you get a 5-day notice. You have 3 days to cure that breach, and then you have to be out 2 days later. We would change that from 7 to 10, and I have provided in my testimony some comparison to other states in our region and around the country. Section 4 goes into the eviction process itself in the statute. It repeats the change from 5 to 10 days for nonpayment of rent, expands from the eviction within 24 hours to 5 days. Then there is another section, for which I have received a number of calls. It might inadvertently create a problem, if the Committee chooses to process this bill. It might need to be looked at and some issues resolved. There is an unusual problem sometimes in the courts where a 5-day notice is given. A tenant goes down the next day and files his answer. Then, he gets a hearing 1 day later. If he loses, he is out within 24 hours. He is out before the rent is actually due under the 5-day notice to pay or quit. The way this bill is drafted, it would propose to give the tenant up to the end of the 5-day period to actually pay the rent. I have received some concern from the constables' offices in southern Nevada, that this may create a problem with them if they have a notice in hand. How do they know the rent was paid? There are complications contacting the constable and stopping them in their tracks. Court clerks have expressed some

concern. How do they know this receipt for the rent that the tenant brings is a legitimate receipt? I think that does create some logistical complications. I have some ideas about how that might be solved, and would like an opportunity, if you go forward, to meet with the parties, and we can resolve that one.

On the next two sections of the bill, the bill drafter went a little further and gave the tenants a little more than we had originally contemplated. I am glad to have that, of course, but I would say upfront that it gave us more than what we contemplated. It amends *Nevada Revised Statutes* (NRS) 40.254, which deals with evictions that are from other than nonpayment of rent. Now the time frame is, at the end of their notice period, say a 30-day notice for a no-fault eviction. The landlord then gives a 5-day notice to tell the tenant to be out or to file an affidavit with the court. The bill extends that to 10 days. That is wonderful, but it is not what we had asked for originally. I am not pressing that at this time. You have already had your 30 days, you have already had your 5 days, and it is stretching it a little bit to ask for 10 days instead.

Also there is an amendment in the bill to NRS 40.255 that deals with evictions, post-foreclosure sale. That is the subject of another bill in the Commerce Committee, Assembly Bill 140 that expands the time frame for single-family dwellings to 60 days. This bill, as drafted, would change it from 3 to 5 days. Again, that would affect those who are in a sale situation or in a foreclosure sale situation. That would be nice, but it is not something that we specifically asked for. We have also been approached by Jim Endres, who has called our attention to the fact that the way the bill is drafted, it may affect commercial property as well as residential property. It was certainly not our intention to change the law as to commercial property. I believe he has offered an amendment that I believe the sponsor of the bill has seen. I do not want to speak for him, but I have no problem with it. Finally, we believe the time has come to level the playing field. This is a value difference between my friends, the realtors, and me. Normally, we can work things out over the years, but I think things are out of balance and in favor of the landlords in Nevada. The playing field needs to be leveled, as compared to these other states. They do not feel this is the case. I ask you again to rise above the fray and look at the fairness of the process to decide, and I ask you to pass A.B. 189 as may be amended in work session. Thank you, Mr. Vice Chair.

**Vice Chair Segerblom:**

Thank you, Mr. Sasser. Could you briefly walk through the typical time frame of eviction? Say I have rent due the first of the month, and I do not pay it. These dates get a little confusing. Please go through the different stages.

**Jon Sasser:**

I would be happy to, Mr. Vice Chair. If my rent is due on the first of the month, and I do not pay on the first, and it is now the second of the month, the landlord has the legal right to give me a 5-day notice to pay or quit my rent by noon of the fifth day after the receipt of that notice.

**Vice Chair Segerblom:**

Let me stop you there. The law seems to say 3-day notice. Is that a different 3 days?

**Jon Sasser:**

For nonpayment of rent, the notice is 5 days. There are other notices that we are affecting as well: notice for breach of lease, and notice for nuisance and waste. But for nonpayment of rent, we propose to change the current 5-day limit to 10 days. Again, going back to the current law, at noon on the fifth day, if the tenant has not filed an affidavit, paid the rent, or left, then the landlord can go to the court and apply for an order of removal. He can get it that day, and the tenant can be evicted within 24 hours. If the tenant files the affidavit by noon of the fifth day, the court schedules a hearing as soon as possible—at least in Reno, that is typically the very next day—and if the tenant loses, he can be evicted within 24 hours. I would note, these are judicial days and not calendar days. When you start adding in the weekends, it does lengthen it out a bit. That is the way it works for nonpayment of rent. For something that is not a rent case, it is a little different. You get a 30-day notice for no cause (we are not trying to change that), then at the end of that 30 days, if the tenant is still there, the landlord gives that 5-day notice that says be out within 5 days or file an affidavit with the court, or we can go to court and seek relief.

**Vice Chair Segerblom:**

So, right now, I do not pay the rent on the first of the month. The second, they give me a notice to quit. I have 5 days to go to court and file an affidavit. You are requesting that it be changed to 10 days?

**Jon Sasser:**

That is correct.

**Vice Chair Segerblom:**

Right now, if I file an affidavit and go to court, and I lose, I get evicted the next day. Are you extending that time?

**Jon Sasser:**

We are asking for that to be extend to 5 days.

**Vice Chair Segerblom:**

Okay. Any questions? Mr. Hambrick.

**Assemblyman Hambrick:**

Thank you, Mr. Vice Chair. Mr. Sasser, the bill, as it is presented right now, appears to throw out the baby with the bathwater. I think things have to be worked over. There are so many consequences that I do not think we really realize what is coming down the pipeline. Who is this bill really meant to protect? When we start talking about large conglomerates, we have one mind-set. But when we are talking about individuals, I think we have a different mind-set. We need to address those issues. I am cognizant of the possible unintended consequences. I hope we can address those issues.

**Vice Chair Segerblom:**

Are there any questions? I see none. Assemblyman Hogan, do you have anyone else you wish to speak on your behalf?

**Assemblyman Hogan:**

Yes, Mr. Vice Chair. In Las Vegas, we have Rhea Gerkten of Nevada Legal Services who is familiar with the process in that locale and could add a little something and also answer questions that might be on the minds of some of your members who are from Las Vegas.

**Rhea Gerkten, Directing Attorney, Nevada Legal Services, Las Vegas, Nevada:**  
I am testifying in support of A.B. 189 (Exhibit K). We at Nevada Legal Services at the Las Vegas office represent clients who receive a federal subsidy or a county subsidy for their rent. We have a tenants' rights center that assists individuals who are in private landlord situations that do not receive a subsidy. We are primarily going to court only on tenants in subsidized apartments because the need is so great for eviction defense work. Because of that, we see a lot of disabled, elderly, and single mothers with small children as our clients. It is extremely difficult at times for our clients, especially in these difficult economic times, to come up with the money, for various reasons, within the 5-day time frame. Some of our disabled clients might, for one reason or another, not have received their social security benefits on the third of the month, as they had hoped, and are therefore unable to pay by the fifth day of the month. Some of our clients are individuals who are applying for unemployment benefits. The unemployment rate, as per my written testimony, is 9.1 percent; however, it may be higher than that now in Nevada. It takes at least three months to get a hearing if someone is initially denied unemployment benefits. The actual claims process can take some time, so even someone who applies for unemployment benefits is not necessarily going to be approved right away. Dealing with unemployment benefits and trying to find a job makes it



difficult to juggle bills. Some of our clients have to choose whether they are going to buy food for their children or pay rent, late fees, and utilities. Again, some of our clients are single mothers with small children who rely on child support payments. If, for some reason, they do not get their child support checks that month, they are going to have a difficult time coming up with the money to pay. This is not designed to get rid of late fees; these tenants are still required to pay late fees. Late fees are designed to protect the landlords against some financial loss. Certainly, this is not going to do away with any late fee provisions in a lease agreement.

I think Mr. Sasser mentioned social services and tenants applying for rental assistance. That also is not a quick process. Even if money is available, it can take time for tenants to receive financial assistance. The landlords first have to agree to accept the money from the social services agency, so it is not like the tenant can just walk in, say "I need help," get the money, and go pay the rent. There is a back and forth with landlords and with the tenants before they are even eligible to receive the financial assistance, and it does take quite a bit of time in some instances. We would also support the lengthening of time from 24 hours to 5 days after a family receives the order for summary eviction. It is very difficult for a disabled or elderly tenant to pick up and move within 24 hours after a judge tells him that he is going to be evicted. Giving someone a little additional time might mean he gets to remove his property out of the landlord's house or apartment prior to the constable coming to lock him out, which should save the landlords a lot of headaches in the long run. If former tenants remove all their property, landlords would not be required to store and keep the property for 30 days, as per Nevada law. With these changes, the Nevada eviction law would still be one of the fastest in the country. In most other states, it takes quite a bit longer to see an eviction through. We just ask that tenants be given a little bit of extra time in these difficult economic times in which to pay their rent or cure lease violations.

**Vice Chair Segerblom:**

Because of the tough economic environment, have you seen an increase in evictions in the past year or six months?

**Rhea Gerkten:**

What we have seen is a huge increase in the number of denials of unemployment benefits. Eviction cases have been increasing, especially with the foreclosure crisis. We are seeing a lot more tenants come in that are being evicted after foreclosure. So, yes, in the general sense, evictions have been increasing, but I cannot give you any numbers.

**Assemblyman Ohrenschall:**

I was looking at the flow chart, and looking at our neighboring states that have the more generous time periods. Do you think if we did process this bill and extend the time periods that either your office, or the other parts of the social services network, might be able to help evicted tenants avoid falling into homelessness? Do you think that is realistic?

**Rhea Gerken:**

In a lot of cases, it would be realistic. Some of the things that we have actually seen are tenants who received the 5-day notice, cannot get the money together in 5 days, file the affidavit, and get a hearing set. In Las Vegas it used to be that you would get a hearing set within 3 days, now most of the courts have changed the process a little bit, so the quickest hearing might be 5 days. But for tenants, a lot of the time what they needed was either that extra time to come up with the money, to borrow the money, or to get a social services agency to approve their applications. There are a lot of times where we have seen tenants who come up with the money prior to their court hearings, which is within the 10-day time frame that is in the bill.

**Assemblyman Hogan:**

Assemblyman Hambrick raised a good question about who would benefit. I kept hearing that question as I was listening to the last witness. I think our witness has indicated that the most severe need may be those who are disabled or elderly. We would certainly concur that those are the people for whom we are trying to level the playing field. We think they would benefit.

**Vice Chair Segerblom:**

This would also be the single mothers with small children. Anyone else wish to come forward to testify?

**James T. Endres, representing McDonald, Carano & Wilson; and the Southern Nevada Chapter of the National Association of Industrial and Office Properties, Reno, Nevada:**

This bill came to our attention in the past week, and after studying it, we realize that it does apply to commercial real estate. As Mr. Hogan and Mr. Sasser pointed out this morning, it was not the intent of A.B. 189 to apply to commercial real estate. Real estate transactions in the commercial sector are very complex, and the leasing negotiations are very detailed. Some of the underpinnings that go through those lease agreements are grounded in part in the current statute.

**Vice Chair Segerblom:**

Have you offered an amendment?

**James T. Endres:**  
Yes, we have (Exhibit L).

**Vice Chair Segerblom:**  
Have you shown it to Mr. Hogan?

**James T. Endres:**  
Yes, we reviewed it this morning with him and Mr. Sasser. We believe that the amendment we offer this morning may be a solution to distinguish between residential and commercial properties. We suggest that, in *Nevada Revised Statutes* (NRS) Chapter 118, the solution has already been found by referring to residential properties or residential dwellings as "dwellings" to distinguish them from commercial. Whether or not that is the most appropriate solution in this instance, we are not totally clear. But we think, without any question, there is a solution to distinguish between commercial and residential and allow the bill to move forward in its normal progress.

**Paula Berkley, representing the Nevada Network Against Domestic Violence, Reno, Nevada:**

I think we are a group of people to which Assemblyman Hambrick has been referring. As you know, domestic violence is about control. Quite often, a key sector of control is controlling the money. With so many women that are victims of domestic violence, their partners either take the money or they do not pay the child support and women find themselves unable to pay their rent. This is certainly not due to any problem on her part, but rather her money has been taken. She finds herself potentially evicted. Especially with kids; that is a tremendous pressure and a concern for her sense of security if she gets kicked out of her house. An additional five days, if she can get that money together, certainly protects her children as well as herself. We would urge support of this bill. Thank you.

**Vice Chair Segerblom:**  
Are there resources that woman could go to in order to get the money to help pay the rent?

**Paula Berkley:**  
There are limited resources. For example, the network has the Jan Evans Foundation. We collect money for just such emergencies, but, unfortunately, it is not anywhere near what it needs to be.

**Jan Gilbert, representing the Progressive Leadership Alliance of Nevada,  
Carson City, Nevada:**

One of our main goals is to create more humane solutions to problems in Nevada. We support this bill. Years ago, I sat in the welfare office to interview women who were applying for food stamps and health care. A hundred percent of the people I interviewed said the unreliability of their child support was the reason they were there. It was an amazing experience to hear about the amount of money they were owed in unpaid child support. Most of these people want to stay in their homes and keep their children protected, and without child support, they struggle. I would urge you to think about Nevada's laws and try to make them more consistent with our surrounding states.

**Assemblyman Cobb:**

For purposes of disclosure, Ms. Gilbert is one of my constituents. Whatever response she gives, she is correct. We are talking about the humaneness of all the things we are dealing with here. It is a very laudable goal to help people and give them enough time to move, or to give them whatever they need to aid the individual. I think my colleague from the south referenced the other side of the coin. A lot of people that I know own homes and rent them out. They are not huge corporations, they are just individuals. In Nevada, we are seeing people who cannot afford these homes anymore with 9 percent unemployment. A lot of times they are renting out their homes and living in much smaller ones so that they can pay the mortgage on their homes. I worry about the unintended consequences here for that individual who cannot afford to pay a mortgage and another rent. Are we tying the hands of the individuals who are also hurting right now in this economy, and who would not be able to cover a renter for an extra 10 days?

**Jan Gilbert:**

That is a very good question. I know we are very sensitive, because you are right. A lot of people I know have rentals. I think the example that Mr. Sasser gave of all the neighboring states contrasts the severity of our laws. It seems unrealistic to me. According to Ms. Gerken's comments, she actually had tenants get the money before the end of the 5-day period. I know my husband gets his social security check deposited into our account, and it is quite frequently late. I do not know if that is just the way our situation works, but you have to know that these people are living very close. They want to pay the rent; they just need a little extra time. This is not an extreme bill. As Assemblyman Hogan said, we would still have the most severe laws in the country. I am sympathetic to both sides, but I really feel that we want these people to pay the rent. Let us give them that extra time to do so.

**Assemblyman Cobb:**

I think there is a lot of common ground. Many people are agreeing on all sides of this issue. The people I know who rent out their homes do not, on day 5 or whenever they are allowed to, walk into the court and start paying fees to have people evicted. They want to give them that extra time, and oftentimes just do give them extra time. There might be a slight late fee or something to encourage prompt payment. Nevertheless, I hope we have a good examination of where we are in this economy with the people who are going to be hurt on both sides, while also realizing that common sense oftentimes prevails and allows these people that extra time anyway. Thank you.

**David L. Howard, representing the National Association of Industrial and Office Properties, Northern Nevada Chapter, Reno, Nevada:**

We are here to go on record that we are in support of the amendment that would make the distinction between commercial property and residential property. Thank you.

**Ernie Nielsen, representing Washoe County Senior Law Project, Reno, Nevada:**

We support this bill. We assist and represent hundreds of seniors in eviction cases each year. A great percentage of our clients are disabled and are extremely frail. Many of these evictions are very avoidable. As Ms. Gerkten points out, some of the reasons for having the nonpayment is very unique to that month; otherwise, the rent is very affordable to that person and sustainable. There are remedies. There are emergency funds, such as the 15 percent from the Low-Income Housing Trust Fund that is available for emergency housing. However, you must have sustainability with respect to your ability to pay your rent thereafter. There are also representative payee programs for seniors who are beginning to lose their ability to ably manage their funds. However, we need time to be able to engage these systems to be able to save the tenancy. We think that there is a win-win approach here. Both the tenant and the landlord win when we can get involved and have time to work these things out. The cost associated with getting people out of homelessness is far greater than the cost of keeping them from becoming homeless.

**Assemblyman Hambrick:**

Mr. Nielsen, I appreciate when you say you need the time to be effective. You are representing many seniors and disabled people. This might be a rhetorical question, but how many of your clients find out on the first or second of the month that they cannot pay that month's rent. Can they not backtrack to the middle of the previous month and foresee something coming down the pipeline and say, "Uh oh, I have got a problem. I better let somebody know about this situation?" Can they not do this, instead of waiting until the last minute, which puts the landlord into a difficult situation? As my colleague from the north

states, we do have individuals owning these homes who also have to meet their obligations. Where is the middle?

**Chairman Anderson:**

Mr. Nielsen, what other material would you like add to the discussion?

**Ernie Nielsen:**

Our clients are generally less able as they grow older. We find that many of our clients need our assistance to work themselves out of the issue. Certainly, even I would prefer to stave off a problem when we see that it is going to occur. But many of our clients do not have that capability, and they may not feel that they have any options. They try to do the best they can.

**Shawn Griffin, Director, Community Chest, Virginia City, Nevada:**

I am in favor of A.B. 189. I have been working in a nonprofit organization called Community Chest in Virginia City for the past 20 years. I see these individuals after they are evicted. We do not have this discussion; this discussion is over. The discussion we have is, "where am I going to stay tonight," "how am I going to eat," "how am I going to feed my kids," and "how am I going to get my job?" It is absent housing and it is just not the right thing to do. We do not have the luxury of putting more people out on the street. All of you know this. Every single social system we have is overrun right now; every single one. There is not another place to turn to. I will tell you where they go. They go back to the endlessness of living without shelter. Every person working on this problem would tell you that it is going to take much more time, energy, and taxpayer resources to find them shelter than it takes to evict them. If this were health care, they would say "do not send them to the emergency room to get fixed." They would say, "treat them before the problem occurs." We can do better. We need to do better. Let us give them a few more days and enable them to find the resources they need to stay in their shelter. That is all I have.

**Chairman Anderson:**

Mr. Griffin, thank you for your testimony and your service to the folks up in Virginia City through Community Chest. Let us now hear from those who are opposed to A.B. 189.

**Charles "Tony" Chinnici, representing Corazon Real Estate, Reno, Nevada:**

I am opposed to A.B. 189 (Exhibit M). Overall, the effect of this legislation would be minimal to negative for good tenants, fantastic for bad tenants, and bad for landlords. Going back to the analogy of throwing out the baby with the bathwater, this bill would create a huge benefit for people who are abusing the eviction process. When seniors particularly have a problem making their rent, I

always hear from them long before there is an issue. For instance, in the previous month, I would get a phone call from them. Because I represent landlords who recognize that it costs a great deal more to make a property ready for the next tenant, they are supportive of my efforts to negotiate the best possible outcome for both the tenant and the landlord. That means working out some sort of payment arrangement. Any of the community groups who spoke today, if they are working with a tenant who is having financial difficulty, they contact me and I work with them. In the owner's best interest, if there is an opportunity to receive funds from someone who is helping the tenant, that is just as good for the landlord. Some practical aspects of extending the periods involved in eviction would be that it shifts the risk of renting to a marginal tenant to the landlord. The landlord is going to have to compensate for that. Some ways in which that would happen are in a rental agreement where you would typically see a grace period 5 days like our rental agreement has in it. A tenant has 5 days already written into the agreement where no notice is filed, in which they could come in and pay the rent. That way they are covered for things like weekends when they get paid. They can also call me and say, "I am going to be in on the seventh of the month to pay my rent." The first thing that is going to happen is we are going to have to get rid of the grace period of our evictions. Then, we are going to have to file eviction notice for nonpayment on the second day of the month.

Over ten years of managing properties, I have rented to thousands and thousands of tenants. A lot of those tenants were people who, on paper and on their applications, had some things on their credit report that would make me concerned. But, looking at their application as a whole, they were worth taking a risk on to rent them a property. Now, if we were to pass this bill, the majority of those people I would have been willing to take a risk with in the past are people I would no longer be able to afford to take that risk with. Again, we are hurting a lot of good tenants who would be worth renting to but who maybe had some hardships in the past and they do not look so great when they apply to rent your property.

Finally, another way in which we would have to adjust for the risk involved in the extended eviction process is that we would have to increase the security deposit that we charge tenants up front. Or, we would ask for prepaid rent to cover this period. In practical terms, it is about once in a blue moon that it is an actual 5-day process for nonpayment, or for breach of lease, or an actual 3-day period for a nuisance eviction, due to the court restrictions based on whether a tenant received a notice in person or had it mailed to them, due to holidays, and due to weekends. What effectively winds up happening is that it is about a three-week to one-month process already to evict a tenant. So, it does not really make sense to create this extension when, in Nevada, regardless

of what is happening in regional states, this bill would result in more than one month to remove tenants from property. That is why this law is bad for landlords.

The corporate landlords that were mentioned earlier make business decisions, so typically they are going to work with tenants in the first place. But, what they are going to start doing as a matter of procedure is that they are going to be filing eviction notices on everybody. So, you are going to see the number of notices processed start to go way up. For practical reasons, I ask that you vote against A.B. 189. This bill would only serve the interests of bad tenants, people who do not do what they promise to do, and those who exploit the system that is in place.

**Jennifer Chandler, Co-Chair, Northern Nevada Apartment Association,  
Reno, Nevada:**

I am speaking in opposition to A.B. 189. [Read from prepared text (Exhibit N).]

A lot of properties we are seeing with Section 8, Section 42, and the Department of Housing and Urban Development (HUD) housing, are those where people are paying portions of people's rent and trying to assist in that. A lot of those programs are tax credit properties where, if they do not maintain a certain occupancy rate, they are in jeopardy of losing their tax credit. We are not getting eviction-happy. The only ones who are not being worked with are the ones who seem to be predominately doing the same repetitive thing over and over again. [Continued to read from prepared text (Exhibit N).]

All in all, we have the laws we have because we are Nevada. We are not California, Massachusetts, Oregon, Vermont, Washington, or Arizona; we are Nevada. We are proud of our state and our abilities. That is what makes Nevada worth investing in. To model ourselves after other states makes us no more enticing for investors than any other state to invest in. How the law is now is an economic benefit to investors. If you take that away, investors will just go somewhere else. Thank you.

**Chairman Anderson:**

We have two handouts from you that will be entered into the record (Exhibit N) (Exhibit O). We appreciate you putting forth the information. Are there any questions for Ms. Chandler? Mr. Manendo.

**Assemblyman Manendo:**

Thank you, Mr. Chairman. What is the average rent in northern Nevada?



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**Jennifer Chandler:**

The average rent as far as the cost?

**Assemblyman Manendo:**

Rent for your units or apartments. You are with the Northern Nevada Apartment Association. Am I wrong? What are the rents?

**Jennifer Chandler:**

Right. I am on the legislative committee. They range anywhere from about \$675 to \$1,200, depending on the area you are in.

**Assemblyman Manendo:**

You had mentioned something about a tax credit. Can you explain that to me? What is the tax credit based on occupancy that you get?

**Jennifer Chandler:**

There are programs that investors can partake in, with regards to their purchasing of a property. If they were to make their property—and each program is different, that is why you have Section 8 and Section 42, they all have different levels of qualifications—partake in those programs for the complex, it renders them a tax credit. To be able to partake in the tax credit, they have to maintain a certain percentage of occupancy. They have to be above 82 percent, 88 percent, or 89 percent, depending upon how many units there are in the complex or on the property. If they go below that, they do not get the tax credit because they are not conforming to the guidelines of the program, which is to maintain a certain amount of occupancy. If they go below that, they do not get the tax credit, there is no benefit for them to have that complex as a Section 8 or Section 42 complex.

**Assemblyman Manendo:**

So, keeping a high occupancy and keeping people in their homes is a benefit to you.

**Jennifer Chandler:**

It is key.

**Assemblyman Manendo:**

I just wanted to get that into the record. Thank you, Mr. Chairman.

**Assemblyman Hambrick:**

Ms. Chandler, from your expertise in the area, would the effect of this bill, one way or the other, directly impact the number of investors that would step up to the plate to offer their properties for Section 8?

**Jennifer Chandler:**

I think, right now, where our law states having the time frame that we have, we are in the middle of the road. To increase the time frame is going to be consequential. To lower the time frame would not make a difference. We have neighboring states: Wyoming, Arizona, and other states that have a 3-day, pay or quit notices. We have 5-day pay or quit notices. California and other states have even higher time frames. As we sit right now, we are in the middle of the road. I like to think of us as being pretty neutral. We are not pro-tenant, and we are not pro-landlord. The landlords are not beyond working with people, especially in these hard economic times. It is just as hard on the investors. They are having a hard time making their payments and mortgages when people cannot afford to pay their rent. It is hard for everybody. So I think, for the investor side, if we were to go with A.B. 189, they would be less likely to invest in our areas of Nevada where we are steadily growing exponentially. It is going to be detrimental. It is not going to be worth it to them to have somebody in their units for a month without paying rent when they cannot turn around and receive the same time extension to pay their debts and bills.

**Rhonda L. Cain, Private Citizen, Reno, Nevada:**

I am speaking in opposition to A.B. 189. I am a property owner and investor in Nevada. I am also on the Northern Nevada Apartment Association board. I have been an investor in Nevada for about 20 years. I came here from California; I was an investor in California as a property owner. It is beyond me why we would want to mirror California at this point. Last I looked, they are not doing so well. The laws were so prohibitive for property owners there that I got out. I can speak firsthand to investors wanting to come to Nevada because I have several investors right now from California who are looking to invest and have done so in the last six months. When this bill came on the radar screen, the investors backed off to wait to see what happened. They do not want to invest here if they could have the same laws and invest in California.

I am a property owner and I have been for 15 years. I work with tenants. I do not file a 5-day notice on day 2. We do not do that; we do not want vacancies. With this new legislation, I will change the way I do business. I will probably eliminate my 5-day grace period, and I will start filing those notices on day 2. So, it is just prohibitive. We have mortgages to pay and vendors to pay; we have taxes, sewer bills, water bills, and with all of that, we still have to pay them. The reality is right now, even with the 5-day notice, it takes about

30 days to get someone out. When we extend that to 10 days, it is going to extend that far beyond another 5 days. So the reality is we do not want vacancies, and we work with tenants at this point. As was testified to before, it is the bad tenants that this law will protect, because we try to protect the good tenants at this point. We want good tenants. My investors from California want to come to Nevada, and they want me to manage and oversee these properties. They do not want me evicting good tenants. They want me to work with them. But, when they see the laws going down the slippery slope as California is going, where they are not investing, they are not going to bring their investment dollars here and provide rental housing in Nevada.

**Assemblyman Manendo:**

Your investors have invested in northern Nevada before?

**Rhonda L. Cain:**

They have invested extensively in the last six months. We have made several purchases.

**Assemblyman Manendo:**

Are they interested in converting the apartments into condominiums? That happened a lot in southern Nevada, where we had a lot of apartment units reconfigured and made into condominiums.

**Rhonda L. Cain:**

That was happening at the beginning of 2007. We invested in many properties with the intent of conversion. Now, what is happening is what is called a reversion. They are going back from the condominiums to rentals. The mindset of most investors right now is to find a safe place to park their money. They are not comfortable with the stock market, and they are not comfortable with 1 percent interest in the banks. So, if they do have a little bit of funds, they want to invest it in a place where it can sit for two to three years.

**Assemblyman Manendo:**

Thank you, I appreciate that. I am sure that they will invest, build some apartments, or invest in some apartments, flip those over and make some more money later on when the economy changes. Maybe that is why you see many places where people are struggling to find a place to live, because a lot of these units have gone over into single family dwellings. I am sorry your investors were not making as much as they thought they were going to at the time. Thank you, Mr. Chairman.

**Assemblyman Cobb:**

You made an interesting point about automatically filing for evictions if the law is changed. My question has to do with the costs involved on the rental property side. I know, in Carson City, it is \$69 to file for eviction, and then another \$69 to lock out a tenant. I am assuming that, if we are changing the law and you are going to automatically file for eviction on day 2, that action would raise your costs: Rental rates would go up for people throughout Nevada; therefore, it is going to be more costly to have a place to live. Finally, there is going to be less opportunity for people who do not make a lot of money to find apartment spaces to live in. Is this correct?

**Rhonda L. Cain:**

Correct. The costs will go up considerably when we have to change the way we do business. I thought about how I will run my business should this legislation pass, because it is an enormous impact. It sounds like 5 days, but it is much more than that. I will probably raise my security deposit on those tenants that are a little iffy on their application because I am taking a risk. It is more money out-of-pocket for them. It does not help anyone in the long run.

**Kellie Fox, Crime Prevention Officer, Community Affairs, Reno Police Department, Reno, Nevada:**

Good morning, Mr. Chairman and members of the Committee. [Read prepared testimony (Exhibit P).]

**Assemblyman Gustavson:**

You brought up the point of illegal activities. I know we are having a lot of problems with homes being foreclosed on and people removing appliances and fixtures in the home. Are they having the same problem with rental properties too? If time would be extended, would they have more time to remove these items from the homes?

**Kellie Fox:**

I am familiar with a specific house in my cul-de-sac that was foreclosed on. The people living there moved out and took everything, including the kitchen sink. All my neighbors came to me because of what I do, and we referred that to code enforcement. We, as a police department, did supervise it as far as making sure there were no kid parties, it did not get broken into, or other criminal activity until it was repaired. We had a neighborhood watch.

As far as rentals and apartments, I have not seen that happen. I do not think that would come to the police department per se; however, I do not know.

**Chairman Anderson:**

Let us turn our attention to the people in the south. Is there anyone who wishes to speak in opposition to A.B. 189?

**Barbara Holland, Private Citizen, Las Vegas, Nevada:**

I would like to comment on some of the other comments that have been made. If anyone thinks that a landlord, owner, or manager wants to put people out on the streets, that is absolutely incorrect. Our job is to have apartments rented; occupied with paying renters. There are very few residents who are evicted because they are waiting for social security checks. I do not even know anybody in southern Nevada that would do that. Most of the management companies in southern Nevada all have grace periods of anywhere from three to five days. If a person has not paid his rent on the first, he would not even see a 5-day notice until either the fourth or sixth of the month. Also, I want to talk about the timeline. Here in southern Nevada, the 5-day period is not a 5-day period. You cannot serve a 24-hour notice until after eight days. We already have an extended time period that has been done here locally. For all of southern Nevada, if you serve a 5-day notice, you will actually wait eight days. It does not count the day that it was served, weekends, or holidays. In addition, we cannot bring any more than five evictions per property per day because the courts cannot process the notices. Right now, if this law were to pass, it would complicate the situation even more. A statistic was made by another person showing there were about 23,000 evictions a year. Do you know what that means in southern Nevada? That means less than one person evicted per year per apartment property.

One of the things that has not been stated is that we go out of our way to talk to the residents about what is happening. Most of us will knock on doors and say, "Please, talk to us. Give us an idea. Are you going to pay rent or not pay rent? Should we put you in a promissory note? Are you changing jobs and waiting for another two-week period before you get paid?" These are things that are not being mentioned by the people that spoke in favor of the bill. We will even talk to people who have lost their roommates and offer them cheaper accommodations.

As far as damage to property, there is a tremendous relationship between the people that do not talk to us and those who we are forced to evict, that abuse the system and damage the property. I can show you multiple units in southern Nevada over the years that have that relationship. Also, I want to distinguish on foreclosures. If a foreclosure was happening in a single family home, and there was a tenant who was elderly or handicapped, there is already a state law that states you can go to the courts and ask for an additional 30 or 60 days.

Those who have started the legal aid services can certainly help tenants who are elderly and handicapped, and who are affected by bank foreclosures.

As far as giving people an extra five days for nonpayment of rent, I doubt whether they are going to be able to come up with any money. There are very few government programs left right now for people to have additional money. The other thing that people have misstated is that a lot of times tenants will say, "my rent money is sitting at the craps table at one of the local casinos." That makes us different from other states in the United States. I am from Connecticut and Massachusetts, where the eviction process was difficult. Obviously, we do not have a 24-hour town that offers a lot of vices. I tell my friends, if you move to this state, do not come here if you have a vice, because it will kill you.

Our industry creates jobs. We spent over \$16 million dollars in southern Nevada in goods and services last year on all the properties that we managed. When we have vacancies caused by evictions because people are not paying their rent, two things happen. Number one, we stop doing maintenance, or the maintenance gets slower, because we have to pay our mortgages. Also, not everybody that owns an apartment complex is a corporation. We have many retired people that own over a hundred units as well as many that own 50 units or less. These units are their retirements. Obviously, between everything else that is happening in our country right now, they are not seeing very much money.

It was mentioned before about the single-family homes. Many homeowners, in trying to prevent losing their single-family homes, have moved into apartment communities and then have asked property managers to help lease those homes. They are willing to subsidize, so if I can find a tenant to pay \$1,200 a month towards the mortgage and the homeowner that does not want to lose his home can contribute \$300, which enables the homeowner to keep that home. This bill has a horrible effect for the individual homeowner with a single-family home.

**Chairman Anderson:**

Thank you. I see no questions for you, Ms. Holland.

**Bret Holmes, President, Southern Nevada Multi-Housing Association, Las Vegas, Nevada:**

I want to reiterate a few of the points and point out that the Southern Nevada Multi-Housing Association represents hundreds of property managers and owners in the Las Vegas area that are all opposed to A.B. 189.

The good landlords do work with the tenants. The way that this was presented in the beginning was like we were following the letter of the law. Generally, landlords do not do that, especially the good ones. People will not get their notice to pay rent or quit until the fourth, fifth or sixth day. Then it turns into a lengthy process. When you talk about the current process being approximately three to four weeks, extending that out to six to eight weeks and having a landlord or owner go through that period of time with no income on that unit really hurts a number of people. The decrease in income would have to be made up by an increase in rent, security deposits, and tightening up the credit. The other side that this affects is the employment side and the problem of employing a full staff to keep up the property and maintain tenant relations. There are an extensive number of reasons why this bill should be tabled and put down, some of which you have heard today.

**Chairman Anderson:**

Mr. Holmes, you also sent up by fax your position statement. I will make sure it is entered into the record (Exhibit Q).

**Zelda Ellis, Director of Operations, City of Las Vegas Housing Authority,  
Las Vegas, Nevada:**

We would like to go on record opposing section 2 of A.B. 189 in regard to the nuisance extension to serve a notice. The housing authority rarely serves 3-day notices, but in the event that we do, it is because there is a serious situation on the property. Because we are the owners of low-income public housing property, numerous times we have illegal activity occurring on our property. We are working with our local police department. When we have a situation where there is gun violence, illegal drugs being sold, search warrants being served, the housing authority absolutely needs the ability to get those residents out of our property as soon as possible in order to maintain the quality of life for the law-abiding citizens that are living in our units. When you extend the time frame from three to five days, including the time these residents have to go through due process within the Housing Authority with the grievance procedure, it extends that time for them to continue to damage the property that they are living in. By the time we eventually evict them, many lives have been affected by the continued illegal activity. To increase the time frame from three to five days would be a disservice to the population that we serve, especially those who are law-abiding citizens.

**Jenny Reese, representing the Nevada Association of Realtors, Reno, Nevada:**  
The realtors are in opposition to A.B. 189.

**Chairman Anderson:**

Mr. Kitchen, do you have written documentation that you want to submit to the Committee? We will have that submitted for the record (Exhibit R). Is there anyone else who feels compelled to speak, whose position has not been fairly represented, in opposition to A.B. 189?

**Roberta A. Ross, Private Citizen, Reno, Nevada:**

I am here against A.B. 189. I own a 162-unit weekly/monthly apartment building in downtown Reno. I am the President of the Motel Association. We have an unintended consequence here with the majority of the people who are in extreme poverty, living in motels. In 2001, I came in front of this Committee to try to pass legislation that people who lived in weekly motels did not have to pay room tax. At that time, I think it was around an 11 percent tax. Now it is up to 13.5 percent tax. That started in 2001. Since that time, I was very politely told here that this was a local issue, not a state issue. I went back locally. I became President of the Motel Association, and then I was on the board of the Reno-Sparks Convention and Visitors Authority (RSCVA) and worked diligently to get this passed. Those people who live in weekly motels do not have to pay the room tax if they can pay 10 days all at one time. The other thing that is in place and stays there is that if a person pays weekly, they will be charged room tax until the 28th day. So, in Washoe County, that will be 12.5 and 13.5 percent. If this bill passes, I would say that it will probably happen that those people who live in weekly motels are going to be hit hard. The landlords of those motels will no longer let them go in ten days because you can usually weed out your bad tenants in 28 days. They will be charged 13.5 percent room tax. If they leave in under 28 days, we as the landlords have to pay the 13.5 percent tax. So, now the people in weekly motels will probably be charged that 13.5 percent for the landlords to protect themselves.

The other issue is that, in the 28-day stay, those people who sign a contract stating that they will live there for 28 days do not have to pay the room tax. If they get knocked out prior to that, they will have to pay the room tax. My point is that the people who are barely scraping by and living at weekly rentals will be affected by this because landlords will not take them in for 30 days, keep them at the weekly rental rates, and absorb the 13.5 percent tax. They will probably begin raising their deposits up from the \$35 or \$50 deposits to \$100 or more. I would ask that you do not pass A.B. 189.

**Bill Uffelman, President and Chief Executive Officer, Nevada Bankers Association, Las Vegas, Nevada:**

Normally, the bankers would not care about a bill like this; however, due to foreclosures and the progress of Assembly Bill 140, which is over in the Commerce and Labor Committee, we may well become landlords for a period of



60 days following a foreclosure sale. Mr. Sasser made reference to section 6 of A.B. 189, which is the notice to quit after a foreclosure sale. He said that he did not really care about that section, as it was a result of the enthusiasm on the part of the Legislative Counsel Bureau. I would suggest that section 6 needs to fall off of the bill.

**Chairman Anderson:**

So, the bankers would like us to remove section 6 as being unnecessary. Have you prepared an amendment?

**Bill Uffelman:**

I could prepare one very quickly, Mr. Anderson (Exhibit S).

**Chairman Anderson:**

Did you raise these concerns with the primary sponsor of the bill?

**Bill Uffelman:**

I have spoken with Mr. Sasser, who was acting as a representative of the sponsor of A.B. 189.

**Chairman Anderson:**

Thank you, sir. Does anybody have any amendments that need to be placed into the record? Ms. Rosalie M. Escobedo has submitted testimony, and that will be entered into the record (Exhibit T). We will close the hearing on A.B. 189.

[A three-minute recess was called.]

I will open the hearing on Assembly Bill 204.

**Assembly Bill 204:** Revises provisions relating to the priority of certain liens against units in common-interest communities. (BDR 10-920)

**Assemblywoman Ellen Spiegel, Clark County Assembly District 21:**

Thank you for having me and for hearing this bill. As a disclosure, I serve on the Board of the Green Valley Ranch Community Association. This bill will not affect me or my association any more than it would any other association in this state. My participation on the board gave me firsthand insight into this issue. That is what led me to introduce this legislation. I am here today to present A.B. 204, which can help stabilize Nevada's real estate market, preserve communities, and help protect our largest assets: our homes. Whether you live in a common-interest community or not, whether you like common-interest communities or hate them, whether you live in an urban area or a rural area, the

outcome of this bill will have a direct impact on you and your constituents. Just as a summary, A.B. 204 extends the existing superpriority from six months to two years. There are no fiscal notes on this. In a nutshell, this bill makes it possible for common-interest communities to collect dues that are in arrears for up to two years at the time of foreclosure. This is necessary now because foreclosures are now taking up to two years. At the time the original law was written, they were taking about six months. So, as the time frames moved on, the need has moved up.

Since everyone who buys into a common-interest community clearly understands that there are dues, community budgets have historically been based upon the assumption that nearly all of the regular assessments will be collected. Communities are now facing severe hardships, and many are unable to meet their contractual obligations because of all of the dues that are in arrears. Some other communities are reducing services, and then simultaneously increasing their financial liabilities. They and their homeowners need our help.

I recognize that there are some concerns with this bill, and you will hear about those later this morning directly from those with concerns. I have been having discussions with several of the concerned parties, and I believe that we will be able to work something out to address many of their concerns. In the meantime, I would like to make sure that you have a clear understanding of this bill and what we are trying to achieve.

The objectives are, first and foremost, to help homeowners, banks, and investors maintain their property values; help common-interest communities mitigate the adverse effects of the mortgage/foreclosure crisis; help homeowners avoid special assessments resulting from revenue shortfalls due to fellow community members who did not pay required fees; and, prevent cost-shifting from common-interest communities to local governments.

This bill is vital because our constituents are hurting. Our current economic conditions are bleak, and we must take action to address our state's critical needs. I do not need to tell you that things are not good, but I will. If you look, I have provided you with a map that shows the State of Nevada and, by county, how foreclosures are going (Exhibit U). Clark, Washoe, and Nye Counties are extremely hard hit, with an average of 1 in every 63 housing units in foreclosure. People whose homes are being foreclosed on are not paying their association dues, and all of the rest of the neighbors are facing the effects of that. Clark County is being hit the hardest, and we will look at what is going on in Clark County in a little bit more depth just as an example.

In Clark County, between the second half of 2007 and the second half of 2008, property values declined in all zip codes, except for one really tiny one, which increased by 3 percent. Overall, everywhere else in Clark County, property values declined significantly. The smallest decline was 13 percent, and that was in my zip code. The largest decline was 64 percent. Could you imagine losing 64 percent of the equity of your home in one year? Property values have plummeted, and this sinkhole that we are getting into is being affected because there is increased inventory of housing stock on the market that is due to foreclosures, abandoned homes, and the economic recession. People cannot afford their homes; they are leaving; they are not maintaining them. It is flooding the market, and that is depressing prices. You sometimes have consumers who want to buy homes, but they cannot get mortgages. That keeps homes on the market. There is increased neighborhood blight and there is a decreased ability for communities to provide obligated services. For example, if you have a gated community that has a swimming pool in it (or a nongated community, for that matter), and your association cannot afford to maintain the pool, and someone is coming in and looking at a property in that community, they will say, "Let me get this straight: you want me to buy into this community because it has a pool, except the pool is closed because you cannot afford to maintain the pool; sorry, I am not buying here." That just keeps things on the market and keeps the prices going down, because they are not providing the services; therefore, how do you sell something when you are not delivering?

Unfortunately, we are hearing in the news that help is not on the way for most Nevadans. We have the highest percentage of underwater mortgage holders in the nation. Twenty-eight percent of all Nevadans owe more than 125 percent of their home's value. Nearly 60 percent of the homeowners in the Las Vegas Valley have negative equity in their homes. This is really scary. Unfortunately, President Barack Obama's Homeowner Affordability and Stability Plan restricts financing aid to borrowers whose first mortgage does not exceed 105 percent of the current market values of their homes. There are also provisions that they be covered by Fannie Mae or Freddie Mac. Twenty-eight percent owe more than 125 percent, and cannot get help from the federal government. And for 60 percent of homeowners, the help is just not there. So, we need to be doing something.

What does this mean to the rest of the people who are struggling to hold onto their homes in common-interest communities? Their quality of life is being decreased because there are fewer services provided by the associations. There is increased vandalism and other crime. As I mentioned earlier, there is a potential for increased regular and special assessments to make up for revenue

shortfalls, and then there is the association liability exposure. Let me explain that.

If you have a community that has a pool, and you were selling it as a community with a pool, and all of a sudden you cannot provide the pool, the people who are living there and paying their dues have a legal expectation that they are living in a pool community, and they can sue their community association because the association is not providing the services that the homeowners bought into. That could then cause the communities to further destabilize as they have financial exposure with the possibility of lawsuits because they are not providing services since the dues are not paid.

That all leads to increased instability for communities and further declines in property values. I went to see for myself. What does this really mean? What are we talking about? Through a friend in my association who generously helped send out some surveys, we received responses to this survey from 75 common-interest community managers. Fifty-five of them were in Clark County, 20 of them were in Washoe County. Their answers represented over 77,000 doors in Nevada. That is over 77,000 households, and they all told me the same thing. First of all, not one person was opposed to the bill. They gave me some comments that were very enlightening. They are all having problems collecting money; they all do not want to raise their dues; they do not want to have special assessments; they are cutting back; they are scared.

I want to share some comments with you and enter them into the record. Here is the first one: "Dollars not collected directly impact future assessment rates to compensate for the loss of projected income. Also, there is less operating cash to fund reserves or maintain the common area." That represented 2,001 homes in Las Vegas. Another one: "Our cash reserves are severely underfunded and we have serious landscaping needs." This is 129 homes in Reno that are affected. This one just really scared me: "Increase in bad debt expense over \$100,000 per year has frustrated the majority of the owners who are now having to pay for those who are not paying, including the lenders who have foreclosed." That is from the Red Rock Country Club HOA, over 1,100 homes in Las Vegas. This last one: "The impact is that the HOA is cutting all services that are not mandated: water, trash, and other utilities. The impact is that drug dealers are moving into the complex, and homicides are on the rise, and the place looks horrible. Special assessments will not work. Those that are paying will stop paying if they are increased. The current owners are so angry that they are footing the bill for the deadbeat investors that they no longer have any pride or care for their units. I support this bill 100 percent. The assessments are an obligation and should not be reduced." That is from someone who manages several properties in Las Vegas.

I mentioned an additional impact, and that I really believe that this bill will affect everybody in the state, even those who do not live in common-interest communities. Let me explain that. There could be cost shifting to local government. I gave you a couple of examples in the handout: graffiti removal, code enforcement, inspections, use of public pools and parks, and security patrols. Let me use graffiti as an example.

My HOA contracts with a firm to come out and take care of our graffiti problem. We do this, and we pay for this. Clark County also has a graffiti service for homeowners in Clark County. There are about 4,000 homes in our community, and our homeowners are told, "If you see graffiti, here is the number you call. It is the management company. They send out American Graffiti, who is the provider we use, and they have the graffiti cleaned up." If an association like mine all of a sudden says, Well, you know, we do not have the money to pay our bills and do other things. We could cut out the graffiti company and we could just say to our homeowners, 'You know what, the number has changed.' So instead of calling the management company, you now call Clark County. There is a cost shift. There is a limited number of resources available in Clark County, and that will have to be spread even thinner.

It goes on into other things too. You have the pools that are closed. The people are now going to send their kids to the public pools, again, taking up more of the county resources and spreading it out thinner and thinner. There are community associations that are now, because of their cash flow problems, having to pay their vendors late. Many of their vendors are small local businesses. They are being severely impacted because the reduced cash flow is having a ripple effect on their ability to employ people.

**Chairman Anderson:**

Let us go back to the graffiti removal question. I understand the use of pools and parks. Are you under the impression that the HOA and common-interest community would allow the city to go and do that?

**Assemblywoman Spiegel:**

It is my opinion, and from what I have heard from property managers, especially that big long quote that I read, that people are cutting back on everything and anything that they deem as nonessential.

**Chairman Anderson:**

That is not the question. The question deals specifically with graffiti removal and security. Patrols by the police officers are usually not acceptable in gated communities and other common-interest communities. This would be a rather

dramatic change, and it would probably change the city's view of their relationship with, or their tolerance of, some common-interest communities.

**Assemblywoman Spiegel:**

Mr. Chairman, one thing I can tell you is that my community, Green Valley Ranch, last year had our own private security company who would patrol our several miles of walking trails and paths. We have since externalized our costs and now the city of Henderson is patrolling those at night instead of our private service.

**Chairman Anderson:**

So, for your common-interest community, you have moved the burden over to the taxpayers and the city as a whole.

**Assemblywoman Spiegel:**

Yes, but our homeowners are also taxpayers of the city.

**Chairman Anderson:**

Of course, they choose to live in such a gated complex.

**Assemblywoman Spiegel:**

It is not gated. Parts of the community are, and some parts are not. Overall, the master association is not a gated area.

**Chairman Anderson:**

You allow the public to walk on those same paths?

**Assemblywoman Spiegel:**

Yes. They are open to all city residents, and non-city residents.

**Chairman Anderson:**

Okay. Are there any questions for Ms. Spiegel on the bill?

**Assemblyman Segerblom:**

Is it your experience that the lender will pay the association fees when the property is in default, or will they let it go to lien and then the association fees are paid when the property is sold?

**Assemblywoman Spiegel:**

My experience has been that, in many instances the fees are just not being paid. The lenders are not paying the fees. There may be some exceptions, but as a general rule they are not.

**Alan Crandall, Senior Vice President, Community Association Bank,  
Bothell, Washington:**

We have approximately 25,000 communities here in the State of Nevada. I am honored to speak today. I am a resident of Washington state. The area I want to specialize in my discussion is with loans for capital repair. We are the nation's leading provider of financing of community associations to make capital repairs such as roofs, decks, siding, retaining walls, and large items that the communities, for health and safety issues, have to maintain. Today, in Nevada, we are seeing associations with 25 to 35 percent delinquency rate. We are unable to make loans for these communities because we tie these loans to the cash flow of the association. If there is no cash flow coming in to support their operations, we cannot give them a loan. We do loans anywhere from \$50,000, and we just approved one today for \$17 million, so there are some communities out there with some severe problems that need assistance.

Now you may ask, why do we care about the loan? The loan is important in that it empowers the board to offer an option to the homeowners. Some of you may live in a community, and some of you may have children or parents who live in one. Because of a financial requirement for maintaining the property—the roof, the decks that may be collapsing, or a retaining wall that may be failing—they have to special assess because they do not have the money in their reserves. It was unforeseen, or they have not had the time to accumulate the money for whatever reason. These loans allow the association to provide the option to the homeowner to pay over time because, in effect, the board borrows the money from the bank, which is typically set up as a line of credit; they borrow the portion that they need for those members who do not have the ability to pay lump sum. So, whether that is \$5,000, \$10,000, \$40,000, or \$50,000, or my personal record which is \$90,000 per unit, due in 60 days, it is a major financial hardship on homeowners. The typical association, based upon my experience of 18 years in this industry, is comprised of one-third of first time home buyers who may have had to borrow money from mom and dad to make the down payment, and who have small children for whom they are paying off their credit cards for next Christmas. Another one-third is comprised of retirees on a fixed income. Neither of those two groups, which typically make up two-thirds of an average community, are in a position to pay a large chunk of money in a very short period of time. The board cannot sign contracts in order to do the work unless they are 100 percent sure they can pay for the work when it is done. That is where the loan assists.

I urge your support of this bill. It will give us the ability to have some cash flow and guarantees that there will be some extended cash flows in these difficult times, and make it easier for those banks, like ours, who provide this special

type of financing that helps people keep their homes, to continue to do so.  
Thank you.

**Bill DiBenedetto, Private Citizen, Las Vegas, Nevada:**

I moved to Nevada in 1975 when I was 11 years old. The first time I was here was in 1982 as a delegate to Boys State. If you told me at that time that I would be testifying, I would have said, No way, you have got to know what you are talking about. Well, I was up here at an event honoring the veterans, and I saw this bill. I serve as the secretary-treasurer of my HOA, Tuscany, in Henderson, Nevada. The reason I became a board member was I revolted against the developer's interests in raising our dues. You see, we were founded in 2004, and we are at 700 homes out of 2,000, which means we are under direct control of our declarant, Rhodes Homes. We are at their mercy if they want to give us a special assessment or raise our dues. The reason I am here today is I also serve as secretary-treasurer. I am testifying as a homeowner, not as a member of the board. As of last year, our accounts receivable were over \$200,000, which represented 13 percent of our annual revenue. Out of our 600 homeowners, 94 percent went to collections. Out of those, there were eight banks. When a bank takes over a home, they turn off the water; the landscaping dies; our values go down. We need these two years of back dues. Anything less, I believe, would be a bailout for the banks that took a risk, just like the homeowners. When it comes right down to it, out of the 700 homes that we have, we have to fund a \$6.2 million reserve. Why? Because the developer continued to build a recreation center, greenways, and other amenities. So, our budget is \$1.6 million. We have \$200,000 in receivables. We receive 90-day notices from our utility companies. We can barely keep the lights and the water on. Our reserve fund, by law, is supposed to be funded, but we cannot because we have to pay the utility bills. I moved into that community because it was unique: We have rallied the 700 homes. We are not looking for a handout, but we are looking for what is right. When the bank took over the homes, they assumed the contracts that were made: to pay the dues, the \$145 a month. I have banks that are 15 months past due, 10 months past due, 12 months past due. Thank you for listening to me.

**Assemblyman Segerblom:**

In regards to the banks owning these properties, at least under current law, what they owe for six months would be a super lien which you would collect when the property is sold. Have you been able to collect on those super liens?

**Bill DiBenedetto:**

Yes, we have.



**Assemblyman Segerblom:**

Is it your experience that the banks never pay without this super lien?

**Bill DiBenedetto:**

The banks never pay until the home is sold.

**Assemblyman Segerblom:**

Now, they are just paying for only six months?

**Bill DiBenedetto:**

They are paying for six months, and we are losing money that should be going into our reserve fund.

**Chairman Anderson:**

Does the bank not maintain an insurance policy on the property as the holder of the initial deed of trust?

**Bill DiBenedetto:**

I do not know. I would assume they would have to have some kind of liability insurance with the property.

**Assemblyman Cobb:**

When the banks foreclose, do they not take the position of the owner in terms of the covenants?

**Bill DiBenedetto:**

They do.

**Assemblyman Cobb:**

Do they have to start paying dues?

**Bill DiBenedetto:**

They have to start paying dues, and they have to abide by the covenants, which includes keeping their landscaping living.

**Assemblyman Cobb:**

How are they turning off the water and destroying the property?

**Bill DiBenedetto:**

They just shut off the water at the property.

**Assemblyman Cobb:**

And you do not do anything to try to force them to abide by the covenants?

**Bill DiBenedetto:**

There is nothing that we can do, unless we want to absorb legal costs by taking them to court. We cannot afford that. We have called them; we have begged them; there is just no response.

**Assemblyman Cobb:**

You cannot recover those legal costs if you do take them to court?

**Bill DiBenedetto:**

I have not pursued that any further with my board or the attorneys. Thank you.

**Chairman Anderson:**

Thank you, sir.

**Michael Trudell, Manager, Caughlin Ranch Homeowners Association,  
Reno, Nevada:**

I have emailed a prepared statement to members of the Committee (Exhibit V). I do not want to belabor the point. There is a statutory obligation of HOAs to maintain their common areas and to maintain the reserve accounts for their HOAs. I also believe that there is a direct impact on homeowners when there is only a six month ability for the HOA to collect because we have to be much more aggressive in our collection process. If that time frame was to be increased, we would be more willing to work with homeowners. Recently, our board at Caughlin Ranch changed our collection policy to be much more aggressive and to start the lien process much more quickly than we had in the past, which eventually leads to a foreclosure process. I think that has a direct impact upon our homeowners.

**Chairman Anderson:**

Mr. Trudell, you have been associated with this as long as I can recall, and you have been appearing in front of the Judiciary Committee. In dealings with the banks, have there been these kinds of problems in the past with your properties and others that you have been with?

**Michael Trudell:**

Yes, sir. Mr. Chairman, in the past, banks were much more receptive in working with us to pay the assessments and to get a realtor involved in the property to represent the property for sale.

**Chairman Anderson:**

Since the HOA traditionally looks out to make sure that everyone is doing the right thing, when there is a vacant property there, you probably become a little bit more mindful of it than you would in a normal community. Do you think that

this is the phenomenon right now because of the current economic situation? By extending this time period, are we going to be establishing an unusual burden, or changing the responsibility of the burden in some unusual way? In other words, should it have originally been this longer period of time? Why should there be any limit to it at all?

**Michael Trudell:**

From the association's standpoint, no limit would be better for the HOA, because each property is given its pro rata share of the annual budget. When we are unable to collect those assessments, then the burden falls on the other members of the HOA. As far as the current condition, banks in many instances are not taking possession of the property, so the property sits in limbo. There is a foreclosure, and then there is no property owner, at least in the situations that I have dealt with in Caughlin Ranch. We have had much fewer incidences of foreclosure than most HOAs.

**Chairman Anderson:**

Thank you very much. Let us turn to the folks in the south.

**Lisa Kim, representing the Nevada Association of Realtors, Las Vegas, Nevada:**

The Nevada Association of Realtors (NVAR) stands in support of A.B. 204. Property owners within common-interest community associations are suffering increases in association dues to cover unpaid assessments that are uncollectable because they are outside of the 6-month superpriority lien period. Many times, these property owners are hanging on by a thread in making their mortgage payment and association dues payment. I talk to people everyday that are nearing default on their obligations. By increasing the more-easily collectable assessments amount, the community associations are going to be able to keep costs down for the remaining residents. Thank you.

**Chairman Anderson:**

Thank you.

**John Radocha, Private Citizen, Las Vegas, Nevada:**

I cannot find anywhere in this bill, or in NRS Chapter 116, where a person, who has an assessment against him or her, has the right to go to the management company and obtain documents to prove retaliation and selective enforcement that was used to initiate an assessment. If they come by and accuse me of having four-inch weeds, and my next door neighbor has weeds even taller, and they are dead, that is selective enforcement. I think something should be put into this bill where I, as an individual, have the right to go to the management company and demand documentation. That way, when a case comes up, a person can be prepared. This should be in the bill someplace.

**Chairman Anderson:**

We will take a look and see if that is in another section of the NRS. It may well be covered in some other spot, sir.

**John Radocha:**

On section 1, number 5, I was wondering, could not that be changed to "a lien for unpaid assessments or assessments is extinguished unless proceedings to enforce the lien or assessments instituted within 3 years after the full amount of the assessments becomes due"?

**Chairman Anderson:**

The use of the words "and" and "or" are usually reserved to the staff in the legal division. They make sure the little words do not have any unintended consequences. But, we will take your comments under suggestion.

**Michael Buckley, Commissioner, Las Vegas, Commission for Common-Interest Communities Commission, Real Estate Division, Department of Business and Industry; Real Property Division, State Bar of Nevada:**

We are neutral on the policy, but we wanted to point out that one of the requirements for Fannie Mae on condominiums is that the superpriority not be more than six months. Just for your education, the six month priority came from the Uniform Common-Interest Ownership Act back in 1982. It was a novel idea at the time. It was met with some resistance by lenders who make loans to homeowners to buy units. It was generally accepted. We are pointing out that we would want to make sure that this bill would not affect the ability of homeowners to be able to buy units because lenders did not think that our statutory scheme complied with Fannie Mae requirements.

My second point is that there was an amendment to the Uniform Common-Interest Ownership Act in 2008. It does add to the priority of the association's cost of collection and attorney's fees. We did think that this would be a good idea. There is some question now whether the association can recover its costs and attorney's fees as part of the six-month priority. We think this amendment would allow that and it would allow additional monies to come to the association.

**Chairman Anderson:**

Are there any questions for Mr. Buckley who works in this area on a regular basis?

**Assemblyman Segerblom:**

I was not clear on what you were saying. Are you saying that this law would be helpful for providing attorney's fees to collect the period after six months?

**Michael Buckley:**

What I am saying is that, with the existing law, there is a difference of opinion whether the six-months priority can include the association's costs. The proposal that we sent to the sponsor and that was adopted by the 2008 uniform commissioners would clarify that the association can recover, as part of the priority, their costs in attorney's fees. Right now, there is a question whether they can or not.

**Assemblyman Segerblom:**

So, you are saying we should put that amendment in this bill?

**Michael Buckley:**

Yes, sir. This was part of a written letter provided by Karen Dennison on behalf of our section.

**Chairman Anderson:**

We will make sure it is entered into the record (Exhibit W).

**Assemblywoman Spiegel:**

I have received the Holland & Hart materials on March 4, 2009 at 2:05 p.m. They were hand delivered to my office. I am happy to work with Mr. Buckley and Ms. Dennison on amendments, especially writing out the condominium association so that they are not impacted by the Fannie Mae/Freddie Mac provisions.

**David Stone, President, Nevada Association Services, Las Vegas, Nevada:**

All of my collection work is for community associations throughout the state, so I am extremely familiar with this issue. Last week, I had the pleasure of meeting with Assemblywoman Spiegel in Carson City to discuss her bill and her concerns about the prolonged unpaid assessments (Exhibit X).

**Chairman Anderson:**

Sir, we have been called to the floor by the Speaker, and I do not want them to send the guards up to get us. I have your writing, which will be submitted for the record. Is there anything you need to quickly get into the record?

**David Stone:**

The handout is a requirement for a collection policy, which I think would affect and help minimize the problem that Assemblywoman Spiegel is having. I submitted a friendly amendment to cut down on that. I see that associations with collection policies have lower delinquent assessment rates over the prolonged period, and I think that would be an effective way to solve this problem. Thank you.

Assembly Committee on Judiciary  
March 6, 2009  
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**Chairman Anderson:**

Neither Robert's Rules of Order, nor Mason's Manual, which is the document we use, recognizes any kind of amendment as friendly. They are always an impediment. Thank you, sir, for your writing. If there are any other written documents that have not yet been given to the secretary, please do so now.

**Wayne M. Pressel, Private Citizen, Minden, Nevada:**

Myself and two witnesses would like to speak against A.B. 204. I realize that this may not be the opportunity to do so, I just want to make sure that we are on the record that we do have some opposition, and we would like to articulate that opposition at some later time to the Judiciary Committee.

**Chairman Anderson:**

There will probably not be another hearing on the bill, given the restraints of the 120-day session. The next time we will see this bill is if it gets to a work session, at which time there is no public testimony. I would suggest that you put your comments in writing, and we will leave the record open so that you can have them submitted as such. With that, we are adjourned.

[Meeting adjourned at 11:20 a.m.]

RESPECTFULLY SUBMITTED:

\_\_\_\_\_  
Robert Gonzalez  
Committee Secretary

APPROVED BY:

\_\_\_\_\_  
Assemblyman Bernie Anderson, Chairman

DATE: \_\_\_\_\_

**EXHIBITS**

**Committee Name:** Committee on Judiciary

**Date:** March 6, 2009

**Time of Meeting:** 8:12 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
<u>A.B. 182</u>	C	Jennifer Chisel, Committee Policy Analyst	Federal Register, list of explosive materials
<u>A.B. 207</u>	D	Assemblyman John C. Carpenter	Prepared testimony introducing A.B. 207.
<u>A.B. 207</u>	E	Assemblyman Carpenter	Suggested amendment to A.B. 207.
<u>A.B. 207</u>	F	Robert Robey	Suggested amendment to A.B. 207.
<u>A.B. 189</u>	G	Assemblyman Joseph Hogan	Prepared testimony introducing A.B. 189.
<u>A.B. 189</u>	H	Assemblyman Joseph Hogan	Chart comparing the various eviction processes of various states.
<u>A.B. 189</u>	I	Assemblyman Joseph Hogan	Flow chart of the California eviction process.
<u>A.B. 189</u>	J	Jon L. Sasser	Prepared testimony supporting A.B. 189.
<u>A.B. 189</u>	K	Rhea Gerken	Prepared testimony supporting A.B. 189.
<u>A.B. 189</u>	L	James T. Endres	Suggested amendment to A.B. 189.
<u>A.B. 189</u>	M	Charles "Tony" Chinnici	Prepared testimony against A.B. 189.
<u>A.B. 189</u>	N	Jennifer Chandler	Prepared testimony against A.B. 189.
<u>A.B. 189</u>	O	Jeffery G. Chandler	Prepared testimony against A.B. 189.
<u>A.B. 189</u>	P	Kellie Fox	Prepared testimony opposing the change in section 2 of A.B. 189.
<u>A.B. 189</u>	Q	Bret Holmes	Prepared testimony against A.B. 189.
<u>A.B. 189</u>	R	Charles Kitchen	Prepared testimony against A.B. 189.

<u>A.B. 189</u>	S	Bill Uffelman	Suggested amendments for <u>A.B. 189</u> .
<u>A.B. 189</u>	T	Rosalie M. Escobedo	Prepared testimony against <u>A.B. 189</u> .
<u>A.B. 204</u>	U	Assemblywoman Ellen Spiegel	Presentation of <u>A.B. 204</u> .
<u>A.B. 204</u>	V	Michael Trudell	Prepared testimony in support of <u>A.B. 204</u> .
<u>A.B. 204</u>	W	Karen D. Dennison	Prepared testimony with suggested amendments for <u>A.B. 204</u> .
<u>A.B. 204</u>	X	David Stone	Suggested amendments for <u>A.B. 204</u> .



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Start

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GREEN VALLEY RANCH

DECLARATION OF COVENANTS, CONDITIONS,  
RESTRICTIONS, RESERVATIONS AND EASEMENTS

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**EXHIBITS ATTACHED:**

- A - LEGAL DESCRIPTION OF FEE LAND WITHIN THE PROPERTY
- A1- LEGAL DESCRIPTION OF OPTION LAND WITHIN THE PROPERTY
- B - ANNEXABLE AREA
- C - DESIGN GUIDELINES
- D - DEVELOPMENT STANDARDS
- E - GVR WATER STANDARDS
- F - MASTER PLAN

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GREEN VALLEY RANCH

DECLARATION OF COVENANTS, CONDITIONS,

RESTRICTIONS, RESERVATIONS AND EASEMENTS

THIS DECLARATION, executed by GREEN VALLEY DEVELOPMENT LIMITED PARTNERSHIP, a Nevada limited partnership ("Declarant"), is made with respect to the following recitals:

PREAMBLE

A Declarant is the (i) fee owner of certain real property in the City of Henderson, County of Clark, State of Nevada, more particularly described in Exhibits A and A1 attached hereto and incorporated herein and (ii) holder of one or more options to purchase the balance of the lands set forth on Exhibit A1 attached hereto which are not owned by Declarant (collectively the "Property"). Additional land, or portions thereof, as more particularly described on Exhibit B attached hereto ("Annexable Area") may be added hereunder. Reference to Property herein shall mean and include both of the lands described on Exhibits A and A1 and that portion of the Annexable Area following annexation hereto

B Portions of the Property, namely those described on said Exhibit A1, are presently owned by Green Valley Investment Company, Inc., a Nevada corporation, which by its signature at the end hereof agrees to, consents to and imposes this Declaration upon said Exhibit A1 land. Such action shall under no circumstances be construed or implied as imposing upon or establishing Green Valley Investment Company, Inc., as the Declarant hereof.

C. All of the land encompassed within the Property and the Annexable Area is generally referred to as "GREEN VALLEY RANCH". Declarant intends to develop and improve all of such land of GREEN VALLEY RANCH on an incremental or staged basis consistent with municipal governmental approvals and entitlements granted by the City of Henderson.

D Declarant intends to establish GREEN VALLEY RANCH as a multiple use community encompassing residential, commercial, office, retail, light industrial, leisure and recreational, lodging, cultural, religious and other uses and activities compatible therewith. GREEN VALLEY RANCH will include paseos, roadways, parkways, washes, parks, trail system(s), paths open space areas and facilities for the use and benefit of the residents, owners, tenants, subtenants, guests, licensees and invitees of GREEN VALLEY RANCH and areas within GREEN VALLEY RANCH not specifically reserved for such parties shall be for the use and benefit of the general public as well.

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E. Portions of the areas and facilities contained, or to be ultimately contained, within the general common areas of GREEN VALLEY RANCH will be owned by (i) the City of Henderson, or a designated agency thereof, (ii) a non-profit corporation or association to be established by Declarant hereunder, or (iii) a subassociation(s) (or subcorporation(s)) established by a Developer or Builder of a tract, area or parcel within GREEN VALLEY RANCH

F. The development of the Property shall be consistent with the Master Plan (defined below) and the overall development plan of GREEN VALLEY RANCH submitted, or to be submitted, to the United States Department of Veterans Affairs ("VA") and approved by same

G. Declarant intends that the Property shall be considered primarily a Planned Community and secondarily in part a Common Interest Community under Nevada Revised Statutes

H. Declarant intends that all of the real property subject hereto shall be subject to (i) this Declaration and be a part of the general plan for the development, maintenance, care, use and management of the Property and (ii) certain protective covenants, conditions, restrictions, reservations, limitations, easements, equitable servitudes, liens, charges and assessment rights and obligations, running with the Property as herein set forth.

NOW, THEREFORE, Declarant pursuant to the Nevada Revised Statutes hereby declares that the Property shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied, developed and improved subject to the following easements, reservations, restrictions, covenants, conditions, limitations, architectural and water use controls, liens, charges and assessment rights and obligations therewith, representational and voting rights, and equitable servitudes, all of which are for the purpose of enhancing and protecting the value, attractiveness and desirability of the Property and for establishing a uniform scheme for the orderly, harmonious and aesthetically pleasing creation of GREEN VALLEY RANCH. The covenants, conditions, restrictions, reservations, limitations, easements, architectural and water use controls, liens, charges and assessment rights and obligations therewith, representational and voting rights, and equitable servitudes set forth herein shall (i) run with the Property and shall be binding upon all persons having any right, title or interest in the Property, or any portion thereof whether by fee title, leasehold, license or otherwise, their heirs, executors, administrators, legal representatives, successors and assigns; (ii) inure to the benefit of every portion of the Property and interest therein; and (iii) inure to the benefit of and be binding upon Declarant, its successors and assigns, Green Valley Investment Company, Inc., a Nevada corporation, and each Owner or other enumerated party and his, her, or its respective successors-in-interest as aforesaid.

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## ARTICLE 1

### DEFINITIONS

Unless otherwise expressly provided, the following words and phrases when used in this Declaration shall have the respective meaning herein specified:

1.1 "Annexable Area" shall mean the real property described in Exhibit B attached hereto, all or any portion of which may from time-to-time be made subject hereto pursuant to the provisions of the Article hereof entitled "Annexation and Inclusion"

1.2 "Architectural Committee" shall mean the Architectural and Landscaping Committee created pursuant to the Article hereof entitled "Architectural and Landscaping Control"

1.3 "Area" or "Areas" shall mean a portion of land within the Property that is other than a Lot, Parcel or Development Tract (all as defined below) and may or may not be a legal lot or parcel. "Other Area" shall have the same meaning as the word "Area".

1.4 "Articles" shall mean the Articles of Incorporation of the GREEN VALLEY RANCH COMMUNITY ASSOCIATION, INC., a Nevada non-profit corporation, as filed, or to be filed, in the Office of the Secretary of State of the State of Nevada, as may be amended from time-to-time

1.5 "Association" shall mean the GREEN VALLEY RANCH COMMUNITY ASSOCIATION, INC., a Nevada non-profit corporation, composed of the Owners described below.

1.6 "Association Property" shall mean all the real and personal property and any Improvements (defined below) thereon which are owned at any time by the Association for the common benefit, use and enjoyment of all of the Members. Without limiting the foregoing, Association Property includes GREEN VALLEY RANCH primary entry monumentation, medians, and entry monumentation and appurtenant landscaping of subdivision and areas within the Property, landscape strips and areas within the Property as shown on any subdivision map or plat recorded by Declarant for the Property or any portion thereof, primary access private streets or roads, trails, paths, washes, and general open spaces and common areas. Association Property does not include GVR Common Areas nor Subassociation Common Areas.

1.7 "Beneficiary" shall mean a mortgagee under a mortgage or a beneficiary under a deed of trust, as the case may be, and the assignees of such mortgage or beneficiary

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1.8 "Board" shall mean the Board of Directors of the Association elected in accordance with the Bylaws of the Association and this Declaration

1.9 "Builder" shall mean a Person who is an Owner and who has acquired a Lot Parcel, Development Tract or Other Area for the purpose of constructing building improvements and other amenities and thereafter renting, leasing and/or selling same or portions thereof. Builder shall not include (i) ANC, Inc., a Nevada corporation dba American Nevada Corporation, which is considered the overall master developer of the area known as Green Valley including Green Valley Ranch or, (ii) Green Valley Investment Company, Inc., a Nevada corporation. "Developer" shall have the same meaning as "Builder"

1.10 "Bylaws" shall mean the Bylaws of the Association as such Bylaws may be amended from time-to-time

1.11 "Capital Improvement Assessment" shall mean a specified charge or levy against each Member and its Lot, Parcel, Development Tract or Area representing a portion of the costs to the Association for installation or construction of any improvements on any portion of the Association Property or GVR Common Areas which the Association may, from time-to-time specifically authorize, pursuant to the provisions of this Declaration

1.12 "Chapter 116" shall mean the provisions of Nevada Revised Statutes Chapter 116.

1.13 "Commercial Area" shall mean all of the real property within the Property which is zone classified by the City of Henderson for commercial, office, retail, light industrial, lodging, recreational and leisure, religious and all such or other uses that are not deemed residential use per se under the Ordinances. The all encompassing use of the phrase "Commercial Area" is not intended to expand, alter or modify the allowed uses of land therein as zone classified by the City of Henderson. The Commercial Area is initially depicted on the Master Plan attached hereto as Exhibit E.

1.14 "Commercial Lot" shall mean a subdivided Lot or Parcel created by a Recorded subdivision map or parcel map or legally described parcel within a commercial subdivision located within a Commercial Area

1.15 "Commercial Voting Power" shall mean the voting power on a representational basis within the Association apportioned to Subassociation Districts within the Commercial Area.

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1.16 "Common Assessments" shall mean the aggregate of both the Common Commercial Assessment and the Common Residential Assessment herein set forth

1.17 "Common Commercial Assessment" shall mean the calendar year annual charge against each Owner (and its Lot, Parcel, Development Tract or Area) within a Commercial Area representing a portion of the total, ordinary costs of maintaining, improving, repairing, replacing, managing and operating that portion of the Association Property and GVR Common Areas attributable (or reasonably deemed attributable by the Board) to the Commercial Area, which are to be paid by each such Owner to the Association, as provided herein. The Common Commercial Assessment may be collected monthly or on such other periodic basis as determined by the Board and shall include funds for capital reserve and replacement requirements of the Association.

1.18 "Common Residential Assessment" shall mean the calendar year annual charge against each Owner (and its Lot, Parcel, Development Tract or Area) within a Residential Area representing a portion of the total, ordinary costs of maintaining, improving, repairing, replacing, managing and operating that portion of the Association Property and GVR Common Areas attributable (or reasonably deemed attributable by the Board) to the Residential Area, which are to be paid by each such Owner to the Association, as provided herein. The Common Residential Assessment may be collected monthly or on such other periodic basis as determined by the Board and shall include funds for capital reserve and replacement requirements of the Association.

1.19 "Common Expenses" shall mean the costs of maintenance, management, operation, repair and replacement of the Association Property and GVR Common Areas (including unpaid Capital Improvement Assessments), including those costs not paid by the Member responsible for payment; costs of management and administration of the Association including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and other employees, the costs of all utilities, gardening and other services benefitting the Association Property and GVR Common Areas; the costs of fire, casualty and liability insurance, worker's compensation insurance, and other insurance covering the Association Property and GVR Common Areas, fidelity and other bonds; taxes paid by the Association; amounts paid by the Association for discharge of any lien or encumbrance levied against the Association Property, or portions thereof, including, without limitation, real property taxes, if any, levied against the Association Property; all mandatory and prudent reserves, and the costs of any other item or items designated by the Association for any reason whatsoever in connection with the Association Property or GVR Common Areas, for the benefit of the Members.

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1.20 "Construction Activities" shall mean any construction (new, renovated or remodeled) activity, additions, alterations, grading, filling, excavations, and all other development and construction type activities as more particularly detailed in the Article hereof entitled "Architectural and Landscaping Control".

1.21 "Declarant" shall mean and refer to GREEN VALLEY DEVELOPMENT LIMITED PARTNERSHIP, a Nevada limited partnership, its successors and assigns. Declarant shall not mean, include or refer to ANC, Inc., a Nevada corporation nor Green Valley Investment Company, Inc., a Nevada corporation.

1.22 "Declaration" shall mean this Declaration of Covenants, Conditions, Restrictions, Reservations and Easements, as the same may from time to time be amended.

1.23 "Deed of Trust" shall mean any mortgage or deed of trust or other conveyance of a Lot, Parcel, Development Tract or Other Area within the Property to secure the performance of an obligation, which conveyance will be reconveyed or released upon the completion of such performance. The term "Mortgage" when used shall be synonymous with the term "Deed of Trust".

1.24 "Delegate" shall mean an elected representative from a Subassociation District to the Association.

1.25 "Design Guidelines" shall initially mean that set of Design Guidelines prepared by EDAW, Inc. dated April, 1994, a copy of which is attached hereto marked Exhibit C, which provides criteria primarily for residential development within the Property. An additional set thereof or supplement to the aforesaid shall be forthcoming which will provide criteria for portions of the Property other than the Residential Areas. As additional Design Guidelines or supplements become effective, same shall be included herewith and affect the respective portion(s) of Green Valley Ranch to which it pertains. Declarant reserves the right to unilaterally Record a notice with respect to said additional set or supplement as aforesaid. In the event of any discrepancy or conflict between the Design Guidelines and this Declaration, the provisions of this Declaration shall prevail.

1.26 "Developer" shall mean a Person who is an Owner and who has acquired a Lot, Parcel, Development Tract or Other Area for the purpose of constructing building improvements and other amenities and thereafter renting, leasing and/or selling same or portions thereof. Developer shall not include (i) ANC, Inc., a Nevada corporation dba American Nevada Corporation, which is considered the overall master developer of the area known as Green Valley including Green Valley Ranch or, (ii) Green Valley Investment Company, Inc., a Nevada corporation. "Builder" shall have the same meaning as "Developer".

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1.27 "Development Standards" shall mean those Development Standards for the Greer Valley Master Development Plan Overlay District prepared by EDAW, Inc., dated April, 1994, a copy of which is attached hereto marked Exhibit D, amended from time-to-time with the approval of the City of Henderson. The Development Standards entail standards and criteria for the development of the Property from the standpoint of residential, commercial, office, retail, light industrial, lodging, religious, recreational and leisure activities.

1.28 "Development Tract" shall mean an area within the Property, or portion thereof, that is, or is intended to be, established as a legal subdivision within the Residential Area or within the Commercial Area and developed and built upon by a Builder or Developer or other Owner.

1.29 "Family" shall mean (i) a group of natural Persons related to each other by blood or legally related to each other by marriage or adoption, or (ii) a group of natural Persons not all so related who maintain a common household in a Residence on a Lot or Parcel.

1.30 "GVR Common Areas" shall mean those portions of the Property dedicated to open space or general common areas and which may be owned by the (i) Association, or (ii) City of Henderson (or a governmental agency or department thereof), but managed and maintained by the Association.

1.31 "GVR Water Standards" shall mean the water use standards, criteria and controls as set forth in the Water Conservation Standards, prepared by HOH Associates, Inc. dated September 1992, a copy of which is attached hereto marked Exhibit E, and more fully described in the Article hereof entitled "Water Use and Conservation".

1.32 "Improvement" shall mean all structures, buildings and appurtenances related thereto of every type and kind, including but not limited to, buildings and structures in the Residential Areas and Commercial Areas; walkways, paths and trails; tennis courts; swimming pools, gazebos, jacuzzi spas, cabanas and other leisure and recreational facilities; garages and carports, roads, driveways, parking areas, sidewalks and pavement; street lights; parking lot lighting; exterior stairways and landings; mail and other kiosks; common trash receptacles; grading, excavation, fill or similar variance from established grade(s) of a Lot, Parcel, Development Tract or Other Area within the Property; fences, screening walls and retaining walls; stairs, decks, and windbreaks; drive-up and drive-thru facilities; landscaping of any and all types and kinds, hedges, plantings, planted trees and shrubs; sprinkler pipes and heads; poles, banners, flags, directional and all other signs, and striping and informational markings; and exterior air conditioning equipment and water softener fixtures or

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equipment and all other exterior fixtures and/or equipment improvements shall also mean and refer to all additions and/or modifications to the exterior of an Improvement, including, but not limited to, (a) painting or staining the exterior surface of any Improvement, (b) changing the roofing material on any Improvement, and/or (c) building, constructing, installing, altering or replacing, as the case may be, any of the aforesaid

1.33 "Included Property" shall mean that portion(s) of the Property from time to time made subject to Articles 7 through 9 hereof through a Declaration of Inclusion as provided in the Article hereof entitled "Annexation and Inclusion".

1.34 "Land Use Classification" shall mean the land use or zoning classification or other designation granted by the City of Henderson under its Ordinances respectively applicable to each portion of the Property

1.35 "Lot" shall mean any legal subdivision lot or parcel of land shown upon any Recorded subdivision map, parcel map, plat or commercially zoned property legal description accepted by the City of Henderson, but excepting any Association Property, GVR Common Areas and Subassociation Common Areas. A Lot may contain Improvements thereon.

1.36 "Maintenance Funds" shall mean the accounts created for receipts and disbursements of the funds of the Association pursuant to the Article hereof entitled "The Association Assessments; Use of Funds"

1.37 "Manager" shall mean the person, firm or agent, whether an employee or independent contractor, employed or engaged by the Association pursuant to the Bylaws and this Declaration, and delegated the duties, powers and/or functions of the Association as limited by this Declaration

1.38 "Master Plan" shall mean the 1993 Master Plan Overlay District for GREEN VALLEY RANCH as heretofore approved by the City of Henderson, as the same may from time to time be amended by Declarant and approved by governmental authorities having jurisdiction thereof. A copy of the Master Plan as currently approved is attached hereto marked Exhibit F

1.39 "Master Sign Plan" shall mean the final Master Sign Plan for Green Valley Ranch prepared by The GNV Group and approved by the City of Henderson and changes from time-to-time thereto as approved by the City of Henderson. Such Master Sign Plan shall apply to all of Green Valley Ranch

1.40 "Member" shall mean every Owner who holds a membership in the Association, pursuant to this Declaration, the Articles and Bylaws. Member applies to Owners of property within

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the Residential Areas and Commercial Areas only. Members shall not be entitled to direct voting within the Association as same will be conducted through a Subassociation District representational system and procedure.

1.41 "Mortgage" shall mean any mortgage or deed of trust or other conveyance of a Lot, Parcel, Development Tract or Other Area within the Property to secure the performance of an obligation which conveyance will be reconveyed or released upon the completion of such performance. The term "Deed of Trust" when used shall be synonymous with the term "Mortgage".

1.42 "Mortgagee" shall mean a person or entity to whom a Mortgage is made and shall include the beneficiary of a Deed of Trust; "Mortgagor" shall mean a Person who mortgages his or its property to another (i.e., the maker of a Mortgage), and shall include the Trustor under a Deed of Trust. The term "Trustor" shall be synonymous with the term "Mortgagor", and the term "Beneficiary" shall be synonymous with the term "Mortgagee". The terms "First Mortgage" and "First Mortgagee" shall have the meaning ascribed in the Article hereof entitled "Amendment".

1.43 "Notice and Hearing" shall mean written notice and a hearing before the Board, or the Architectural Committee, as applicable, at which the Owner (or party) concerned shall have an opportunity to be heard in person, or by counsel at the Owner's expense, in the manner further provided in the Bylaws or the Rules and Regulations.

1.44 "Ordinances" shall mean the Ordinances of the City of Henderson, Nevada including all codes and other municipal enactments.

1.45 "Owner" shall mean the Person or Persons including Declarant, holding a fee simple interest to a Lot, Parcel, Development Tract or Area which is a part of the Property, but excluding those persons holding title only as security for the performance of an obligation other than sellers under executory contracts of sale. Owner shall include a Builder or a Developer.

1.46 "Parcel" shall mean a legal subdivision lot under a Recorded subdivision map, a parcel shown on a Recorded parcel map or plat or a commercially zoned property legal description accepted by the City of Henderson, but excluding any Association Property, GVR Common Areas and Subassociation Common Areas. A Parcel may contain improvements thereon.

1.47 "Person" shall mean a natural individual, a corporation, partnership, trust, limited liability company or any other legal entity as recognized by Nevada law.

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1.48 "Phase" shall mean a portion of the Annexable Area made subject to this Declaration. The initial Property subject hereto shall be considered a Phase.

1.49 "Property" shall mean all of that real property described in Exhibits A and A1 attached hereto, and any and all additions from time-to-time made thereto of the Annexable Area as permitted by this Declaration.

1.50 "Record", "Recorded", "Filed" and "Recordation" shall mean, with respect to any document, the recordation or filing of such document in the Office of the Recorder of Clark County, Nevada.

1.51 "Residence" shall mean a dwelling located on a Residential Lot or Residential Parcel or in a Residential Area. Residence shall also include a condominium unit located in a Residential Area.

1.52 "Residential Area" shall mean all of the real property within the Property which is land use or zone classified by the City of Henderson for residential use (whether single-family or multi-family). The Residential Area is initially depicted on the Master Plan attached hereto marked Exhibit E.

1.53 "Residential Lot" or "Residential Parcel" shall mean a Lot or Parcel located within a Residential Area of the Property, together with the Improvements, if any, thereon.

1.54 "Residential Voting Power" shall mean the voting power on a representational basis within the Association apportioned to Subassociation Districts within the Residential Area.

1.55 "Rules and Regulations" shall mean the Rules and Regulations adopted by the Board pursuant to the Articles, Bylaws and this Declaration, as they may from time-to-time be amended.

1.56 "Subassociation" shall mean a Nevada non-profit corporation (or similar corporate type entity) created with respect to a Subdivision, group of Lots and/or Parcels, Development Tract or Area within both the Residential Area and the Commercial Area for the purpose(s) of creating a Subassociation District for representation to the Association, imposition of assessments upon Owners therein, ownership and management of Subassociation Common Areas, if any, and enforcement of any Subassociation Declaration.

1.57 "Subassociation Common Areas" shall mean those common areas, landscaped areas, recreational facilities, private streets and/or open space within a Subdivision and which are reserved exclusively for Owners, occupants and users therein. The

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Association shall have no obligations with respect to Subassociation Common Areas.

1.58 "Subassociation Declaration" shall mean a declaration of covenants, conditions, restrictions, reservations and/or easements established within a Commercial Area or a Residential Area for a Subdivision, group of Lots and/or Parcels, Development Tract or Other Area. A Subassociation Declaration may provide for maintenance of the Subassociation Common Areas by the Subassociation, the levying of charges by the Subassociation only on the Owners within such Subdivision, group of Lots and/or Parcels, Development Tract or Other Area and conducting elections with respect to the Subassociation District created thereby.

1.59 "Subassociation District" shall mean both as to the Commercial Area and Residential Area a designated Subdivision(s), group of Lots or Parcels, Development Tract(s) or Area(s) which Declarant declares (pursuant to Paragraph 16.3 et seq. below) as a cohesive voting segment within the Property for proportionally representing the Owners therein with respect to the Association.

1.60 "Subdivision" shall mean a cohesive group of Lots or Parcels, Development Tract or Other Area that has been legally subdivided by Recordation of a subdivision map therefor.

1.61 "Supplemental Declaration" shall mean any declaration of covenants, conditions, restrictions, reservation and easements or similar document supplementing this Declaration which is Recorded.

1.62 "Voting Power" shall mean the entire number of votes that are eligible to be cast by Delegates from Subassociation Districts within both the Commercial Area and Residential Area.

1.63 "Water Use Committee" shall mean the three (3) member Committee established under the Article hereof entitled "Water Use and Conservation".

1.64 "Zone Classification" shall mean the zoning or land use classification or designation granted by the City of Henderson under its Ordinances respectively to each portion of the Property.

## ARTICLE 2

### PROPERTY: DEVELOPMENT, OPERATION AND EFFECT

2.1 Development in General Declarant intends that the Property and those portions of the Annexable Area annexed hereto shall be developed (i) consistent with the Master Plan, as the same may from time to time be modified with the approval of the City of Henderson and any other governmental agencies having relevant jurisdiction thereof, (ii) the Development Standards, (iii) the

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Declaration, and, (iv) the Ordinances of the City of Henderson. Declarant intends to subdivide, improve and develop the Property or portions thereof in stages, phases or increments over an extended period of time. Such latter actions on the part of Declarant do not necessarily include vertical or building construction thereon, but Declarant may effect the overall mass grading of the Property, installation of infrastructure water, sewer and other public improvements, and major landscaping of GVR Common Areas

2.1.1 Nothing herein shall restrict, prohibit or preclude Declarant from causing areas within the Property from time-to-time to be legally subdivided under the Ordinances in conformity with the Master Plan.

2.1.2 Declarant may from time-to-time contract to sell, option to sell, sell or lease all or portions of the Property to one or more Developers or Builders, individual users or others for the building of Improvements respectively on portions of the Residential Area or Commercial Area. Declarant, its affiliates or subsidiaries, may be one or more of such Builders or Developers.

2.1.3 The Development Standards have been established to assist in the regulation of and create guidelines for development of the Property.

2.1.4 The Design Guidelines as initially created pertain primarily to residential improvements within the Property, and a further set of guidelines or supplement to the initial Design Guidelines shall be adopted by Declarant with respect to commercial and other improvements within the Property

2.1.5 Signage throughout the Property shall be subject to the Master Sign Plan

2.2 Two-Tier Maintenance Responsibilities The management and utilization of the Property encompasses a bifurcated system of (i) obligations, responsibilities and in some cases ownership of common areas of the Property by the Association or a governmental department or agency, and (ii) ownership and/or maintenance of specified Development Tract or Other Area common areas (Subassociation Common Areas) and recreational facilities and amenities therein by one or more of said Subassociations.

2.2.1 The Association is intended to ultimately own certain general common areas, open spaces, parks, arroyos, parkettes, median strips and primary entry monuments and landscaping of GREEN VALLEY RANCH overall ("Association Property"), and provide for the maintenance, repair, upkeep, replacement, preservation and day-to-day operation of Association Property and/or the GVR Common Areas. The intent hereof is that individual recreational facilities and amenities, open spaces, private streets

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and/or common areas within residential Subdivisions of GREEN VALLEY RANCH and for the exclusive use of Owners therein will be owned, operated and managed by the Subassociation thereof for the benefit of the Owners and residents thereof.

2.2.2 In addition, the Association shall be responsible to maintain, repair, upkeep, replace, preserve and/or provide for the day-to-day operation and management of other open spaces, paths, walkways, trails, washes, median strips and other general common areas which are intended to be dedicated to the City of Henderson as part of the development approvals for GREEN VALLEY RANCH (collectively, "GVR Common Areas"), but excluding the Subassociation Common Areas

2.3 Conveyance to Third Parties Declarant intends to convey some or all of the Property to third party Builders, Developers or other Owners for construction, development, sale and/or leasing

2.4 Effect. This Declaration is intended and shall apply, to (i) all of the Property described on said Exhibits A and A1 attached hereto from and after the recording hereof, and (ii) those portions of the Annexable Area added thereto pursuant to the Article hereof entitled "Annexation and Inclusion."

2.4.1 Notwithstanding the foregoing, the applicability of this Declaration to the Property originally set forth on said Exhibits A and A1 shall be as to all terms and provisions hereof except as to Articles 7 through 9 unless and until Declarant shall cause to be Recorded one or more of a "Declaration of Inclusion" with respect to each portion thereof, as more particularly set forth in the Article hereof entitled "Annexation and Inclusion". A Declaration of Inclusion may encompass all or a part of the Property in which latter event only that part or portion of the Property so described therein shall then be made subject to said Articles 7 through 9.

### ARTICLE 3

#### PROPERTY: USE RESTRICTIONS AND LIMITATIONS

Subject to the exemptions of Declarant as set forth herein, the Ordinances and approvals of the City of Henderson and the limitations as set forth in the Articles hereof entitled "Amendment" and "Mortgagee Protection", all real property within the Property shall be held, developed, leased, rented, sold, used, occupied and enjoyed subject to the Development Standards, the Design Guidelines and the following limitations and restrictions:

3.1 Insurance Rates. Nothing shall be done or kept in or on the GVR Common Areas or Association Property which will increase the general rate of liability or casualty insurance

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thereon, nor shall anything be done or kept in or on the Property in general which would result in the cancellation of insurance thereon or which would be in violation of any law, Ordinance or this Declaration

3.2 No Further Subdivision No Lot, Parcel, Development Tract, Other Area, GVR Common Areas, Subassociation Common Areas or Association Property may be subdivided beyond that which is initially subdivided by Declarant (including, without limitation, the subdivision thereof into time-share estates) without the prior written approval of the Board and of the Architectural Committee; provided, however, that nothing in this Paragraph shall be deemed to prevent an Owner from, or require the approval of the Board, for: (i) transferring or selling any Lot, Parcel or other property interest to more than one (1) person to be held by them as tenants in common, joint tenants, tenants by the entirety or as community property; or (ii) the leasing or renting by any Owner of all or any portion of his property interest, provided that any such lease or rental shall be subject to this Declaration

3.2.1 The foregoing restrictions shall not apply to a Development Tract or Area that is sold by Declarant to a Builder, Developer or other Owner with the agreement that such transferee shall be responsible to cause the requisite subdividing thereof, and in such case, Declarant shall notify the Board and the Architectural Committee of such fact

3.2.2 Division of a Lot, Parcel, Development Tract or Other Area that is within a Commercial Area may be further divided subject to all applicable laws, Ordinances and this Declaration.

3.3 Signs No sign, poster, billboard, banner, flag, advertising device or other display of any kind or nature ("Sign") shall be installed or displayed without the prior approval of the Architectural Committee, except such Signs of customary and reasonable dimensions as may be displayed on a Lot or Parcel advertising the same for sale or lease. Such approval, if any, shall be consistent with the Design Guidelines, Development Standards and Master Sign Plan. The foregoing shall not apply to Declarant for so long as Declarant maintains control of the Association. Builders and Developers shall be taken into consideration with respect to reasonable approval of signs in connection with the marketing, leasing and sale of its product in GREEN VALLEY RANCH.

3.3.1 No Owner, other Person or entity shall place or install any Sign of any type or kind or other Improvement, or alter or remove the Improvements on the Association Property or GVR Common Areas unless such placement, installation or



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alteration is first approved in writing by the Board and the Architectural Committee, provided, however, the foregoing shall not apply to Declarant as otherwise provided in this Declaration

3.3 2 No Builder, Developer or other Owner including Declarant shall install, place or otherwise maintain any "bootleg", "weekend" or other similar short-term or temporary Sign anywhere within the Property, except pursuant to prior written approval of the Architectural Committee and Rules and Regulations with respect thereto. Such approval, if given, may include the imposition of a charge or deposit to assure compliance herewith

3.4 Animals No animals, fowls, reptiles, poultry, fish, livestock or insects of any kind (collectively, "animals") shall be raised, bred or kept within the Residential Areas of the Property, except that a reasonable number of dogs, cats or other common household pets may be kept by owners within the Residential Areas; provided that they are not kept, bred or maintained within the Residential Areas for any commercial purpose, nor in unreasonable quantities nor in violation of any applicable Ordinance or any other provision of this Declaration, and such limitations as may be set forth in the Rules and Regulations.

3.4.1 As used in this Declaration "unreasonable quantities" shall ordinarily mean more than two (2) pets per household, provided, however, that the Board of Directors may determine that a reasonable number in any instance may be slightly more or less. The Association acting through its Board of Directors shall have the right to prohibit any animal in any Residential Area which constitutes, in the opinion of the Board, a nuisance to other Owners within the Property. Animals belonging to Owners, occupants, licensees, tenants, subtenants or invitees within the Residential Areas of the Property must be either kept within an enclosure, an enclosed yard or on a leash or other restraint being held by a person capable of controlling the animal. Furthermore, to the extent permitted by law, any Owner shall be liable to each and all remaining Owners, their families, guests, tenants and invitees, for any unreasonable noise or damage to person or property caused by any animals brought or kept upon the Property by an Owner or by members of his family, his tenants or his guests. It shall be the absolute duty and responsibility of each such Owner to clean up after such animals

3.5 Nuisances No rubbish, trash or debris of any kind shall be placed or permitted to accumulate anywhere within the Property, and no odor shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, unsightly, or offensive. No noise or other nuisance shall be permitted to exist or operate upon any portion of a Lot, Parcel, Development Tract or Other Area so as to be offensive or detrimental to any other Lot, Parcel, Development Tract, Other Area or to Owners or occupants thereof. Without limiting the generality

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of any of the foregoing provisions, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes), noisy or smokey vehicles, large power equipment or large power tools, unlicensed off road motor vehicles or other items which may unreasonably disturb other Owners or their tenants, invitees or licensees shall be located, used or placed on any portion of the Property without the prior written approval of the Architectural Committee. Exterior speakers are permitted to be installed by an Owner or occupant, but same are subject to the foregoing limitations with respect to not unreasonably disturbing other Owners and the like and are subject to the Rules and Regulations. Alarm devices used exclusively to protect the security of a Lot, Parcel, space within a Commercial Area, or Other Area within the Property 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.

3 5 1 Further, motorcycles, dirt bikes, off-road vehicles and other mechanized vehicles are prohibited from those portions of (i) Association Property and GVR Common Areas not improved as a street or roadway and (ii) the Property overall which are at the time undeveloped or under development by Declarant, a Builder, a Developer or other Owner.

3.6 Exterior Maintenance and Repair, Owner's Obligations No Improvement anywhere within the Property shall be permitted to fall into disrepair, and each Improvement shall at all times be kept in good condition and repair. If any Owner shall permit any Improvement, which is the responsibility of such Owner to maintain, to fall into disrepair so as to create a dangerous, unsafe, unsightly or unattractive condition, the Board, after consulting with the Architectural Committee, and after affording the Owner of such property reasonable notice, shall have the right but not the obligation to correct such condition, and to enter upon such Owner's Lot or Parcel but not into a personal residence or commercial type building for the purpose of doing so, and such Owner shall promptly reimburse the Association for the cost thereof. The Owner of the offending property shall be personally liable for all costs and expenses incurred by the Association in taking such corrective acts, plus all costs incurred in collecting the amounts due. Each Owner shall pay all amounts due for such work within ten (10) days after receipt of written demand therefor.

3 6 1 Vacant property shall be kept weed and debris free by the Owner thereof. If such Owner shall fail to do so, then the Association may correct or remedy same consistent with the provisions of Paragraph 3 5 above and such Owner shall be liable to the Association therefor as aforesaid.

3.7 Drainage. There shall be no interference with the established drainage pattern over any Lot, Parcel, Development Tract, Association Property, GVR Common Areas, Subassociation

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Common Areas or Other Areas so as to affect any other property unless an adequate alternative provision, previously approved in writing by the Architectural Committee, is made for proper drainage. Each Owner within a Residential Area shall not allow or permit surface drainage on his Lot or Parcel to accumulate behind a perimeter wall or penetrate a perimeter wall and cause staining thereof.

3.7.1 For the purpose hereof, "established" drainage is defined as the (i) drainage which exists at the time the Lot, Parcel, Development Tract, Association Property, GVR Common Areas, Subassociation Common Areas or Other Areas, as the case may be, is conveyed to an Owner (including a Builder or Developer), Association or governmental agency or department by Declarant, or (ii) later grading changes which are shown on plans approved by the Architectural Committee, which may include drainage from the Association Property, GVR Common Areas or Subassociation Common Areas over a Lot, Parcel, Development Tract or Other Area within the Property. Nothing herein shall abrogate or waive compliance with applicable drainage controls and Ordinances of the City of Henderson.

3.8 Unsightly Articles No unsightly articles, including clotheslines, shall be permitted to remain on any Lot, Parcel, Development Tract or Other Area so as to be visible from the public or private streets, Association Property, GVR Common Areas, Subassociation Common Areas or from any other Lot, Parcel, Development Tract or Other Area. Without limiting the generality of the foregoing, refuse, garbage and trash shall be kept at all times in covered, sanitary containers or enclosed areas designed for such purpose(s).

3.8.1 As to Residential Areas, such containers shall be exposed to the view of neighboring Lots or Parcels only when set out for a reasonable period of time (not to exceed twelve (12) hours before and after scheduled trash collection hours).

3.8.2 There shall be no exterior fires whatsoever, except barbecue fires or fireplaces contained within receptacles commercially designed therefor, such that they do not create a fire hazard, and except as specifically authorized in writing by the Association (and subject to applicable Ordinances and fire regulations).

3.9 No Temporary Structures. Unless approved in writing by the Board in connection with the construction of authorized Improvements, no Improvement, structure, tent, shack or other temporary building, including storage sheds, shall be placed upon any portion of the Property. The foregoing shall not apply to (i) Declarant during development, construction, sale and/or leasing of all or part of the Property, or (ii) a Builder or Developer during

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its development, construction, sale and/or leasing on its Development Tract or Other Area within the Property, but only with respect thereto.

3 10      No Mining and Drilling      The Property shall not be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing water, oil, gas or other hydrocarbons, geothermal heat, minerals, rocks, stones, gravel or earth, nor shall oil, water or other wells, tanks, tunnels or mineral excavations or shafts be permitted upon or below the surface of any portion of the Property. The foregoing is not intended to prohibit or preclude the use of water storage tanks and appurtenant facilities needed in connection with landscaping maintenance and upkeep.

3 11      Alterations      There shall be no excavation, construction, alteration, erection or Construction Activities (defined in the Article hereof entitled "Architectural and Landscaping Control" of any projection which in any way alters the exterior appearance of any improvement from any public or private street, or from any other portion of the Property (other than minor repairs or rebuilding) without the prior approval of the Architectural Committee pursuant hereto. There shall be no violation of the setback, sideyard, commercial, slope or other requirements of local governmental authority and Ordinances, notwithstanding any approval of the Architectural Committee; however, variances granted by local governmental authority shall not be deemed a violation of this Declaration.

3.12      Additional Residential Areas Uses and Limitations  
All Lots, Parcels, Development Tracts or Other Areas within a Residential Area of the Property shall be improved and used solely for residential dwelling use purposes which may be either single-family or multi-family depending upon the land use Zone Classification and other use grants issued by the City of Henderson applicable thereto, provided, however, that this provision shall not preclude any Owner (including a Builder or Developer) from renting or leasing a Lot, Parcel or portion of a Development Tract or Other Area by means of a written lease or rental agreement subject to this Declaration. The provisions of this Paragraph shall not preclude an occupant who is engaged in individual professional work (e.g. accountant, bookkeeper) without external evidence thereof, for so long as (i) such occupant conducts its activities in conformance with all Ordinances, (ii) such business activity is merely incidental to the use thereof as a Residence, and (iii) such occupant does not solicit or invite the public to such Residence as part of such business activity.

3 12.1      No area within a Residential Area shall ever be used, or caused to be used or allowed or authorized to be used, in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storage, vending, or other

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such nonresidential purposes; except Declarant, its successors and assigns, Builders and Developers may use portions of a Residential Area owned by it for a model home site(s), display and sales office(s) and construction office during the construction, sales and/or leasing period for such Development Tract or Other Area. The foregoing shall not prohibit the management and operation of an apartment development within the Residential Area.

3 12.2 All utility and storage areas and all laundry rooms, including all areas in which clothing or other laundry is hung to dry, must be completely covered or concealed from view from surrounding or adjoining areas.

3 12.3 No basketball backboard or other sports apparatus shall be constructed or maintained on the Property without the prior written approval of the Architectural Committee.

3 12 4 No patio cover, exterior wiring, air conditioning fixture(s), or other devices shall be installed on the exterior of a Residence or other Improvements or be allowed to protrude through the walls or roof thereof, unless the prior written approval of the Architectural Committee is obtained.

3 12.5 It is the intent of the Declarant and the Association to restrict and control on-street parking within Residential Areas. Vehicles (including bikes of all types) of all Owners, occupants, lessees, tenants, subtenants, their employees, guests, licensees, and invitees, are to be kept in garages, carports, residential driveway of the Owner, and other designated parking areas wherever and whenever such facilities are sufficient to accommodate the number of vehicles at a Residential Lot or Residential Parcel, provided, however, this subparagraph shall not be construed to permit the parking in the above-described areas of any vehicle whose parking is otherwise prohibited by this Declaration or the Ordinances.

3.12 6 No Person shall park, store or keep on any street (public or private) within the Property any large commercial type vehicle (including, but not limited to, any dump truck, cement mixer truck, oil or gas truck or delivery truck); any recreational vehicle (including, but not limited to, any camper unit, house/car or motor home), any bus, trailer, trailer coach, camp trailer, boat, aircraft or mobile home; or any inoperable vehicle or any other similar vehicle. The above excludes camper trucks and similar vehicles up to and including three-quarter (3/4) ton when used for everyday-type transportation and subject to approval by the Board. In addition, no Person shall park, store or keep anywhere within the Property any vehicle or vehicular equipment, mobile or otherwise, which is deemed to be a nuisance by the Board. All trailers, campers, motor homes and similar recreational vehicles shall be parked in enclosed garages or otherwise adequately screened from view by way of a structure

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approved by the Architectural Committee. Garages shall be kept closed at all times, except as reasonably required for ingress to and egress from the interior of the garages

3.12.7 No Person shall perform repairs or restoration of any motor vehicle, boat, trailer, aircraft or other vehicle upon any portion of any Lot or Parcel or elsewhere within the Property, except wholly within the Person's garage; provided, however, (i) any such repair or restoration activity may not be performed unless the garage door thereof is closed, and (ii) that such activity shall at no time be permitted if it is determined by the Board to be a nuisance. Notwithstanding the foregoing, these restrictions shall not be interpreted in such a manner so as to permit any activity which would be contrary to any Ordinance

3.12.8 Each Owner of a Lot, Parcel, Development Tract or Other Area bounded by a perimeter wall or fence constructed between such Owner's property and an exterior boundary street shall be responsible for maintaining the interior portion of said wall or fence in good condition and state of repair, and by acceptance of a deed thereto agrees to so perform

3.12.9 No originally installed garage within a Residence shall be approved to be converted to any other use unless there shall be a replacement structure with covered parking

3.13 Improvements. Unless otherwise designated in writing by Declarant, no Lot, Parcel, Development Tract or Other Area within the Property shall be improved except in full conformity and compliance with this Declaration including the Development Standards and Design Guidelines. No part of any Construction Activities on any of the Property shall exceed the height limitations set forth in the applicable provisions of the City of Henderson's Development Code or other applicable governmental regulation(s) and Ordinances and the Design Guidelines. No projections of any type (e.g. air conditioning) shall be placed or permitted to remain above the roof of any building or structure within the Residential Areas of the Property, except one or more chimneys or vent stacks. Projections above a roof within the Commercial Areas shall only be permitted with prior approval of the Architectural Committee

3.14 Landscaping. Within 180 days after the close of escrow for the sale of a Lot or Parcel containing a Residence, the respective Owner shall install all front and rear landscaping and thereafter maintain (except for that landscaping to be maintained by the Association or a Subassociation) the landscaping thereon in a neat and attractive condition, including all necessary maintenance and gardening

3.14.1 The Board may adopt as part of its Rules and Regulations criteria and standards (complimentary of the

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Design Guidelines) proposed by the Architectural Committee to regulate landscaping permitted and required in all parts of the Residential Areas and Commercial Areas. If an Owner fails to install and maintain landscaping in conformance with such Rules and Regulations, or shall allow his landscaping to deteriorate to a dangerous, unsafe, unsightly or unattractive condition, the Architectural Committee or the Board shall have the right to either (a) after thirty (30) days' prior written notice, seek any remedies at law or in equity which it may have, or (b) after reasonable notice, correct such condition and to enter upon such Owner's property for the purpose of doing so, and such Owner shall promptly reimburse the Association for the cost thereof.

3.14 2 No plants or seeds infected with insects or plant diseases shall be brought upon, grown or maintained upon any part of the Property.

3.15 Antennas. No antenna, satellite dish or other device for the transmission or reception of television or radio (including ham radios) signals or any other form of electromagnetic radiation shall be erected, used or maintained outdoors on any of the Property (including Association Property, GVR Common Areas or Subassociation Common Areas), whether attached to an Improvement, structure, freestanding or otherwise, unless approved by the Architectural Committee.

3.16 Declarant's Exemption. Nothing contained in this Declaration shall be construed to prevent the installation, erection, maintenance, and use by Declarant, or its duly authorized agents, of structures, Improvements, signs, banners, posters, logos, other devices and equipment deemed by Declarant as necessary or convenient to the development, leasing and/or sale of the property within GREEN VALLEY RANCH.

#### ARTICLE 4

##### ASSOCIATION PROPERTY:

##### PERMITTED USES AND RESTRICTIONS

4.1 Member's Rights of Enjoyment. Every Member who resides on a Lot or Parcel or who owns a portion of land within the Property shall have a right of ingress, egress, use and enjoyment in, to and over the Association Property, GVR Common Areas and Subassociation Common Areas (subject to controls and limitations as imposed by the respective Subassociation) which shall be appurtenant to and shall pass with title to every Lot, Parcel or other property interest within the Property, subject to the following provisions:

4.1.1 The right of the Association to reasonably limit the number of guests or invitees of a Member using

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the Association Property and GVR Common Areas and any Improvements respectively thereon. Subassociations have the right to control or limit use of Subassociation Common Areas intended strictly for the Owners therein;

4.1.2 The right of the Association to establish uniform Rules and Regulations pertaining to the use of the Association Property and GVR Common Areas;

4.1.3 The right of the Association in accordance with the Articles, Bylaws, and this Declaration, with the vote of Delegates representing not less than sixty-seven percent (67%) of the Members to be affected thereby, to borrow money for the purpose of improving the Association Property and Improvements respectively thereon and in aid thereof, and, subject to other provisions of this Declaration, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

4.1.4 The right of the Association to suspend the voting rights and rights and easements of any Member, and the Persons deriving such rights and easements from any Member to use the Association Property and Improvements thereon or the GVR Common Areas and Improvements thereon for any period during which any assessment against such Member's property interest remains unpaid and delinquent; and for a period not to exceed thirty (30) days for any noncontinuing infraction of the published Rules and Regulations of the Association as more fully provided by the Bylaws. Any suspension of voting rights or right to use any Association Property and Improvements or GVR Common Areas and Improvements shall be made only by the Board, after Notice and Hearing;

4.1.5 Subject to other provisions of this Declaration, the right of the Association to dedicate, release, alienate or transfer all or any portion of the Association Property to any public agency, authority, utility or other Person for such purposes and subject to such conditions as may be agreed to by the Members. Except for grants of easements, licenses or rights-of-way in, on, over or through the Association Property for purposes not inconsistent with the use thereof pursuant to this Declaration, no such dedication, release, alienation or transfer shall be effective, unless previously approved by (i) Delegates representing at least sixty-seven percent (67%) of all of the Owners and a certificate signifying such approval is executed and acknowledged by two (2) officers of the Association and Recorded, (ii) the City of Henderson, and (iii) all First Mortgagees as described below. Recordation of such certificate shall constitute prima facie evidence that such approvals have been given;

4.1.6 The right of Declarant (and its successors-in-interest, Builders and Developers and their sales



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agents, customers and representatives) to the nonexclusive use of the Association Property (and the facilities thereon), and GVR Common Area without charge, for sales, display, access, ingress, egress and exhibit purposes, which right Declarant hereby reserves for itself; provided, however, that such right shall only extend until the earlier to occur of (i) ten (10) years following the Recordation of this Declaration, or (ii) the date on which Declarant owns no other single-family residential land within the Property. Such use shall not unreasonably interfere with the rights of enjoyment of the Members as provided herein;

4.1.7 The right of the Association (by action of the Board) to reconstruct, replace or refinish any Improvement or portion thereof upon or within the Association Property or GVR Common Areas, in accordance with the original design, finish or standard of construction of such Improvement including the Design Guidelines; and subject to other provisions of this Declaration, if not in accordance with such original design, finish or standard of construction, only with the vote of Delegates representing not less than sixty-seven percent (67%) of the Owners;

4.1.8 The right of the Association to replace destroyed trees or other vegetation and plant trees, shrubs and ground cover upon any portion of the Association Property and GVR Common Areas consistent with the Association's obligations to maintain and repair same;

4.1.9 The right of the Association, acting through the Board, to reasonably restrict access to the Association Property and GVR Common Areas or to temporarily close access thereto in connection with repair and maintenance thereof;

4.1.10 The duty and obligation of the Association to comply with and conform to those use, maintenance and related limitations and controls imposed by the Valley Electrical Association, Inc. with respect to the easement for electrical transmission facilities over portions of Association Property held by it; and

4.1.11 All easements, rights, reservations, interests, covenants and conditions of record including limitations regarding use of water

4.2 Delegation of Use. Any Member (i) within the Residential Areas may delegate, in accordance with the Bylaws and this Declaration, its right of enjoyment to the Association Property (and facilities thereon) to the members of its Family, tenants, subtenants, occupants or contract purchasers who reside on his Lot or Parcel, and (ii) within a Commercial Area may delegate as aforesaid to any tenant, subtenant, occupant, user, concessionaire, business invitee or licensee such enjoyment, all subject to the Rules and Regulations.

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4 3 Easements for Vehicular Traffic In addition to the general easements for use of the Association Property and GVR Common Areas reserved herein, Declarant hereby reserves for itself and covenants for itself and all future Members that Declarant and each and every Member and its respective, tenants, subtenants, agents, employees, guests, invitees, licensees, successors and assigns shall have nonexclusive appurtenant easements for vehicular and pedestrian traffic over any private streets, roads, walkways and paths within the Association Property, GVR Common Areas and Subassociation Common Areas, subject to the (i) provisions set forth in this Declaration and the Ordinances and entitlements granted by the City of Henderson and (ii) right of a Subassociation to limit or proscribe use of private streets within the specific control of such Subassociation (e.g. creating a gated community with limited or controlled access).

4 4 Waiver of Use No Member may exempt himself from personal liability for assessments duly levied by the Association, nor release the Lot, Parcel, Development Tract or other land or property within the Property owned by him from the liens and charges hereof, by waiver of the use and enjoyment of the Association Property or GVR Common Areas or by abandonment of his Lot, Parcel, Development Tract, Area or other property interest.

4 5 Reservation of Easements Declarant expressly reserves for the benefit of all of the Property reciprocal easements for access, ingress and egress for all Owners to and from their respective Lot, Parcel, Development Tract or Area for installation and repair of utility services, for encroachments of improvements constructed on the Property, for drainage of water over, across and upon adjacent Lots, Parcels, Development Tracts and Areas, GVR Common Areas and the Association Property resulting from the normal use of the Property, GVR Common Areas or Association Property and for necessary maintenance and repair of any GVR Common Areas or Association Property. Such easements may be used by Declarant, a Builder, a Developer and other Owners, their successors and assigns the Association, Subassociations and all Owners, their guests occupants, tenants, subtenants, licensees and invitees and Mortgagees

4.6 Amendment to Eliminate Easements. This Declaration may not be amended to modify or eliminate the easements reserved herein without the prior written approval of Declarant for so long as Declarant (or an affiliate or subsidiary) owns in fee an aggregate 100 acres or more of land within the Property, and any attempt to do so prior to said expiration shall have no effect. Any attempt to modify or eliminate this Paragraph shall likewise require the prior written approval of Declarant

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## ARTICLE 5

### THE ASSOCIATION:

#### FORMATION AND MEMBERSHIP

5.1 Organization. The Association has been, or will be, organized under the Nevada non-profit corporation law. The Association is charged with the duties and vested with the powers prescribed by Nevada law (including NRS Chapter 110 as applicable) and as otherwise set forth in the Articles, Bylaws, and this Declaration. Neither the Articles nor Bylaws shall, for any reason, be amended or otherwise changed so as to be inconsistent with this Declaration. If there should exist any ambiguity in any provision of the Articles or Bylaws, then such provision shall be construed, to the extent possible, so that such provision shall be consistent with the provisions of this Declaration.

5.2 Membership. Members of the Association shall be each Owner (including Declarant) of one (1) or more Lots, Parcels, Development Tracts or Area within the entirety of the Property. Membership applies to all of the land within the Property, including but not limited to, land zone classified residential, commercial, office, retail, light industrial, lodging, recreational and leisure, religious or otherwise; however, membership does not include nor apply to public or governmental agencies or instrumentalities owning title to GVR Common Areas, Association Property or Subassociation Common Areas. Membership in the Association shall be subject to this Declaration, Nevada law, the Articles, the Bylaws, and the Rules and Regulations from time-to-time adopted by the Association. All memberships in the Association shall be appurtenant to the real property interest owned by each Member as an Owner and membership in the Association shall not be assignable, except to a Person to whom title to an interest in the Property has been transferred. Any attempt to make a prohibited membership transfer shall be void and will not be reflected on the books of the Association.

5.2.1 The right of membership in the Association shall not in and of itself be determinative of the voting rights of a Member as set forth in the Article entitled "The Association: Voting Rights" nor the obligation of a Member for assessments and charges as set forth in the Article hereof entitled "The Association: Assessments and Liens". The Association is being established on a representative basis with respect to both the Residential Areas and Commercial Areas as more particularly described in the Article hereof entitled "The Association: Subassociation Districts and Delegates".

5.2.2 A Member who has sold his real property interest within the Property to a contract purchaser under an installment land sale contract shall be entitled to delegate to

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such contract purchaser his membership right in the Association. Such delegation shall be in writing and shall be delivered to the Board before such contract purchaser may vote. However, the contract seller shall remain liable for all charges and assessments attributable to his Lot, Parcel, Development Tract or Area until fee title thereto is transferred. If the Owner of any Lot, Parcel, Development Tract or Area fails or refuses to transfer the membership registered in his name to the purchaser thereof upon transfer of fee title thereto, the Board of Directors shall have the right to record the transfer upon the books of the Association. The Board may levy a reasonable transfer fee against any new Member and its Lot, Parcel, Development Tract or Area (which fee shall be added to the Common Assessment chargeable to such new Member) to reimburse the Association for the administrative costs of transferring the membership to the new Member on the records of the Association.

5.3 Notification. Upon the sale or conveyance of a Lot, Parcel, Development Tract or Other Area within the Property, the transferor thereof whether Declarant, a Builder, a Developer or other Owner, shall within 30 days of such transfer notify in writing the Association thereof of such transferee's name and address and identification of the property so transferred. The foregoing applies to transfers from Declarant as well as transfers by any Owner, Builder or Developer.

## ARTICLE 6

### THE ASSOCIATION: FUNCTIONS

6.1 Powers and Duties. The Association shall have all of the powers given to a non profit corporation by law, subject only to such limitations upon the exercise of such powers as are expressly set forth in this Declaration. The Association shall have the power to perform any and all lawful acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association. Without in any way limiting the generality of the foregoing provisions, the Association, acting by and through its Board, shall have:

6.1.1 Assessments. The power and duty to levy assessments and charges on the Owners of all of the Property except for Owners of GVR Common Areas and of Subassociation Common Areas within the Property and to enforce payment of such assessments including establishment and foreclosure of a lien therefor, all in accordance with this Declaration and Nevada law. The power and duty herein shall be on a bifurcated basis applicable separately to the Commercial Area on the one hand and the Residential Area on the other hand.

6.1.2 Repair and Maintenance of Association Property and GVR Common Areas. The power and duty to paint, plant,

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upkeep, restore, replace, maintain and repair in accordance with standards adopted by the Architectural Committee, the Design Guidelines and as required by the City of Henderson, all Association Property and all Improvements thereon and all GVR Common Areas and all Improvements thereon, in a safe, sanitary and attractive condition and in good order and repair, and to pay for utilities, gardening and other necessary services therefor. All of the foregoing obligations of the Association shall be discharged when and in such manner as the Board shall determine in its judgment to be appropriate.

(a) Notwithstanding the foregoing, the Association shall have no responsibility to provide the services referred to herein with respect to any Improvement(s) or general common areas overall which are accepted for maintenance by any governmental agency or entity or which is the maintenance responsibility of a Subassociation, including Subassociation Common Areas. Such responsibility shall be that of the applicable agency, entity or Subassociation.

6 1.3 Easements and Rights-of-Way. The power, but not the duty, to grant and convey to any Person easements and rights-of-way in, on, over, under or through the Association Property and, with the consent of Delegates representing an aggregate seventy-five percent (75%) of the voting power of the Association, parcels or strips of land which comprise a portion of the Association Property, for the purpose of constructing, erecting, operating or maintaining thereon, therein and thereunder: (i) roads, streets, walks, driveways, parkways, park Areas and slope Areas; (ii) overhead or underground lines, cables, wires, conduits, or other devices for the transmission of electricity for lighting, heating, power, television, telephone or other similar purposes; (iii) sewers, storm water drains and pipes, water systems, sprinkling systems, water, heating, and gas lines or pipes; and (iv) any similarly public or quasi-public improvements or facilities

6 1.4 Manager. The power, but not the duty, to employ or contract with a professional manager or management company to perform all or any part of the duties and responsibilities of the Association ("Manager"), and the power to delegate its powers to the Manager, committees, officers and/or employees

(a) Any such management agreement, or any agreement providing for management type services by

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Declarant to the Association, shall be for a term not in excess of one (1) year, renewable by agreement of the parties for successive 1-year periods, and any such agreement shall be terminable by the Association, acting through the Board, at any time (a) for cause upon thirty (30) days' prior written notice thereof, and (b) without cause (nor the payment of a penalty or termination fee) upon not more than ninety (90) days' prior written notice

6.1.5 Rights of Entry and Enforcement The power, but not the duty to, upon reasonable notice, enter upon any Lot, Parcel, Development Tract or Other Area within the Property without being liable to any Owner, tenant, subtenant user or occupant thereof except for damage caused by unreasonable action in connection with such entry, for the purpose of enforcing by peaceful means the provisions of this Declaration, or for the purpose of maintaining or repairing any such area if for any reason whatsoever the Owner thereof fails to maintain and repair any such area as required by this Declaration. The responsible Owner shall pay promptly all amounts due for such maintenance or repair work, and the reasonable costs and expenses of collection incurred by the Association. The cost of any such maintenance and repair which is the responsibility of any Owner shall be added to its Common Assessment. Unless there exists an emergency, there shall be no entry into a Residence, building or other structure without the prior written consent of the Owner thereof.

6.1.6 Other Services. The power and duty to maintain the integrity of the Association Property and GVR Common Areas and provide such other services as may be necessary or proper to carry out the Association's obligations and business under the terms of this Declaration in order to enhance the enjoyment by the Members of the Association Property, GVR Common Areas or GREEN VALLEY RANCH in general, or to facilitate the use by Members of any of the aforesaid

6.1.7 Legal and Accounting Services The power, but not the duty, if deemed appropriate by the Board or required by a governmental agency, to retain and pay for legal and accounting services necessary or proper in the operation of the Association, enforcement of this Declaration, or in performing any of the other duties or rights of the Association.

6.1.8 Construction on Association Property The power, but not the duty, by action of the Board, to construct new Improvements or additions to the Association Property or demolish existing Improvements.

6.1.9 Water Use Regulations. The power by action of the Board to establish upon recommendation of the Architectural Committee or the Water Use Committee such rules and regulations as recommended by any such Committee consistent with the respective Development Standards, Design Guidelines and/or the

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GVR Water Standards, fines and charges for violation thereof and right to enforce same

6 1 10 Indemnification. The power and duty to agree with the matters set forth in subparagraph 4 1 10 above and to indemnify Valley Electric Association, Inc., with respect to Association compliance therewith.

6 1 11 Additional. The Association shall also have the power and the duty to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration and to enforce, by mandatory injunction or otherwise, all of the provisions of this Declaration. If an action is brought by the Association, the prevailing party shall be entitled to its reasonable attorneys' fees to be fixed by the Court and court costs, at trial and on appeal.

6 2 Rules and Regulations The Board may adopt such Rules and Regulations as it deems proper and reasonable for the use of the Association Property and the GVR Common Areas. A copy of the Rules and Regulations, as they may from time-to-time be adopted, amended or repealed, shall be posted in conspicuous places within Association Property or may be mailed or otherwise delivered to each Member. Upon such mailing, delivery or posting, the Rules and Regulations shall have the same force and effect as if they were set forth herein; provided, however, that the Rules and Regulations shall be enforceable only to the extent that they are consistent with this Declaration, Chapter 116, the Articles and the Bylaws. The Rules and Regulations may not be used to amend any of such documents.

6 3 Audit Any Member, who may be accompanied by an accountant or any Mortgagee, may at any time and at its own expense cause an audit or inspection to be made of the books and records of the Association; provided that such audit or inspection is made during normal business hours and without unnecessary interference with the operations of the Manager of the Association or the Association.

## ARTICLE 7

### THE ASSOCIATION: VOTING RIGHTS AND LIMITATIONS

7 1 Voting Membership Subject to the rights specifically reserved to Declarant as set forth in Paragraph 7.2 below, the Association shall have one (1) class of voting membership. Members (who must be Owners) shall not have a direct voting right in the Association, but shall select Delegates from a respective Subassociation to the Association on a proportional basis as set forth in the Article hereof entitled "The Association: Subassociation Districts and Delegates".

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7.1.1 The Members within each Subassociation shall have with respect to the election of Delegates from the Subassociation equal voting power therein. The foregoing applies to all Subassociations whether within the Commercial Area or the Residential Area.

7.2 Rights Reserved to Declarant. Anything herein to the contrary notwithstanding, Declarant reserves for itself the absolute right to appoint or elect (i) members of the Board of Directors and (ii) the Officers of the Association for the period from the inception of the Association through the earlier of

7.2.1 Sixty (60) days after the conveyance of an aggregate 75% of all of the land within the Property (including all Annexable Area actually annexed hereto) to individual Builders, Developers, or other Owners other than Declarant (or an affiliate or subsidiary of Declarant), or

7.2.2 Two (2) years after any right to add all or any part of the Annexable Area to the Property was last exercised by Declarant

Declarant may designate on a non-exclusive basis the rights above reserved to one or more other persons or entities.

7.3 Special Rights of Owners Subject to the foregoing, not later than sixty (60) days after the last conveyance to Owners, other than Declarant, representing an aggregate of: (a) twenty-five percent (25%) of all of the real property within the Property, at least one (1) member of the Board and not less than twenty-five percent (25%) of all members of the Board must be elected by Delegates (on behalf of Owners) other than those representing Declarant, and (b) fifty percent (50%) of all of the real property within the Property, at least one-third (1/3) of the members of the Board must be elected by Delegates (on behalf of Owners) other than those representing Declarant

7.3.1 Upon termination of Declarant's rights under 7.2 above, the Delegates (on behalf of Owners) shall elect the members of the Board and a majority of those elected shall be Owners. Thereafter, the Board shall elect the designated officers of the Association. Upon such election, those persons so elected shall immediately take office.

7.3.2 A two-thirds (2/3) vote of all Delegates present and entitled to vote at a meeting of the Delegates at which a quorum is present may remove any member of the Board with or without cause except for a member(s) appointed by Declarant.



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## ARTICLE 8

### THE ASSOCIATION: SUBASSOCIATION DISTRICTS AND DELEGATES

8.1 Subassociation Districts There is hereby established within the Residential Area and within the Commercial Area Subassociation Districts. The number of Delegates per Subassociation District and the voting power of each Subassociation District shall be as set forth below.

8.1.1 The establishment and designation of each Subassociation District as to the Residential Area and as to the Commercial Area shall be made by Declarant pursuant to the Article hereof entitled "Annexation and Inclusion" and specifically Paragraph 16.3 et seq thereof either at the time the real property thereof is annexed hereto or prior to the initial conveyance by Declarant of any portion(s) of the land within the respective area to be so established as a Subassociation District. The Board in the absence of Declarant so doing shall assign an appropriate number or other identification designation for each Subassociation District within the Property.

8.2 Residential Area. Each portion(s) of land within the Residential Area of the Property whether encompassed within a Subdivision, group of Lots and/or Parcels, Development Tract or Other Area other than individual Residential Lots and Residential Parcels), Association Property, Subassociation Common Areas or GVR Common Areas shall be contained within a Subassociation District hereunder and shall be allocated thereto (i) a proportional number of voting rights in the Association and (ii) a specified number of Delegates in the Association, all as set forth below.

8.2.1 The establishment or creation of each Subassociation District shall be made by Declarant as provided in Paragraph 8.1.1 above. It is generally intended that a Subassociation District within the Residential Area of the Property shall not exceed approximately 500 dwelling units. (As to the foregoing, dwelling units includes single-family lots, condominium units and/or multi-family living units within an apartment community.)

8.2.2 Each Subassociation District shall elect one (1) Delegate for each one hundred twenty-five (125) Residential Lot(s) or Residential Parcel(s) (or proposed allowed Lot(s), units or the like therein or portion thereof). (For example, if a Subassociation District contains 160 Residential Lots (or is allowed such number of units or Lots) then that Subassociation District will be entitled to elect two (2) Delegates.) Each Subassociation District must have at least one (1) Delegate and there shall be one (1) alternate selected for each allowed and elected Delegate. The proportion of Voting Power within the Association attributable to each Delegate from a

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Residential Area Subassociation District shall be as set forth below

8.3 Commercial Area Each portion(s) of land within the Commercial Area of the Property whether encompassed within a Subdivision, Lot, Parcel, Development Tract or Other Area other than Association Property, Subassociation Common Areas or GVR Common Areas shall be contained within a Subassociation District hereunder and shall be allocated thereto (i) a proportional number of voting rights in the Association and (ii) a specified number of Delegates in the Association, all as set forth below

8.3.1 Each Subassociation District within the Commercial Area shall be entitled to elect one (1) Delegate for up to each twenty-five (25) acres or portion thereof contained within such Subassociation District. There shall be no fractionalization of the number of Delegates. (For example, if a Subassociation District contains 37 acres then that Subassociation District will be entitled to elect two (2) Delegates.) Each Subassociation District must have at least one (1) Delegate and there shall be one (1) alternate selected for each allowed and elected Delegate. The proportion of Voting Power within the Association attributable to each Delegate from a Commercial Area Subassociation District shall be as set forth below

8.4 Delegates Upon designation of a Subassociation District created for a Subdivision, group of Lots and/or Parcels, Development Tract or Other Area, then the respective land encompassed therein shall constitute a single cohesive Subassociation District. The election of a Delegate(s) to the Association for such Subassociation District shall be accomplished in the manner specified in the constituent documents of the Subassociation including the Subassociation Declaration. If no such manner of election is so specified, then the Delegate(s) therefrom shall be elected in the manner provided in the Subassociation Declaration for the election of members of the board of directors of the respective Subassociation. All Delegates and alternates shall serve a term of one (1) year from the date of their respective election. The right to vote in any such Subassociation District may not be severed or separated from the ownership of the property interest to which it is appurtenant

8.5 Voting Power of Subassociation Districts; Allocation Per Delegate There is hereby established for the Association an aggregate 120 voting rights (or interests) ("Voting Power") to be allocated throughout the entirety of the Property subject hereto as set forth below. The entire Commercial Area shall be allocated 25% thereof which equals 30 voting rights ("Commercial Voting Power") and the entire Residential Area shall be allocated 75% thereof which equals 90 voting rights ("Residential Voting Power"). (The foregoing is based upon the approximate percentages of Commercial Area and Residential Area that is intended to ultimately

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comprise the Property within Green Valley Ranch )

8.5.1 The Residential Voting Power shall be allocated proportionally to the Residential Area on an acreage basis of one (1) Residential Voting Power voting right for each ten (10) acres of real property encompassed within a Subassociation District (or interest) within the Residential Area. Such acreage shall be rounded to the nearest acre and then the nearest ten (10) acres overall. There shall be no fractionalization of Residential Voting Power. (For example, if a Residential Subassociation District contains 17.47 acres, then such District shall have two (2) votes of Voting Power ) A Subassociation District within the Residential Area must have Voting Power of at least one (1) vote.

8.5.2 The Commercial Voting Power shall be allocated proportionally to the Commercial Area on an acreage basis of one (1) Commercial Voting Power voting right (or interest) for each fifteen (15) acres of real property contained or encompassed within a Subassociation District within the Commercial Area. Such acreage shall be rounded to the nearest fifteen (15) acres and there shall be no fractionalization of Commercial Voting Power. (For example, if a Commercial Subassociation District contains 26.5 acres, then such District shall have two (2) votes of Voting Power ) A Subassociation District within the Commercial Area shall have Voting Power of at least one (1) vote

8.5.3 The allocations of Voting Power as above provided shall apply 100% respectively to the Property then subject to this Declaration, and shall be accordingly adjusted and proportionally reduced and reallocated amongst the Commercial Area or Residential Area, respectively, if Annexable Area is annexed hereto.

8.5.4 Each Delegate within a Subassociation District shall be allocated equal voting rights (or interests) with the other Delegates from such Subassociation District. The allocated voting rights (or interests) of each Subassociation District Delegate shall be determined by dividing the total number of voting rights (or interests) attributable to the Subassociation District by the number of Delegates of such District. Such result may include a fractional right. Each Delegate of a Subassociation District shall then have the respective voting right(s) within the Association as hereby established

8.6 Qualification; Delegates Per District. Each Subassociation District shall elect the above specified number of Delegates representing ultimate Owners within the Subassociation District (and one (1) alternate Delegate for each Delegate) to the Association to exercise the voting rights (or interests) of such Subassociation District. If the Owner is a corporation, partnership, or other such entity, the authorized agent of such corporation, partnership or other entity shall be eligible for

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election as a Delegate. The President and Secretary of each Subassociation District shall certify in writing to the Board of the Association the name and address of the Delegate(s) and alternate(s) so elected, the time and place of the meeting at which the election occurred and the Subassociation District which the Delegate(s) and alternate(s) represent.

8 6 1 Upon termination of any Delegate's membership in the Association, such Delegate's term of office shall immediately terminate and a new Delegate shall be elected or alternate delegated by the Subassociation board of directors to be the replacement or substitute Delegate. If a Delegate is not present at a duly called meeting of the Delegates, then the alternate for such absent Delegate may attend the meeting and exercise all rights, powers and votes to which the absent Delegate would be entitled. If the previously absent Delegate should arrive prior to the adjournment of any such meeting, the alternate shall no longer be entitled to act in the place of such Delegate, provided that such relinquishment of authority by the alternate shall not invalidate any matter previously voted or acted upon by the alternate in his temporary capacity as Delegate.

#### ARTICLE 9

##### THE ASSOCIATION: ASSESSMENTS AND LIENS

9.1 Types of Assessments; Personal Obligation Each Owner (including Declarant) of a Lot, Parcel, Development Tract or Other Area within the Property, by acceptance of a deed or other instrument of conveyance therefor, whether it shall be so expressed in such deed or such other instrument, is deemed to covenant and agree to pay to the Association (i) the respective annual Common Residential Assessments and Common Commercial Assessments for Common Expenses, (ii) Capital Improvement Assessments and Supplemental Common Assessments as specifically created hereunder, and (iii) other charges and levies as permitted by this Declaration; all such assessments to be established and collected as herein provided. Common Residential Assessments shall be applicable only to the Residential Area and the obligations thereof, and Common Commercial Assessments shall be applicable only to the Commercial Area and the obligations hereof.

9 1.1 All such assessments, together with interest, costs, and reasonable attorneys' fees for the collection thereof, shall be an obligation of each Owner and shall be a continuing lien upon each Lot, Parcel, Development Tract or Other Area within the Property subject hereto against which such assessment(s) is levied. The personal obligation for assessments shall not pass to the successor-in-title of any Owner unless expressly assumed by it.

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9.2 Purpose of Assessments All assessments and charges levied and collected by the Association shall be used solely for the common benefit of all of the Members of the Association for purposes authorized by this Declaration, as it may be amended from time-to-time. Disbursements from the Reserve fund shall be made by the Board only for the respective purposes specified in this Article. Disbursements from the Operating Fund(s) shall be made by the Board for such purposes as are necessary for the discharge of responsibilities herein for the common benefit of all of the Members, other than those purposes for which disbursements from the Reserve Fund are to be used. Nothing contained herein shall limit, preclude or impair the establishment by the Board of additional maintenance or other funds by the Association earmarked for specified purposes authorized by this Declaration.

9.3 Common Assessments; Imposition. Each annual Common Residential Assessment and Common Commercial Assessment shall constitute an aggregate of respective separate assessments for each of the Maintenance Funds as same pertain to the Residential Area and the Commercial Area, reflecting an itemization of the amounts assessed and attributable to prospective deposits into the Reserve Fund(s), the Operating Fund(s) and any other Maintenance Fund(s) established by the Association. Common Residential Assessments and Common Commercial Assessments shall each be established on a calendar year basis which coincides with the fiscal year of the Association, but may be levied and collected as otherwise set forth herein. The first year of the Association may be less than a full calendar year.

9.3.1 The first annual Common Assessment(s) shall be adjusted according to the number of months remaining in such calendar year. The Board shall annually establish or approve a separate budget and separate Common Assessment for the Residential Area and for the Commercial Area. Written notice of the amount of each proposed annual Common Residential Assessment and Common Commercial Assessment based upon such individual budget therefor along with a summary of or copy thereof, as approved by the Board, shall be promptly sent to every Delegate and Member respectively of the Residential Area and of the Commercial Area subject hereto. A meeting of the Delegates to consider separate ratification of the respective budget must be held not less than 14 days nor more than 30 days after such written notices.

(a) Each such budget shall be considered only by the Delegates from the respective Residential Area or Commercial Area, as the case may be, and shall be deemed ratified at such meeting unless a majority of the Delegates representing the Commercial Voting Power or the Residential Voting Power, as the

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case may be, rejects such applicable budget whether or not a quorum of the respective Delegates shall be present at such meeting. If budget shall be rejected as aforesaid, the last budget therefor so ratified shall continue in effect until a new budget is adopted by the Board and ratified as aforesaid.

9.3.2 All installments of Common Assessments shall be collected in advance on a regular basis by the Board, at such frequency (e.g. monthly, quarterly, etc.) and on such due dates as the Board shall determine from time-to-time in its sole and absolute discretion.

(a) The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer or agent of the Association, setting forth whether the assessments on a specified Lot or Parcel have been paid. A properly executed certificate of the Association as to the status of assessments against a Lot or Parcel shall be binding upon the Association as of the date of its issuance. Assessments may be paid by the Member to the Association in one check or in separate checks. If any payment is less than the amount assessed and the payment does not specify the Maintenance Fund or Funds into which it should be deposited, the payment received by the Association from that Member shall be credited in order of priority first to the Operating Fund and then to the Reserve Fund.

9.3.3 Common Assessments as to all of the Property (and any Annexed Area after its annexation) shall commence on the 1st day of the calendar month next following the close of escrow for sale by Declarant of a Lot, Parcel, Development Tract or Other Area to a Builder, Developer or Owner. Prior to such commencement, Declarant shall be liable for the actual costs to which such Common Assessments respectively pertain. Upon annexation of a portion of the Annexable Area being within the Residential Area and/or the Commercial Area, the Common Expenses respectively attributable thereto shall be re-determined and re-calculated to take into account the increased costs to the

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Association due to such annexation and the additional land added to the Property which is now assessable, and the respective budget therefor and Common Assessments shall be accordingly recomputed, and each respective Owner within the Commercial Area or Residential Area, as the case may be, shall be notified in writing of any such change in the amount thereof.

9 3 4 From time-to-time, the Board of Directors may determine that all excess funds remaining in the Operating Fund, over and above the amounts used for the operation of the Property, may be retained by the Association and utilized at the discretion of the Board to (i) reduce the following year's Common Assessment, (ii) add to one or more Reserve Fund(s), (iii) a combination thereof, or (iv) such other use(s) as reasonably determined by the Board consistent with this Declaration; provided, however, excess funds from Common Commercial Assessments may not be used with respect to Residential Area and vice versa.

(a) Upon dissolution of the Association incident to the abandonment or termination of the maintenance of the Association Property and the GVR Common Areas, any amounts remaining in any of the Maintenance Funds shall be distributed proportionately to or for the benefit of the respective Members.

9.4 Common Assessments: Allocation. Common Residential Assessments shall be charged to all Owners within the Residential Area, and Common Commercial Assessments shall be charged to all Owners within the Commercial Area, and shall be secured by the respective Owner's particular Lot, Parcel, Development Tract or Area for purposes of determining the respective Common Assessment of an Owner, the following allocations and computations shall pertain:

9 4.1 Common Expenses overall of the Association shall be allocated between the Residential Area and the Commercial Area then subject hereto based upon the respective operating budget for each such area therefor adopted by the Board and approved as aforesaid. Initially, the respective budget amount as to the Residential Area and as to the Commercial Area shall be allocated on a acreage basis within each respective Area. Such allocations shall likewise apply to Supplemental Common Assessments and Capital Improvement Assessments

9.4.2 As to the Residential Area, following the per acreage allocation described above, the respective Common Residential Assessments, Supplemental Common Assessments, if any, and Capital Improvement Assessments, if any, shall then be

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individually allocated to each respective Lot, Parcel, Development Tract or Area thereof, as follows.

(a) The Common Residential Assessments shall be pro-rated among all of the Lots, Parcels, Development Tracts and Areas of the Residential Area then subject to assessment based upon the respective square footage thereof applied to the per acre allocated assessment amount. As to Parcels (other than Residential Parcels) or Development Tract(s) zoned classified for single-family residential use, the actual number of Residential Lots shown on a tentative or final subdivision map of such Development Tract or Parcel shall initially be utilized for allocation purposes hereunder. Once a final subdivision map is Recorded, then the total number of Residential Lots therein shall be the controlling factor for allocations thereafter.

(b) As to Lots, Parcels, Development Tract(s) or Areas zone classified for multi-family residential use, the allocation of assessments shall be based upon the potential aggregate number of dwelling units allowed respectively thereon until such time as completion of actual improvements thereon by the Owner (Builder or Developer) which completion shall thereupon set the actual total number of dwelling units thereof for allocation purposes. (The number of such dwelling units shall be deemed the same as a group of Lots for allocation purposes as to such land.)

(c) As to Developmental Tracts or Areas having no tentative or final map approved or Recorded, then the potential maximum number of dwelling units or Residential Lots thereon allowed based upon the applicable Zone Classification and Ordinances



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shall be so utilized for allocation purposes until a final subdivision map is Recorded. The assessments herein shall be on an aggregate lump sum basis as to the Development Tract or Area until a final map shall be Recorded and individual Lot(s) created, if at all

9 4 3 As to the Commercial Area, following the per acreage allocation described above, the Common Commercial Assessments, Supplemental Common Assessments, if any, and Capital Improvement Assessments, if any, shall then be individually allocated to each respective Lot, Parcel, Development Tract or Area thereof, as follows:

(a) The Common Commercial Assessments shall be pro-rated among all such Lots, Parcels, Development Tracts and Areas within the Commercial Area based upon the respective square footage thereof applied to the per acre allocated assessment amount. Acreage shall be rounded up or down to the nearest one-tenth (1/10th) acre for calculation purposes. The assessments shall thereupon be levied on each individual Lot, Parcel, Development Tract or Area. In the event a commercially zoned Lot or Parcel shall be further divided by use of a subdivision map, parcel map or a metes and bounds legal description, then the respective allocation procedure hereunder shall apply thereto and the appropriate adjustments for the Lot or Parcel prior to and after the division shall be made with respect to assessments thereon.

9 4.4 Each Owner (whether Declarant, Builder, Developer, or other user) is obligated to notify the Association in writing accompanied by all appropriate Recorded or approved maps, building permits, legal description or the like evidencing a confirmation of a change in the number of Lots, Parcels, dwelling units or acreage within 30 days of a change or confirmation as aforesaid

9.5 Supplemental Common Assessments If the Association, by majority of the Voting Power of the Delegates

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separately representing each of the Residential Area and of the Commercial Area, determines that the important and essential functions and duties of the Association may only be properly carried out and funded by a one (1) time supplemental special assessment, then the Board may, by majority vote, levy an annual one (1) time supplemental Common Assessment ("Supplemental Common Assessment") therefor. Such supplemental Common Assessment may apply solely to the Residential Area or the Commercial Area, or both, as determined by the Board, but under no circumstances shall a combined obligation allocate more than fifteen percent (15%) of such Supplemental Common Assessment to the Commercial Area; any such allocation must be reasonably related to the use by and/or benefit to the Commercial Area. Each Owner of a Lot, Parcel, Development Tract or Other Area within the Property shall be fully obligated for its respective Supplemental Common Assessment. The allocations and computations thereof shall be as set forth in Paragraph 9.4 et seq. above, and shall be collected in the manner and frequency as determined by the Board.

9.6 Capital Improvement Assessments The Board, with the vote of Delegates representing at least a majority of the Voting Power of all Delegates of each of the Residential Area and of the Commercial Area, may levy, in any fiscal year, a Capital Improvement Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Association Property or GVR Common Areas, including fixtures and personal property related thereto. The allocation between Residential Area and Commercial Area shall be as determined by the Board, but in no event shall the Commercial Area be allocated more than fifteen percent (15%) of such Capital Improvement Assessment, any such allocation must be reasonably related to the use by and/or benefit to the Commercial Area. All Capital Improvement Assessments shall be fixed and levied in the same proportion as Common Assessments are levied as set forth in Paragraph 9.4 et seq. above, and shall be collected in the manner and frequency as determined by the Board.

9.7 Exempt Property. The following property subject to this Declaration shall be exempt from all of the assessments herein:

9.7.1 Those portions of the Property owned, dedicated to and/or accepted by a local governmental agency or authority.

9.7.2 Any Association Property owned in fee by the Association;

9.7.3 The GVR Common Areas; and

9.7.4 Subassociation Common Areas

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9.8 Default, Remedies. Any installment of a Common Residential Assessment, Common Commercial Assessment, Capital Improvement Assessment or Supplemental Common Assessment, not paid within thirty (30) days after the respective due date thereof as established by the Board, shall bear interest from the due date of such installment at a rate equal to the lesser of (i) twelve percent (12%) per annum, or (ii) Bank of America NT & SA "Reference Rate" as of the default date plus 5% ("Default Interest Rate"). The Board may establish a uniform late charge, in addition to the Default Interest Rate as described above, to compensate the Association for loss of use of funds, increased bookkeeping, billing and other administrative costs. No such late charge on any delinquent installment of an assessment when coupled with the aforesaid interest charge shall exceed the maximum amount of interest then allowable by Nevada law.

9.8.1 If any installment of any assessment hereunder is not paid within thirty (30) days after its due date, the Association may bring an action at law against the Owner personally obligated to pay the same, or file and foreclose the lien against the Owner's property interest securing same. If any installment of any such assessment is not paid within thirty (30) days after its due date, the Board may mail an acceleration notice to the Owner and to each First Mortgagee of the Owner's Lot, Parcel, Development Tract or Other Area who has requested a copy of the notice. The notice shall specify (i) the fact that the installment is delinquent, (ii) the action and amounts required to cure the default including interest and late charges, (iii) the date, not less than thirty (30) days from the date the notice is mailed to the Owner, by which such default may be cured, and (iv) that failure to cure the default on or before the date specified in the notice may result in (a) acceleration of the balance of the installments of the assessment for the then-current fiscal year in the case of Common Residential Assessments, Common Commercial Assessments, Supplemental Common Assessments or Capital Improvement Assessments, and (b) sale of the Owner's property interest subject hereto. The notice shall further inform the Owner of his right to cure the default after acceleration and before the actual foreclosure sale.

9.8.2 If the delinquent installment of assessments and any charges thereon are not paid in full on or before the date specified in the notice, the Board, at its option, may declare all of the unpaid balance of the particular assessment levied against such Owner and such Owner's Lot, Parcel, Development Tract or Other Area to be immediately due and payable without further demand, and may enforce the collection of the full assessment for such fiscal year and all charges and interest thereon in any manner authorized by law and this Declaration.

9.8.3 No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use

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of the Association Property or the GVR Common Areas or abandonment of his Lot, Parcel, Development Tract or Other Area within the Property

9.9 Notice of Lien No action shall be brought to enforce any assessment lien herein unless a Notice of Lien is (i) personally delivered to the delinquent Owner by a process server, (ii) delivered to the delinquent Owner by a recognized professional courier service, or (iii) deposited in the United States Mail, certified or registered, return receipt requested, postage prepaid, to the Owner of the Lot, Parcel, Development Tract or Other Area and an original executed and notarized copy thereof has been Recorded by the Association. Such Notice of Lien must state (a) the amount of the particular assessment and default interest, late charges, costs (including attorneys' fees) and expenses, (b) a legal description of the Lot, Parcel, Development Tract or Other Area against which the assessment was made, and (c) the name of the record Owner. The Notice of Lien shall be signed and acknowledged by an officer of the Association. The lien shall continue until fully paid or otherwise satisfied.

9.10 Foreclosure Sale Any such sale provided for above may be conducted by the Association, its agent or attorney in accordance with the provisions of Covenants No. 6, 7 and 8 of NRS Sections 107.030 and 107.090 insofar as they are consistent with the provisions of NRS Section 278A.160, or in any other manner permitted by law including NRS Section 116 et seq. The Association shall have the power to bid on the Lot, Parcel, Development Tract or Other Area at the foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Upon completion of the foreclosure sale, an action may be brought by the Association or the purchaser at the sale in order to secure occupancy of the defaulting Owner's property so sold, and the defaulting Owner shall be required to pay the reasonable rental value thereof during any period of continued occupancy by the defaulting Owner.

9.10.1 Unless otherwise permitted by law, no sale to foreclose an assessment lien may be conducted until (i) the Association, its agent or attorney has first executed and Recorded a notice of default and election to sell the real property interest or cause its sale ("Notice of Default") to satisfy the assessment lien, and (ii) the delinquent Owner or such Owner's successor in interest has failed to pay the amount of the delinquent assessment, default interest, costs (including attorneys' fees) and expenses incident to its enforcement for a period of sixty (60) days after such Recordation. Such sixty (60) day period shall commence on the first day following the day upon which the Notice of Default is Recorded and a copy thereof is sent or delivered as above provided to the Owner or such Owner's successor in interest at his address, if the address is known, and otherwise to the address of the Lot, Parcel, Development Tract or Area. The Notice of Default must describe the deficiency in payment. The Association, its agent or

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attorney shall, after the expiration of such sixty (60) day period and before the foreclosure sale, give notice of the time and place of the sale in the manner and for a time not less than that required by law for the sale of real property upon execution, except that a copy of the Notice of Default must be mailed on or before the first publication or posting by certified mail with postage prepaid to the Owner or such Owner's successor-in-interest at his address if known, and otherwise to the address of the Lot, Parcel, Development Tract or Other Area

9.11 Curing of Default Upon the timely curing of any default for which a Notice of Lien was filed by the Association, the Association shall Record an appropriate Release of Lien, upon payment by the defaulting Member of a reasonable fee to be determined by the Board, to cover the cost of preparing and Recording such release. A certificate, executed and acknowledged by any two (2) members of the Board or the Manager, stating the indebtedness secured by the lien upon any Lot, Parcel, Development Tract or Other Area created hereunder, shall be conclusive upon the Association as to the amount of such indebtedness as of the date of the certificate in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any Member upon request at a reasonable fee to be determined by the Board.

9.12 Cumulative Remedies. The assessment liens and the rights of foreclosure and sale hereunder shall be in addition to, and not in substitution for, all other rights and remedies which the Association and its assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid assessments, as above provided

9.13 Mortgage Protection. Notwithstanding all other provisions hereof, no lien created under this Article, nor any breach of this Declaration, nor the enforcement of any provision hereof, or of any Supplemental Declaration hereto, shall defeat or render invalid the rights of the Beneficiary or Mortgagee made in good faith and for value; provided (i) such Deed of Trust or Mortgage is Recorded prior to any notice of lien or notice of noncompliance Recorded pursuant to this Declaration, and (ii) after such Beneficiary, Mortgagee or other such Person obtains title to such Lot, Parcel, Development Tract or Other Area by foreclosure, deed or assignment in lieu thereof same shall remain subject to this Declaration and the payment of all installments of assessments, accruing subsequent to the date such Beneficiary, Mortgagee or other Person so obtains title

9.14 Priority of Lien. The lien of any of the assessments, including default interest, costs, expenses and attorneys' fees as provided for herein, shall be subordinate to the lien of any First Mortgage. The sale or transfer of any Lot, Parcel, Development Tract or Area shall not affect the assessment lien nor render it invalid or void. However, the sale or transfer

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of any Lot, Parcel, Development Tract or Area pursuant to judicial or nonjudicial foreclosure of a First Mortgage shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot, Parcel, Development Tract or Area from lien rights for any assessments thereafter becoming due.

9 14 1 When the Beneficiary or Mortgagee of a First Mortgage of Record or other purchaser of a property interest within the Property obtains title thereto through foreclosure thereof, the Person who acquires title and his successors and assigns shall not be liable for the share of any assessments levied by the Association chargeable to such Lot, Parcel, Development Tract or Area which became due prior to the acquisition of title thereto by such Person. Such unpaid assessments shall be deemed to become expenses collectible from all of the remaining Property hereunder, including the Lot, Parcel, Development Tract or Other Area belonging to such Person and his successors and assigns.

#### ARTICLE 10

##### THE ASSOCIATION: USE OF FUNDS

10.1 Maintenance Funds. The Board shall establish and maintain at least the following separate bank checking, savings and similar accounts (the "Maintenance Funds") into which shall be deposited all monies paid to the Association, and from which all disbursements shall be made, as provided herein, in the performance of functions by the Association under this Declaration.

10.1.1 An Operating Fund(s) for current Common Expenses of the Association as allocated between the Commercial Area and Residential Area based upon the respective budget therefor;

10.1.2 A Reserve Fund(s) for capital replacements, painting and major repairs and replacements of the landscaping and other Improvements within the Association Property and GVR Common Areas; and

10.1.3 Any other funds which the Board of Directors may establish to the extent necessary under the provisions of this Declaration.

a) Each of the Maintenance Funds shall be established as separate trust savings or trust checking accounts at federally insured banking or savings institutions taking into account the limits of such insurance and the solvency of

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the bank(s) or financial institution(s).

To qualify for higher returns on accounts held at banking or savings institutions, the Board may commingle any amounts deposited into any of the Maintenance Funds, provided that the integrity of each individual Maintenance Fund shall be preserved on the books of the Association by accounting for disbursements from, and deposits to, each Maintenance Fund separately. The Board is permitted to also utilize "conservative" or low or non-risk money market and similar funds in order to obtain higher yields on held funds.

#### ARTICLE 11

##### ARCHITECTURAL AND LANDSCAPING CONTROL

11.1 Purpose; Scope of Review No construction (new, renovated or remodeled), addition, alteration, grading, filling, excavation, modification, decoration, redecoration, reconstruction or landscaping of any portion of the Property or to an Improvement within the Property (including Association Property, GVR Common Areas and Subassociation Common Areas) or other activity within the jurisdiction of the Architectural Committee pursuant to this Declaration (collectively "Construction Activities") and the Design Guidelines shall be commenced or maintained by Declarant, any Owner, the Association, any Subassociation, Developer, Builder, tenant, subtenant, contract purchaser, other Person or party, until the detailed plans and specifications therefor showing the nature, kind, shape, height, width, color, materials and location of the same shall have been submitted to the Architectural Committee and approved in writing by the Architectural Committee. The specific intent and purpose of this Article is for the creation of overall harmony, aesthetic quality and consistency throughout GREEN VALLEY RANCH in light of the Design Guidelines and the Master Plan.

11.1.1 The Architectural Committee shall consider and act upon any and all plans and specifications submitted for its approval under this Declaration and perform such other duties as are specified in this Declaration, or are from time-to-time assigned to it by the Board, including the inspection of Construction Activities in progress to assure its conformance with such approved plans and specifications. The Architectural Committee shall approve plans and specifications submitted for its approval only if it deems that (a) the work contemplated thereby in the location(s) indicated will be in conformance with the Design Guidelines, and will not be detrimental to the appearance of the Property or GREEN VALLEY RANCH taken as a whole, (b) the work contemplated thereby is in conformity with the Master Plan as then approved, (c) the appearance of any structure affected thereby will be in harmony with the surrounding structures, (d) the construction thereof will not detract from the beauty, wholesomeness and attractiveness of GREEN VALLEY RANCH or the enjoyment thereof by

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the Owners, (e) the upkeep and maintenance thereof will not become a burden on the Association or a Subassociation, and (f) the intent and purposes aforesaid are satisfied

11 1 2 The Architectural Committee may condition its approval of proposals or plans and specifications for any Improvement or Construction Activities (a) upon the agreement by the person (referred to in this Article as 'Applicant') submitting the same to furnish to the Architectural Committee a bond or other security acceptable to the Architectural Committee in an amount reasonably sufficient to (i) assure the completion of such Improvement or Construction Activities or the availability of funds adequate to remedy any nuisance or unsightly conditions occurring as a result of the partial completion thereof, and (ii) protect the Association, Declarant and the other Owners against mechanic's liens or other encumbrances which may be recorded against their respective interests in the Property or damage to Association Property or GVR Common Areas as a result of such work, (b) on such changes therein as it deems appropriate under the terms and provisions of this Article; (c) upon the agreement by the Applicant to grant appropriate easements to the Association for the maintenance of the Improvement, and/or (d) upon the agreement of the Applicant to reimburse the Association for the cost of maintenance. The Architectural Committee may require submission by the Applicant of additional plans and specifications or other information prior to approving or disapproving a submittal.

11 1 3 The Architectural Committee may also issue rules or guidelines setting forth procedures for the submission of plans and specifications for approval or request for a certificate stating that Architectural Committee approval is not required), requiring a fee to accompany each application for approval or stating additional factors which it will take into consideration in reviewing submissions. The Architectural Committee may provide that the amount of such fee shall be uniform, or that it may be determined in another reasonable manner, such as based upon the reasonable cost of the construction, alterations or additions contemplated and/or the cost of architectural or other professional fees incurred by the Architectural Committee in reviewing same.

11 1.4 The Architectural Committee shall review and approve all plans and specifications submitted to it for any proposed Improvement, alteration or addition, solely on the basis of the considerations set forth in this Article. The Architectural Committee shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of any plan or design from the standpoint of structural safety or conformance with building or other codes, Ordinances, laws or the like or the GVR Water Standards as set forth below. Applicant must comply with all applicable governmental requirements



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11.2 Members of the Architectural Committee. The Architectural Committee shall consist of three (3) members. A member of the Architectural Committee may be removed at any time without cause by the Person specifically appointing such member as provided hereunder. Unless changed by resolution of the Board, the initial address of the Architectural Committee for all purposes, including the submission of plans and specifications for approval, shall be at the principal office of Declarant, 2501 N. Green Valley Parkway, Suite 101, Henderson, NV 89014. Attention: W. Bradley Nelson, Telephone (702) 458-8855, Fax (702) 435-6605.

11.3 Rights of Appointment

11.3.1 By Declarant. All of the members of the Architectural Committee shall be appointed and removed by Declarant until the earliest to occur of the following:

(i) At such time as Declarant shall have sold to unrelated third parties (a) at least ninety percent (90%) of all of the Residential Area and (b) at least ninety-five percent (95%) of all of the Commercial Area contained within the Property (and respectively including all Annexable Area that may have been added hereto); or

(ii) Twenty (20) years from the Recordation of this Declaration

11.3.2 The initial members of the Architectural Committee as appointed by Declarant are:

W. Bradley Nelson  
Kirk Brynjulson  
Dan Naef

Any changes to the membership of the Architectural Committee as made by Declarant shall be set forth in a recorded document therefor.

11.3.3 By the Board. The Board shall have the right to appoint and remove all members of the Architectural Committee after such time as Declarant's rights of appointment shall have fully expired, but not prior thereto. Architectural Committee members appointed by the Board shall serve for a term of one (1) year or until their respective successors are appointed by the Board.

11.4 Submission of Request. Persons submitting plans and specifications to the Architectural Committee ("Applicant") must

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obtain a written and dated receipt therefor and furnish the Architectural Committee with the address and telephone number to which communications from the Architectural Committee are to be directed.

11.4.1 The Architectural Committee may require such detail in plans and specifications submitted for its review as it deems proper taking into account the provisions of the Design Guidelines, including without limitation, floor plans, site plans, drainage plans, landscaping plans, elevation drawings and description or samples of exterior material and colors, and may require that plans and specifications be submitted in one or more stages. The Architectural Committee may further require that all plans and specifications first be approved by a Sub-association if that be appropriate. Until receipt by the Architectural Committee of any required plans and specifications (and any Subassociation approval if necessary), the Architectural Committee may postpone review of any submittal for approval (or determination of exemption). All plans and specifications shall be prepared by licensed (if licensing is required by federal, state, county or municipal regulations) or otherwise qualified land planners, architects, landscape architects, professional engineers, or other designers reasonably approved by the Architectural Committee.

11.5 Meetings of the Architectural Committee. The Architectural Committee shall meet from time to time as necessary to perform its duties hereunder. The Architectural Committee may from time-to-time, by resolution unanimously adopted in writing, designate an Architectural Committee Representative (who may, but need not, be one of its members) to take any action or perform any duties for and on behalf of the Architectural Committee, except the granting of variances or entitlements pursuant to this Article. In the absence of such designation, the vote of a majority of the members of the Architectural Committee, or the written consent of a majority of the members of the Architectural Committee taken without a meeting, shall constitute an act of the Architectural Committee.

11.6 Report of Decisions. The Architectural Committee shall endeavor to transmit to Applicant its decision(s) and the reasons therefor at the address furnished by the Applicant within forty five (45) days after the date of the aforesaid receipt issued by the Architectural Committee. Any application or a request for a certificate of exemption submitted pursuant to this Article shall not be deemed approved unless and until written approval is so given. A request from the Architectural Committee for additional information or materials may be given to the Applicant within forty-five (45) days after the date of receipt by the Architectural Committee of all submissions for the application and the period for report of a decision shall be accordingly extended.

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11.7 No Waiver of Future Approvals The approval of the Architectural Committee of any proposals or plans and specifications or drawings for any work done or proposed or in connection with any other matter requiring the approval and consent of the Architectural Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matters subsequently or additionally submitted for approval or consent.

11.8 Compensation The members of the Architectural Committee shall receive no compensation for services rendered, but may be reimbursed for reasonable out-of-pocket expenses incurred in performing their duties.

11.9 Correction of Defects Inspection of Improvement work, Construction Activities, and correction of defects therein shall proceed as follows.

11.9.1 The Architectural Committee, or its duly appointed representative, may at any reasonable time inspect any Improvement or Construction Activities. However, the Architectural Committee's right of inspection of Improvements for which plans and specifications have been submitted and approved shall terminate sixty (60) days after the work thereof has been completed and the respective Owner has given written notice to the Architectural Committee of such completion. The Architectural Committee's rights of inspection shall not terminate pursuant to this Paragraph if plans and specifications for the work of Improvement or Construction Activities have not previously been submitted to and approved by the Architectural Committee. If, as a result of such inspection, the Architectural Committee finds that such Improvement or Construction Activities was performed without obtaining prior approval by the Architectural Committee therefor and/or was not performed in substantial compliance with the plans and specifications so approved by the Architectural Committee, it shall notify the Owner in writing of the defect(s) or failure to comply with this Article within sixty (60) days from the date of inspection, specifying the particulars of noncompliance. The Architectural Committee shall have the authority to require the Owner to take such action as may be necessary to remedy the noncompliance.

11.9.2 If, upon the expiration of sixty (60) days from the date of such notification of a defect(s) or noncompliance by the Architectural Committee, the Owner has failed to remedy such defects or noncompliance, the Architectural Committee shall notify the Board in writing of such failure. Upon Notice and Hearing as provided in the Bylaws, the Board shall determine whether there is a noncompliance or defect(s) and, if so, the nature thereof and the estimated cost of correcting, curing or removing the same. If a noncompliance or defect exists, the Owner

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shall remedy, correct or remove the same within a period of not more than forty-five (45) days from the date of written notice from the Board of its ruling is given to the Owner. If the Owner does not so comply with the Board's ruling within said 45 day period, the Board, at its option, may Record a notice of noncompliance or defect and may peacefully remedy the defect or noncompliance, provided such remedial action shall not include entering a Residence, building or structure without the Owner's specific prior written consent. The Owner shall immediately reimburse the Association for expenses incurred in connection with such remedial action. The right of the Association to peacefully remove a noncomplying Improvement or otherwise peacefully remedy the noncompliance or defect shall be in addition to all other rights and remedies which the Association may have at law, in equity, and under this Declaration.

11.9.3 If for any reason the Architectural Committee fails to notify the Owner of any noncompliance or defect with previously submitted and approved plans and specifications within sixty (60) days after receipt of such written notice of completion from the Owner, the Improvement shall be deemed to be in accordance with such approved plans and specifications.

11.9.4 All Construction Activities, renovation, remodeling, construction, alteration or any other work shall be performed promptly and diligently and shall generally be completed by the earlier of (i) the date specified by the Architectural Committee, or (ii) one (1) year after the date on which the work commenced, except as to Subdivisions, Development Tracts or large scale Areas which by their nature will reasonably require a longer or extended period of time to be so completed.

11.10 Variances The Architectural Committee may specifically authorize variances from compliance with any of the architectural and landscaping control provisions of this Declaration (or any Supplemental Declaration), including, without limitation, restrictions upon height, size, floor area or placement of structures, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may require. Such variances must be specifically evidenced in writing, must be signed by at least majority of the members of the Architectural Committee, and shall become effective upon Recordation. If such variance(s) is granted, no violation of the covenants (or any Supplemental Declaration) shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration (or any Supplemental Declaration) for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all governmental laws, Ordinances, codes and regulations affecting its use of the property.

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in question, including but not limited to zoning ordinances and setback lines or requirements imposed by applicable governmental authorities

11 11 Consultants The Architectural Committee may at its discretion engage one or more architects, engineers or the like on a consultant-type basis to review and advise the Architectural Committee in connection with its review of a submission by an Applicant. The Applicant shall be obligated to pay for, or reimburse, the Architectural Committee or the Association for the reasonable costs of any such consultant(s) with respect to the Applicant's submission hereunder

11 12 Exemptions. The Architectural Committee may exempt certain types or classes of Improvements from the provisions of this Article under written guidelines or rules promulgated from time-to-time by the Architectural Committee if, in the exercise of the Architectural Committee's sole judgement, approval of such types or classes of Improvements is not required to carry out the purposes of this Declaration, and provided such action is not in contravention of the Developmental Standards.

## ARTICLE 12

### WATER USE AND CONSERVATION

12.1 Water Standards. Each Owner that acquires title to a portion of the Property does so with the knowledge that the amount of water to be supplied to the Property, as allocated by the City of Henderson, is limited, and that the utilization of water management and water conservation procedures shall be and is required. Each Owner (whether a Builder, Developer or otherwise), occupant, tenant or subtenant, licensee, invitee, user or agent shall utilize water conservation measures in construction, maintenance and landscaping in order to comply with all water conservation and waste prevention requirements of the City of Henderson and the State of Nevada, and so that the Owner's Lot, Parcel, Development Tract or Area shall theoretically not use more than the amount of water allocated to it by the City of Henderson.

12.1 1 The construction and maintenance of all Improvements within the Property, including landscaping, shall be performed in compliance with the Water Conservation Standards prepared by HOH Associates, Inc, dated September 1992, as the same may from time-to-time be supplemented or amended by Declarant (the "GVR Water Standards"), as same respectively apply to Residential Areas, Commercial Areas and all other general open space and common areas within the Property. A copy of the GVR Water Standards, in its current form, is attached hereto marked Exhibit D and incorporated herein by this reference. Moreover, the provisions of any water use and water conservation laws, Ordinances and regulations, adopted, or to be adopted, by the City of Henderson or

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the State of Nevada, as such may be from time-to-time supplemented or amended, are also incorporated herein by this reference, and are subject to enforcement as provided in this Article

12.1.2 The GVR Water Standards may be amended or supplemented by Declarant from time-to-time, but in no event shall any such amendment apply retroactively to Improvements completed prior to the date of the amendment

12.1.3 The rights of Declarant under this Article shall exist until such time as Declarant, or a successor-in-interest, no longer owns any property within GREEN VALLEY RANCH

12.2 Review Committee A Committee of three (3) individuals has been created to perform the functions of the Water Use Committee as set forth herein and in the GVR Water Standards.

12.2.1 By Declarant. Declarant shall have the exclusive right to make the original appointments to the Water Use Committee and any and all replacements thereof until such time as Declarant's rights terminate pursuant to subparagraph 12.1.3 above. In the event of the death, disability or resignation of any member of the Water Use Committee, Declarant shall appoint a replacement member within thirty (30) days of such death, disability or resignation and, pending such replacement, the remaining member or members of the Water Use Committee shall have full authority to act. Any change in membership of the Water Use Committee shall be evidenced by an instrument signed and acknowledged by Declarant, which shall specify the name of the replacement member or members, and shall be recorded in the Clark County Recorder's Office. The initial three (3) members of the Water Use Committee are:

Eric A. Traub  
Victor Druskin  
W. Bradley Nelson

(a) The Water Use Committee may be contacted c/o Declarant, 2501 North Green Valley Parkway, Suite 101, Henderson, Nevada 89014, Attention: W. Bradley Nelson, Telephone (702) 458 8855 and Fax (702) 435-6605.

(b) Declarant may assign the right of appointing and replacing Water Use Committee member(s) to the Association's Board of Directors. Any such assignment may be conditioned upon the continuing effective existence of the Association.

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12.2.2 By the Association. Upon expiration of Declarant's rights or an assignment by Declarant as aforesaid, such rights of appointment, removal and the like shall be exercised by the Association through its Board of Directors.

12.3 Submission and Approval All exterior Improvements including landscaping, streetscaping and the like to be constructed on any Lot, Parcel, Development Tract, Other Area, Association Property, GVR Common Areas or Subassociation Common Areas must be approved by the Water Use Committee in accordance with the criteria set forth in the GVR Water Standards. The Water Use Committee shall not arbitrarily or unreasonably withhold its approval of plans and specifications submitted to it, and if the Water Use Committee fails to either approve or disapprove any such plans and specifications within thirty (30) days after receipt of a full and complete set thereof, it shall be conclusively presumed that the Water Use Committee has approved the same, subject only to the provisions hereof. The approval of the Water Use Committee may be more stringent than that allowed by the Ordinances or otherwise by the City of Henderson.

12.3.1 At least two (2) complete sets of all plans and specifications must be submitted to the Water Use Committee for a filing to be made and shall, if approved, be marked and stamped "Approved" with the date of such approval and one (1) complete set thereof shall be the property of the Water Use Committee and shall constitute the original record of the plans and specifications approved for construction, installation or development for the particular activity to which such plans and specifications refer, the other set shall be returned to the applicant or submitting party.

12.3.2 In the event of any material change in exterior or landscape plans and specifications previously approved by the Water Use Committee, such changes must be reviewed and approved by the Water Use Committee upon application therefor which approval shall be governed by the GVR Water Standards and Ordinances as then in effect.

12.4 Limitation of Liability. Neither Declarant, its respective successors or assign, the Board, the Association or the Water Use Committee, nor any employee or agent of any of them, shall be liable in damages to any anyone submitting plans and specifications for approval by reason of mistake in judgment, negligence or nonfeasance arising out of, or in connection with, the approval, disapproval, or failure to approve any such plans.

12.5 Violation, Enforcement. The violation or breach of any restriction or other provision of this Article ("violation") shall give to Declarant, the Water Use Committee, or the Association through the Board the right to institute a proceeding at law or in equity against such violating party to enjoin and

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prevent such party from continuing such violation, as well as to cause the abatement of an existing violation and to recover damages therefor

12.5 1 The result of every act or omission whereby any restriction or other provision contained in this Article is violated, in whole or in part, is declared to be and to constitute a nuisance, and every remedy allowed by law or in equity against a violating party shall be applicable against such violation and may be exercised by Declarant, the Water Use Committee, by any other Owner and/or the Association. Damages for any breach hereof are hereby declared not to be the only or sole adequate compensation and any breach or violation and/or the threat or continuance thereof may be enjoined or abated by appropriate proceedings as aforesaid.

12.5 2 In any proceeding for the enforcement of the provisions hereof, the prevailing party shall be entitled to its reasonable attorneys' fees and court costs in such amount as may be fixed by the Court in such proceeding. All remedies provided herein shall be cumulative and in addition to any other rights and remedies which a party may have.

12.5 3 The failure of Declarant, the Water Use Committee or the Association to enforce any restriction or other provision of this Article shall in no event be deemed to be a waiver of the right subsequently to do so nor a waiver of the right to enforce any other provision hereof

12.6 Fines. The Association by its Board acting upon a recommendation of the Water Use Committee shall have the authority to establish and uniformly levy and enforce fines or charges against any person or persons who have breached or violated the provisions of this Article. Any such fine shall be a lien upon the Lot, Parcel, Development Tract or Area of the Property upon which the violation has occurred. Prior to the levy of any such fine, the Water Use Committee shall give the violating Owner or other party written notice of the violation and a reasonable period of time to cure such violation. If the violating Owner or other party fails to timely cure same, then the Association through the Board may levy a fine, and the lien of such fine enforced in the manner provided for the enforcement of assessment liens as provided in the Article hereof entitled "The Association: Assessments, Use of Funds".

12 7 Inspection Declarant, the Water Use Committee or the Association, their agents, representatives and employees may, from time-to-time, at any reasonable hour, enter and inspect the property or portion thereof under question as to Construction Activities thereon as approved herein or a violation hereof in general, for the purpose of ascertaining compliance with the provisions hereof. Nothing herein shall authorize or permit the



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entering into of any private dwelling, Residence, building or the like without the specific written permission of the Owner thereof

12.8 Mortgage Protection. Notwithstanding all other provisions hereof, no lien created under this Article and enforced as above provided, nor any breach of this Article, nor the enforcement of any provision hereof, or of any Supplemental Declaration hereto, shall defeat or render invalid the rights of a Mortgagee or Beneficiary, made in good faith and for value, provided (i) such Deed of Trust or Mortgage is Recorded prior to any notice of lien or notice of violation and (ii) after such Mortgagee or Beneficiary or other person obtains title to such Lot, Parcel, Development Tract or Other Area by foreclosure or in any other manner, such Lot, Parcel, Development Tract or Other Area shall remain subject hereto.

#### ARTICLE 13

##### INTERESTS AND EXEMPTION OF DECLARANT

13.1 Interest of Declarant. Each Owner of land which is a part of the Property acknowledges by recordation of a deed or other instrument of conveyance thereof, whether or not it shall be so expressed in any such deed or other instrument, that Declarant has a substantial interest to be protected with regard to the overall development of GREEN VALLEY RANCH, and thus assuring compliance with and enforcement of this Declaration and any amendments thereto (and any Supplemental Declaration) Notwithstanding any other provisions of this Declaration, until such time as Declarant no longer owns at least 90% of the Property (including all Annexable Area annexed hereto), the following actions, before being undertaken by the Members of the Association, shall first be approved in writing by Declarant:

13.1.1 The levy of a Capital Improvement Assessment for the construction of new facilities not originally included in or on the Association Property or GVR Common Areas; and

13.1.2 Any significant reduction of Association maintenance or other services.

13.2 Exemption of Declarant. Nothing in this Declaration shall limit and no Owner, or the Association shall do anything to interfere with the right of Declarant to (i) modify the Master Plan with all requisite governmental approvals, or (ii) perform and complete excavation, grading, filling, construction, development and landscaping to and on any portion of the Property, or to alter the foregoing and its construction plans and designs, or (iii) to construct such additional improvements as Declarant deems advisable in the course of development of GREEN VALLEY RANCH until such time as Declarant shall not own any portion of the Property. Such right shall include, but not be limited to, grading work as may be

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approved by any agency having jurisdiction, and erecting, constructing and maintaining on the Property such structures, signs and displays as may be reasonably necessary for the conduct of its business of developing, leasing, selling, managing and operating GREEN VALLEY RANCH. This Declaration shall not limit the right of Declarant, at any time prior to actual sale of land within the Property, to establish on that land additional licenses, easements, reservations and rights-of-way to itself, to utility companies, to governmental agencies or to others as may from time-to-time be reasonably necessary to the proper development, utilization and disposal of the Property.

13.2.1 All or any portion of the rights of Declarant hereunder and elsewhere in this Declaration may be assigned on a non-exclusive basis by Declarant to any successor-in-interest to any portion of the Property (and as to the Annexable Area) by an express Recorded written assignment which specifies the rights of the assignor so assigned. Notwithstanding any other provision of this Declaration, the prior written approval of Declarant (which approval shall not be unreasonably withheld), as master planner and developer of the Property, will be required before any amendment to this Article shall be effective.

13.2.2 The rights and reservations set forth in this Article shall terminate on the earlier of (a) the date Declarant no longer owns any land within the Property, or (b) the tenth (10th) anniversary after the recording of this Declaration.

#### ARTICLE 14

##### ASSOCIATION PROPERTY:

##### DAMAGE, DESTRUCTION, OR CONDEMNATION

14.1 Damage to, destruction of or condemnation of all or any portion of the Association Property shall be handled as follows:

14.1.1 Damages by Owner To the extent permitted by law, each Owner shall be liable to the Association for any damage to the Association Property or GVR Common Areas not fully reimbursed to the Association by insurance if the damage is sustained because of the negligence, willful misconduct or unauthorized or improper installation or maintenance of any improvement by the Owner, his guests, occupants, tenants, subtenants, licensees or invitees, or any other Persons deriving their right and easement of use and enjoyment of the Association Property or GVR Common Areas from the Owner, or his or their respective Family and guests, both minor and adult. However, the Association, acting through the Board, reserves the right to determine whether any claim shall be made upon the insurance maintained by the Association, and the Association further reserves

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the right, after Notice and Hearing as provided in its Bylaws, to add to the Common Assessments of any Member or the Person for whom the Member may be liable as described above. In the case of joint ownership of a Lot or Parcel, the liability of the Owners shall be joint and several, except to the extent that the Association shall have previously contracted in writing with the joint Owners to the contrary. After Notice and Hearing as provided in the Bylaws, recovery of the cost of correcting the damage to the extent not reimbursed to the Association by insurance may be enforced as provided herein

14 1.2 Repair of Damages In the case of damage by fire or other casualty to the Association Property or GVR Common Areas, any insurance proceeds payable by reason thereof shall be paid to the Association, which thereupon shall contract for the repair or replacement the property so damaged. Notwithstanding the foregoing any restoration or repair of Association Property or GVR Common Areas after damage due to an insurable hazard shall be performed substantially in accordance with the original installation unless other action is approved by holders of fifty-one percent (51%) of the First Mortgages on Lots and Parcels, but under no circumstances in contravention of the Design Guidelines

14 1.3 Condemnation. If at any time all or any portion of the Association Property, or any interest therein, is taken for any public or quasi-public use, under any statute, by right of eminent domain or by private purchase in lieu of eminent domain, the award in condemnation shall be paid to the Association. Any such award payable to the Association shall be deposited in the Operating Fund. No Member (other than a Member on whose Lot or Parcel Association Property may be located) shall be entitled to a participate as a party, or otherwise, in any proceeding relating to such condemnation. The Association shall have the exclusive right to participate in such proceedings and shall, in its name alone, represent the interests of all Members. The Board of Directors immediately upon having knowledge of any taking (or threat of a taking) by eminent domain of Association Property, or any portion thereof, shall promptly notify all Members and all insurers, guarantors and holders of First Mortgages within the Property

## ARTICLE 15

### INSURANCE

15 1 Duty to Obtain Insurance. The Board shall be responsible to procure and maintain, or cause to be procured and maintained, for the Association, the Association Property, GVR Common Areas and any other property or areas over which the Association may have duties and responsibilities, the various types of insurance as outlined herein. All such insurance shall be for the benefit and protection of the Owners, Association, Members, the

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Board, Architectural Committee, Declarant and holders, insurers and guarantors of Mortgages, as their interests may appear, but subject to loss payment provisions as set forth below

15.2 Required Coverage. The Board shall procure and maintain the following:

15 2.1 Public liability and property damage insurance (including medical payments) arising out of a single occurrence of not less than an aggregate \$5 million or such greater amounts as may be required by the Federal National Mortgage Association ("FNMA"), any governmental agency having jurisdiction over the Association Property and GVR Common Areas or as reasonably determined by the Board. The deductible shall not exceed \$10,000 00.

(a) Such liability insurance coverage may be of a layered variety with not less than \$1 million of primary coverage coupled with umbrella or additional blanket coverage up to at least said \$5 million minimum coverage as aforesaid.

15 2.2 Fire and casualty insurance with extended coverage of not less than 90% of the full replacement value for insurable Improvements situated on Association Property and GVR Common Areas. Such insurance shall not include any deduction for depreciation of such Improvements, the deductible shall not exceed \$5,000 00 per occurrence and there shall be no co-insurance required or applicable.

15.2 3 Fidelity bond coverage in such reasonable amount(s) as the Board concludes is sufficient for protection of the Association and its Members. If the Association has employees and/or will be directly handling funds and monies, then such fidelity coverage must include the directors, officers, trustees, employees, Manager and agents of the Association. If an independent Manager shall be engaged by the Association and such Manager shall be responsible for all funds and monies of the Association, then such Manager shall provide to the Association said fidelity coverage for the Manager's officers, directors, employees and agents

(a) The amount of such fidelity bond coverage shall not be less than the aggregate of (i) three (3) months' Common Assessments within the Property plus (ii) the highest amount anticipated to be in the Reserve Fund(s) during the particular fiscal year

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15.2.4 Statutory industrial insurance coverage as required by the State of Nevada in the event the Association shall have employees. If an independent manager or agent shall be engaged by the Association, then such Manager or agent shall be required to maintain such coverage.

15.2.5 Such other or additional insurance coverage, as deemed necessary or prudent by the Board, including but not limited to, errors and omissions, directors, officers and agents' liability insurance; plate glass insurance, medical, health, life and other related coverage; malicious mischief; liquor liability; vandalism and such other risks as shall customarily be covered with respect to projects similar in nature and use.

15.2.6 Notwithstanding any other provision herein, the Association shall continuously maintain in effect such casualty and flood insurance covering Association Property or GVR Common Areas meeting the minimum requirements established by FNMA, the Government National Mortgage Association ("GNMA"), the Federal Home Loan Mortgage Corporation ("FHLMC"), VA and HUD/FHA, so long as any of such agencies is an Owner of a Lot, Parcel, Development Tract or Other Area or holder, insurer or guarantor of a Mortgage thereon, except to the extent such coverage is not available or has been waived in writing by the FNMA, GNMA, FHLMC, VA or HUD/FA, as applicable.

15.3 Annual Insurance Review. The Board shall review the insurance carried by or on behalf of the Association, at least annually, for the purpose of determining the types, amounts and deductibles of coverage to be so carried. If economically feasible, the Board shall obtain a current appraisal or valuation of the full replacement value of the Improvements on Association Property and GVR Common Areas, without deductions for depreciation, from a qualified independent insurance appraiser, prior to each such annual review.

15.4 Trustee for Proceeds The Association, acting through its Board of Directors, shall be the named insured under policies of insurance purchased and maintained by the Association. All insurance proceeds under any such policies as provided for in this Article shall be paid to the Board of Directors as Trustees. The Board shall have full power to receive and to receipt for the proceeds and to deal therewith as provided herein. Insurance proceeds shall be used by the Association for the repair or replacement of the property or Improvements for which the insurance was carried. The Board is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers, with participation to the extent they desire, of First Mortgagees who have filed written requests within ten (10) days of receipt of notice of any damage or destruction. Any two (2) Directors of the Association may sign a loss claim for and release form in connection with the settlement of a loss claim, and such signatures

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shall be binding on all of the named insureds. Notwithstanding the foregoing, there may be named as an insured a representative chosen by the Board, including a trustee, with whom the Association may enter into an insurance trust agreement, or any successor to such trustee, who shall have exclusive authority to negotiate losses under any policy providing property or liability insurance and to perform such other functions as are necessary to accomplish this purpose.

15.4.1 Except as otherwise specifically provided in this Declaration, the Board, acting on behalf of the Association and all Members, shall have the exclusive right to bind such parties in respect to all matters affecting insurance carried by the Association, the settlement of a loss claim, and the surrender, cancellation and modification of all such insurance.

15.5 Insurance Premiums. Insurance premiums for any insurance coverage obtained by the Association, any other insurance deemed necessary by the Board of Directors and such other insurance coverage hereafter required by First Mortgagees shall be a Common Expense to be included in the Common Assessments levied by the Association and collected from the Members. That portion of the Common Assessments necessary for the required insurance premiums shall be separately accounted for by the Association in the Reserve Fund to be established hereunder.

15.6 Notice of Expiration Requirements. If available, all of the policies of insurance maintained by the Association shall contain a provision that such policy or policies shall not expire or cause to be canceled, terminated, or materially modified without at least twenty (20) days' prior written notice to (i) the Board and Declarant, and (ii) those Owners and holders, insurers or guarantors of First Mortgages who have filed a written request with the carrier for such notice, and every other Person-in-interest who requires such notice of the insurer.

(a) Fidelity bond coverage shall not be canceled or substantially decreased unless each FNMA servicer servicing First Mortgages held by FNMA on Lots or Parcels and the insurance trustee, if any, appointed pursuant to this Article has received twenty (20) days' prior written notice of such cancellation or decrease in fidelity bond coverage.

15.7 Duplicate originals or certificates of all policies of fire and casualty insurance together with proof of payment of premiums shall be delivered without charge by the Association to all Mortgagees who have requested the same in writing. Any Owner

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may request a copy of any insurance policy carried by the Association and such copy shall be delivered within fifteen (15) days of such request, the Board may levy a fee to cover its costs therefor.

15.8 Required Waivers All policies of casualty, physical damage or destruction insurance shall provide, if reasonably possible, for waiver of the following rights to the extent that the respective insurers would have the rights without such waiver:

15.8.1 Subrogation of claims against the Owners, tenants, subtenants, licensees, invitees, users and occupants of the Owners;

15.8.2 Any defense based upon coinsurance;

15.8.3 Any right of setoff, counterclaim, apportionment, proration or contribution by reason of other insurance not carried by the Association;

15.8.4 Any invalidity, other adverse effect or defense on account of any breach of warranty or condition caused by the Association, any Owner or any tenant, subtenant, licensee, invitee, user, or occupant of any Owner, or arising from any act, neglect, or omission or any named insured or the respective agents, contractors and employees of any insured;

15.8.5 Any right of the insurer to repair, rebuild, or replace, and, if the Improvement is not repaired, rebuilt, or replaced following loss, any right to pay under the insurance an amount less than the insured replacement value of the Improvements;

15.8.6 Notice of the assignment of any Owner of his interest in the insurance by virtue of a conveyance of any Lot or Parcel; and

15.8.7 Any right to require any assignment of any Mortgage to the insurer.

15.9 Waiver of Claims. As to all policies of insurance maintained by or for the benefit of the Association and the Owners, the Association and the Owners hereby waive and release all claims against one another, the Board of Directors, and Declarant to the extent of the insurance proceeds available, whether or not the insurable damage or injury is caused by the negligence of or breach of any agreement by any of such Persons.

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15.10 Obligation of Owners to Insure Each Owner may obtain insurance on his personal property and all other Improvements located on his Lot, Parcel or other land within the Property. Nothing herein shall preclude any Owner from carrying any public liability insurance as he may deem desirable to cover his individual liability for damage to person or property occurring on or in his individual Lot, Parcel or elsewhere. If obtainable, such liability insurance coverage carried by an Owner shall contain a waiver of subrogation of claims against the Declarant, the Association, the Board, their agents and employees and all other Owners. Such other policies shall not adversely affect or diminish any liability insurance coverage obtained by the Association. If any loss intended to be covered by insurance carried by the Association shall occur and the proceeds payable thereunder shall be reduced by reason of insurance carried by any Owner, such Owner shall assign the proceeds of such insurance carried by him to the Association, to the extent of such reduction, for application by the Board to the same purposes as the reduced proceeds are to be applied.

15.11 Subassociation Insurance Coverage. Each Subassociation shall procure and maintain public liability and property damage insurance with respect to its management, operations and activities including Subassociation Common Areas of not less than \$2 million combined single-limit coverage. The Board of the Association reserves the right to require reasonable increases in such minimum amount in consideration of periodic increases in the consumer price index and changes in general economic conditions. The Association shall be named as an additional insured on each such policy so procured and maintained by a Subassociation and a certificate duly endorsing the Association thereon shall be timely delivered to the Association. Each Subassociation shall also procure and maintain such other insurance coverages and in amounts as required by the Subassociation Declaration, Nevada law, governmental agencies having jurisdiction thereof and prudent standards of association management and operation.

15.11.1 All premium costs for the insurance carried by a Subassociation shall be a charge against the members thereof and the Association shall have no liability or obligation with respect thereto or therefor.

## ARTICLE 16

### ANNEXATION AND INCLUSION

16.1 Annexation Declarant (subject to the provisions of this Article) may, but shall not be required to, at any time or from time-to-time, add to the Property covered by this Declaration all or any portion of the land described on Exhibit B attached



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hereto ("Annexable Area") then owned by Declarant (or successors and assigns) by Recording one or more declaration(s) of annexation ("Declaration of Annexation") with respect to the land to be so annexed ("Annexed Property"). The Annexable Area need not be contiguous nor adjacent to the Property

16.1.1 Upon the Recording of a Declaration of Annexation covering any portion of the Annexable Area and containing the provisions set forth herein (which Declaration of Annexation may be contained within an additional or supplemental declaration affecting any such Annexed Property), all of the terms and provisions contained in this Declaration shall apply to the Annexed Property from and after the Recording of said Notice of Annexation in the same manner as if it were originally covered in this Declaration and originally constituted a portion of the Property consistent with the provisions of Paragraph 2.4 above; if such Declaration of Annexation shall also be a Declaration of Inclusion (described below), then all provisions of this Declaration (including Articles 7 through 9) shall apply thereto, and, thereafter the rights, obligations, privileges, duties and liabilities of the parties to this Declaration with respect to the original Property and the rights, obligations, privileges, duties and liabilities of the Owners, tenant, users, occupants and mortgagees of land within the Annexed Property shall be the same as in the case of such land originally affected by this Declaration.

16.2 Declaration of Annexation. The Declaration of Annexation referred to above shall be executed and acknowledged by Declarant and Recorded and shall contain at least the following provisions:

16.2.1 A reference to this Declaration, which reference shall state the date of Recordation hereof and the Instrument number or other relevant Recording data of the Clark County Recorder's Office;

16.2.2 A statement that the provisions of this Declaration shall fully apply to the Annexed Property;

16.2.3 An exact description of the Annexed Property;

16.2.4 A description or designation of any land to become Association Property, GVR Common Areas and/or Subassociation Common Areas included within the Annexed Property, if identifiable at such time of Recording,

16.2.5 The designation of the Subassociation District(s) applicable to the Annexed Property, and

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16.2.6 Statement that the Annexable Property is to be considered as included for all purposes consistent with Paragraph 16.3 below

As a condition precedent to any annexation of the Annexable Area, VA and HUD/FHA, as applicable, shall be advised of any such annexation, shall determine that the annexation is in accordance with the requirements of VA and HUD/FHA, and shall so notify Declarant, and the City of Henderson shall have amended or modified the Master Plan so as to include such Annexable Area therewith. Recording of a Declaration of Annexation shall presume the necessary approvals therefor have been received.

16.3 Declaration of Inclusion. From time to time, Declarant may add or include portion(s) of the Property subject hereto to the provisions of Articles 7 through 9 of this Declaration ("Included Property"). Each Declaration of Inclusion referred to herein shall be executed and acknowledged by Declarant and Recorded and shall contain at least the following provisions:

16.3.1 A reference to this Declaration, which reference shall state the date of Recordation hereof and the instrument number or other relevant Recording data of the Clark County Recorder's Office,

16.3.2 A statement that the provisions of said Articles 7 through 9 shall fully apply thereto,

16.3.3 An exact description of the Included Property;

16.3.4 A description or designation of any land within the Included Property to become Association Property, GVR Common Areas and/or Subassociation Common Areas; and

16.3.5 The description(s) and designation(s) of the Subassociation District(s) applicable to the Included Property.

## ARTICLE 17

### AMENDMENT

#### 17.1 Procedures.

17.1.1 By Declarant. Prior to the expiration of Declarant's right to add the Annexable Area hereto, the provisions of this Declaration may be amended or terminated by Recordation of a written instrument signed by Declarant setting forth such amendment or termination.

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(a) Anything in this Article to the contrary notwithstanding, Declarant reserves the right to amend all or any part of this Declaration to such an extent and with such language as may be requested by governmental mortgage insurance agencies, and to further amend to the extent requested by any other federal, state or local governmental agency which requests such an amendment as a condition precedent to such agency's approval of this Declaration, or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Lot(s) or Parcel(s) or any portions thereof within the Property. Any such amendment shall be effectuated by Declarant Recording an instrument of amendment therefor.

(b) It is the desire and intent of Declarant to retain control of the Association, its activities and the Property during the anticipated period of planning, zoning, subdividing, dividing, parcelizing, development, construction, sale and leasing of the Property in order to insure the comprehensive development of GREEN VALLEY RANCH in accordance with the Design Guidelines and the Development Standards, the entitlements granted by the City of Henderson, the Ordinances and this Declaration. If any amendment requested pursuant to the provisions of this Paragraph deletes, diminishes, alters or abrogates such control, Declarant shall have the right to prepare, provide for and adopt as an amendment hereto, other and different control provisions. Except as provided in this subparagraph, Declarant shall not have any right to amend this Declaration otherwise than in accordance with and pursuant to the provisions of Paragraph 17.1.1 et seq. hereof.

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(c) In the event this Declaration is Recorded or used for any purpose prior to having been approved by the City of Henderson, any governmental agency or department, or government mortgage insurance agency, Declarant shall have the absolute right to amend the provisions hereof without the approval of (i) any agency or department or (ii) any percentage of the membership of the Association or Delegates whatsoever until such approval is first obtained. Such amendment shall be effective when signed and acknowledged by Declarant and Recorded.

17.1.2 By Owners. Subject to expiration described above and to Declarant's specific right of approval as to certain amendments as set forth in this Declaration, the provisions of this Declaration may only be amended by Recordation of an appropriate amendment upon written approval of not less than sixty seven percent (67%) of all Owners in the Property, and the requisite percentage of holders and insurers of First Mortgages, in the case of those amendments requiring approval of First Mortgagees pursuant to subparagraph 17.1.3 below. Any such amendment by Owners shall be evidenced by a written instrument executed and acknowledged by at least two (2) officers of the Association and Recorded.

17.1.3 Approval of First Mortgagees  
Notwithstanding the foregoing, any of the following specified types of amendments which would change or alter the then terms or provisions of this Declaration, to be effective, must be approved by the record holders and insurers of at least fifty-one percent (51%) of eligible (meaning the Mortgagee first shall have requested the Association to notify it of any proposed action that requires the consent of a specified number of such eligible Mortgagees) First Mortgages within the Property at the time of such amendment, based upon one (1) vote for each Mortgage owned or insured:

(a) Any amendment which affects or purports to affect the validity or priority of encumbrances or the rights or protections granted to holders, insurers and guarantors of First Mortgages as provided herein.

(b) Any amendment which would necessitate an encumbrancer after it has acquired title to a Lot, Parcel,

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Development Tract or Other Area within the Property through foreclosure to pay more than its proportionate share of any unpaid assessment or assessment accruing after such foreclosure.

(c) Any amendment which would or could result in an encumbrance being canceled by forfeiture, or in the individual Lot or Parcel not being separately assessed for tax purposes.

(a) Any amendment concerning:

- (i) Voting rights within the Association;
- (ii) Rights to use the Association Property and/or GVR Common Areas;
- (iii) Responsibility for maintenance, repair, and replacement of the Association Property and/or GVR Common Areas;
- (iv) Boundaries of any Lot or Parcel within the Property;
- (v) Leasing of Residential Lots or Residential Parcels within the Property;
- (vi) Establishment of self-management by the Association where professional management has been required by any institutional holder or insurer of a First Mortgage;
- (vii) Any material amendment as defined

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in Section 402.02 of  
the FNMA Lending  
Guide (as amended  
from time-to-time),

(viii) Required insurance  
coverage and  
fidelity bonds;

(ix) Restriction on  
alienation of any  
portion of the  
Property or any  
interest therein;  
and

(x) Annexation of land  
not within the  
Annexable Area or  
deannexation of land  
within the Property.

(e) Any amendment relating to the  
insurance provisions as set out in  
the Article hereof entitled  
"Insurance", or to the application  
of insurance proceeds, or to the  
disposition of any money received in  
any taking under condemnation or  
eminent domain proceedings

(f) Any amendment which would or  
could result in termination or  
abandonment of the Property or  
partition or subdivision of a Lot or  
Parcel in any manner inconsistent  
with the provisions of this  
Declaration.

17.1.4 General Provisions Any approval by  
a holder, insurer or guarantor of a First Mortgage required under  
subparagraph 17.1.3 above, or required pursuant to any other  
provisions of this Declaration, shall be given in writing; provided  
that, prior to any such proposed action the Association or  
Declarant, as applicable, may give written notice of such proposed  
action to any or all holders, insurers and guarantors of First  
Mortgages, and for thirty (30) days following the receipt of such  
notice, such holder, insurer or guarantor of a First Mortgage shall  
have the power to disapprove such action by giving written notice  
to the Association or Declarant, as applicable. If no written  
notice of disapproval is received by the Association or Declarant,  
as applicable, within such thirty (30) day period, then the

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approval of such holder, insurer or guarantor shall be deemed given as to the proposed action, and the Association or Declarant, as applicable, may proceed as if such approval was obtained with respect to the request contained in such notice.

#### ARTICLE 18

##### MORTGAGEE PROTECTION

18.1 Mortgagee Protection Notwithstanding any other provision of this Declaration, no amendment or violation of this Declaration shall operate to defeat or render invalid the rights of the Beneficiary under any Deed of Trust or the Mortgagee under any Mortgage upon any of the Property made in good faith and for value, and Recorded prior to the Recordation of such amendment (or a Notice of Lien Recorded pursuant to the Article hereof entitled "The Association: Assessments; Use of Funds"), provided that after the foreclosure of any such Deed of Trust or Mortgage or a deed or assignment in lieu thereof such property shall remain subject to this Declaration, as amended

18.2 Special Provisions. Notwithstanding any and all provisions of this Declaration to the contrary, in order to induce FHLMC, GNMA, FNMA, VA and HUD/FHA to participate in the financing of the sale of Lots or Parcels within the Property, the following "special provisions" are added hereto (and to the extent these added provisions, pertaining to the rights of Mortgagees, FHLMC, FNMA, GNMA, VA and HUD/FHA, conflict with any other provision(s) of this Declaration, these added "special provisions" shall control).

18.2.1 Each holder, insurer and guarantor of a First Mortgage encumbering any Lot or Parcel, upon filing a written request for notification with the Board, is entitled to written notification from the Association of any default by the Mortgagor of such Lot or Parcel in the performance of such Mortgagor's obligations under this Declaration, the Articles, Bylaws and Rules and Regulations, which default is not cured within thirty (30) days after the Association learns of such default. For purposes of this Declaration and the Bylaws, "First Mortgage" shall mean a Mortgage with first priority over other Mortgages or Deeds of Trust on a Lot or Parcel within the Property, and "First Mortgagee" shall mean the holder of a First Mortgage.

18.2.2 Every Owner, including every First Mortgagee of a Mortgage encumbering any Lot or Parcel, which obtains title thereto pursuant to the remedies provided in such Mortgage, or pursuant to foreclosure of the Mortgage, or by deed (or assignment) in lieu of foreclosure, shall be exempt from any "right of first refusal" created or purported to be created by this Declaration.

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18.2.3 Each First Mortgagee of a Mortgage encumbering any Lot or Parcel which obtains title thereto pursuant to judicial foreclosure or the powers provided in such Mortgage shall take title thereto free and clear of any claims for unpaid assessments or charges against same which accrued prior to the acquisition of title thereto by the Mortgagee.

18.2.4 Unless at least sixty-seven percent (67%) of the First Mortgagees of Lots or Parcels (based upon one (1) vote for each Mortgage owned within the Property) have given their prior written approval, neither the Association nor the Members shall:

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Association Property or GVR Common Areas (or the Improvements respectively thereon) which are owned directly or indirectly by the Association. The granting of easements for public utilities or for other public purposes consistent with the intended use of such property by the Association shall not be deemed a transfer within the meaning of this subparagraph;

(b) Change the method of determining obligations, assessments, dues or other charges which may be levied against any Member, or the method of allocating distributions of hazard insurance proceeds or condemnation awards;

(c) Fail to maintain fire and extended coverage insurance on insurable Association Property and GVR Common Areas of not less than 90% of current replacement cost;

(d) Use hazard insurance proceeds for losses to any Association Property or GVR Common Areas for other than the repair, replacement or reconstruction thereof;

(e) By act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural



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design, appearance or maintenance of  
Improvements or contemplated  
Improvements, or

f) Amend this Declaration, the  
Articles of Incorporation, Bylaws or  
Rules and Regulations of the  
Association in such a manner that  
the rights of any First Mortgagee  
will be adversely affected

18.2.5 All holders, insurers and guarantors  
of First Mortgages within the Property, upon written request, shall  
have the right to (i) examine the books and records of the  
Association during normal business hours (ii) require from the  
Association the submission of an audited annual financial statement  
(without expense to the holder, insurer or guarantor requesting  
such statement) and other financial data, (iii) receive written  
notice of all meetings of the Members, and (iv) designate in  
writing a representative to attend all such meetings without the  
right to vote.

18.2.6 Each holder, insurer or guarantor of  
a First Mortgage shall, upon filing a written request with the  
Association, be entitled to be given timely written notice of

(a) Any condemnation or eminent  
domain proceeding, and any loss or  
taking resulting from such  
proceeding which affects the GREEN  
VALLEY RANCH development or any  
portion thereof;

(b) Any substantial damage or  
destruction to GREEN VALLEY RANCH,  
or any portion thereof, when such  
loss exceeds Ten Thousand Dollars  
(\$10,000.00);

(c) Any monetary or other material  
default in the performance of  
obligations imposed by the  
constituent documents of the  
Association and of GREEN VALLEY  
RANCH by an Owner(s) of property  
which is security for the respective  
First Mortgage, which default  
remains uncured for a period of  
sixty (60) days or more;

(d) Any lapse, cancellation or  
material modification of any

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insurance policy or fidelity bond required to be maintained by the Association;

(e) Any abandonment or termination of the GREEN VALLEY RANCH development overall, and

(f) Any proposed action that requires the consent of a specified percentage of eligible Mortgagees.

18.2 7 First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Association Property or CVR Common Areas, and may pay any overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such Association Property or CVR Common Areas, and First Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association

18.2.8 Each Reserve Fund described in this Declaration must be funded by regularly scheduled monthly, quarterly, semi-annual or annual payments rather than by large special (irregular) assessments.

18 2.9 Any agreement between the Association and its professional Manager, or any agreement providing for management services by Declarant to the Association, shall provide that the term of any such contract shall not exceed one (1) year and that the contract therefor may be terminated (i) for cause on not more than thirty (30) days' prior written notice, and (ii) without cause (or the payment of a penalty or termination fee) at any time upon not more than ninety (90) days' prior written notice

18.2 10 The Board shall secure and cause to be maintained in force at all times a fidelity bond for any person or entity handling or being responsible for funds or monies of the Association, including, but not limited to, employees of any professional Manager.

18.2 11 Any agreement for the leasing or rental of any portion of the Residential Area or Commercial Area within the Property, including any apartment lease, shall provide that the terms of such agreement shall be subject to the provisions of this Declaration, the Articles, Bylaws and Rules and Regulations, as applicable. All such agreements shall be in writing and shall provide that any failure by the lessee to comply with the terms of this Declaration shall be a default under such lease or rental agreement

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18.3 Assignees In addition to the foregoing, the Board may enter into such contracts or agreements on behalf of the Association as are required in order to satisfy the guidelines of FHLMC, FNMA, GNMA, VA and HUD/FHA, or any similar entity, so as to allow for the purchase, guaranty or insuring, as the case may be, by such entities of First Mortgages encumbering Lots or Parcels with Residences thereon. Each Owner including Declarant hereby agrees that such action will benefit the Association and the membership of the Association, as a class of potential Mortgage borrowers and potential sellers of their respective property if such agencies approve the Property as a qualifying community under their respective policies, rules and regulations, as adopted from time-to-time. Mortgagees are hereby authorized to furnish information to the Board concerning the status of any Mortgage encumbering a Lot or Parcel so insured or guaranteed.

#### ARTICLE 19

##### GENERAL PROVISIONS

19.1 Term All of the terms and provisions of this Declaration shall run with and bind the Property and each and every portion thereof, and shall inure to be the benefit of and be enforceable by Declarant (so long as Declarant owns any land within the Property), the Association, the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, and any Mortgagee encumbering any of the Property for a term of seventy-five (75) years from the date this Declaration is Recorded after which time this Declaration shall be automatically extended for successive periods of ten (10) years each, unless a Declaration of Termination meeting the requirements of an amendment to this Declaration as set forth herein has been Recorded.

19.2 Notices Any notice permitted or required to be delivered as provided herein shall be in writing and may be delivered personally, by recognized professional courier service, or by U.S. Mail. If delivery is made by U.S. Mail, it shall be deemed to have been delivered two (2) business days after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to any Person at the address given by such Person to the Association for the purpose of service of such notice, or to the Residence or business address of such Person if no address has been given to the Association. Such address may be changed from time-to-time by notice in writing to the Association.

##### 19.3 Enforcement and Non-Waiver.

19.3.1 Right of Enforcement. Except as otherwise expressly provided herein, the Association, the successors-in-interest of the Association, and any Owner, including Declarant (so long as Declarant owns land within the Property),

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shall have the right to enforce any or all of the provisions of this Declaration against any property within the Property and the respective Owner, tenant, subtenant, licensee or the like thereof. Such right shall include an action for damages, as well as an action to enjoin any violation of this Declaration.

19.3.2 Violation and Nuisance Every act or omission whereby any provision of this Declaration is violated in whole, or in part, is hereby declared to be a nuisance and every remedy allowed by law or in equity against a nuisance, either public or private, shall be applicable against every such result and may be exercised by Declarant, an Owner, the Association, the Architectural Committee, or their successors-in-interest.

19.3.3 Violation of Law Any violation of any federal, state or municipal law, ordinance, code or regulation with respect to any Lot, Parcel, Development Tract or Other Area within the Property is hereby declared to be a breach of this Declaration and subject to all of the enforcement procedures set forth herein. No such violation whether by an Owner with respect to his property or otherwise shall be deemed to be a violation by the Association or of Declarant unless Declarant shall be such violating Owner.

19.3.4 Remedies Cumulative Each remedy provided by this Declaration is cumulative and not exclusive. The Association may, at its option, without waiving the right to enforce its lien against a Lot, Parcel, Development Tract or Other Area within the Property, bring a suit at law to enforce each assessment obligation.

19.3.5 Non-Waiver The failure of the Association, the Architectural Committee, and/or Declarant to enforce any of the provisions of this Declaration at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provisions hereof.

19.3.6 Mortgages Any breach or amendment of this Declaration shall not affect or impair the lien or charge of any First Mortgage or Deed of Trust made in good faith and for value on any Lot or Parcel (or any Improvements respectively thereon); provided, however, that any subsequent Owner of such property shall be bound hereby whether such Owner's title was acquired by foreclosure, in a trustee's sale or otherwise.

19.3.7 Attorney's Fees Any judgment rendered in any action or proceeding hereunder including a suit to collect delinquent assessments in favor of the prevailing party shall include a sum for attorneys' fees in such amount as the Court may deem reasonable and court costs, at trial and on appeal.

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19.3.8 Fines and Penalties If any Owner, its guests, tenants, licensees, lessees, sublessees or invitees violates this Declaration, the Board may, after Notice and Hearing and in addition to the other remedies available, impose a reasonable charge upon such Owner for each violation and may, as further provided in the Bylaws and Rules and Regulations, suspend or condition such Owner's right to use any portion of the Association Property or GVR Common Areas. Any such suspension (or conditional suspension) shall be for a period of not more than thirty (30) days for any noncontinuing infraction, but in the case of a continuing infraction (including nonpayment of any assessment after the same becomes delinquent) may be imposed for so long as the violation continues. The Board may also adopt a schedule of reasonable fines or penalties which, in its reasonable discretion, it may assess against an Owner for failure to abide or comply with this Declaration. Such fines or penalties may only be assessed by the Board after Notice and Hearing.

19.4 Interpretation.

19.4.1 Restrictions Construed Together All of the provisions of this Declaration including all Exhibits attached hereto and which are hereby incorporated herein shall be liberally construed together in conformity with the Nevada Revised Statutes to promote and effectuate the fundamental concepts of the Property, the Master Plan and GREEN VALLEY RANCH overall as set forth in this Declaration. This Declaration shall be construed and governed by the laws of the State of Nevada.

19.4.2 Restrictions Severable Notwithstanding the provisions of the foregoing subparagraph, each of the provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion hereof shall not affect the validity or enforceability of any other provision.

19.4.3 Context Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular, and the masculine, feminine or neuter shall include the masculine, feminine and neuter.

19.4.4 Captions All captions and titles used in this Declaration are intended solely for convenience of reference and shall not affect that which is set forth in any of the provisions hereof.

19.5 No Public Right of 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, except as specifically set forth herein or respectively granted or dedicated therefor now or hereafter.

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19.6 Constructive Notice and Acceptance Every person who owns, occupies or acquires any right, title, estate or interest in or to any portion of the Property does and shall be conclusively deemed to have consented to each and every applicable limitation, restriction, easement, reservation, condition, covenant, term and provision contained herein, whether or not any reference to this Declaration is contained in the instrument by which such person acquired an interest in the Property, or any portion thereof.

19.7 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 the GREEN VALLEY RANCH overall, the Property, any portion thereof, or any Improvements thereon, its physical condition, zoning, compliance with applicable laws, fitness for intended use, or in connection with the subdivision, sale, leasing, operation, maintenance, cost of maintenance, taxes or regulation thereof, except as specifically and expressly set forth in this Declaration, and except as may be filed by Declarant from time-to-time with applicable governmental authorities.

19.8 Indemnification Except to the extent such liability, damage or injury is covered by insurance maintained by the Association, the Association's officers, directors, attorneys, agents and employees, including members of the Architectural Committee and of the Water Use Committee, shall be indemnified by the Owners and the Association against all claims, causes of action, suits, costs, expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon any of them in connection with any proceeding to which any of them may be a party, and court costs, or in which any of them may become involved, by reason of their being or having been an officer, director, attorney, employee or agent of the Association, of the Architectural Committee or of the Water Use Committee, or any settlement thereof, whether or not they are an officer, director, attorney, employee or agent at the time such expenses and liabilities are incurred, except in such cases wherein such person is adjudged to have committed fraud, willful misfeasance or malfeasance in the performance of his duties. Notwithstanding the foregoing, in the event of a settlement, this indemnification shall apply only when the Board of Directors of the Association determines that such settlement and reimbursement is in the best interest of the Association.

19.9 Priorities and Inconsistencies If there are conflicts or inconsistencies between this Declaration and either the Articles of Incorporation, Bylaws or Rules and Regulations, the terms and provisions of this Declaration shall prevail.

19.10 VA/FHA Approval So long as Declarant has effective control of the Association, the following actions will require the prior approval of VA and HUD/FHA, as applicable. (a) annexation or

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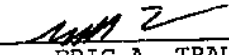
deannexation of land from the Property, (b) dedication, conveyance or mortgaging of Association Property or GVR Common Areas; (c) merger, consolidation or dissolution of the Association, and (d) amendment of this Declaration.

19.11 Copies. Copies of documents and instruments referred to herein (and not recorded herewith) and pertaining to the development of the Property may be obtained from the City of Henderson or Declarant c/o 2501 N. Green Valley Parkway, Suite 101, Henderson, Nevada 89014.

IN WITNESS WHEREOF, Declarant has executed this Declaration this 18th day of April, 1994.

GREEN VALLEY DEVELOPMENT  
LIMITED PARTNERSHIP,  
a Nevada limited partnership

By Silver Springs, Inc.,  
a Nevada corporation  
General Partner

By   
ERIC A. TRAUB  
Senior Vice President

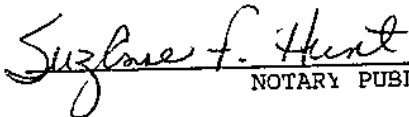
STATE OF NEVADA                    )  
  ) ss.  
COUNTY OF CLARK                 )

On this 19th day of April, 1994, personally appeared before me, the undersigned, a Notary Public, ERIC A. TRAUB, personally known (or proved) to me to be the person whose name is subscribed to the above instrument who acknowledged that he executed the instrument

(Seal)



NOTARY PUBLIC  
STATE OF NEVADA  
County of Clark  
SUZANNE F. HUNT  
My Appointment Expires Dec. 28, 1994

  
NOTARY PUBLIC

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CONSENT TO IMPOSITION

The undersigned, Green Valley Investment Company, Inc., a Nevada corporation, as the record fee owner of a majority of the lands described on Exhibit A1 attached hereto, by its signature below hereby consents to and agrees to the placement upon and imposition of the foregoing Declaration on said Exhibit A1 lands for all purposes as herein set forth.

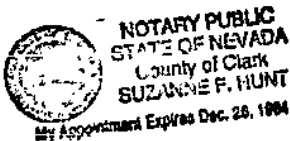
GREEN VALLEY INVESTMENT  
COMPANY, INC.,  
a Nevada Corporation

By *Sullivan C. Richardson*  
SULLIVAN C. RICHARDSON  
Treasurer

STATE OF NEVADA                    )  
  ) ss.  
COUNTY OF CLARK                    )

On this 19th day of April, 1994, personally appeared before me, the undersigned, a Notary Public, SULLIVAN C. RICHARDSON, personally known (or proved) to me to be the person whose name is subscribed to the above instrument who acknowledged that he executed the instrument.

(Seal)



*Suzanne F. Hunt*  
NOTARY PUBLIC

EXHIBITS ATTACHED:

- A - LEGAL DESCRIPTION OF FEE LAND WITHIN THE PROPERTY
- A1- LEGAL DESCRIPTION OF OPTION LAND WITHIN THE PROPERTY
- B - ANNEXABLE AREA
- C - DESIGN GUIDELINES
- D - DEVELOPMENT STANDARDS
- E - GVR WATER STANDARDS
- F - MASTER PLAN

WHEN RECORDED, RETURN TO:

Victor Druskin, Esq.  
c/o Green Valley Development  
Limited Partnership  
2501 North Green Valley Parkway,  
Suite 101  
Henderson, Nevada 89014



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**EXHIBIT A**  
(Page 1 of 2)

**PARCEL 1:**

BEING the North Half (N 1/2) of Section 21, Township 22 South, Range 62 East, M.D M , City of Henderson, Clark County, Nevada.

EXCEPTING THEREFROM File 9 of Parcel Maps, Page 51, and File 9 of Parcel Maps, Page 55, on file in the Office of the County Recorder, Clark County, Nevada

FURTHER EXCEPTING THEREFROM that portion of State Highway Route 41, as conveyed to the State of Nevada for road purposes

Said parcel being more particularly described as follows:

BEGINNING at the Southwest Corner (S.W. Cor.) of said North Half (N 1/2), thence, North 00°33'00" East, along the West line thereof, 2505.29 feet to a point on the South right-of-way line of State Highway Route 41; thence, North 80°47'58" East, along said right-of-way, 790 11 feet to a point on the North line of the Northwest Quarter (NW 1/4) of said Section; thence, North 89°03'07" East, along said North line, 1844 47 feet, thence, South 01°54'56" west, along the East line thereof, 693 10 feet to a point of tangency with a curve concave Northeasterly and having a radius of 2000 00 feet; thence, Southeasterly along said curve, through a central angle of 17°10'21", an arc distance of 599.44 feet to a point, a radial line to said point bears South 74°44'35" West; thence, South 74°11'56" West, 1913.28 feet, thence, South 02°26'18" West, 670 00 feet to a point of tangency with a curve concave Northwesterly and having a radius of 2075.00 feet, thence, Southwesterly along said curve, through a central angle of 04°50'22", an arc distance of 175.26 feet to a point on the South line of said North Half (N 1/2), a radial line to said point bears South 82°43'20" East; thence, South 89°12'30" West, along said South line, 810 16 feet to the POINT OF BEGINNING

Containing 112 33743 acres, more or less.

**BASIS OF BEARINGS:**

North 00°33'00" East, being the West line of the Northwest Quarter (NW 1/4) of Section 21, Township 22 South, Range 62 East, M.D M., as shown by a map on file in the Office of the County Recorder, Clark County, Nevada, in File 26 of Records of Surveys, Page 60.

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**EXHIBIT A**  
(Page 2 of 2)

**PARCEL 2:**

That portion of the South Half (S 1/2) of the Southwest Quarter (SW 1/4) of Section 16, Township 22 South, Range 62 East, M.D.M., City of Henderson, Clark County, Nevada, described as follows:

BEGINNING at the Southeast Corner (SE Cor ) of said South Half (S 1/2) of the Southwest Quarter (SW 1/4); thence South 89°03'07" West, along the South line thereof, 1844.47 feet to a point on the most Southerly right-of-way line of State Highway Route 41; thence, North 80°47'58" East, along said Southerly right of-way line, 1877.38 feet to a point on the East line of the aforementioned South Half (S 1/2) of the Southwest Quarter (SW 1/4); thence, South 01°54'56" West, along said East line, 269.91 feet to the POINT OF BEGINNING.

Containing 5.70513 acres, more or less

**BASIS OF BEARINGS:**

North 89°03'07" East, being the South line of the Southwest Quarter (SW 1/4) of Section 16, Township 22 South, Range 62 East, M.D.M., as shown by a map on file in the Office of the County Recorder, Clark County, Nevada, in file 26 of Records of Surveys, Page 60.

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EXHIBIT A1

### LEGAL DESCRIPTION

THAT PORTION OF SECTIONS 19, 20, 21 AND 30 TOWNSHIP 22 SOUTH, RANGE 62 EAST, M.D.M., CITY OF HENDERSON, CLARK COUNTY, NEVADA BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS

BEGINNING AT THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER (SW1/4) OF SAID SECTION 21; THENCE ALONG THE NORTHERLY LINE THEREOF, NORTH 89° 12' 42" EAST, A DISTANCE OF 810.02 TO A POINT OF NON-TANGENCY, THENCE LEAVING SAID NORTHERLY LINE FROM A TANGENT WHICH BEARS SOUTH 07° 16' 23" WEST, A CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 2075.00 FEET, ALONG SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 38° 43' 40", AN ARC LENGTH OF 1402.55 FEET; THENCE SOUTH 46° 00' 03" WEST, A DISTANCE OF 165.00 FEET; THENCE SOUTH 43° 59' 57" EAST, A DISTANCE OF 1766.09 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID SECTION 21; THENCE ALONG SAID SOUTHERLY LINE, SOUTH 89° 24' 06" WEST, A DISTANCE OF 1327.90 FEET TO THE SOUTHEAST CORNER OF AFOREMENTIONED SECTION 20; THENCE ALONG THE SOUTHERLY LINE OF SAID SECTION 20, NORTH 89° 01' 50" WEST, A DISTANCE OF 2637.09 FEET; THENCE CONTINUING ALONG SAID SOUTHERLY LINE, NORTH 89° 00' 59" WEST, A DISTANCE OF 2638.66 FEET TO THE SOUTHEAST CORNER OF AFOREMENTIONED SECTION 19; THENCE ALONG THE SOUTHERLY LINE OF SAID SECTION 19, NORTH 89° 17' 06" WEST, A DISTANCE OF 661.80 FEET; THENCE LEAVING SAID SOUTHERLY LINE, SOUTH 00° 19' 16" WEST, A DISTANCE OF 659.22 FEET; THENCE NORTH 89° 21' 33" WEST, A DISTANCE OF 631.67 FEET; THENCE NORTH 00° 19' 02" EAST, A DISTANCE OF 109.98 FEET; THENCE NORTH 89° 21' 33" WEST, A DISTANCE OF 1210.00 FEET; THENCE SOUTH 00° 19' 16" WEST, A DISTANCE OF 768.35 FEET; THENCE NORTH 89° 21' 33" WEST, A DISTANCE OF 1153.08 FEET; THENCE NORTH 00° 19' 02" WEST, A DISTANCE OF 113.55 FEET; THENCE FROM A TANGENT WHICH BEARS NORTH 00° 19' 02" WEST, A CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 2130.00 FEET, ALONG SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 11° 54' 35", AN ARC LENGTH OF 442.75 FEET; THENCE NORTH 89° 21' 33" WEST, A DISTANCE OF 1600.00 FEET; THENCE NORTH 00° 07' 21" WEST, A DISTANCE OF 769.78 FEET TO A POINT ON THE SOUTHERLY LINE OF THE SOUTHWEST QUARTER (SW1/4) OF AFOREMENTIONED SECTION 19; THENCE ALONG SAID SOUTHERLY LINE, NORTH 89° 17' 02" WEST, A DISTANCE OF 40.00 FEET TO THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 19; THENCE ALONG THE WESTERLY LINE THEREOF, NORTH 01° 01' 26" EAST, A DISTANCE OF 1099.71 FEET; THENCE LEAVING SAID WESTERLY LINE, NORTH 48° 18' 18" EAST, A DISTANCE OF 1077.30 FEET,

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**LEGAL DESCRIPTION**  
**PAGE 2**

THENCE FROM A TANGENT WHICH BEARS NORTH 48°18'18" EAST, A CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 9895.45 FEET, ALONG SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 32°29'43", AN ARC LENGTH OF 5612.20 FEET; THENCE NORTH 80°48'01" EAST, A DISTANCE OF 4825.92 FEET TO A POINT ON THE WESTERLY LINE OF THE NORTHWEST QUARTER (NW1/4) OF AFOREMENTIONED SECTION 21; THENCE ALONG SAID WESTERLY LINE, SOUTH 00°32'44" WEST, A DISTANCE OF 2504.94 FEET TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINS APPROXIMATELY 1040.20 ACRES.

**BASIS OF BEARING**

NORTH 89°01'50" WEST - BEING THE SOUTH LINE OF THE SOUTHEAST QUARTER (SE1/4) OF SECTION 20, TOWNSHIP 22 SOUTH, RANGE 62 EAST, M.D.M., CLARK COUNTY, NEVADA AS SHOWN ON THE MAP THEREOF IN FILE 67 OF SURVEYS, PAGE 21 OFFICIAL RECORDS, CLARK COUNTY, NEVADA.

(The above described land includes and encompasses among other property all of the land as set forth on that certain map entitled "Green Valley Ranch - Phase I" recorded in Book 61 of Plats, at Page 59, in the Office of the Recorder of Clark County, Nevada.)

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The following property is situated in the City of Henderson,  
County of Clark, State of Nevada:

**PARCEL 1:**

That portion of Section 19 and 30, Township 22 South, Range 62 East, M.D.B. & M., more particularly described as Parcel 5, as shown by miscellaneous maps, in File 1, Page 4, Recorded November 15, 1979, as Document No. 1107127, of Official Records, Clark County, Nevada

APN: 220-720-006

**PARCEL 2:**

That portion of Section 19 and 30, Township 22 South, Range 62 East, M.D.B. & M., more particularly described as Parcel 2 as shown by miscellaneous maps in File 1, Page 4, Recorded November 15, 1979, as Document No. 1107127 of Official Records, Clark County, Nevada

APN: 220-720-001

**PARCEL 3:**

Lot One (1) as shown by map thereof on file in File 8 of Parcel Maps, Page 47, in the Office of the County Recorder of Clark County, Nevada

APN: 210-690-001

**PARCEL 4:**

That portion of Sections 19 and 30, Township 22 South, Range 62 East, M.D.B. & M., more particularly described as Parcels 3 and 4 as shown by miscellaneous maps in File 1, Page 4, Recorded November 15, 1979 as Document No. 1107127 of Official Records of Clark County, Nevada

APN: 220-720-007 and 220-720-008

**PARCEL 5:**

Those portions of land in Clark County, Nevada, lying within Sections 16, 19, 20 and/or 21, Township 22 South, Range 62 East, M.D.B. & M., generally extending (i) from Pecos Road on the West to Arroyo Grande on the East, and (ii) from the Northerly boundary (as proposed or existing) of Green Valley Ranch (the Property herein) to the Southerly boundary of the Lake Mead Drive (State Route 146) right-of-way existing as of the date of recordation hereof.

EXHIBIT C  
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April 1994

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*Green Valley Ranch  
Master Development Plan  
Overlay District*

*Design Guidelines*

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HENDERSON, NEVADA



Submitted by  
**AMERICAN NEVADA  
CORPORATION**

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*Design Guidelines for Green Valley Ranch*

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*Design Guidelines for Green Valley Ranch*

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*Design Guidelines for Green Valley Ranch*

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## 1.0 Introduction

A community is more than the sum of its parts. The built environment presents a context from which all parts derive value from all others. No one element of a community need compete for attention over other elements. No one element should stand out as to detract from the overall environment and appearance of the community.

With the advent of master planned communities has come the opportunity for creating total living environments which are cohesive and attractive. The master associations of planned communities are able to ensure a consistent quality of development throughout and beyond the build-out of the community, assuring lasting success of the development. In the case of Green Valley Ranch, the master association project development control will manifest itself through the Architectural and Landscaping Committee and procedures established for the review and approval of individual projects within the Plan Area (Defined Below).

### 1.1 Purpose

These Design Guidelines (Guidelines) are intended to guide the physical development of the Green Valley Ranch. They will be supplemented at a later date with additional guidelines that address commercial development.

These Design Guidelines provide criteria for project review and an objective basis for the decisions and recommendations of the Green Valley Ranch Architectural and Landscaping Committee (the Committee) in the review of any proposed improvements. The Guidelines are intended to direct the actions of all entities including the Master Developer, component builders and individual business and homeowners, as well as their respective sub-associations. These Guidelines are binding on any person or entity which intends to construct, reconstruct or modify any permanent or temporary improvement within the Plan Area.

The strict enforcement of these Guidelines will serve to protect property values and personal investment by ensuring visual continuity, quality, consistency in design and a sense of order throughout the community. This document establishes a framework through which a continuity of visual elements within the community can be achieved while accommodating varying tastes and building methods which enrich the built environment.

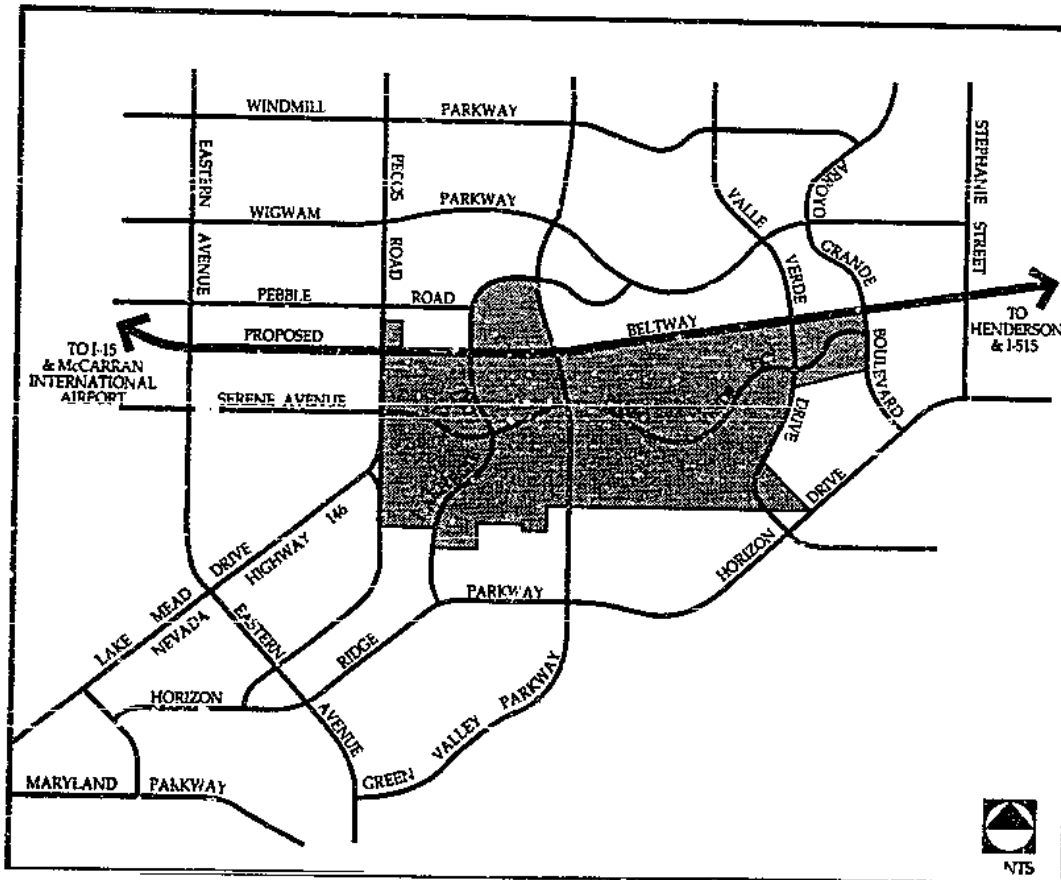
### 1.2 Project Location and Context

The Master Development Plan Area (the Plan Area) is situated at the base of the McCullough Mountain Range on a moderately sloping plane.

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*Design Guidelines for Green Valley Ranch*

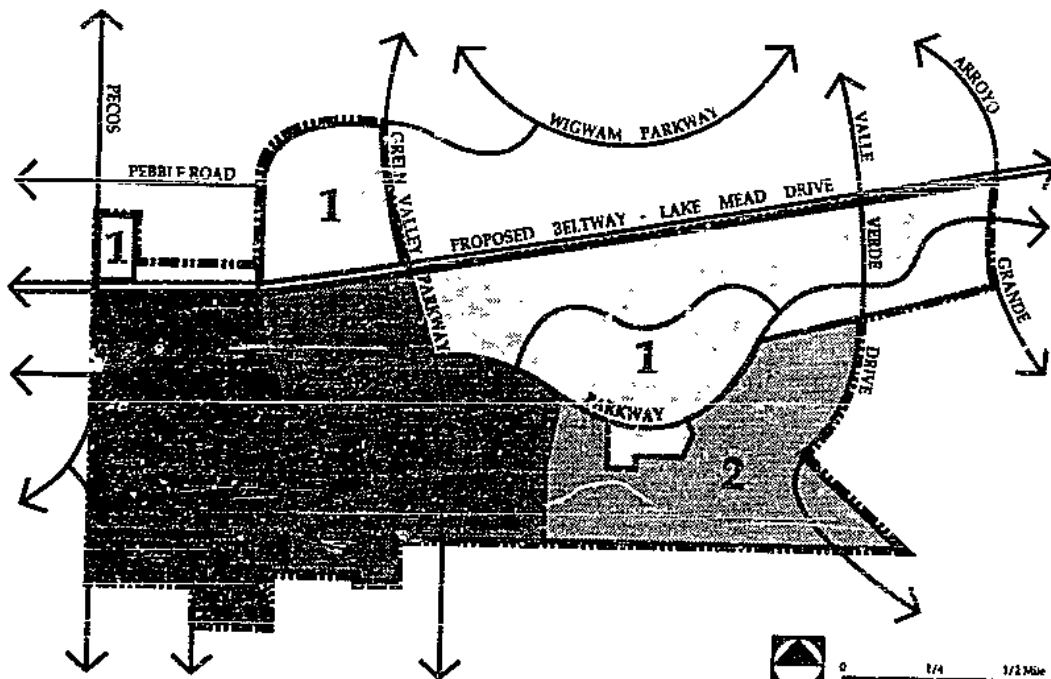
**Location Map**



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Design Guidelines for Green Valley Ranch

## Development Phasing Map



### SITE SUMMARY

PHASE	TOTAL ACRES
1	513
2	197
3	302
4	209
TOTALS	1311

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## Design Guidelines for Green Valley Ranch

overlooking the Las Vegas Valley. The Plan Area is within the City of Henderson, located 2 miles southeast of the McCarran Airport, along the proposed Southern Beltway, and 5 miles southwest of downtown Henderson. Immediately to the north lies existing developed areas of Green Valley, to the south lies undeveloped land.

The topography of the site is characterized by a continuous 3 to 5% slope. Significant views to downtown and Las Vegas and surrounding mountains are provided at lower elevations along the Southern Beltway, while parcels to the south offer spectacular 180 degree vistas. Natural arroyos traverse the site, carrying storm water runoff and providing unique visual relief and opportunity for amenity development.

### **1.3 Relationship to Other Documents**

The ~~Guidelines~~ document is one of several documents providing development guidance for the Plan Area and is the primary document for use by builders, component developers, owners' associations, and individual property owners in undertaking of any major improvements. Other documents relating to the physical development of the property include the following.

#### **1. Master Development Plan Overlay**

On September 7, 1993 an amendment to the Green Valley Ranch Master Development Plan was approved by the City of Henderson City Council. This amendment shall be referred to as the Plan. The Plan addresses conceptual master planning issues establishing the location, extent, and nature of proposed land uses, the provision of public facilities and services, basic infrastructure needs, environmental and natural resource conservation, circulation and flood control.

#### **2. Development Standards**

Accompanying the Plan are Development Standards that address broad community-wide development issues including permitted land uses, circulation, building setbacks and heights, signage, parking and open space. The Standards provide minimum criteria for the proposed development. The standards ensure that fundamental planning goals and objectives of the City and developer are achieved. The Development Standards along with the Plan serve as the zoning for the Plan Area.

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**3 Parent Tentative Maps.**

The Green Valley Ranch Parent Tentative Maps provide further details and controls for development within all phases of construction. The Parent Tentative Maps consist of maps and supplemental reports that indicate internal collector street networks, mass grading and drainage facilities and other infrastructure required to ready parcels for building.

**4 Declaration of Covenants, Conditions and Restrictions.**

These Guidelines are in addition to the Declaration of Covenants, Conditions, Restrictions, Reservations and easements (CC&Rs) which will be recorded to establish, among other matters, controls, assessment obligations, management responsibilities, and legal authority for the Architectural and Landscaping Committee.

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*Design Guidelines for Green Valley Ranch*

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## 2.0 Design Review Process

The requirements of the Design Review Process include the following.

1. Construction Activities that Require Review: All layout and design of residential, institutional and commercial developments as well as open space and park areas and individual lot building or construction are subject to the review and approval of the Committee. Except for Committee exemptions, any site development construction, reconstruction, refinishing or alteration of any part of the exterior of any building or other improvement is prohibited until the applicant first obtains approval from the Committee. All improvements shall be constructed in accordance with approved plans.
2. Submittal Preparation. All plans and specification for site development, structures and other improvements shall be prepared by licensed or otherwise qualified land planners, architects, landscape architects, professional engineers, or other approved designers. It is recommended that a team of qualified professionals be used in the preparation of development plans.
3. Submittal Procedures. Two copies of plans and other documents as described below shall be delivered with a completed application form. The submittal shall be made in full to:  
  
Architectural and Landscaping Committee  
Green Valley Ranch  
c/o ANC, Inc.  
2501 N. Green Valley Parkway,  
Suite 101  
Henderson, Nevada 89014  
(702)458-8855
4. Standards for Review: The Committee shall review each submission and evaluate the proposed projects consistency with the intent of the master development plan as approved by the City of Henderson and adherence to the Design Guidelines. The review shall include, without limitations, circulation and street design, development styles, size, materials, colors, the relationship of proposed improvements to adjoining existing and proposed development, the relationship of proposed im-

It is recommended that the applicant and his designers arrange for a pre-application meeting with a representative of the Committee, prior to submittal and before initiating any detailed design studies. A meeting may be scheduled by contacting the Committee at the above address.

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## *Design Guidelines for Green Valley Ranch*

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improvements to natural site features, grading and drainage design, landscape design, streetscape image, special site features, and impacts to surrounding areas and systems. More specific requirements and recommendations are detailed throughout this document and the CC&R's.

### **2.1 Approvals Required**

The approval of the Committee involves four stages: 1) Preliminary Plan Review, 2) Final Document Review and Approval, 3) Pre-construction Inspection and 4) Final Site Inspection. The approval of a quorum of the Committee is required in steps 1 and 2. Pre-construction and Final Inspections will be done by the Committee to validate the fulfillment of the conditions of approval. The Committee may vote to take remedial or legal action if violations are identified which are inconsistent with Committee or City approved plans.

The City of Henderson acquires its own architectural and tentative and final map review as well as separate architectural approval and building permit processing. The requirements for the City review are set forth in the Development Standards. The City and the Committee procedures may occur concurrently

### **2.2 Architectural and Landscaping Committee**

The Committee is established by the Declaration of Covenants, Conditions, Restrictions, Reservations and Easements ("CC&R's") for Green Valley Ranch.

### **2.3 Submittal Requirements**

1. **Submittal 1 - Preliminary Plans:** Preliminary plans shall be submitted to the Committee for approval prior to the submission for review of final working drawings. All preliminary plans shall be drawn to an appropriate scale with the following information clearly indicated on all drawings submitted:
  - a. Project name
  - b. Sheet title
  - c. Scale and North arrow
  - d. Name of development company or applicant name
  - e. Name of person(s) or firm(s) that prepared the plan
  - f. Date the drawings were completed and subsequent revision dates



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*Design Guidelines for Green Valley Ranch*

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2. The Preliminary Plan package shall include:
  - a. Site Plans. Overall layout showing vehicular circulation, lotting or unit location, parcel limits, model home area, preliminary utility alignment and easements. A prototypical configuration of lot and unit development shall also be included for each proposed floor plan configuration. The prototype plans shall indicate typical setbacks, building footprints, driveway size and location with walks and other appropriate site and landscape improvements. The plan shall tabulate total area, total units and gross density or intensity.
  - b. Grading Plan: Overall grading and drainage concept with proposed high points, flow lines and low points shall be indicated. Existing and proposed contours shall be indicated as a consistent contour interval to clearly show the proposed grading concepts. All walls and drainage structures shall clearly be identified.
  - c. Landscape Plan: A plan showing planting and amenity development including edge treatments, landscape and streetscape design, pedestrian linkages, open space development and plant palette shall be submitted.
  - d. Entry Plan: Preliminary plans and sketches of proposed project entries showing walls, landscaping, signage and lighting and other features.
  - e. Architectural Floor Plans: of the standard living units or product lines shall be included. All rooms shall be labeled including balconies, decks, atriums, garages and storage buildings. The square footage of total living area of the unit and overall dimensions shall be indicated. The entire product line shall be represented in the submission showing the square footage of each unit and proposed quantity.
  - f. Exterior Elevations: Sketch elevations of each product line shall be prepared to show overall architectural

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Design Guidelines for Green Valley Ranch

character, style, and scale as well as the design character details. All four exterior elevations with dimensions, materials colors, textures, and the lines of typical natural and finished grades shall be indicated.

3. Submittal 2 - Final Document.  
Two copies of these drawings are to be submitted for review only after approval of preliminary plans has been granted in writing. A copy of the Committee's approval letter shall be submitted with these documents. All final construction drawings shall be drawn to scale and shall include all of the drawings noted in Submittal 1 with additional details, sections and other materials that are required for building permits. The Final Plan Document package shall include:
  - a. Site Plan: Shall include all of the required information illustrated in the preliminary drawings with finalized, revised where-requested information.
  - b. Grading Plans: This shall include all final grades and elevations around the lots and proposed buildings, drainage patterns, walks, walls, drainage structures and other site improvements.
  - c. Final Landscape Plan: Shall indicate all planting including trees, shrubs and ground cover for the entire development. A material schedule shall indicate proposed size and quantity of all materials. Miscellaneous sculpture, irrigation systems, accent lighting and other physical features shall be indicated. All proposed walls shall be submitted with dimensioned elevations and sections.
  - d. Entry Plan: Plan and profile drawings of the proposed entry showing landscaping, walls, signage and lighting and other features.
  - e. Model Area Plan: Residential projects must submit for approval plans for a model area home complex if included in the design program. The plans shall include grading and layout with dimensions, landscape plans, location, dimensions and appearance of all temporary model area signage.
  - f. Exterior Elevations: Architectural style submissions shall include elevations with colors, materials and finishes indicated.

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*Design Guidelines for Green Valley Ranch*

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g. Development Guidelines and CC&R's. A copy of the developer's proposed sub-association CC&R's and other rules or other controlling mechanisms shall be submitted for approval.

h. Other. The Committee may request material and finish samples if drawings and specifications do not provide enough information.

4. Application Form and Fees: The applicant must complete the appropriate application form. The Committee shall have the right to require payment of reasonable fees for review of proposed plans, specifications and other materials.

5. Amendment to the Design Guidelines: These Design Guidelines may be amended from time to time by the affirmative vote of three (3) Committee Representatives and approval by the City.

6. Prevalence of Declaration. In the event of any conflict between the provisions of these Design Guidelines and the CC&Rs, the CC&Rs shall prevail.

7. Miscellaneous: All items submitted shall become the property of the Committee. Changes to approved plans shall be re-submitted to the Committee for approval.

## **2.4 Construction Review and Inspections**

1. Prosecution of Work After Approval. After approval of submittal by the Committee, the construction, alteration or other work described therein shall be commenced and completed in accordance with the rules set forth in the CC&Rs. The Committee has the right to enter the lot or premises and to inspect the project for compliance with the Guidelines at any time, without advance notice to the Owner nor the fear of trespass and liability.

2. Violations: construction deemed by the Committee to be in violation of approved drawings and of the Guidelines shall be corrected as instructed by the Committee within fourteen days of written notice to the Owner of such violation. Failure to correct such unapproved or unauthorized construction within the fourteen day time frame automatically gives the Committee, and its authorized agents, the unrestricted right to enter the premises and take whatever legal action is necessary for removal of the violation. The cost of such abatement or removal shall be a binding obligation on the Owner of the project.

3. Recordation of Notice: Upon approval of final submittal, the Committee shall upon written

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*Design Guidelines for Green Valley Ranch*

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- request from the applicable Owner, provide such Owner with a statement of approval in the form appropriate for recordation. The Committee may also record a notice to reflect the fact that any work which has not been approved or that any approval previously given has been automatically revoked
4. **Rule Making Authority:** The Committee adopts these Design Guidelines for the purpose of interpreting, applying, supplementing and implementing the provisions of the CC&R's pertaining to the design of subdivisions, apartment complexes, townhome developments, building and other improvements. A copy of these Design Guidelines as from time to time adopted, amended or repealed, certified by a Representative of the Committee, shall be maintained in the office of Green Valley Development Limited Partnership and shall be available for inspection during normal business hours by the developer, owner or prospective owner or agent thereof. It shall be the responsibility of any owner or prospective Owner, or architect or agent of any such owner or respective owner to inform themselves as to any and all such changes of these Design Guidelines.
5. **Liability of the Review Committee Representatives:** Provided that the Committee Representatives act in good faith and with due diligence, neither the Committee or any Representative thereof shall be liable to any Owner or any other person for any damage, loss or prejudice suffered or claimed on account of any review study and/or approval of any documentation. The review and delivery of a form of approval or disapproval is not to be considered an opinion as to whether or not the plans are defective or whether the construction methods or performance of the work proposed therein is defective, or whether the facts therein are correct or meet the City of Henderson Building Codes.
6. **Professional Advice:** The Committee may employ the services of an architect, land planner, landscape architect or engineer to render professional advice and may charge the cost for services of such a professional to the Owner applicant, but only after the owner has been informed in advance that such compensation shall be charged.
7. **Construction Document Review:** The purpose of the construction document review is to ensure that construction documents

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conform to the originally approved plans. Any changes to the plans or new information should be brought to the Committee's attention in a cover letter. Submittal for this review shall include construction documents for previously approved plans and exterior elevations.

8. **Construction Review:** An ongoing periodic review of construction of the project will be undertaken to ensure conformity to the approved design. Deviations will be brought to the applicant's attention along with the measures that the Committee requires to mitigate or eliminate the deviation.

## **2.5 Minor Applications**

Certain architectural and landscaping review applications can be considered "minor applications" and can be approved without going through the full architectural and landscaping review process. The determination of whether or not an application is minor and the items to be submitted will be made by the Architectural and Landscaping Committee at the preliminary review

Such applications include but are not limited to minor structural changes to building exteriors, changes in color scheme, the addition of skylights or solar panels atop roofs, and minor landscaping projects.

## **2.6 Appeals**

The Architectural and Landscaping Committee has the authority to deviate from the requirements contained in these guidelines in extenuating circumstances that would create an unreasonable hardship or burden for the owner, tenant or resident. If it is determined the above conditions exist, an appeal must be filed with the Committee. However, prior to approving any appeal, consistency with the objectives and general intent of the Plan must be demonstrated.

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### **3.0 Community Design**

Community design refers to the overall guiding principles and concepts that shape the desired image of the community. This includes a vision of the community, planning concepts, architectural concepts and landscape concepts which contribute to an overall vision and establish community character.

#### **3.1 Vision of Community Character**

The character of Green Valley Ranch will be established by a built environment that blends regional architectural expressions and landscape treatments within a planned community setting that is conducive to enjoyment of the outdoors and an active family life-style. The designed environment will respond to local climatic factors, and increasing appreciation of the natural setting and the desert ecology. The development will emphasize active, outdoor oriented activities promoting a sense of a solid community structure and an identity for its residents.

Site planning, architectural and landscaping treatments all contribute to establishing a strong community character. The creation of a cohesive project-wide living environment that is aesthetically pleasing, active, functional and safe is the ultimate goal for Green Valley Ranch.

#### **3.2 Planning Concepts**

The Plan structures residential, commercial and public and semi-public uses, into a unified plan linked by a comprehensive, community-wide open space system. Each neighborhood will have a full range of uses including public uses, such as schools and community parks. These uses will provide the focus for the neighborhood and along with Paseo Verde Parkway will provide the primary organizing elements of the community. The neighborhoods are bound and sometimes traversed by arterial streets. They will be accessed by collector streets occurring at approximately one quarter mile intervals. Local streets will loop through neighborhoods or commercial areas.

Green Valley Ranch consists of a series of residential neighborhoods, commercial and public facilities. Existing easements and arroyos that traverse the area provide opportunities to link the uses within the village together with an extensive pedestrian/bikeway system, allowing residents to access public and semi-public uses park and recreation facilities and village retail uses without using the car. The trail system will be integrated into the City of Henderson's Master Trails Plan.



## Design Guidelines for Green Valley Ranch

The neighborhood unit scales down the community to a comfortable living environment. Beyond the image and impression produced by the treatment of arterial and collector roads and open spaces, it is the neighborhood component of development which most determines the integrity of the community. Each neighborhood unit has a unique set of environmental conditions, and as such has the potential for a creative and distinctive identity.

The circulation system consists of a hierarchy of roads that correspond to the city's street classifications. Two arterial roads, Paseo Verde Parkway and Valle Verde Road traverse the plan area linking the village to surrounding development and the proposed Southern Beltway. A series of collector roads provides access to internal areas of the village and numerous neighborhood streets provide direct access to dwelling units and community facilities.

The urban design framework for the Plan Area consists of Paseo Verde Parkway, the arroyo open space/trail network, and a hierarchy of community entries and prominent intersections. These elements together will work together to create a strong community identity and image while providing a strong organizational structure for the individual neighborhoods.

### 3.3 Architectural Concepts

The architectural identity for Green Valley Ranch will be derived from a regional architecture that is associated with an active family lifestyle. The theme will be a reinterpretation of the Southwest Ranch or Hacienda by a blending of the Ranch and Spanish Eclectic styles.

This theme reflects a return of traditional values with a distinctively relaxed and informal ambience and a response to the environmental needs for shelter from the sun with large overhangs to shade windows, light colors to reflect glare and covered porches to provide shaded outdoor areas.

The goal for developing an architectural theme for Green Valley Ranch is to project a harmonious image and a distinctive identity which will assure compatibility and enhance the community's overall value. These guidelines will establish the common elements of the architectural theme for the community, but encourage flexibility and innovation in design response to create individual neighborhood identity.

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## Design Guidelines for Green Valley Ranch

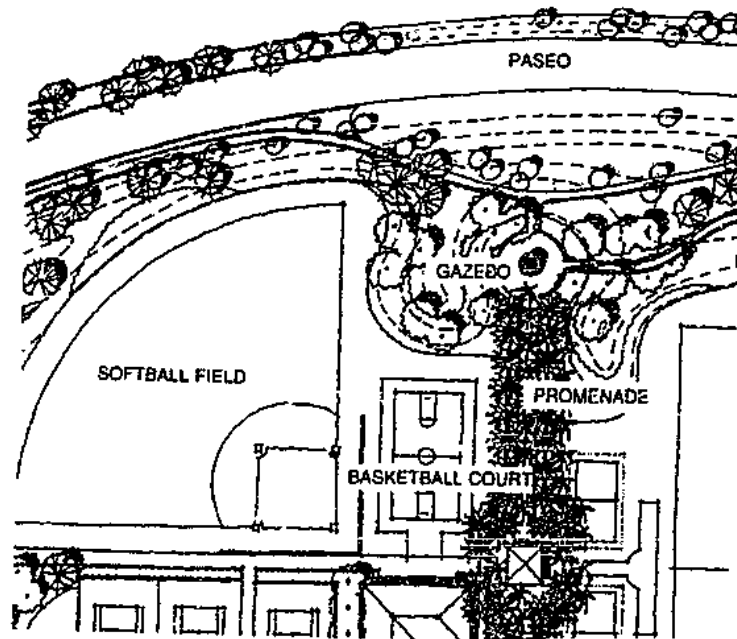
### 4.0 Site Design

#### 4.1 Paseo Verde Parkway

Paseo Verde Parkway is envisioned as the primary organizing element of the plan area. The Paseo meanders gently through the project in an east/west direction. Ample setbacks and attractive landscaping along the roadway will create a setting for community architecture and a focus for public and semi-public uses within each village. Key facilities along the Paseo will include churches, public parks, and a cultural facility. Schools will be located

internally within the neighborhood but will be linked to the Paseo by the trail system. The design of the Paseo will specifically incorporate the following elements:

- 1 In addition to the required street right-of-way, a landscape common area will be dedicated along the length of the Paseo. The dedication will consist of approximately eighty feet south of the roadway right-of-way and 30 feet north of the roadway right-of-way.





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*Design Guidelines for Green Valley Ranch*

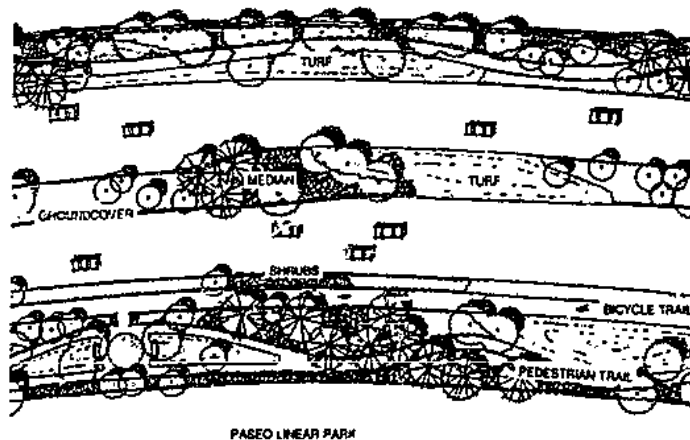
2. A common landscape theme shall be applied to the length of the Paseo
3. The Paseo will serve as the primary pedestrian and bicycle circulation corridor linking individual neighborhoods to the balance of the plan area. Pedestrian and bicycle facilities within the corridor shall be designed in accordance with the guidelines set forth in Section 4.6
4. The design of free standing walls that are immediately visible from the Paseo shall be consistent with the community theme wall. Specifications for the community theme wall are provided in Section 7.5 of the Green Valley

Ranch Development Standards.

5. The design of project entries shall be kept consistent along the Paseo integrating the community theme wall into the design. Project entries shall be designed in accordance with the guidelines set forth in Sections 4.10

#### 4.2 Streets

The street system within Green Valley Ranch consists of a hierarchy of facilities that correspond to the City's highway and street classification system and the Specific needs of Green Valley. The roadways in the Plan Area are intended to serve two functions: land access and mobility



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*Design Guidelines for Green Valley Ranch*

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The degree to which these streets serve one function over another determines its classification and its functional design criteria. The overall circulation system is illustrated on page 15.

1 Arterial Streets:

The arterial level streets within Green Valley Ranch consist of Green Valley Parkway, Paseo Verde Parkway and Valle Verde. The streets roughly correspond to the section lines in a skewed grid pattern. The arterial street system effectively provides regional circulation and major routes for internal mobility. The arterial level roads are designed in accordance with the approved Development Standards. The design of arterial streets shall also incorporate the following:

- a. All arterial streets shall incorporate a common landscape theme.
- b. Bus pull-outs shall be provided at one mile intervals near intersecting arterial streets. Bus pull-outs should be integrated into the overall streetscape concept and shall meet the specifications established by the City and transportation officials.
- c. Direct driveway access onto arterial streets is discour-

aged. If driveway access is required the City may require acceleration and deceleration lane improvements.

- d. The initial improvement of arterial streets shall be made by the master developer in accordance with approved development standards and infrastructure phasing plans.

- e. Landscape islands are subject to separate City Council approval of encroachment permits.

2 Collector Streets

The collector level streets within Green Valley Ranch provide access to neighborhood and local streets. The collector streets are intended to carry only minor amounts of through traffic over distances less than a mile. The collector street system provides land access, service and carries local traffic movement within residential neighborhoods and commercial areas. The collector level streets shall be designed in accordance with the approved Development Standards. The design of collector streets shall also incorporate the following:

- a. All collector streets shall include a landscape setback incorporating a common landscape theme.

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*Design Guidelines for Green Valley Ranch*

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- b. Collector street access shall generally correspond to quarter and half mile intervals measured along the arterial street system.
  - c. Collector streets shall either loop or form a smaller circuit and within each arterial bound section the design of the collector road system shall be intended to discourage vehicle trips beyond immediate neighborhood destinations.
  - d. Full improvement of collector level streets shall be made by the master developer in accordance with approved infrastructure phasing.
5. Neighborhood, Local Streets and Cul-de-sacs
- Neighborhood streets, local streets and cul-de-sacs directly serve residential areas and dwelling units. These streets shall be designed in accordance with the approved Development Standards. The Standards are intended to provide a high degree of flexibility ensuring that internal street systems are appropriately sized and contribute to a desirable neighborhood setting. The design of neighborhood and local streets shall also incorporate the following.
- a. The design of internal subdivision streets should discourage through traffic.
  - b. Neighborhood streets access to collector streets should be limited to 330 foot intervals.
  - c. Internal circulation systems should be designed so that each street primarily serves only one product or unit type. High density housing and low density housing should not front on the same local street. Medium or high density areas should have direct access to collector roads and avoid utilizing streets through low density areas.
  - d. Cul-de-sacs and similar street arrangements are encouraged in low density residential areas because they promote neighborhoods that are safe.
  - e. Private drives associated within multi-family residential areas shall not access neighborhood streets except in emergency situations.
  - f. Landscaping in areas adjacent to streets and drives shall maintain required sight triangles at all intersections.

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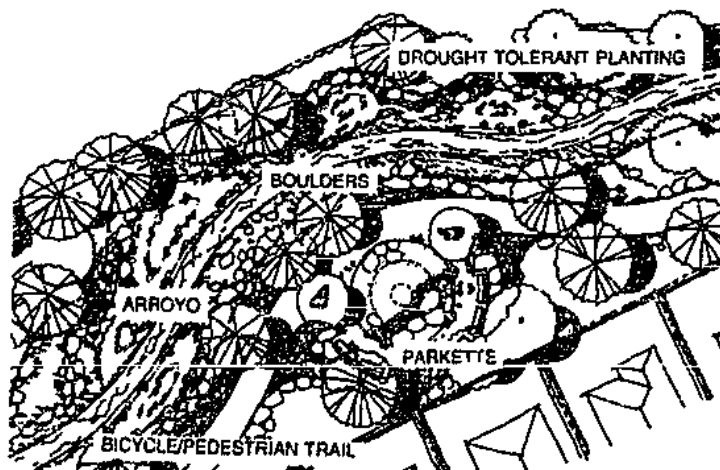
*Design Guidelines for Green Valley Ranch*

- g. Internal neighborhood and local streets shall be improved by individual builders in accordance with the approved Development Standards. The development standards permit various alternative street design solutions that are permissible as public streets. The application of these alternate solutions at the neighborhood design level shall ensure that all safety and emergency access requirements are met. The City of Henderson maintains the right to refuse public dedication of streets which are found to be inadequate

### 4.3 Arroyos

The arroyos that traverse the site from south to north provide the basis for the drainage and flood control plan and for the pedestrian/open space network. The arroyos will serve to link individual neighborhoods to the Paseo and the balance of the community. The design of the arroyos will incorporate the following

1. The arroyos will continue to serve a drainage function modified to allow for enhanced arid landscaping and passive recreational use of the corridors.
2. The arroyos will incorporate pedestrian and bicycle facilities. These facilities shall be designed in accordance with guidelines set forth in Section 4.6.



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#### *Design Guidelines for Green Valley Ranch*

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- 3 The arroyo open space system shall employ a common landscape theme throughout the community

#### **4.4 Drainage**

An attractively designed drainage system with adequate capacity to handle runoff of heavy storms is critical in maintaining the desired community appearance. Poorly designed drainage facilities can detract from the visual quality of the community and inadequate drainage can cause costly destruction of personal property and landscaping. The Master Drainage Plan for the Plan Area identifies many improvements in the public realm and provides a framework for individual parcels to contribute to a comprehensive drainage scheme. Drainage improvements shall incorporate the principles set forth in the following guidelines.

1. All proposed drainage improvements shall be completed in accordance with the approved master drainage plan for Green Valley Ranch, and any applicable City standards.
2. The natural arroyos and other defined drainage courses are preserved where feasible. Disturbance or alterations to the arroyos which might cause accelerated soil erosion or dramatically visually alter the feature or surrounding areas shall be minimized.
3. Channel bottom linings, rip-rap material on slopes, baffling devices to slow water and/or check dams to temporarily retain water and collect debris, shall utilize naturally appearing materials or stones and rock indigenous to the site environs that blend with and contribute to the desired character of the arroyo open space system.
4. The collection and retention of on-site storm run-off is required. The discharge of water from any site after development shall be in the same location and at the same volume and rate as occurred before development or shall be in compliance with the limits established by the master drainage plan for the Master Development Plan Overlay.
5. Increased run-off rates from streets or other surface areas shall be retained on the site of origin so that the off site quantities and rates of flow shall not be greater than the original hydrological conditions at any existing point.
6. Common retention facilities planned for open space areas may be utilized in agreement with the master developer and the City Engineer.

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*Design Guidelines for Green Valley Ranch*

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7. Native riparian vegetation and other approved plant material for arroyos shall be predominantly used throughout the arroyo drainage system. Certain plant material can substantially contribute to the rate of storm water run-off absorption.
8. Designated drainage areas shall be regularly cleared of debris to avoid any creation of a flood hazard. Other improvements, such as pedestrian bridges, sidewalks and site furnishings that encroach within designated drainage areas shall be designed to withstand potential flood hazards.
9. Drainage velocities shall be minimized to protect from erosion, and debris accumulation on streets and drainages and to prevent hazardous flow conditions.
10. Drainage should be to the street on which lots front where possible. Lot to lot drainage should be avoided.
11. It is appropriate, where feasible, that collector and local streets contribute to the overall drainage system. However, velocities of run-off within the street should be kept at a level safe for pedestrians.
12. Drainage channels, swales and retention basins shall be contoured and designed as an integral part of the sites overall design concept. Retention basins shall not take on the appearance of an engineered structure unless that appearance is a deliberate intent of the approved design.

#### 4.5 Grading

The grading requirements outlined below are intended to protect the value of property and enhance the visual and environmental quality of the development. The same principles apply for mass grading as do for refined grading of individual builder parcels.

A development appears harmonious with its site when finished grades closely correspond with the natural lay of the land. Proper grading minimizes the need for costly retaining walls, difficult to maintain transition slopes and engineered erosion control structures. In addition, grading activities must be carefully planned and implemented to avoid negative environmental consequences such as the generation of fugitive dust and sedimentation of drainages and downstream waterways through uncontrolled erosion from storm water run off.

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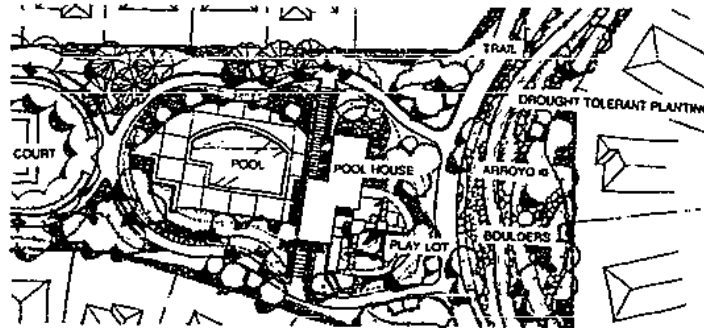
*Design Guidelines for Green Valley Ranch*

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1. Graded slopes shall meet the standards established by the City Engineer
2. The grading of the site shall conform as close as possible to the natural topography. Transitions should be gradual and incremental.
3. Tops and toe slopes should be rounded and fall lines should be varied to create natural appearing changes in grade unless a rigid transition is a deliberate part of the approved site development design concept.
4. All graded slopes shall be landscaped with trees, shrubs and ground cover in accordance with the approved plant list.
5. Grading large flat building pads on sloping sites should be avoided. Grade smaller building pads with more frequent and smaller transitions in grade.
6. Building pads shall be set to promote positive drainage around the structure.
7. Fugitive dust from construction is a considerable pollutant in the Las Vegas Valley. The following grading practices shall be implemented to address the generation of fugitive dust.
  - a. Grading activities shall be consolidated to closely correspond with the anticipated commencement of construction.
  - b. Water and soil stabilization techniques shall be used to control dust during grading activities. The most common method of stabilizing soil involves watering prior to and during grading.
  - c. To eliminate fugitive dust, landscaping of individual projects and graded areas will be required concurrently with the issuance of a certificate of occupancy granted by the City and in synchronization with the next planting season. This measure specifically applies to all commercial developments, multi-family developments, transitional density developments, public and semi-public facilities, and open space areas. Single family lots shall be landscaped within 6 months of occupancy.
8. Regulations of the Federal Clean Water Act prohibit the discharge of sediment into off-site drainages. All construction projects shall include a system in place to manage erosion and the quality of storm water run-off.

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#### Design Guidelines for Green Valley Ranch



#### 4.6 Pedestrian Trails and Bikeways

The guidelines for pedestrian trails and bikeways address the design of both on-street and off-street facilities. The facilities shall be designed in accordance with the following guidelines.

##### 1. Paving Requirements

- a. Concrete is the preferred material for paving of both public and private walks adjacent to streets and within open space areas.
- b. Integral colors, textural material, concrete impress molds or other paving units may be used in select locations to identify special features, circulation patterns or emphasize a place.
- c. Multi-purpose trails and off-street bike paths may be of asphaltic concrete.

2. Provision of Facilities: The pedestrian system incorporates both sidewalks associated with proposed streets and separate multi-purpose paths. The conceptual location of the primary system elements is indicated on the Circulation Plan. The final design and locations criteria for the pedestrian sidewalks and trail systems shall be in accordance with the following standards.

- a. Green Valley Parkway, Paseo Verde Parkway, Valle Verde Road and all arterial level roads shall incorporate a six (6) foot sidewalk for pedestrian use on each side of the road within the space provided between the back of curb and the right-of-way line. The sidewalk shall be direct and separated from the roadway by a planting strip.



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- b. A meandering six (6) foot sidewalk and a ten (10) foot bicycle trail shall both be incorporated into the right-of-way on the south side of Paseo Verde Parkway
  - c. Controlled or grade separated bicycle and pedestrian crossing points will be provided along Paseo Verde Parkway and at all major intersections.
  - d. A four and a half (4.5) foot sidewalk should be provided adjacent to all residential streets within the dedicated right-of-way or adjacent easement for that purpose, except in the following circumstances:
    - i. Where pedestrian traffic is extremely unlikely
    - ii. Where pedestrian traffic is predominantly along one side of the road
    - iii. On any residential street with an ADT of less than 140 (or 14 dwelling units) provided that the street has curbs and driveway cuts that allow access for the disabled to each lot.
    - iv. On any residential street with an ADT of less than 400 (or 40 dwelling units), provided a sidewalk or pedestrian path is provided in an alternate location (i.e. behind the lot or in adjacent open space)
  - v. For subdivisions proposing individual single-family residential lots, with each lot containing 16,000 square feet of area or more.
- All exceptions above require the approval of the Planning Director and City Engineer
- e. Sidewalks shall extend the full length of the street frontage of the development to provide continuity of pedestrian and disabled pedestrian path.
  - f. Street furniture shall not encroach upon the required width of the sidewalk.
  - g. Sidewalks must be physically separated from any vehicular travel lane by means of curbing, changes in grade, barriers, or other means, except at crosswalks.
  - h. A ten (10) foot wide paved multi-purpose path shall be incorporated into the arroyo open space system for the use of pedestrians and bicyclists.

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3. Bicycle Lanes, Routes and Paths.  
The bicycle circulation system at Green Valley Ranch is provided for recreational purposes as well as to encourage alternate means of transportation within the community. Several types of bicycle facilities are provided for in the Plan including bike lanes, bike routes, and bike paths. The system links important community elements and provides a connection to the mountain trails system south of the Plan Area and ties to potential bicycle facilities of surrounding developments. The conceptual location of the primary system components is indicated on the Circulation Plan. The standards for bicycle facilities shall be as follows.
  - a. One directional on-street bike lanes shall be incorporated into each side of Pecos Road, Green Valley Parkway, Valle Verde Road, and all collector level roads. On-street bike lanes for one way traffic shall be a minimum of five (5) feet wide measured from the face of curb.
  - b. Bike routes shall be established within neighborhoods connecting to bike lanes provided on the arterial and collector level roads and the open space multi-purpose trail system. Bike routes shall utilize neighborhood and local streets and shall be clearly marked with signage. A separate lane will not be provided at the bike route level.
  - c. Paseo Verde Parkway will incorporate a separate off-street bike path facility in the dedicated linear open space south of the roadway. The two-directional bike path will have a minimum paved width of ten (10) feet.
  - d. Open space arroyos shall accommodate a ten (10) foot wide, paved, two directional multi-purpose path for bicycle and pedestrian travel where indicated.
  - e. Bicycle facilities shall be controlled and signed in accordance with the Manual of Uniform Traffic Control Devices.
4. Internal Pedestrian and Bicycle Movement. In addition, all subdivisions, multi-family developments, commercial and institutional uses will have internal circulation systems. Components of internal systems may consist of both on-street and off-street facilities. The following guidelines should be considered in designing these systems.

### Design Guidelines for Green Valley Ranch

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- a. Connections shall be made between the internal systems and the overall trail system illustrated in the Circulation Plan.
- b. Where access is desired, connections will be made between the internal systems and perimeter facilities. Connections to adjoining subdivisions, neighborhoods and projects are encouraged.
- c. On-street sidewalks in residential areas shall be a minimum of four and one half feet (4.5) feet wide on local neighborhood streets. On-street sidewalks will not necessarily be required in all locations. Required sidewalk locations will be determined with the tentative map and in accordance with the Master Development Plan Development Standards.
- d. Internal, off-street, multi-purpose trails are encouraged as an alternative to on-street facilities within builder parcels. These trails shall connect to the Village-wide pedestrian circulation and trail system. The internal multi-purpose trails shall be a minimum of six (6) feet wide and shall be located within a landscaped easement not less than 15 feet wide.
- e. Internal walkways serving individual units or building entries should be designed to accommodate the maximum anticipated use.
- f. Bicycle circulation is an appropriate function of local and neighborhood streets. A separate on-street lane for bicycle use only is not required however designated on-street routes should be clearly signed.
- g. Bicycle facilities shall be signed in accordance with the Manual of Uniform Traffic Control Devices.

#### 4.7 Utilities

1. All Utility distribution systems shall be buried where feasible. A marking system should be used to identify the locations of buried utilities.
2. Utility fixtures, such as transformers, junction vaults, and traffic control pedestals, irrigation controls and fire protection assemblies (with the exception of

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fire hydrants) should be setback from the public right-of-way and screened from view

3. The installation of utility infrastructure shall be coordinated with development of parcels on a service demand basis thereby eliminating the premature placement of under utilized facilities.
4. Utility easements shall be provided under the street or sidewalk section and where required alongside the street right-of-way
5. The installation and maintenance of utilities shall minimize the disruption of off-site utilities, paving and landscape.
6. Utilities (phone and electricity) may be temporarily installed overhead only during construction.
7. Exterior mechanical equipment for residential dwellings cannot be placed on any lot without specific approval of the Committee. Conditions of approval will include adequate screening and orientation of such equipment from adjacent properties and public areas.
8. No antenna or other communication equipment shall be placed on any lot without the specific

approval of the Committee. Conditions of approval will include appropriate height limitations to protect adjacent views and electro-magnetic influences

9. It is recommended that when roof-top mechanical equipment is necessary, that this equipment be located near the rear of the building enclosed by a parapet or screen. It should not be visible from adjacent properties.

#### **4.8 Lighting**

1. Lighting design and installation shall be in conformance with City and Utility standards.
2. Area lighting shall be provided along all public and private streets. Light standards and pole heights should be scaled to the street dimensions illumination requirements. All street light fixtures should utilize high-pressure sodium lamps.
3. Pedestrian areas, including off-street trails, pathways, parks and other public places should be illuminated in hours of darkness especially where grade changes involving ramps or stairs occur. Lighting in these areas should be provided by low overhead fixtures (10 -15 feet high) and/or bollard lighting.

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4. Install task lighting to emphasize project signage and selected feature landscapes.
5. Light all grade changes involving ramps or steps in public places.
6. Outdoor recreational facilities should be illuminated when feasible. The lighting design for these facilities should not impact adjoining properties with misdirected light.
2. The community entries will incorporate the style, color and character of the community theme wall.
3. The community entries will incorporate enhanced landscape treatments utilizing accent plant materials, seasonal flowering shrubs and perennials, as well as featured vertical plant material such as date palms or fan palms.

#### **4.9 Community Entry Features**

Two major entries into the community will be developed within phase one. These entries are located at Valle Verde Drive and Green Valley Parkway where they intersect the proposed Southern Beltway. A promenade relating to each entry will extend along Green Valley Parkway north to Pebble Road and south to Paseo Verde Parkway, and along Valle Verde Drive south to Paseo Verde Parkway. This area is defined as the Entry Zone.

The community entry features convey an impression of design quality and character to residents and passing motorists. The design of the community entry features will conform to the following guidelines.

1. Each community entry will consist of square tracts located at each corner of the intersection.
4. The use of controlled uplighting on trees, signs and accenting sculptural elements at entry zones is encouraged.
5. Community entries will incorporate special paving treatment where appropriate.
6. The community entries will incorporate signage identifying the Green Valley Ranch Development. The signage shall be visible from beltway access ramps and from the intersecting arterial roads.
7. The design of community entry features shall maintain all required site triangles of adjoining streets.
8. The Master Developer shall design and install all community entries.

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## **Design Guidelines for Green Valley Ranch**

### **4.10 Prominent Intersections and Entries**

The intersections of Paseo Verde Parkway and Valle Verde Drive, Green Valley Parkway and Pecos Road provide an opportunity to integrate a special urban design feature to emphasize the importance of the Paseo, visually enhance the streetscape and enhance the visual character of the community. Elements at these intersections will include enhanced paving treatments, sculptural monumentation elements or public art, integrated street signage, special lighting designs and enhanced landscaped treatments. The design of the prominent intersection are controlled by the following guidelines.

1. The area reserved for the prominent intersections shall be a square at each corner measured from the right-of-way lines of the intersecting streets.
2. The intersections and promenades will incorporate the style, color and character of the community theme wall.
3. The intersections and promenades will incorporate enhanced landscape treatments utilizing accent plant materials, seasonal flowering shrubs and perennials and featured vertical plant material including date palms.

4. The use of controlled uplighting on trees, signs and accenting sculptural elements at prominent intersections and entry promenades is encouraged.
5. The intersections will incorporate special paving treatments where appropriate.
6. The intersections and promenade will incorporate signage identifying the Green Valley Ranch Development.
7. The design of prominent intersection features shall maintain all required site triangles of adjoining streets.
8. The Master Developer shall design and install all improvements within the prominent intersections and entry promenades.

### **4.11 Individual Project Entry Features**

Component developers will be allowed to install neighborhood or other project entry ways to identify and establish an image for individual projects. The following guidelines should be considered in designing Project Entries.

1. The area reserved for individual project entries shall be squares at each entry corner measured from the right-of-way lines of the intersecting streets.

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2. Individual project entries shall incorporate featured landscape treatments, enhance pavement details and project signage.
3. The use of controlled uplighting on trees, signs and accenting sculptural elements at entry zones is encouraged.
4. In accordance with the Design Standards, two neighborhood identification walls, monuments, or ground signs are permitted per major street frontage, provided the development consists of more than 25 units. Sign copy is limited to the name and in some instances the address of the development. All individual projects will be identified on the sign as a part of Green Valley Ranch (i.e. Ridgeway at Green Valley Ranch).
6. The design of community entry features shall maintain all required site triangles of adjoining streets.
1. The location of any proposed street furniture must be indicated on the Design Review Submittal and tentative and final maps. The placement of any street furniture must be specifically approved by the Committee.
2. The design of grouped mailboxes should reflect the architectural theme of the project. Mail boxes shall also meet the requirements of the United States Postal Service.
3. Bollards should be used where a separation of vehicular traffic and pedestrian traffic is required. The design of bollards should be compatible from site to site and with the architectural vocabulary of the individual project. Bollards may incorporate lighting. Bollards should be located as to be visible to drivers. Bollards should be a minimum of 18" high and a maximum of 42" high.
4. The location of bus shelters should be coordinated with the City Engineer and appropriate transportation officials. Bus Shelter structures are appropriate near commercial areas and in other areas generating significant bus passengers such as multi-family developments. Advertising and signage are inappropriate on any bus facility. Bus shelters shall provide shade and

#### **4.12 Site Furnishings**

Site furnishings serve aesthetic as well as functional uses. Elements such as mail boxes, benches, bus shelters and trash receptacles create opportunities to reinforce a consistent community-wide design theme. The following guidelines should be considered in the placement and design of site furnishings.

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protection from the elements, a place to sit, and a trash receptacle. The materials and design of such structures should be consistent with the architectural guidelines.

5. Benches, trash receptacles and drinking fountains are appropriate in areas where heavy pedestrian traffic is anticipated such as along Paseo Verde Parkway or in commercial and multi-family developments. The location of these elements shall not pose a safety hazard to pedestrians, bicyclists or vehicular traffic. The design of these elements shall be compatible with the architectural guidelines.
6. Newspaper and food vending machines, mail boxes and similar facilities should be located inconspicuously within a screened area and set back from the public right-of-way. The placement of these elements should not pose a hazard to pedestrians, bicyclists or motor vehicles.

#### **4.15 Signage**

Signage presents an important opportunity to reinforce the desired character of the community and to call attention to certain features in the community. The design guidelines for signs establish a project wide

format and style to regulate the appearance, materials and quality of signs. The permitted locations and size of signs is controlled by the approved Development Standards.

##### **1. General Regulations**

- a. All signs erected or installed in Green Valley Ranch shall be reviewed and approved by the Committee and the City of Henderson unless otherwise exempted by the Development Standards.
- b. The specifications for and locations of all proposed signs shall be submitted for Architectural and Landscaping Committee approval.
- c. Sign materials shall be compatible with the associated architecture. Examples of acceptable signage materials include brass, chrome, stainless steel, aluminum, painted or prefabricated steel, tile, porcelain enamel, stone, brick, or stucco over concrete or block.
- d. Wood as a sign material is discouraged, except for temporary signage, due to high maintenance requirements.



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- e. Sign bases for free standing signs shall be of architectural concrete, masonry or similar material. Pole mounted signs are discouraged.
  - f. Lighting of any sign should be of even intensity and from a hidden source. Signs in commercial areas may be internally lit.
  - g. Sign colors shall be consistent with the associated architecture.
  - h. All traffic control signage shall be designed and installed in accordance with the Manual of Uniform Traffic Control Devices published by the U.S. Department of Transportation, applicable Nevada Department of Transportation Standards and with the requirements of the City of Henderson City Engineer.
  - i. Clear sight triangles of adjoining roads and driveways shall be observed in the placement of all signs.
  - j. Billboards and any form of off-site advertising is discouraged.
  - k. Signage shall be maintained and repaired as necessary.
- 2. Community entry signs, residential project entry signs, commercial project entry signs and informational directional signs shall be compatible with the architectural character of the site.

#### **4.14 Construction**

Housekeeping practices at construction sites are a critical part of maintaining an attractive marketing image in the early stages of development. Particularly in the Las Vegas area, debris from construction sites is a nuisance because of the dry and sometimes windy climate and limited natural ground cover.

- 1. Owners and builders shall clear up all trash and debris on the construction at the end of each working day. Trash and debris shall be removed from the construction site and disposed of properly on a weekly basis or as necessary. Lightweight materials, packaging, and similar materials should not be allowed to blow off the site.
- 2. Concrete truck chutes must be washed out in the parcel developer's on-site concrete washing out area approved by Green Valley Ranch. Precautions must be made to protect drainage ways, storm drainage structures, and/or other sensitive site features. Washing trucks into

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- storm drainage system, adjacent parcels or open space is strictly prohibited.
3. The parcel developer shall protect all existing pavements from damage and remove all mud deposits from paved areas left by construction equipment.
  4. The parcel developer shall locate and protect existing underground utilities prior to construction. The developer is responsible for repair and restoration of all existing improvements damaged by his subsequent construction including but not limited to; walls, landscaping, paving, signage, and utilities.
  5. The parcel developer shall maintain all buildings and improvements in good condition and repair and adequately paint or finish if required.
  6. The parcel developer shall maintain all landscape material in their parcel in a neat, attractive condition. This includes watering, fertilizing, trimming, pruning, general clean up, and replacement of all dead and dying plant material.
  7. The parcel developer shall be responsible for fencing all existing plant material or natural areas designated for protection by Green Valley Ranch, prior to beginning construction.
  8. The locations and appearance of any owner or builder construction trailers and related facilities must be approved by the Committee. These structures shall be removed promptly upon completion of construction.

## 5.0 Architecture and Landscape Overview

### 5.1 Architecture; General Considerations

The goal of this architectural guideline is to establish a minimum standard of quality and to assure compatibility. The following sections will contain descriptions and illustrations which are expressions of the intended character and appropriate design responses. Flexibility in interpretation and innovation are encouraged to create distinct individual neighborhood identities within the common elements of the community theme. However, all deviations from the architectural guidelines will be subject to the approval of the Committee at its sole discretion.

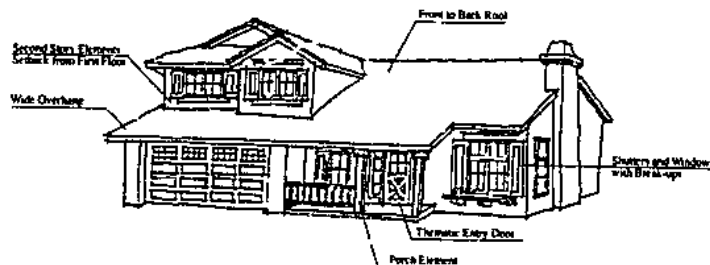
The architectural theme shall be Southwest Ranch or Hacienda which blends characteristics of the Ranch and Spanish Eclectic (Mission Monterey, Santa Barbara and Spanish Colonial) styles. Some of the characteristics of these styles include:

#### 1. Ranch Style

- Simple roof forms with shallow pitch at 5/12 typically except at accent gables or dormers which can have pitches up to 8/12.
- Front to back roof configuration, sometimes with break pitch sheds. If the home is less than 40'-0" wide, then dutch gable or hip roofs are encouraged rather than gables.



- Second story elements with a setback from the first floor building line at street elevation.



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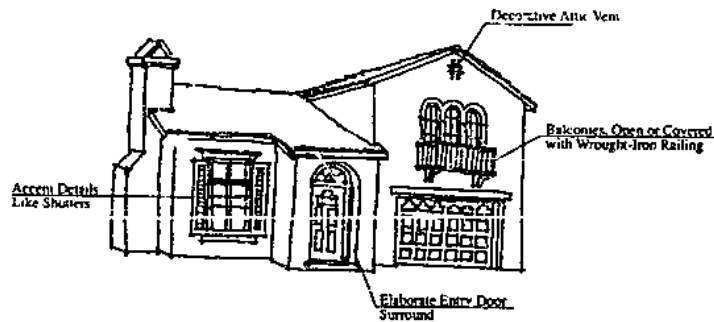
- d. Flat clay tile, flat concrete tile or asphalt shingle roofing
- e. Wood or hardboard fascia with minimum 12" overhang. Wider 18" to 24" overhang are encouraged.
- f. Smooth stucco exteriors.
- g. Woodlike detailing on the exterior. Recognizing the need for durable and low maintenance exteriors, the use of synthetic materials like fiberglass, foam, metal, aluminum or polymer products to imitate wood configurations and sizes is recommended to limit the exposure of wood to the desert environment.
- h. Shutters (recommended in fiberglass or polymer) and factory painted white window frames with minimum 24" break-ups.
- i. Accent gable vents and window trim
- j. Minimum 6'-0" wide porches utilizing painted steel, aluminum or polymer products to imitate wood details and sizes.
- k. Lap siding used in limited accent areas like gables, dormers and minor second floor elements.
- l. Imitation stone or brick accents.
- m. Accent details and elements like brackets, porch railings, lattice, outlooker accents, cupolas, weather vanes, finials, bird's nest or dormer windows.



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2. Spanish Eclectic



- a. Simple shallow pitched roofs with pitch at 5/12 typically
- b. Gable, shed and hip roof forms.
- c. Stucco, tile or wrought-iron vents.
- d. Balconies, open or covered utilizing wrought-iron accents or details



- e. "S" shaped clay or concrete tile roofing.
- f. Wood or stucco fascia with light overhang.
- g. Smooth stucco exteriors.
- h. Elaborate entry door surround.
- i. Half-round or flat arches above principal windows or beneath porch roofs.

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- j. Arcaded wing walls and exterior entry courts



- k. Accent details and elements like shutters, medallions and gable accents.

3. Building Massing and Scale

The primary design components of any building are massing and scale. These components require careful articulation in their architectural expression, particularly where viewed from roads and areas accessible to the public.



- a. There shall be articulation in wall planes both vertically and horizontally
- b. There shall be projections and recesses to provide shadow and depth to wall planes.

- c. The buildings shall have simple forms with combinations of one and two-story elements.
- d. Front porches or arcades are encouraged to break-up two-story masses.

4. Roofs

Roof forms and materials are critical components in maintaining the theme for each neighborhood

- a. Utilize simple pitched roof forms ranging in slope from 4/12 to 6/12 with 8/12 being the maximum in Ranch style accent gables
- b. Acceptable roof forms include gable, dutch gable, hip or shed roof as appropriate to each style
- c. Provide wood, hardboard or stucco fascia as appropriate to each style.
- d. Roofing materials shall include:
  - i. Flat or "S" shaped concrete or clay tile
  - ii. Terne metal or copper.
  - iii. 20 year minimum three tab asphalt shingle roofing (at Ranch style only).

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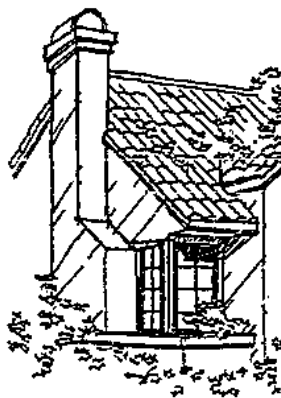
- iv Approved roofing colors and shapes are listed on the color board per section 5.1.7

5 Chimneys

Chimneys shall be simple in design, massive in proportion and use the same materials as the surrounding wall or appropriate accent materials (stone or brick). Chimney caps should repeat the fascia cornice treatments and integrate the trim colors. Exposed flues are prohibited.



- a. Exterior plaster or stucco using a sand, dash, medium lace or other light texture finish.
- b. The use of limited areas of hardboard lap siding on either vertical or horizontal masses with heavy body stain or paint finish. The siding can be vinyl or aluminum if in second floor application or where it is not easily accessible. The siding should be installed per manufacturer's recommendations for desert climate.
- c. Exposed wood shall have a minimum 2-inch nominal dimension and be clear, all heart, kiln dried material or glu-laminated members with wood species and adhesive materials rated for desert climate. Exposed wood sheathing shall be limited to



6 Exterior Materials

The exterior building materials shall be reflective of the theme and compatible with the surrounding desert environment.

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underside of roof or patio decks. All wood shall receive stain or paint finish. The use of durable substitute materials for wood is recommended like painted polymer, aluminum, metal or fiberglass.

- d. The use of ceramic tile, brick, cultured or real stone accents and trim are encouraged.

7 Colors

Color is intended as a primary theme element. Off-white and light values with darker or lighter accents should be used to highlight the character of the structure. All accent colors must be applied so they relate to the architectural form and character of the building. Changes from one color to another must always occur on an inside corner. A color board with suggested color palette for both Ranch and Spanish Eclectic styles will be available at the Committee office.

8. Windows and Doors

- a. Exterior doorways are focal points and shall be covered.
- b. Entry doors shall evoke the spirit of the style like a wood brace pattern and large lite

of glass at the Ranch style or a highly decorated surround in the Spanish Eclectic style.



- c. Provide recessed openings or surrounds at all windows facing the street or public areas regardless of which side of the building is providing principal access.
- d. Divided lites and factory white or accent color window frames are encouraged. The use of mill finish window or door frames is prohibited.



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- e. The use of reflective glass is discretionary and must be specifically approved by the Design Review Board.
- f. The use of half round or flat arched openings or windows are encouraged as well as an occasional octagonal or circular accent window.



- g. The addition of shutters and potselves are encouraged although it is recommended that fiberglass or polymer wood substitutes be used.
- h. Garage doors shall be recessed from adjacent walls. The use of metal sectional doors is recommended due to climate, but the addition of decorative glass panels and use of alternative recess door patterns is encouraged.

9 Architectural Forms and Details



- a. Porches are the strongest architectural expression of the principles of the Green Valley Ranch because they are conducive to the enjoyment of the outdoors and provide a one-story, human scale element to the street.
  - i. In Spanish Eclectic designs use a stucco arcade.
  - ii. In Ranch style designs, consider using aluminum, tubular steel or polymer columns and railing with stone or brick half columns to recreate wood dimensions and details.
  - iii. The porch shall have minimum depth of 5'-4" clear to be usable.

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b Columns and Arches



Columns and arches are an important element in Spanish Eclectic architecture. They can be freestanding as support for porches or roof or attached to enhance depth and interest at fenestrations and entries.

- i. Columns shall be square or cylindrical of stucco or precast concrete. The columns shall have both capital and base either through precast elements or by application of stucco trim.
- ii. Arches shall have 12" minimum thickness and a 1/2 round, flattened arch or rectangular top.

10. Balconies

The use of balconies is encouraged. They shall be incorporated into the building form to articulate and provide visual interest to large wall masses. The railings shall be consistent in character and detail to the rest of the structure.



- a. In the Spanish Eclectic style, use wrought-iron, stucco or precast balusters and railings. If the balcony is solid stucco, then provide a ceramic tile or precast cap.
- b. In the Ranch style, use wood dimension aluminum or polymer railings.

11. Exterior Stairs

Exterior stairs shall complement the architectural massing and form of building using similar materials as balconies.

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**12. Private Walls and Fences**

Private walls and fences are encouraged to provide security, privacy and landscape definition. Wall treatments viewed from the street or public spaces shall be consistent in materials, form, character and color with the adjacent buildings and shall meet governing codes. Landscape, particularly vines and espaliered trees, shall be used to visually soften garden walls.

- a. Stepped or arcaded walls are encouraged.
- b. Provide a minimum 8" thickness at solid walls for massive look.
- c. The walls shall be finished with stucco, plaster, cultured stone or brick.
- d. Transparent fences and gates shall be constructed of wrought-iron, painted aluminum polymers or precast balustered rails.
- e. Provide 30" minimum planting strip between sidewalk or curb and wall.

**13. Building Details.**

- a. Mechanical equipment and meters shall be integrated into building or screened

from public view. No equipment shall be allowed on the roof.

- b. Antennas shall be in attic and TV dishes are prohibited.
- c. Accessory structures shall be designed to compliment the architecture of the adjacent building or neighborhood.
- d. Flashing, sheet metal, vents, etc., shall be painted to match adjacent surface.
- e. Skylights and solar panels shall be integrated into roof designs.

**5.2 Home Sales and Model Complexes**

**1. Parking**

The primary sales and model parking is to be provided in off street temporary parking areas adjacent to the models or sales trailer. On-street parking is prohibited except as overflow.

- a. There shall be a minimum of 2 parking spaces per model home and one additional per sales person. When utilizing future guest parking courts for temporary model parking, there shall be no

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impact to required guest parking for any phase prior to build out

- b. Any temporary parking area and access roads shall be paved.
- c. The parking area shall be landscaped in accordance with City of Henderson development code and within spirit of these guidelines.

**2. Temporary Sales Trailers**

All temporary sales trailers will require special consideration and approval by the Committee. If approved, they shall have additional architectural detailing consistent with the neighborhood theme.

- a. The trailer hitch, air conditioning units and other unattractive attachments shall be screened from public view by approved materials or landscaping.
- b. The trailers shall be skirted to screen wheels, jacks and axles from public view with approved materials or landscaping.
- c. The trailer shall be setback a minimum of 15'-0" from the property line, street or public space and 10'-0" from the parking area.

**5.3 Landscape; General Considerations**

- 1. Landscape and plant material shall be selected from the approved plant list except no restrictions shall apply to the rear yards of private residences or plants maintained in pots or movable planters.
- 2. Unity of design shall be achieved by repetition of certain plant varieties and other landscape materials and by coordination with planting plans of adjacent uses.
- 3. Fifteen gallon trees shall have a minimum trunk height of six feet and a minimum 1 1/2 inch caliper measured four feet above the ground. Multi-trunk trees may have a smaller caliper measurement. Palms shall have a minimum trunk height of five feet.
- 4. Twenty four inch box trees, are full-bodied trees with a shape characteristic of the species and with a minimum size of ten to twelve feet in height, six to eight feet in canopy width with a two inch single trunk caliper or a one inch average trunk caliper for multiple trunk trees or an eight foot trunk height for palms.
- 5. All landscaping shall be maintained and replaced as necessary.

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6. Commercial and community facilities shall provide a twenty (20) foot landscape buffer adjacent to all street frontages. Pedestrian walks may be located within the landscape setback. Driveways may cross the setback in a direct manner but parking shall not be allowed within the setback.
7. Commercial and community facilities shall provide a ten (10) foot landscaped setback contiguous to any adjacent residential use.
8. Perimeter areas adjacent to collector and local streets shall be landscaped with a minimum of one 24 inch box tree for every 20 feet of linear frontage. Trees may be placed on center in a formal arrangement or may be grouped informally to frame views and allow visibility.
9. Perimeter interior property lines shall be landscaped with 24 inch box trees placed a minimum of 20 feet on-center.
10. Perimeter tree planting in front yards shall consist of a minimum of one 24 inch box tree for every 20 feet of frontage, or 2 per lot.
11. All required perimeter landscaping shall be installed with the first phase of any development.
12. Perimeter tree planting shall be supplemented with ground cover, shrubs and other plant material.  
  
The landscape guidelines will be further embellished after the completion of the landscape concept development.

#### 5.4 Irrigation

1. An automatic irrigation system must be provided to all planting areas and plant material.
2. Irrigation systems must be installed simultaneously with plant material.
3. Irrigation systems shall be monitored and repaired as necessary within a reasonable period of time.
4. Irrigation systems shall be gauged and sized according to product manufactures recommendations. Irrigation design should be prepared by a professional irrigation designer.
5. In hot arid climates such as Henderson, watering less often but more deeply will encourage plants to develop deeper root systems thereby allowing plant material to weather summer extremes more readily.

## 6.0 Single Family Residential

Individual residential subdivisions shall be subject to the Multi-Family and Efficiency Lot Development Design Guidelines Study where applicable

### 6.1 Site Planning

#### 1. Parking

Automobiles and related functions are not consistent with the intended character and activities of residential neighborhoods. Automobile parking and on-site circulation, if improperly treated, can degrade the visual quality and integrity of the neighborhood or development.

- a. Resident parking is prohibited on arterial and collector level streets and discouraged on any other street, drive or other place not specifically approved for automobile parking.
- b. Independent homeowners associations may restrict vehicular parking on any private street or public within the respective developments. The signing and enforcement of parking restrictions within and individual development shall be the shared responsibility of the homeowners association and the City

- c. At least two enclosed off-street parking spaces shall be required for each single family unit
- d. Trucks, campers, mobile homes or other recreational or off-street vehicles shall not be parked in any front or corner yards and shall not be parked, maintained, constructed or repaired on in any yard unless screened from view of the street and adjoining properties.

#### 2. Unit Types and Configurations

A variety of single family unit types and configurations are proposed within the Green Valley Ranch. These include conventional single family, patio homes and 2-lot configurations.

- a. Where appropriate, swing-in or side entry garage arrangements will be encouraged to create visual interest and variety to the streetscene.
- b. Where third car garages are being proposed, a tandem configuration for the third car could be considered, to add flexibility to the floor plan and reduce the visual dominance of garage doors along the street.

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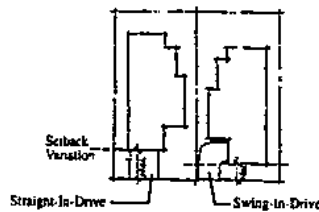
*Design Guidelines for Green Valley Ranch*

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3 Building and Lot Orientation

The orientation of single family lots and dwellings should focus on creating an interesting and inviting streetscene; usable, private yard areas; and optimizing open space, recreation and view opportunities within individual neighborhoods.

- a. Where possible, double frontage lots should be minimized
- b. A variety of residential and garage orientations and setbacks should be employed to add visual interest to the streetscene



- c. Along the collector and arterial roadways, some side-on orientations add variety to the building massing and opportunities to open perimeter walls. These openings provide visual and pedestrian access and additional landscape opportunities.

4. Accessory Structures

- a. Patio covers, trellage, gazebos or any other accessory structures shall be compatible with the materials, forms and colors of the adjacent homes and shall be constructed as permitted by governing codes, particularly in respect to height, size and setbacks
- b. Mailboxes shall be placed in groups no larger than four, set into a stucco finished pilaster and detailed to contribute to the overall community theme.

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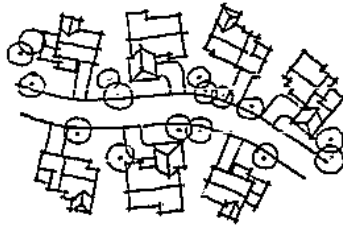
*Design Guidelines for Green Valley Ranch*

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5 Street Appearance

Street appearance within the Green Valley Ranch will be directly related to the architectural and landscape opportunities created by neighborhood site plans and the ability to optimize those opportunities based on quality design.

- a. To create visual variety and interest and avoid the "tunnel" effect, curvilinear streets are encouraged in single family areas.



- b. A variety of front residential setbacks should be utilized to create interest and articulation along the streetscene.
- c. Various garage orientations and configurations are encouraged to add interest and reduce the visual impact of garage doors on overall street appearance

- d. Single story elements should be utilized to add interest and variety to the building massing, as viewed from the street

6. Common Open Space and Resident Amenities

Neighborhoods within Green Valley Ranch will be linked together with an extensive open space and trail system. Pedestrians will move through arroyos, along utility easements and within Paseo Verde Parkway on their way to local destinations. Neighborhood parks, schools, churches, parkettes and support retail will be accessible to the pedestrian and bicycle enthusiast. Private resident amenities will also be integrated into this village-wide system.

7 Trash and Refuse Collection

- a. Trash receptacles shall be provided that are compatible with City requirement or contractor requirements.
- b. Except on scheduled pick-up days, trash receptacles shall be kept within an enclosed garage or within a rear fenced or walled yard.



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*Design Guidelines for Green Valley Ranch*

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## 6.2 Architecture

### 1. Design Objectives

The goal is to establish a high standard of quality for the home designs and to allow each residential neighborhood to develop its own unique identity while blending with and supporting the overall community themes. The result will be aesthetically pleasing homes that are appropriate in theme and which enhance the community when viewed from public spaces and streets.

### 2. Theming

- a. Apply the architectural standards and theme criteria outlined in Section 5.1 "Architecture; General Considerations" to all single family residential neighborhoods.
- b. Establish a consistent theme within each village, but vary the use of elements within that theme to minimize monotony.
- c. The use of multiple themes within a single neighborhood is not encouraged and will require special consideration and approval by the Committee.

### 3. Elevation and floor plan considerations

- a. No more than 12 homes within same neighborhood shall have the same elevation.
- b. There shall be a minimum of two color schemes developed for each plan configuration which can be applied to any elevation type to create differentiation and streetscene interest.
- c. Single story homes or homes with single story elements are encouraged at corner lots or adjacent to open space areas.
- d. Articulate and detail rear or sideyard elevations viewed from public spaces similar to street elevations.
- e. Design second floor elements and locate windows to maintain rear and sideyard privacy between homes.
- f. Vary floor plans on adjacent lots, use reverse plans and alternate elevations to enliven the streetscene.
- g. The use of tandem third car garages are encouraged to improve streetscene and reduce prominence of garage doors.

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### **6.3 Landscape**

1. Plant and landscape material shall be selected from the approved plant palette for residential uses.
2. Perimeter areas adjacent to collector and local streets shall be landscaped with a minimum of one 24 inch box tree for every home or lot. Trees may be placed in a formal arrangement or may be grouped informally to frame views and allow visibility.
3. Perimeter interior property lines shall be landscaped with shrubs.
4. Perimeter tree planting adjacent to public streets shall consist of a minimum of one 24 inch box tree for every 20 feet of frontage.
5. All required perimeter landscaping shall be installed with the first phase of any development.
6. Perimeter tree planting shall be supplemented with ground cover, shrubs and other plant material selected from the approved plant list.

### **6.4 Irrigation**

1. Irrigation shall be installed to all planting areas that are held in common or are maintained by a homeowners association or the property management group. Individual lots are the responsibility of the homeowner and irrigation is optional.

## 7.0 Transitional Density Housing

Individual residential subdivisions shall be subject to the Multi-Family and Efficiency Lot Development Design Guidelines Study as approved by the City Council by ordinance (Refer to section 13.0 Appendix)

### 7.1 Site Planning

1 Definition. For the purposes of these guidelines, transition density housing will include:

- a. Efficiency Lots (single family detached on lots of less than 6,000 s.f.)
- b. Transition Density Attached (duplexes, triplexes, townhomes, condominiums and/or apartments, at densities less than 10 dwelling units per acre).

#### 2. Parking

Automobiles and related functions are not consistent with the intended character and activities of residential neighborhoods. Automobile parking and on-site circulation, if improperly treated, can degrade the visual quality and integrity of the neighborhood or development.

Depending on the building and unit types developed within each single family attached area, parking may occur in a manner similar to a single family neighborhood. In denser developments small common

parking areas may be implemented as a solution. The following guidelines are intended to address all potential parking scenarios.

- a. Resident parking is prohibited on arterial and collector level streets and discouraged on any other street, drive or other place not specifically approved for automobile parking.
- b. Independent community associations may restrict vehicular parking on any private or public street within the respective developments. The signing and enforcement of parking restrictions within and individual development shall be the shared responsibility of the community association and the City.
- c. At least one enclosed off-street parking space shall be required for each single family attached unit.
- d. Trucks, campers, mobile homes or other recreational or off-street vehicles shall not be parked in any front or corner yards and shall not be parked, maintained, constructed or repaired on in any yard unless screened from view of the street and adjoining properties.

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#### *Design Guidelines for Green Valley Ranch*

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- Trucks, campers, mobile homes or other recreational off-street vehicles may be parked in designated common storage areas.
- e. All circulation and maneuvering within common parking areas shall be internal to the site.
  - f. The design of parking areas should not dominate the site, parking areas should be dispersed and integrated into the total site design concept.
  - g. Parking areas of more than 10 spaces shall be visually divided by landscape islands.
  - h. All parking areas of more than 10 spaces shall be screened from public view or the view of adjacent properties with a combination of walls, earth berming and plant material.
  - i. Reductions in the amount/number of parking spaces is discouraged except instances where there is a reduced parking demand such as in senior housing or mixed use projects.
  - j. Where covered parking is provided, these structures should be compatible with other architectural elements on the site. Covered parking structures may encroach a maximum of two feet into any designated landscaped setback.
  - k. Covered parking structures shall be exempt from required building setbacks but shall not occur within the front yard or adjacent to any street frontage of any use.
  - l. Parking lot lighting should provide adequate illumination, but not emit light beyond the development.
  - m. Illumination from auto headlights should not disturb or disrupt activities on surrounding properties.
  - n. Loading and unloading areas and passenger drop-off areas should be incorporated within the overall circulation pattern and should be safe for pedestrians.
  - o. The design of emergency vehicle access should be integral to the overall design concept of the project.
  - p. Driveway placements on each efficiency lot development shall provide access to a collector or arterial street.

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### *Design Guidelines for Green Valley Ranch*

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shall avoid significant impacts to adjoining streets and shall not conflict with driveways of adjoining developments.

- q. Pedestrian circulation should be incorporated into the design of parking lots. Parking areas should not act as a barrier between the street and the building.
  - r. Incorporate landscaping into large parking areas to break large expanses of pavement thereby providing visual relief and the effects of heat and glare.
  - s. Required sight triangles should be left unobstructed where driveways intersect other driveways or streets.
  - t. Efficiency lot developments containing fifty (50) or more dwelling units and with fewer than 1.5 on-street parking spaces per unit, are required to provide additional guest parking equal to the deficiency.
3. Unit/Building types and configurations

Building types and configurations will vary with the particular development proposal considered on specific transition density sites within Green Valley Ranch.

It is important to recognize that these transition density guidelines are intended as a starting point. Additional or hybrid unit types and building configurations may be developed in other areas and future innovations and refinements can be expected as the City and builders gain experience. Residential development in transition density areas will exhibit the same high quality construction and design as other housing types in Green Valley Ranch.

### **7.2 Efficiency Lots**

Any single family detached product on lots less than 6,000 s.f. shall be considered an efficiency lot.

#### **1 Unit types and configurations**

A variety of efficiency lot configurations and single family dwelling unit types are proposed within the transitional density. These include conventional single family, patio homes and 2-lot configurations.

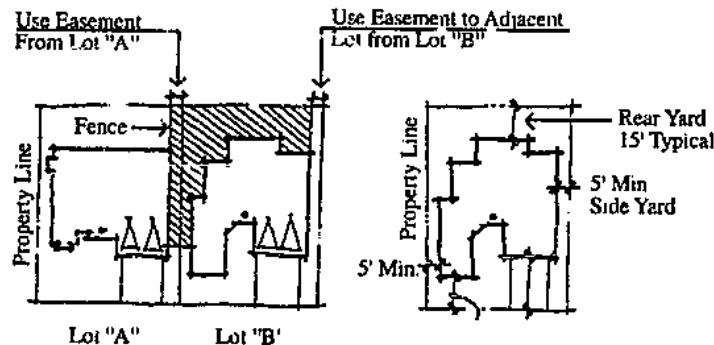
##### **a. Garage configurations**

- i. Two car garages are required for all efficiency lot homes. Enclosed parking shall be integrated into house

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- elevation. Staggered garage setbacks are encouraged.
- ii. Where Efficiency Lots 40 feet in width or less are being proposed, "tandem" garage configurations may be proposed to minimize the visual impact of garage doors on the streetscene
- iii. Where third car garages are being proposed, a tandem configuration for the third car should be considered to add flexibility to the floor plan and reduce the visual dominance of garage doors along the street
- 2. Building and lot orientation
  - The orientation of efficiency lots and dwellings should focus on creating an interesting and inviting street scene; usable, private yard areas and optimizing open space, recreation and view opportunities within Green Valley Ranch.
  - a. Where possible, double frontage lots should be minimized
  - b. A variety of residential and garage orientation and setbacks should be employed to add visual impact to the streetscene
  - c. Along the collector and arterial roadways, some side-on orientations add variety to the building



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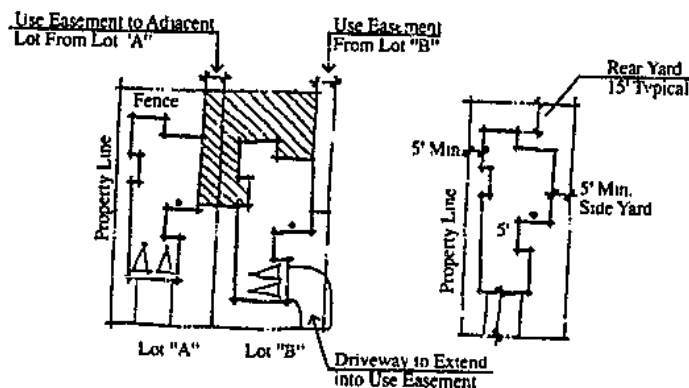
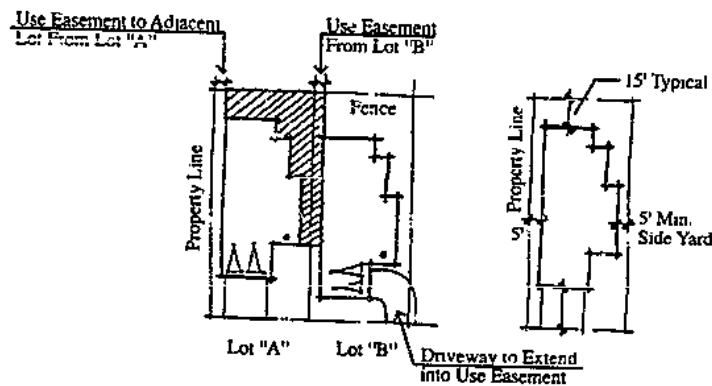
massing and opportunities to open perimeter walls. These openings provide visual and pedestrian access and additional landscape opportunities.

- d. A minimum of 500 square feet of usable open space

shall be provided on each efficiency lot. Qualifying usable area shall have a minimum dimension of 15 feet.

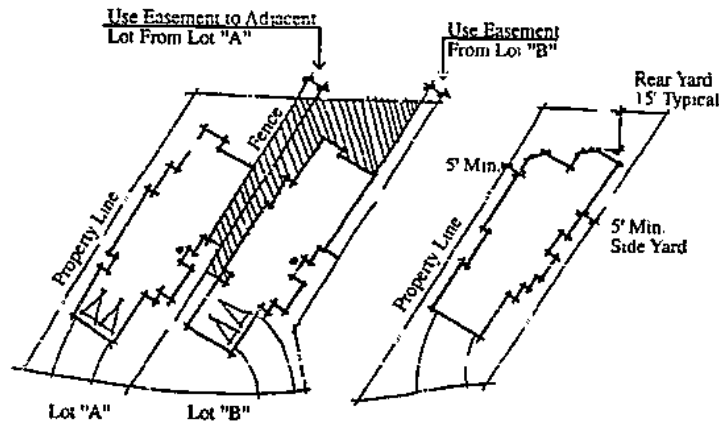
- e. Efficiency lot setbacks are as follows.

- 1. 20' front yard



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- ii. Side entry garages qualify for reduced front yard setbacks (10 feet)
  - iii. 10' building separation
  - iv. 20' rear yard
3. Accessory Structures
- a. Patio covers, trellage, gazebos or any other accessory structures shall be compatible with the materials, forms and colors of the adjacent homes and shall be constructed as permitted by governing codes, particularly in respect to height, size and setbacks.
  - b. Mailboxes shall be placed in groups no larger than four, set into a stucco finished pilaster and detailed to contribute to the overall community theme.
4. Street appearance
- The street scene of efficiency lot developments within the transition density areas of Green Valley Ranch will be directly related to the architectural and landscape opportunities created by neighborhood site plans and the ability to optimize these opportunities based on quality design.
- a. To create visual variety and interest and avoid the "tunnel" effect, curvilinear streets are encouraged efficiency lot developments.
  - b. The clustering of efficiency lots around cul-de-sacs and auto courts is encouraged to break up long or repetitive segments of continuous roadway



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- c. A variety of front residential setbacks should be utilized to create interest and articulation along the streetscene
  - d. Various garage orientations and configurations are encouraged to add interest and reduce the visual impact of garage doors on overall street appearance.
  - e. The use of single story elements to add interest and variety to the building massing is encouraged.
  - f. Installation of front yard landscaping by the builder in efficiency lot developments is encouraged.
5. Common Open Space and Resident Amenities
- Neighborhoods within Green Valley Ranch will be linked together with an extensive open space and trail system. Pedestrians will move through arroyos, along utility easements and within Paseo Verde Parkway on their way to local destinations. Neighborhood parks, schools, churches, parkettes and support retail will be accessible to the pedestrian and bicycle enthusiast. Private resident amenities will also be integrated into the village-wide system.
- a. Efficiency lot developments shall provide common open space in accord with the following schedule:
- | LOT SIZE        | AREA REQUIRED      |
|-----------------|--------------------|
| 5999-5000 s.f.  | 5% (300-250 s.f.)  |
| 4999-4500 s.f.  | 10% (500-450 s.f.) |
| 4499-4000 s.f.  | 15% (675-600 s.f.) |
| 3999-3500 s.f.  | 20% (800-700 s.f.) |
| under 3500 s.f. | 25% (875 s.f.)     |
- b. Lineal open space corridors shall have an average minimum width of 15 feet to qualify for open space credit.
6. Trash and Refuse Collection
- a. Individual Pick-up
    - i. Trash receptacles shall be provided that are compatible with City requirement or contractor requirements.
    - ii. Except on scheduled pick-up days, trash receptacles shall be kept within an enclosed garage or within a rear fenced or walled yard.

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### *Design Guidelines for Green Valley Ranch*

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#### **h Trash Bins**

- i. All refuse areas shall be screened on three sides with a six foot masonry wall. The wall shall be finished to match the architectural character of the project. Refuse enclosures shall have opaque doors to screen the fourth side. Vines or other planting material attached to the sides of the enclosure and adjacent planting areas are encouraged to soften the appearance. Adding a code acceptable overhead structure is appropriate to support the vines and limit direct views of the enclosure from adjacent structures.
- ii. Trash collection areas shall have access from within the tract. Collection areas shall be accessible by service vehicles but should not be the focal point of a driveway or parking area. Recommended locations include inside parking courts, at the end of parking bays and preferably integrated into the end of a garage or carport.
- iii. The design of private streets and drives shall allow for the easy access of service vehicles.
- iv. Refuse areas shall not be located in the front yard setback or visible from any public street frontage. Refuse collection areas shall be a minimum of ten feet from any adjoining property.

#### **7.3 Transitional Density Attached**

Any housing development comprised of duplex, triplex, townhome, condominium, or apartment or combination developments at less than 10 dwelling units per acre shall be considered Transitional Density Attached. Transitional Density Attached developments will exhibit the same high quality of construction and design as other housing.

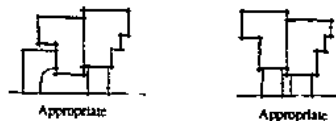
##### **1 Building types**

- a. Where possible, building configurations in Transitional Density areas may include duplexes, townhomes, condominiums or combinations of unit configurations.

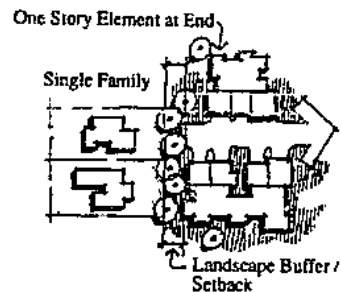
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# Design Guidelines for Green Valley Ranch

- b. In duplex and townhome developments, the use of shared driveways should be minimized.

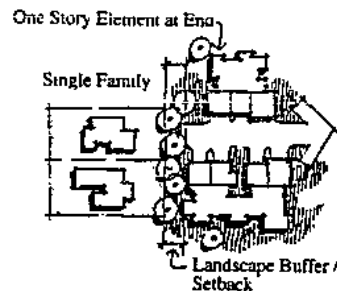


- c. Where transitional density attached borders single family development, the privacy of the single family homes should be maximized.



- d. Buildings in Transitional Density Attached areas should be designed as a series of individual homes rather than a single building. The individuality of each unit can be further enhanced by providing each unit with its own entry and identity.

- e. The use of small building configurations is encouraged in Transitional Density Attached developments, especially where single family development is adjacent.

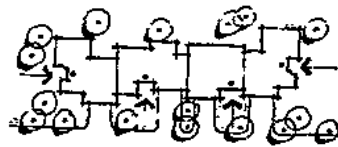


## 2. Building and lot configuration

- a. Where possible, a variety of building orientations and setbacks should be used along Transition Density Attached edges to create landscape opportunities and visual interest.
- b. Where possible, Transition Density Attached development should be oriented around courts or clusters to consolidate parking, open space and landscape opportunities.

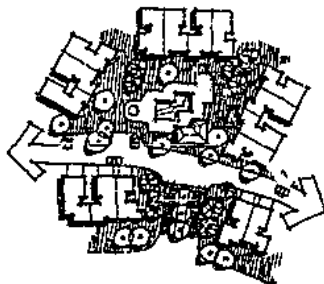
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Vary Facade Treatments and Entrances to Create Unit Individuality

- c Transition Density Attached units should be oriented to optimize open space, recreation and landscape opportunities, both on- and off-site. Where a centralized amenity or recreation facility is proposed on-site, visual access from the project entry and/or local circulation systems should be provided. In other cases, landscape and recreation areas can be utilized to buffer transition density attached development from adjacent development or to enhance the streetscene from adjacent roadways.



- 3. Accessory structures (See 8 1 4)
- 4. Street appearance
  - a The staggering or off-setting of horizontal, vertical and roof planes in Transitional Density Attached areas is encouraged
  - b The use of single story elements to reduce and add variety to visual building massing, especially along project perimeters is encouraged in Transition Density areas.
  - c Storage and utility areas in Transition Density Attached developments should be located out of public view and should be screened and secured in an aesthetically pleasing manner
  - d. Individual buildings should be turned and oriented in a variety of ways along project streets and drives.
  - e. Where possible, parking along internal loop or spine collectors should be limited. Parking in courts or bays of the collectors is encouraged to limit the visual impact of the automobile and enhance landscape opportunities along the collector
- 5. Trash and refuse collection (See 8 1 7)

#### 7.4 Architecture

##### 1 Design objectives

The goal is to establish a high standard of quality for the building designs and to allow for each residential neighborhood to develop its own unique identity while blending with and supporting the overall community themes. The purpose of the transition density housing is to provide a transition between the scale and density of single family detached home neighborhoods and that of multi-family communities. The emphasis should be on creating buildings of reduced scale and massing which maintain the privacy of the adjacent single family neighborhoods.

##### 2 See section 6.2 for additional efficiency lot criteria.

##### 3 See section 8.2 for additional transitional density attached housing criteria.

#### 7.5 Landscape

##### 1 Plant and landscape materials shall be selected from the approved plant palette for residential uses.

##### 2 Perimeter areas adjacent to collector and local streets shall be landscaped with a minimum of

one 24" box tree for every 20 feet of linear frontage. Trees may be placed on center in a formal arrangement or may be grouped informally to frame views and allow visibility.

##### 3 Perimeter interior property lines shall be landscaped with 24 inch box trees placed a minimum of 20 feet on-center.

##### 4 Perimeter tree planting adjacent to public streets shall consist of a minimum of one 24 inch box tree for every 20 feet of frontage.

##### 5 All required perimeter landscaping shall be installed with the first phase of any development.

##### 6 Perimeter tree planting shall be supplemented with ground cover, shrubs and other plant material selected from the approved plant list.

#### 7.6 Irrigation

##### 1 Irrigation shall be installed to all planting areas held in common or cared for by the homeowner association or management company.

Individual residential subdivisions shall be subject to the Multi-Family and Efficiency Lot Development Design Guidelines Study as approved by the City Council by ordinance.

## 8.0 Multi-family Residential

### 8.1 Site Planning

**Definition:** Any housing development containing duplexes, townhomes, condominiums or combinations at a density greater than 10 dwelling units per acre shall be considered multi-family residential. Individual multi-family subdivisions shall be subject to the Multi-Family and Efficiency Lot Development Design Guidelines Study as approved by the City Council by ordinance (refer to section 13.0 Appendix).

#### 1. Parking

- a. All circulation and maneuvering within parking areas shall be internal to the site.
- b. The design of parking areas should not dominate the site, parking areas should be dispersed and integrated into the total site design concept.
- c. Parking areas of more than 10 spaces shall be visually divided by landscape islands.
- d. Parking areas for office uses should be designed to allow for a separation of short-term visitor parking accessible to the main entry of buildings, and long term

parking accessible to secondary building entries for employee use.

- e. All parking areas shall be screened from public view or the view of adjacent properties with a combination of walls, earth berming and plant material. Parking lot landscaping is required. Plans are approved at time of architectural review.
- f. Reductions in the amount/number of parking spaces is discouraged except instances where there is a reduced parking demand such as in senior housing or mixed use projects.
- g. Where covered parking is provided, these structures should be compatible with other architectural elements on the site. Covered parking structures may encroach a maximum of two feet into any designated landscaped setback.
- h. Covered parking structures shall be exempt from required building setbacks but shall not occur within 5' of side yards, the front yard or adjacent to any street frontage of any use.

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- i. Parking lot lighting should provide adequate illumination, but not emit light beyond the development.
  - j. Illumination from auto headlights should not disturb or disrupt activities on surrounding properties.
  - k. Loading and unloading areas and passenger drop-off areas should be incorporated within the overall circulation pattern and should be safe for pedestrians.
  - l. The design of emergency vehicle access should be integral to the overall design concept of the project.
  - m. Driveways shall ingress/egress to arterial or collector streets only, and avoid conflicts with driveways of adjoining developments.
  - n. Pedestrian circulation should be incorporated into the design of parking lots. Parking areas should not act as a barrier between the street and the building.
  - o. Incorporate landscaping into large parking areas to break large expanses of pavement thereby providing visual relief and the effects of heat and glare.
  - p. Required sight triangles should be left unobstructed where driveways intersect other driveways or streets.
  - q. Entry monument signs are encouraged at the developer's principal driveway(s). Sign locations must observe the line of sight triangle.
  - r. Streetscape landscaping plans are required for multi-family site plan review. Streetside landscape setbacks are a minimum twenty (20) feet on arterials and ten (10) feet on collectors.
  - s. Two parking spaces are required for resident use in all multi-family developments. Requirements specify additional spaces for visitor use at .25/dwelling unit.
  - t. The "Americans with Disabilities Act" requirements must be observed, including reserved spaces with appropriate markings, extra width and nearest accessibility.
2. Building Types and Configurations
- a. Multi-family residences will exhibit the same high quality

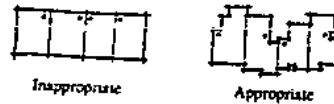
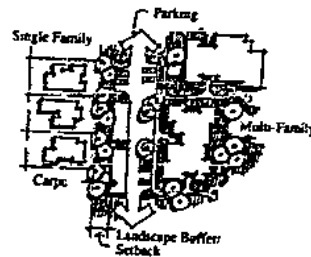
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*Design Guidelines for Green Valley Ranch*

of construction and design as other housing types developed in Green Valley Ranch

- b. Where possible, multi-family buildings should be limited to 16 units or less.
- c. Multi-family buildings may include townhomes, condominiums or combinations of both.
- d. Where multi-family developments border single family, the privacy of single family homes should be maximized.
  - i. Multi-family structures are limited to one story or 20 foot height within 40 feet of any residential property line. These dimensions apply only where adjacent residential property is single family or a lower density category
  - ii. Adjacent property to be adequately screened by a combination of walls, berms and plant materials.

- e. Multi-family buildings should be designed as a series of individual homes, rather than a single building. The individuality of each unit can be further enhanced by providing each unit with its own entry and identity



- f. Multi-family buildings should be designed to include opportunities to provide secured storage within the unit or patio or garage/carport areas in an aesthetically pleasing manner

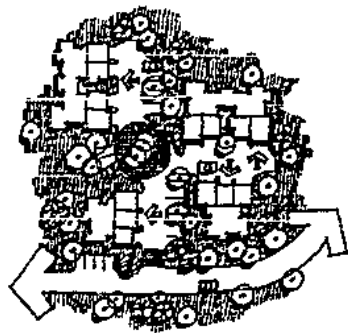


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# Design Guidelines for Green Valley Ranch

- g. Lot coverage requirement: Maximum site coverage is 40%. Covered parking is exempt from lot coverage requirements.

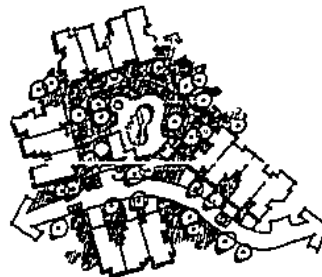
## 3 Building and Lot Orientation



- a. Where possible, a variety of building orientations and setbacks should be used along multi-family edges to create landscape opportunities and visual interest.
- b. Where possible, multi-family development should be oriented around courts or clusters to consolidate parking, open space and landscape opportunities.
- c. Multi-family units should be oriented to optimize open space, recreation and

landscape opportunities, both on- and off-site. Where a centralized amenity or recreation facility is proposed on-site, visual access from the project entry and/or local circulation systems should be provided. In other cases, landscape and recreation areas can be utilized to buffer multi-family development from adjacent development or to enhance the streetscene from adjacent roadways.

- d. Buildings with 32 units or more shall be a minimum of 50 feet from property lines. These dimensions apply only where adjacent residential is single family or a lower density zone category.
- e. A minimum thirty (30) foot separation is required between structures with facing view windows.



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#### Design Guidelines for Green Valley Ranch

#### 4 Accessory structures

- a. Patio covers, trellage, gazebos and other accessory structures shall be compatible with materials, forms and colors of the adjacent building and will meet relevant codes in respect to height, size and setbacks.
- b. Carports shall be of wood or stucco with sloping roof. The materials, forms and colors, shall be compatible with the architectural character of the neighborhood. Carports integrated with patio walls and private fences are encouraged. Storage cabinets or lockers proposed in carports shall be integrated into the carport design and shall be treated or screened in an aesthetically pleasing manner.
- c. The use of flat roof metal or wood carports viewed from a private collector on loop road, public street or public space is discretionary and requires special approval by the Committee.
- d. Mailboxes - See Section 6.1.4 for individual mailbox criteria. Where a common mailbox location is provided, it shall be located to relate to

the project entry or recreational facilities. The mailboxes shall be housed in a structure similar in material, form, character and colors to the surrounding neighborhood. Mailbox locations must be approved by the U.S. Postal Service.

- e. Support facilities - Any support buildings within residential areas such as recreation buildings, laundry facilities, sales/leasing offices, etc. shall be consistent in materials, form and colors to the architectural character of the neighborhood. Recreation areas are to be placed in highly visible locations such as project entries or adjacent to a model complex.

#### 5. Street Appearance

- a. Horizontal, vertical and roof planes should be staggered and articulated to create visual interest, in multi-family developments.
- b. The use of single story elements to reduce and add variety to the visual building massing, especially along project perimeters, is encouraged.

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## Design Guidelines for Green Valley Ranch

- c. Storage and utility areas in multi-family developments should be located out of public view and should be screened and secured in an aesthetically pleasing manner.
  - d. Individual buildings should be turned and oriented in a variety of ways along project streets and drives.
  - e. Where possible, parking along internal loop or spine collectors should be limited. Parking in courts or bays off the collectors is encouraged to limit the visual impact of the automobile and enhance landscape opportunities along the collector.
6. Open Space and Resident Amenities
- Neighborhoods within Green Valley Ranch will be linked together with an extensive open space and trail system. Pedestrians will move through arroyos, along utility easements and within Paseo Verde Parkway on their way to local destinations. Neighborhood parks, schools, churches, parkettes and support retail will be accessible to the pedestrian and bicycle enthusiast. Private resident amenities will also be integrated into this community-wide system.
- a. Four-hundred (400) square feet of open space, a minimum of 75% of which is usable, are required to be provided and maintained for each multi-family dwelling unit.
7. Trash and Refuse Collection
- a. All refuse areas shall be screened on three sides with a six foot masonry wall. The wall shall be finished to match the architectural character of the project. Refuse enclosures shall have opaque doors to screen the fourth side. Vines or other planting material attached to the sides of the enclosure and adjacent planting areas are encouraged to soften the appearance. Adding a code acceptable overhead structure is appropriate to support the vines and limit direct views of the enclosure from adjacent structures.
  - b. Trash collection areas shall have access from within the tract. Collection areas shall be accessible by service

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vehicles but should not be the focal point of a driveway or parking area. Recommended locations include inside parking courts, at the end of parking bays and preferably integrated into the end of a garage or carport.

- c. The design of private streets and drives shall allow for the easy access of service vehicles.
- d. Refuse areas shall not be located in the front yard setback or visible from any public street frontage. Refuse collection areas shall be a minimum of ten feet from any adjoining property

## 8.2 Architecture

### 1. Design objectives

The goal is to establish a high standard of quality for the building designs and to allow for each residential neighborhood to develop its own unique identity while blending with and supporting the overall community themes. The result will be

aesthetically pleasing buildings that are appropriate in theme and in scale with the surrounding neighborhood.

### 2. Theming

Apply the architectural standards and theme criteria outlined in Section 5.1 "Architecture: General Considerations" to all multi-family buildings.

### 3. Elevation and floor plan considerations

- a. The buildings will be visible from all sides so the level of architectural detailing shall be consistently applied to all sides of each building type
- b. The exterior architecture shall express the building as a cluster of individual homes with private entries rather than single building with one shared entry
- c. Primary building entrances shall orient toward main streets wherever possible
- d. The buildings shall be designed and plotted to create private open space opportunities for each unit.
- e. Adjacent garage doors shall have staggered setbacks.

- f. Repetitive building types should be alternately reversed in plotting.
- g. Provide variations in minor roof expressions and architectural details in adjacent buildings to enhance streetscene and avoid monotony.
- h. There should be a minimum of one building type for every 75 units.
- i. There should be a minimum of two color schemes developed for every 75 units which can be applied to any building type to create differentiation and streetscene interest. The use of multiple stucco colors within a single building type is encouraged to help break building mass and create interest.
- j. The introduction of single story elements are encouraged adjacent to street and public spaces.
- k. The integration of unit parking requirements into the building configuration is encouraged as a means of mitigating the dominance of open and carport parking in typical multi-family projects.

### 8.3 Landscape

- 1. Landscape and plant material within multi-family shall be selected from the approved plant list.
- 2. Multi-family developments shall provide a twenty (20) foot landscape buffer adjacent to all street frontages. Pedestrian walks may be located within the landscape setback. Driveways may cross the setback in a direct manner but parking shall not be allowed within the setback.
- 3. Multi-family Developments shall provide a ten (10) foot landscaped setback contiguous to any adjacent residential use.
- 4. Perimeter areas adjacent to collector and local streets shall be landscaped with a minimum of one 24" box tree for every 20 feet of linear frontage. Trees may be placed on center in a formal arrangement or may be grouped informally to frame views and allow visibility.
- 5. Perimeter interior property lines shall be landscaped with 24" box trees placed a minimum of 20 feet on-center.

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6. All required perimeter landscaping shall be installed with the first phase of any development.
7. Perimeter tree planting shall be supplemented with ground cover, shrubs and other plant material.

**8.4 Irrigation**

1. An automatic irrigation system must be provided to all planting areas and plant material.

## 9.0 Neighborhood Commercial/Community Facilities

### 9.1 Site Planning

#### i. Parking

- a. All circulation and maneuvering within parking areas shall be internal to the site.
- b. The design of parking areas should not dominate the site, parking areas should be dispersed and integrated into the total site design concept.
- c. Parking areas for office uses should be designed to allow for a separation of short-term visitor parking accessible to the main entry of
- d. Parking areas of more than 50 spaces shall be visually divided by landscape islands.
- e. All parking areas shall be screened from public view or the view of adjacent properties with a combination of walls, earth berms and plant material.
- f. Reductions in the amount, number of parking spaces are encouraged with the use of a shared parking demand analysis.
- g. Where covered parking is provided, these structures should be compatible with other architectural elements

on the site. Covered parking structures may encroach a maximum of two feet into any designated landscaped setback.

- h. Covered parking structures shall be exempt from required building setbacks but shall not occur within the front yard or adjacent to any street frontage of any use.
- i. Parking lot lighting should provide adequate illumination, but not emit light beyond the development.
- j. Illumination from auto headlights should not disturb or disrupt activities on surrounding properties.
- k. Loading and unloading areas and passenger drop-off areas should be incorporated within the overall circulation pattern and should be safe for pedestrians.
- l. The design of emergency vehicle access should be integral to the overall design concept of the project.
- m. Driveway placements shall avoid significant impacts to adjoining streets and conflicts with driveways of adjoining developments.

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- n. Pedestrian circulation should be incorporated into the design of parking lots. Parking areas should not act as a barrier between the street and the building.
  - o. Incorporate landscaping into large parking areas to break large expanses of pavement thereby providing visual relief and the effects of heat and glare.
  - p. Sight distances between three and five feet should be left unobstructed within parking areas.
  - q. Compact parking on commercial zoned property will be subject to City Council review and approval of a parking study to support the limited use of compact parking.
2. Trash and Refuse Collection:
- a. All refuse areas shall be screened on three sides with a six foot masonry wall. The wall shall be finished to match the architectural character of the project. Refuse enclosures shall have opaque doors to screen the fourth side.
  - b. Trash collection areas shall have access from within the tract. Collection areas shall be accessible by service vehicles but should not be the focal point of a driveway or parking area.
  - c. The design of private streets and drives shall allow for the easy access of service vehicles.
  - d. Refuse areas shall not be located in the front yard setback or visible from any public street frontage. Refuse collection areas shall be a minimum of ten feet from any adjoining property.
  - e. Refuse collection areas should be located at the rear of the building.
3. Building Types and Configurations
- Service areas shall be located and screened by landscape, berms and walls to eliminate direct views from adjacent public streets, public areas and residential areas.
4. Open Space and Pedestrian Amenities
- Neighborhoods within Green Valley Ranch will be linked together with an extensive open space and trail system. Pedestrian



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ans will move through arroyos, along utility easements and within Paseo Verde Parkway on their way to local destinations. Neighborhood parks, schools, churches, parkettes and support retail will be accessible to the pedestrian and bicycle enthusiast. Private resident amenities will also be integrated into this village-wide system.

### 5. Other Site Use Related Guidelines

- a. "Screen" storage areas shall be screened from public view and all other adjacent uses by a solid six foot high concrete masonry Unit Block Wall. The design and finish of the wall shall be compatible with the architectural character of the site buildings.
- b. No storage of materials, trash, mechanical equipment, vehicles or other similar items should be visible from adjoining street properties.
- c. Outside display of cars, boats, trailers, and all other vehicles shall meet the screening requirements for parking lots visible from the public right-of-way or adjacent residential uses.

- d. The privacy of adjacent residential uses should be respected.
- e. All commercial projects shall be designed so as to minimize negative impacts on existing and proposed surrounding uses. A gradual transition between the project and adjacent uses can be achieved through setbacks, building height, walls and landscaping, and window and door placement.

## 9.2 Architecture

### 1. Design objectives

The goal is to establish a high standard of quality for the neighborhood commercial/community facilities. These facilities are highly visible and will help shape the perception of overall community quality within the City of Henderson. Each facility shall develop its own unique architectural identity that is appropriate in scale and character with the surrounding residential developments and supportive of the overall community themes.

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2. Theming

- a. Apply the architectural standards and theme criteria outlined in Section 5.1 "Architecture; General Considerations" to all neighborhood commercial/community facilities.
- b. The architecture shall respect the same materials and elements as the residential components with the addition of allowing full height glass planes or display windows if deeply recessed from the face of building.
- c. Limited use of flat roofs and roof mounted mechanical equipment is permitted when approved by the Committee. These areas shall have parapet walls with cornice banding.
- d. Establish a consistent theme within each facility to create architectural continuity but vary the use of elements within that theme to minimize monotony.

3. Elevation and floor plan considerations.

- a. Pad buildings for shopping centers and free standing pads in commercial centers

should be compatible with the style of the overall development. The visibility of the tenants in the main center should not be disrupted by the placement of pad buildings. The architectural character of the pad buildings should relate to the entire center and the parking, circulation, drive-ways and setbacks should be integrated with the entire project.

- b. The height of a structure should be considered in determining the distance needed between buildings to ensure the privacy and perceived openness for the occupants of a development and of adjacent developments.
- c. The use of arcades, porticoes and shade structures to create shade, extend architectural lines into the landscape and define spaces is encouraged as a means for enhancing architectural interest and continuity.

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### **9.3 Landscape**

- 1 Landscape and plant material in commercial and institutional areas shall be selected from the approved plant list.
- 2 Unity of design shall be achieved by repetition of certain plant varieties and other landscape materials and by coordination with planting plans of adjacent uses.
- 3 Commercial and community facilities shall provide a twenty (20) foot landscape buffer adjacent to all street frontages. Pedestrian walks may be located within the landscape setback. Driveways may cross the setback in a direct manner but parking shall not be allowed within the setback.
- 4 Commercial and community facilities shall provide a ten (10) foot landscaped setback contiguous to any adjacent residential use.
- 5 Perimeter areas adjacent to collector and local streets shall be landscaped with a minimum of one 24" box tree for every 20 feet of linear frontage. Trees may be placed on center in a formal arrangement or may be grouped informally to frame views and allow visibility.
- 6 Perimeter tree planting shall consist of a minimum of one 24 inch box tree for every 20 feet of frontage.
- 7 Perimeter tree planting shall be supplemented with ground cover, shrubs and other plant material.

### **9.4 Irrigation**

- 1 An automatic irrigation system must be provided to all planting areas and plant material.

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## 10.0 Plant Use

### 10.1 Plant Material List

#### A. Large Trees

Fraxinus velutina	Arizona Ash
Fraxinus velutina "Modesto"	Modesto Ash
Pinus edulis	Colorado Pinon Nut Tree
Pinus halapensis	Aleppo Pine
Pinus monophylla	Singleleaf Pinon Pine
Pinus pinea	Italian Stone Pine
Pistacia atlantica	Atlas Pistache
Pistacia chinensis	Chinese Pistache
Platanus species	London Plane Tree/Sycamore
Platanus wrightii	Arizona Sycamore
Podocarpus gracilior	Fern Pine
Podocarpus macrophyllus	Yew Pine
Populus alba "Bolleana"	Bolleana White Poplar
Populus fremontii	Fremont Cottonwood
Populus indica	Cottonwood Poplar
Quercus ilex	Holly Oak
Quercus agrifolia	California Live Oak
Quercus suber	Cork Oak
Quercus virginiana "Heritage"	Southern Live Oak
Ulmus parvifolia	Chinese Elm
Ulmus parvifolia sempervirens	Evergreen Chinese Elm

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**B. Accent Trees**

<i>Acacia aneura</i>	Mulga
<i>Acacia schaffneri</i>	Twisted Acacia
<i>Acacia smalli</i>	Sweet Acacia
<i>Acacia stenophylla</i>	Shoestring Acacia
<i>Albizia julibrissin</i>	Mimosa
<i>Brachychiton populneus</i>	Bottle Tree
<i>Celtis reticulata</i>	Netleaf or Western Hackberry
<i>Ceratonia siliqua</i>	Carob
<i>Cercidium floridum</i>	Blue Palo Verde
<i>Cercidium microphyllum</i>	Littleleaf or Foothill Palo Verde
<i>Cupressocyparis leylandii</i>	Leyland Cypress
<i>Cupressus glabra</i>	Smooth Barked Arizona Cypress
<i>Cupressus sempervirens</i>	Italian Cypress
<i>Elaeagnus angustifolia</i>	Russian Elacagnus
<i>Enobotrya japonica</i>	Loquat
<i>Eucalyptus formanii</i>	none
<i>Eucalyptus leucoxylon</i>	White Iron Bark
<i>Eucalyptus microtheca</i>	Flooded Boc
<i>Eucalyptus rudis</i>	Desert Gum

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<i>Gleditsia triacanthos inermis</i>	Honey Locust
<i>Juniperus scopulorum</i>	Weeping Juniper
<i>Koelreuteria paniculata</i>	Goldenrain Tree
<i>Lagerstroemia indica</i>	Crepe Myrtle
<i>Ligustrum lucidum</i>	Glossy Privet
<i>Magnolia grandiflora</i>	Magnolia
<i>Morus alba</i> "Fruitless"	Fruitless Mulberry
<i>Parkinsonia aculeata</i>	Mexican Palo Verde
<i>Pinus brutia eldarica</i>	Mondel pine
<i>Pinus halepensis</i>	Aleppo Pine
<i>Prosopis alba</i>	Argentine Mesquite
<i>Prosopis chilensis</i>	Chilean Mesquite
<i>Prosopis glandulosa</i>	Honey Mesquite
<i>Prosopis juliflora</i>	Honey Mesquite
<i>Prosopis velutina</i>	Velvet Mesquite
<i>Prosopis Sp. Am. hybrid</i> (sold as <i>Prosopis chilensis</i> )	Hybrid So. American Algarrobo
<i>Prunus cerasifera</i> "Atropurpurea"	Newport Purpleleaf Plum
<i>Prunus caroliniana</i>	Carolina Laurel Cherry
<i>Pyrus callieriana</i> "Bradford"	Bradford Pear
<i>Pyrus kawakamii</i>	Evergreen Pear
<i>Rhus lancea</i>	African Sumac
<i>Tamarix aphylla</i>	Athel tree, Tamarisk
<i>Vitex angustifolius</i>	Chaste Tree
<i>Zizyphus jujuba</i>	Chinese Jujube Common Jujube

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**C. Palms**

<i>Brahea armata</i>	Mexican Blue Palm
<i>Chamaerops humilis</i>	Mediterranean Fan Palm
<i>Cycas revoluta</i>	Sego Palm
<i>Phoenix canariensis</i>	Canary Island Date Palm
<i>Phoenix roebelenii</i>	Dwarf Date Palm
<i>Phoenix dactylifera</i> species	Date Palms
<i>Trachycarpus fortunei</i>	Windmill Palm
<i>Washingtonia filifera</i>	California Fan Palm
<i>Washingtonia robusta</i>	Mexican Fan Palm

**D Shrubs**

<i>Abelia grandiflora</i>	Abelia
<i>Acacia constricta</i>	Mescal. Whitehorn Acacia
<i>Acacia greggii</i>	Cat's Claw Acacia
<i>Acacia minuta</i>	Southwest Sweet Acacia
<i>Acacia redolens</i>	Creeping Acacia
<i>Agave americana</i>	Century Plant
<i>Agave huachuensis</i>	Huachuca Agave
<i>Aloe saponaria</i>	Mediterranean Aloe
<i>Atriplex canescens</i>	Four-wing Saltbush
<i>Atriplex lentiformis</i> "Breweri"	Brewer Saltbush
<i>Aucuba japonica</i>	Japanese Aucuba
<i>Baccharis sarothroides</i>	Desert Broom
<i>Buxus microphylla japonica</i>	Japanese Boxwood
<i>Caesalpinia gilliesii</i>	Yellow Bird of Paradise

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<i>Caesalpinia mexicana</i>	Mexican Bird of Paradise
<i>Caesalpinia pulcherrima</i>	Red Bird of Paradise
<i>Callistemon citrinus</i>	Lemon Bottlebrush
<i>Cassia wislizeni</i>	Shrubby Senna
<i>Celtis pallida</i>	Spiny or Desert Hackberry
<i>Centaurea cineraria</i>	Dusty Miller
<i>Chilopsis linearis</i>	Desert Willow
<i>Convolvulus encorum</i>	Bush Morning Glory
<i>Cotinus coggygria</i>	Smoke Tree
<i>Cotoneaster species</i>	Damery and Lowfast Cotoneaster
<i>Dasylinon sp. "Wheeler"</i>	Soc. Desert Spoon
<i>Encelia farinosa</i>	Brittle Bush
<i>Euonymus japonica</i>	Evergreen Euonymus
<i>Fatsia japonica</i>	Japanese Aralia
<i>Feijoa sellowiana</i>	Pineapple Guava
<i>Fouquieria splendens</i>	Ocotillo
<i>Hesperaloe parviflora</i>	Red Yucca
<i>Ilex cornuta species</i>	Chinese Holly
<i>Juniperus chinensis species</i>	Chinese Junipers
<i>Juniperus chinensis "Pfitzenana"</i>	Pfitzer Juniper
<i>Juniperus horizontalis species</i>	Horizontal Junipers
<i>Justicia spicigera</i>	Mexican Honeysuckle
<i>L. frutescens "Compacta"</i>	Compact Texas Ranger
<i>Lagerstroemia indica</i>	Crepe Myrtle
<i>Larrea tridentata</i>	Creosote Bush
<i>Leucophyllum frutescens</i>	Texas Sage or Ranger



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<i>Leucophyllum laevigatum</i>	Violet Texas Ranger
<i>Ligustrum japonica</i>	Waxleaf Privet
<i>Ligustrum lucidum</i>	Glossy Privet
<i>Myrtus communis</i>	True Myrtle
<i>Myrtus communis "Boetica"</i>	Twisted Myrtle
<i>Myrtus communis "Compacta"</i>	Dwarf Myrtle
<i>Nandina domestica</i>	Heavenly Bamboo
<i>Nerium Oleander</i>	Oleander
<i>Nolina bigelovii</i>	Bear Grass
<i>Nolina matapensis</i>	Tree Bear Grass
<i>Opuntia phacaeantha "Engelmanni"</i>	Engelmann Prickly Pear
<i>Opuntia basilaris</i>	None
<i>Opuntia Microdasys</i>	Bunny Ears
<i>Opuntia violaceae "Macreocentra"</i>	None
<i>Opuntia violaceae "Santa Rita"</i>	None
<i>Pennisetum setaceum</i>	Fountain Grass
<i>Pennisetum setaceum "Cupreum"</i>	Purple Fountain Grass
<i>Photinia fraseri</i>	Fraser's Photinia
<i>Pittosporum tobira species</i>	Pittosporum
<i>Podocarpus macrophyllus</i>	Yew Pine
<i>Prunus caroliniana</i>	Carolina Laurel Cherry
<i>Punica granatum</i>	Pomegranate
<i>Pyracantha spp.</i>	Pyracantha
<i>Pyracantha species</i>	Pyracantha
<i>Raphiolepis indica</i>	Indian Hawthorn
<i>Rhamnus alaternus</i>	Buckthorn

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<i>Rhus ovata</i>	Sugar Bush, Sugar Sumac
<i>Rhus virens</i>	Evergreen Sumac
<i>Rosmannus officinalis</i>	Bush Rosemary
<i>Santolina chamaecyparissus</i>	Lavender Cotton
<i>Santolina virens</i>	Green Santolina
<i>Simmondsia chinensis</i>	Jojoba, Goat Nut
<i>Sophora secundiflora</i>	Texas Mountain Laurel
<i>Syringa vulgaris</i>	Lilac
<i>Tamarix parviflora</i> or <i>chinensis</i>	Spring Flowering Salt Cedar
<i>Tecoma stans</i> "Angustata"	Trumpet Bush
<i>Teucrium fruticans</i>	Bush Germander
<i>Viburnum</i> species	Viburnum
<i>Vauquelinia californica</i>	Arizona Rosewood
<i>Xylosma congestum</i>	Xylosma
<i>Yucca aloifolia</i>	Spanish Bayonet
<i>Yucca baccata</i>	Banana Yucca
<i>Yucca brevifolia</i>	Joshua Tree
<i>Yucca carnerosana</i>	Giant Dagger
<i>Yucca elata</i>	Soaptree Yucca
<i>Yucca recurvifolia</i>	Pendulous Yucca
<i>Yucca rigida</i>	None
<i>Yucca rostrata</i>	None
<i>Yucca</i> spp.	Yucca
<i>Yucca whipplei</i>	Our Lord's Candle

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**L. Ground Cover Plants**

<i>Acacia redolens</i>	Creeping Acacia
<i>Baccharis "Centennial"</i>	Prostrate Coyote Bush
<i>Baccharis pilularis</i>	Dwarf Coyote Bush
<i>Campanula poscharskyana</i>	Serbian Bellflower
<i>Convolvulus encorum</i>	Bush Morning Glory
<i>Dalea greggii</i>	Trailing Indigo Bush
<i>Dimorphotheca sinuata</i>	Blue-eyed Cape Marigold
<i>Euonymus fortunei 'colorata'</i>	Purple Wintercreeper
<i>Hedera helix</i>	English Ivy
<i>Hypercium calycinum</i>	Rose of Sharon
<i>Juniperus spp.</i>	Prostrate Juniper
<i>Lantana montevidensis</i>	Trailing Lantana
<i>Lonicera japonica 'halliana'</i>	Hall's Honeysuckle
<i>Oenothera berlandieri</i>	Mexican Evening Primrose
<i>Osteospermum fruticosum</i>	Trailing African Daisy
<i>Pachysandra terminalis</i>	Japanese Spurge
<i>Phyla nodiflora</i>	Lippia
<i>Potentilla verna</i>	Cinquefoil
<i>Rosmarinus officinalis</i>	Rosemary
<i>Santolina chamaecyparissus</i>	Santolina
<i>Santolina virens</i>	Green Santolina
<i>Teucrium chamaedrys</i>	Germander
<i>Trachelospermum jasminoides</i>	Star Jasmine
<i>Vinca minor</i>	Periwinkle

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**F Vines**

<i>Antigonon leptopus</i>	Coral Vine
<i>Campsis radicans</i>	Trumpet Creeper
<i>Ficus pumila</i>	Creeping Fig
<i>Hedera canariensis</i>	Algerian Ivy
<i>Hedera helix</i>	English Ivy
<i>Jasminum species</i>	Jasmine
<i>Lonicera japonica</i> "Halliana"	Hall's Honeysuckle
<i>Macfadyena unguis-cati</i>	Cat's Claw Vine
<i>Mascagnia lilacina</i>	Lavender Orchid Vine
<i>Parthenocissus quinquefolia</i>	Virginia Creeper
<i>Parthenocissus tricuspidata</i>	Boston Ivy
<i>Rosa banksiae</i>	Banksia Rose
<i>Rosa banksiae</i>	Lady Banks Rose
<i>Trachelospermum asiatic</i>	Asiatic Jasmine
<i>Trachelospermum jasminoides</i>	Star Jasmine
<i>Wisteria floribunda</i>	Japanese Wisteria

**G. Special Accents**

<i>Agave americana</i>	Century Plant
<i>Agave Huachuacensis</i>	Huachuca Agave
<i>Aloe saponaria</i>	Mediterranean Aloe
<i>Bahia absinthifolia</i>	Desert Daisy
<i>Baileya multiradiata</i>	Desert Marigold
<i>Caesalpinia gilliesii</i>	Yellow Bird of Paradise
<i>Caesalpinia mexicana</i>	Mexican Bird of Paradise

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<i>Caesalpinia pulcherrima</i>	Red Bird of Paradise
<i>Calliandra cruphylla</i>	Fairy Duster False Mesquite
<i>Campsis radicans</i>	Common Trumpet Creeper
<i>Cassia artemusoides</i>	Feathery Cassia
<i>Cassia cremophila</i>	Desert Cassia
<i>Cassia nemophylla</i>	Senna
<i>Cortaderia selloana</i>	Pampas Grass
<i>Dasylinon</i> sp. "Wheeler"	Sotol, Desert Spoon
<i>Euryops pectinatus</i>	Yellow Flower Daisy
<i>Fouquieria splendens</i>	Ocotillo
<i>Gazania repens</i>	Gazania varieties
<i>Gazania rigens</i>	Treasure Flower, Gazania
<i>Gazania rigens</i> "Copper King"	Copper King Gazania
<i>Hesperaloe parviflora</i>	Red Yucca
<i>Lantana camara</i>	Bush Lantana
<i>Melampodium leucanthum</i>	Blackfoot Daisy
<i>Nolina bigelovii</i>	Bear Grass
<i>Nolina matapensis</i>	Tree Bear Grass
<i>Opuntia basilaris</i>	None
<i>Opuntia microdasys</i>	Bunny Ears
<i>Opuntia phaeacantha</i> "Engelmannii"	Engelmann Prickly Pear
<i>Opuntia violacea</i> "Macrocentra"	None
<i>Opuntia violacea</i> "Santa Rita"	None
<i>Osteospermum fruticosum</i>	Trailing African Daisy
<i>Pennisetum setaceum</i> "Cupreum"	Purple Fountain Grass
<i>Penstemon barbatus</i>	Beardtongue

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*Design Guidelines for Green Valley Ranch*

<i>Penstemon catorii</i>	Eaton's Penstemon
<i>Penstemon parryi</i>	Parry's Penstemon
<i>Psilostrophe cooperi</i>	Paper Flower
<i>Punica granatum</i>	Pomegranate
<i>Rosemarinus officinalis</i> 'Huntington'	Huntington Carpet Rosemary
<i>Salvia splendens</i>	Scarlet Sage
<i>Senecio cineraria</i>	Dusty Miller, Silver Plant
<i>Sphaeralcea</i> spp	Globe Mallow
<i>Verbena peruviana</i>	Peruvian Verbena
<i>Verbena tenuisecta</i>	Verbena
<i>Yucca aloifolia</i>	Spanish Bayonet
<i>Yucca baccata</i>	Banana Yucca
<i>Yucca brevifolia</i>	Joshua Tree
<i>Yucca carnerosana</i>	Giant Dagger
<i>Yucca elata</i>	Soaptree Yucca
<i>Yucca recurvifolia</i>	Pendulous Yucca
<i>Yucca rigida</i>	None
<i>Yucca rostrata</i>	None
<i>Yucca schottigera</i>	Mojave Yucca
<i>Yucca whipplei</i>	Our Lord's Candle
<i>Zinnia aecroa</i>	Desert Zinnia
<i>Zinnia grandiflora</i>	Rocky Mountain Zinnia

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*Design Guidelines for Green Valley Ranch*

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## 11.0 Glossary of Terms

### BUILDER/DEVELOPER

"Builder/Developer" shall mean a developer/builder of an individual parcel other than the master developer and home builders.

### COMMUNITY OPEN SPACE

Community open space is defined as any public recreational or facility grounds including but not limited to: Improved park areas provided for passive recreation including gardens walking areas, picnic areas, linear open space connections developed to provide pedestrian and bicycle linkages between commercial centers, neighborhood focuses, parks and residential areas. These connections can make dual use of preserved natural drainages, new drainage ways and utility easements.

### CURB RAMP

A sloping walkway, which provides access between a walkway to a surface located above or below an adjacent curb face

### DESIGN THEME

A conceptual theme that is established for an area of Green Valley Ranch which forms the basis for all design decisions that are made toward realizing the final form of the

area. The Design Theme provides a visual basis for architecture, engineering, site planning and landscape architecture

### DRAINAGE WAY

A drainage channel or swale that serves to carry surface run-off.

### HANDICAPPED ACCESSIBLE

Means of access and egress that are easily utilized by people having temporary activity, or mobility impairments.

### LANDSCAPE

An outdoor area that is improved with one or a combination of ground cover shrubbery, trees, water features or sculptures, earth berms, walls or fences, based on a design that maximizes function, aesthetics and maintenance considerations.

### LANDSCAPE AREA

A tract of land, usually adjacent to street R.O.W. that is provided for the purpose of community landscape

### LANDSCAPE BUFFER

An area of land landscaped with earthform and plant materials for the purpose of minimizing adverse effects of smoke, odor, noise, dust, glare or visual pollution from incompatible adjacent uses

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*Design Guidelines for Green Valley Ranch*

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**MASTER DECLARATION OF  
COVENANTS, CONDITIONS,  
RESTRICTIONS FOR GREEN  
VALLEY RANCH MASTER  
ASSOCIATION - (CC&R'S)**

This document is part of the recorded founding documents for the Green Valley Ranch property. It establishes the basic governance powers for the Community Association and its Architectural and Landscaping Committee.

**NEIGHBORHOOD**

The neighborhood as a development concept applied to The Project that promotes the combination of residential, commercial, religious, educational and recreational facilities into a balanced land use development pattern. This pattern balances the number of residential units with appropriately sized, easily accessible, levels of commercial uses and community facilities.

**ON-SITE**

Within the boundary of the development parcel or development site referenced.

**PARCEL**

A parcel of land, established by the primary developer, to be developed according to a specific program

and planning and design criteria.

**PARCEL DESIGN AND  
ENGINEERING CRITERIA**

Documents that provide planning, site design and engineering criteria specifically for an individual development parcel.

**PEDESTRIAN ACCESS  
CUL-DE-SAC**

A cul-de-sac that provides pedestrian circulation through the end of the cul-de-sac to connect with walkways along streets, parks, public open spaces or other cul-de-sacs.

**RAMP**

A portion of a handicapped accessible walkway with a slope greater than 1 foot vertical in 20 feet horizontal (5%).

**RESIDENTIAL WALLS**

Walls adjoining residential lots that are constructed to provide privacy for the residential parcel, and are not required to be constructed according to Paseo wall standards.

**SERVICE AREAS AND YARDS**

Areas required to provide loading facilities and storage of waste products and trash at commercial



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*Design Guidelines for Green Valley Ranch*

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buildings, offices, community facilities or multi-family projects.

**SETBACK, BUILDING**

The distance between the property line of a lot and the closest point on the exterior face of a building. In the proximity of streets, building setbacks shall be measured from the edge of the landscape area adjacent to the street. Parts of a building such as cantilevered eaves, decks, or bay windows may encroach into the setback.

**SETBACK, PARKING**

The distance between the property line of a lot and the back curb of a parking area.

**SIGN**

Any device structure fixture or placard using graphics, symbols and or written copy for the primary purpose of identification or advertising any establishment, product, goods or services.

**SITE FURNISHING**

Utilitarian outdoor elements intended for public use such as, benches, trash receptacles, public telephones, newspaper dispensers,

postal delivery units and lighting standards.

**STREETSCAPE**

All of the plant material, walkways, walls, street furnishings, and building facades adjacent to a roadway that establish the visual character of the public street.

**WALKWAY**

Paved pedestrian connections - walkways designated as handicapped accessible should not exceed 5%.

**WALLS (Community Theme and Perimeter Walls)**

Walls adjoining residential parcels that are constructed to provide separation from collector roads to residential lots. Refer to section 7.5 of the Green Valley Ranch Development Standards.

**WASH**

A natural watercourse that is dry except during a rainy season.

**WATER CONSERVING PLANT MATERIALS**

Plant materials that may or may not require irrigation, but do so in a limited way, as opposed to exotic plant material that is not indigenous to the area and require large amounts of irrigation.

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Design Guidelines for Green Valley Ranch

11.1 List of Consultants

EDAW Inc  
1920 Main Street, Suite 450  
Irvine, CA. 92714  
(714) 669-8044  
Master Planner

David Jensen Associates, Inc.  
1451 Parker Road  
Denver, CO. 80231  
(303) 369-7369  
Planner

PBS&J  
6600 W. Charleston Blvd., Suite 140  
Las Vegas, NV 89102  
(702) 878-6244  
Master Engineer

Coe & Van Loo Consultants, Inc.  
1500 E. Tropicana, Suite 110  
Las Vegas, NV. 89119  
(702) 798-8240  
Engineer

Danielian Associates  
60 Corporate Park  
Irvine, CA. 92714  
(714) 474-6030  
Architect

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*Design Guidelines for Green Valley Ranch*

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Robert Charles Lesser & Co  
359 San Miguel Drive, Suite 300  
Newport Beach, CA 92660  
(714) 640-5707

Market Research

The Meyers Group  
2255-A Renaissance Drive  
Las Vegas, NV 89119  
(702) 597-0444

Market Research

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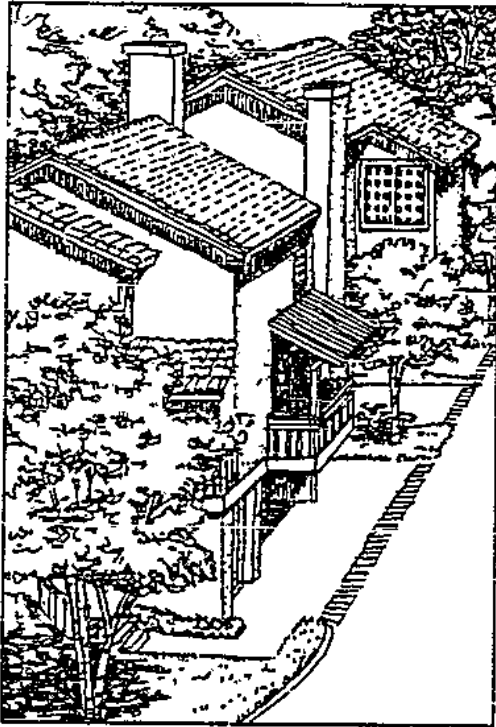
*Design Guidelines for Green Valley Ranch*

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## **12.0 Appendix**

### **12.1 City of Henderson Multi-Family and Efficiency Lot Development Design Guidelines Study**

# THE CITY OF HENDERSON



THIS ATTACHMENT HAS BEEN  
OMITTED FROM INCLUSION AS  
PART OF THE RECORDED  
DECLARATION, BUT COPIES  
MAY BE OBTAINED FROM THE  
DECLARANT OR FROM THE  
CITY OF HENDERSON

## MULTI-FAMILY AND EFFICIENCY LOT DEVELOPMENT DESIGN GUIDELINES STUDY

Under the Direction of:  
**The Henderson Housing  
Task Force**

Prepared By:  
**Gruen Associates &  
John Prior Associates**

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April 1994

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*Green Valley Ranch  
Master Development Plan  
Overlay District  
  
Development Standards*

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HENDERSON, NEVADA



Submitted by  
**AMERICAN NEVADA  
CORPORATION**

US BANK0243

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*Development Standards for the Green Valley Ranch Master Development Plan Overlay District*

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*Development Standards for the Green Valley Ranch Master Development Plan Overlay District*

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## 1.0 Purpose

The purpose of these Development Standards is to regulate land development within the Master Development Plan Area (the Plan Area) by establishing minimum requirements for permitted uses, building setbacks and heights, vehicular and non-vehicular circulation, parking, signage and community open space. Adherence to the Standards will ensure a level of quality that is consistent with the goals, objectives and policies of the City of Henderson (the City) and the goals and objectives of the Green Valley Ranch Master Development Plan Overlay District, of which these Development Standards are a part (the Plan). These Standards are intended to simplify the approval process by building in flexibility that will accommodate current and future innovation in housing design and commercial development. The Standards meet or exceed those required by the Henderson Development Code (the Code). In those instances where the Standards are less restrictive, no purpose for the variance is discussed.

The Master Development Plan Overlay and these Standards serve as the zoning for the property. The Code shall provide guidance in areas which the Standards do not. Where the Standards do not address a particular issue, the Code shall prevail. Where the Code and the Standards conflict, the Standards shall prevail. The City

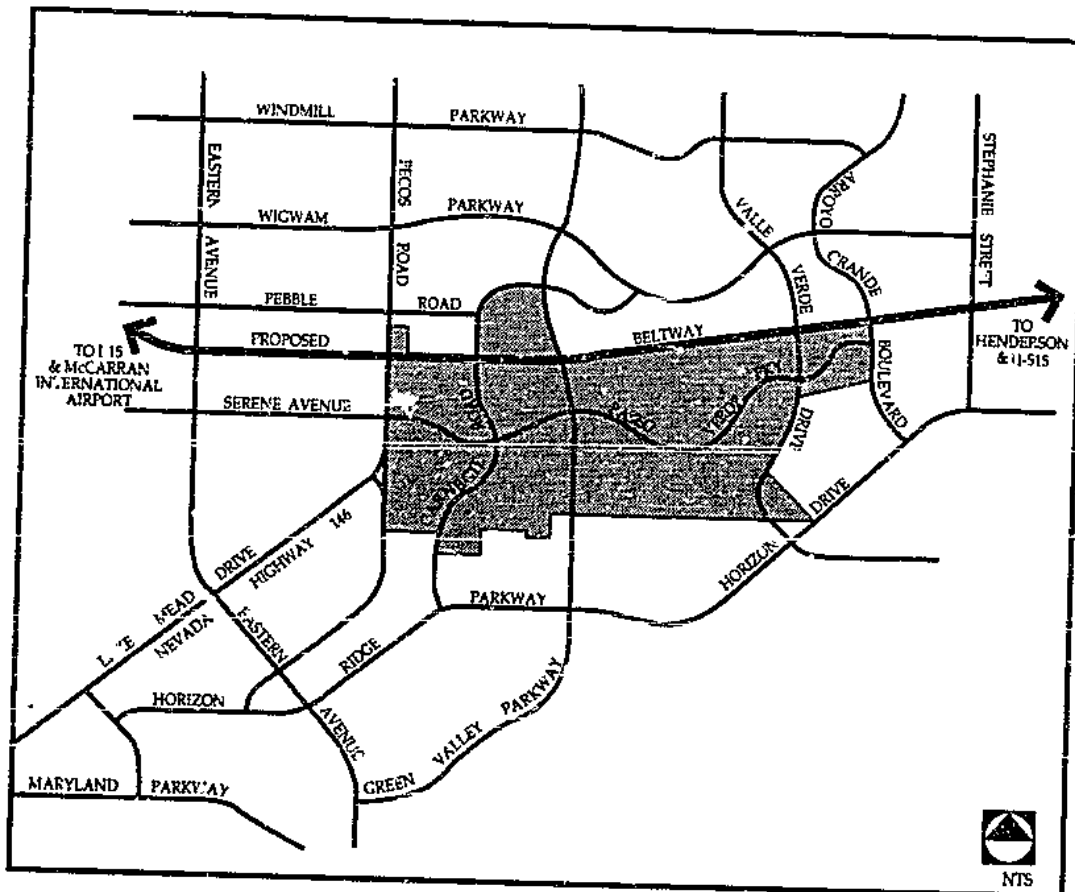
of Henderson Planning Director, shall be responsible for interpreting and enforcing these standards and the applicable Code regulations taking into account the intent of the Plan. The terminology used in this document is consistent with that used in the Code.

The Standards will be supplemented by design guidelines for each development phase. The design guidelines will control architecture, landscaping and other elements of community design. The design guidelines shall be administered by the Green Valley Ranch Design Review Board, their assignees, or successors. Covenants, Codes and Restrictions (CC&Rs) will be filed for the plan area or portions thereof by the Master Developer or component developers. The CC&Rs may be more restrictive and may prohibit uses otherwise permitted by these Standards. When a conflict exists between the Standards and CC&Rs, the CC&Rs shall control.

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*Development Standards for the Green Valley Ranch Master Development Plan Overlay District*

**Vicinity Map**



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**Development Standards for the Green Valley Ranch Master Development Plan Overlay District**

**2.0 Permitted Uses**

The purpose of this section is to identify the uses, as defined by the Code, that are permitted within each land use district indicated by the Plan. The Plan area is divided among five different land use districts including General Commercial, Single Family Residential, Transition Density Residential, Multi-family Residential, Public and Semi-public uses and Open Space. Table 2.1 shows the Plan land use categories and the City zoning district to which they correspond. Generally, the Plan land use categories permit:

**General Commercial (GEN COMM):**  
Areas designated as General Commercial are intended to provide for regional, community and neighborhood commercial and employment opportunities. Anticipated uses include, but are not limited to, retail, office, service and business park.

**Single Family Residential (SFR):**  
The Single Family Residential land use category is intended for the development of detached single family homes on standard and efficiency lots and potentially estate lots in later phases if market condi-

**Table 2.1: Land Use and Corresponding Zoning**

GREEN VALLEY LAND USES	CITY OF HENDERSON ZONING DISTRICTS	
General Commercial (GEN COMM)	Neighborhood Commercial	(CH)-G
	Community Commercial	(CC)-G
	Highway Commercial	(CH)-G
	Townst Commercial	(CT)-G
	Auto Mall Commercial	(CAM)-G
	Limited Industrial	(IL)-G
	Industrial Park	(IP)-G
Single Family Residential (SFR)	Low Density Single Family	(RS6)
Transitional Density Residential (TDN)	Low Density Residential	(RM-L)(up to RM10)
Multi-Family Residential (MFR)	Medium Density Residential	(RM-M)(up to RM16)
Institutional (CH, SCH, CUL FAC)	Public and Semi-Public	(PS)
Park and Open Space (PARK COM PK)	Open Space	(OS)

Note: G - Gaming Overlay where applicable

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*Development Standards for the Green Valley Ranch Master Development Plan Overlay District*

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tions warrant. Builder unit types will include a variety of increasingly popular and economical housing products including zero lot line homes, wide/shallow lots and others. These product innovations have allowed builders to develop predominantly owner occupied, high amenity, neighborhoods that are attractive and spacious.

**Transitional Density Residential (TDR):** The Transitional Density Residential land use category is intended for the development of attached or detached single family units on less than standard-sized lots. The average density of transition residential areas will be 10 dwelling units per acre. (Also referred to as "Efficiency Lots".) Refer. to the City of Henderson, Multi-Family and Efficiency Lot Ordinance - Section 10.0 Appendix.

**Multi-family Residential (MFR):** The Multi-family Residential land use category is intended to provide for the development of medium density townhouse, condominiums and apartments. The average density of multi-family areas will be 15 dwelling units per acre. Multi-family developments will employ ample setbacks and landscaping to mitigate adjacent adverse impacts to adjacent single family life-styles. As with other development types, multi-family development will be architecturally controlled to ensure that individual

projects contribute to the high quality community image desired by the master developer.

**Public and Semi-public Land Uses, Institutional and Cultural Facilities, (SCH, CH, CUL FAC):** Public and Semi-public land uses include areas designated for religious assembly (indicated as churches on the plan), schools, and cultural facilities. Cultural Facilities will be developed in conjunction with Community Parks, providing a broad range of educational and recreational uses.

**Park and Open Space (PK, COM PK, OS):** Parks and other open space within the plan area include a variety of passive and active recreational areas under various ownership and maintenance agreements. The Community Open Space Plan illustrates the conceptual location and extent of these facilities. Publicly dedicated open space will include 5 neighborhood parks, 1 community park and a linear park adjoining Paseo Verde Parkway. The Paseo will provide the setting for community architecture. Privately owned and maintained open space will include neighborhood parkette or neighborhood oriented recreation centers and open space easements associated with the naturally occurring arroyos, neighborhood paseos and linear parks adjacent to roadways.

## 2.1 Permitted Uses

The following Permitted Uses table (Table 2.2) indicates which uses are permitted by right and those uses which are allowed by use permit or under other conditions specified. Commercial permitted uses apply only to parcel No. 4 (as shown on Parcel Map in appendix) for Green Valley Ranch. Uses permitted within other commercial parcels will be provided in subsequent Freeway Interchange District Development Standards. At the discretion of the Planning Director, and if in compliance with applicable CC&Rs, other uses not specifically indicated herein, may be approved if noted on tentative map and approved by the City Council.

## 2.2 Use Permit and Conditional Use Restrictions

Use permits and conditional use restrictions are intended to provide flexibility in applying the permitted land use standards while still maintaining the integrity of the Master Development Plan Overlay. A use permit requires a formal application, staff review, and hearings by the Planning Commission and City Council. Use permits can be requested concurrently with the tentative map or if unrelated to a site improvement, such as a use permit for a temporary event, may be filed separately. Conditional use restric-

tions establish specific criteria for the development of a use in a location. For example, where an otherwise permitted commercial use abuts a residential area, and the uses are potentially incompatible, conditional use restrictions are attached to the commercial use to ensure compatibility. The following list of uses corresponds in order of appearance to those uses identified in Table 2.2. Some of the uses require a use permit, others are controlled by the conditional use restrictions listed and still others may require both a use permit and certain use restrictions. Following are specific standards which shall be applied to the identified uses.

### 1. Commercial Uses

- a. **Animal Grooming:** The use is subject to a use permit if not located as a tenant in a shopping center. Conditions of approval may include limiting the types of services offered, limiting service to certain types of animals, limiting the size of the facility and imposing site development criteria to ensure the control of odor, noise and generally ensure the proper buffering of adjacent uses.
- b. **Animal Retail Sales:** The use is allowed. Conditions of approval may include