IN THE SUPREME COURT OF THE STATE OF NEVADA

NONA TOBIN, as Trustee of the GORDON B. HANSEN TRUST dated 8/22/08,

Appellants,

vs.

JOEL A. STOKES and SANDRA F. STOKES, as Trustees of the JIMIJACK IRREVOCABLE TRUST; YUEN K. LEE, an individual, d/b/a Manager, F. BONDURANT, LLC., SUN CITY ANTHEM COMMUNITY ASSOCIATION, INC.; AND NATIONSTAR MORTGAGE, LLC,

Respondents.

Supreme Court Case No.: 79295

District Court Case No A-15-720032-C
Consolidated with A-16-730078-C

APPELLANT'S APPENDIX OF DOCUMENTS

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Michael R. Mushkin
Nevada Bar No. 2421
L. Joe Coppedge, Esq.
Nevada Bar No. 4954
MUSHKIN & COPPEDGE
6070 South Eastern Ave. Suite 270
Las Vegas, Nevada 89121
702-454-3333 Telephone
702-386-4979 Facsimile
jcoppedge@mccnvlaw.com

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Michael R. Mushkin, Esq.
Nevada State Bar No. 2421
L. Joe Coppedge, Esq.
Nevada State Bar No. 4954
MUSHKIN • CICA • COPPEDGE
4495 South Pecos Road
Las Vegas, Nevada 89121
Telephone: 702-454-3333
Facsimile: 702-386-4979
michael@mccnvlaw.com
jcoppedge@mccnvlaw.com

Attorneys for Nona Tobin, an individual and as Trustee of the Gordon B. Hansen Trust

DISTRICT COURT

CLARK COUNTY, NEVADA

JOEL A. STOKES and SANDRA F. STOKES, as trustee of the JIMIJACK IRREVOCABLE TRUST, Plaintiffs, vs. BANK OF AMERICA, N.A.; Defendant.	Case No.: A-15-720032-C Consolidated with: A-16-730078-C Department: XXXI **CROSS-CLAIMANT NONA TOBIN'S MOTION FOR RECONSIDERATION**
NATIONSTAR MORTGAGE, LLC, Counter-Claimant, vs. JIMIJACK IRREVOCABLE TRUST, Counter-Defendant.	**HEARING REQUESTED**
CAPTION CONTINUES BELOW	

NONA TOBIN, an individual, and Trustee of the GORDON B. HANSEN TRUST. Dated 8/22/08

Counter-Claimant,

vs.

JOEL A. STOKES and SANDRA F. STOKES, as trustees of the JIMIJACK IRREVOCABLE TRUST, SUN CITY ANTHEM COMMUNITY ASSOCIATION, INC., YUEN K. LEE, an Individual, d/b/a Manager, F. BONDURANT, LLC, DOES 1-10, AND ROE CORPORATIONS 1-10, inclusive,

Counter-Defendants.

CROSS-CLAIMANT NONA TOBIN'S MOTION FOR RECONSIDERATION

Cross-Claimant, Nona Tobin ("Tobin"), by and through her attorneys, the law firm of Mushkin Cica Coppedge, respectfully requests that this Court reconsider its Findings of Fact, Conclusions of Law and Order on Cross-Defendant Sun City Anthem Community Associations' Motion for Summary Judgment (the "Order"). This Motion for Reconsideration is made and based upon EDCR 2.24(b), the following memorandum of points and authorities, the pleadings and papers on file herein, and any argument this Court might entertain at a hearing of the Motion.

Dated this 29 day of April, 2019.

MUSHKIN • CICA • COPPEDGE

MICHAEL R. MUSHKIN, ESQ.
Nevada State Bar No. 2421
L. JOE COPPEDGE, ESQ.
Nevada State Bar No. 4954
4495 South Pecos Road
Las Vegas, Nevada 89121
Attorneys for Nona Tobin, an individual and as Trustee of the Gordon B. Hansen Trust

POINTS AND AUTHORITIES

I. Statement of Facts[1]

1. Tobin has lived in Sun City Anthem at 2664 Olivia Heights Avenue since February 20, 2004 and has been an owner in good standing the entire time. See Declaration of Nona Tobin ("Tobin Declaration") at ¶ 1.

2. On or about July 31, 2003, Gordon B. Hansen, together with his then wife Marilyn, purchased the property located at 2763 White Sage Drive, Henderson, Nevada 89052, APN 191-13-811-052 (the "Property"). See Deed, attached to the Tobin Declaration as Exhibit 1.

3. Gordon and Marilyn divorced, and on or about June 10, 2004, Marilyn Hansen quit claimed the Property to Gordon Hansen as a part of the divorce settlement. See Quitclaim Deed, attached to the Tobin Declaration as Exhibit 2.

4. On or August 22, 2008, the Gordon B. Hansen Trust (the "Trust") was formed pursuant to NRS chapter 163, and Nona Tobin was identified to become the successor trustee in the event of Gordon Hansen's death. See Trust Instrument, attached to the Tobin Declaration as Exhibit 3.

5. On August 27, 2008, title to the property was transferred to the Gordon B. Hansen Trust. See Deed, attached to the Tobin Declaration as Exhibit 4.

6. Gordon B. Hansen died on January 14, 2012, and Tobin became a trustee of the Trust. See Certificate of Death, attached to the Tobin Declaration as Exhibit 5.

7. Pursuant to the amendment to the Trust dated August 10, 2011, there were two equal co-beneficiaries of the Trust's assets, Tobin, the deceased's fiancé, and his son, Steve Hansen.

8. In July 2016, on behalf of the beneficiaries of the Trust, Tobin attempted to intervene into Nationstar Mortgage vs. Opportunity Homes, LLC, A-16-730078 which was consolidated into A-15-720032-C in mid-August, 2016 but was denied for procedural defects.

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[1] The Statement of Disputed Facts are supported by the Declaration of Nona Tobin ("Tobin Declaration) attached hereto as Exhibit A. The numbered paragraphs in the Statement of Facts corresponds to the same numbered paragraph in the Tobin Declaration.

See Exhibit 6 to the Tobin Declaration, which is her affidavit dated September 23, 2016, made in support of that motion to intervene, and which is included herein as part of Tobin Declaration.

9. On March 27, 2017, Steve Hansen executed a declaration made under penalty of perjury, that he disclaimed all interest in the property and the Gordon B. Hansen Trust, leaving Tobin as the sole beneficiary of the Trust. See Tobin Declaration, ¶ 9.

10. On March 28, 2017, Tobin, acting in her capacity as sole Trustee, recorded a new deed transferring all the Gordon B. Hansen Trust's interest in the Property to Tobin. See Tobin Declaration, ¶ 10.

11. Tobin paid the HOA dues and late fees for three quarters after Gordon Hansen's death that covered the period from January 1, 2012 through September 30, 2012. See Tobin Declaration, ¶ 11.

12. Tobin accepted a purchase offer on the Property on August 8, 2012 from the Sparkmans and authorized them to move into the Property, pending the close of escrow. See Tobin Declaration, ¶ 12.

13. Tobin did not accurately recall the timing and method of submitting the last payment (check 143, dated August 17, 2012, of $275 assessments for the quarter ending September 30, 2012 plus $25 installment late fee). See Tobin Declaration, ¶ 13.

14. Both checks 142 and 143 were for $300 for HOA dues, and both were dated August 17, 2012, but only check 142 had a date received stamped on the check. See cancelled checks attached to the Tobin Declaration as Exhibit 7.

15. Check 142 paid the assessments for Tobin's own house on August 17, 2012.

16. It was not until December 26, 2018, when attorney L. Joe Coppedge emailed copies of SCA0001-SCA000643 that Tobin discovered that SCA000631 was a letter signed by Tobin to SCA HOA dated October 3, 2012.

17. Tobin did not initially see SCA000001-SCA000643 because they were not served as documents though the Court's e-filing system but were only alluded to as a picture of a CD that was meaningless to Tobin. See Tobin Declaration, ¶ 17.

18. After seeing SCA000631, Tobin's memory was refreshed that check 143 was sent to the HOA with other specific notices and instructions.

19. The Death Certificate was enclosed, providing notice that the homeowner had died. See Tobin Declaration, ¶ 19

20. Notice was provided that Tobin had accepted an offer for a short sale on the Property and that the new owners were expected to move in within the month. See Tobin Declaration, ¶ 20.

21. Tobin requested that the HOA collect future assessments out of escrow and to direct questions to Real Estate Broker Doug Proudfit, (who is a well-known, long-time SCA owner in good standing), or from the new owners, or by whatever normal procedures the HOA used when the owner died. See Tobin Declaration, ¶ 21.

22. The subject of the October 3, 2012 letter was "Delinquent HOA dues for 2763 White Sage" and the enclosed check was identified as "Check for $300 HOA dues" which covered the $275 assessments that were late for the quarter ending September 30, 2012 and the $25 late fee which was authorized for the installment being sent after July 30, 2012. See Tobin Declaration, ¶ 21.

23. Nothing in this letter indicates in any way that Tobin refused to pay assessments as alleged by SCA in Fact 9. See Tobin Declaration, ¶ 23.

24. Given the property was in escrow as of August 8, 2012, Tobin reasonably expected that the assessments due on October 1, 2012 would be paid out of escrow in the same way a pending tax payment is paid out of escrow according to the terms of the escrow instructions. See Tobin Declaration, ¶ 24.

25. Exhibit 8 to the Tobin Declaration is the SCA Resident Transaction Report for 2763 White Sage, pages 1334 through 1337, covering the period from January 1, 2006 through that Tobin received from SCA on May 9, 2016, pursuant to a records request. See Tobin Declaration, ¶ 25.

26. SCA agents, RMI community manager, and its affiliate, Red Rock Financial Services ("RRFS") ignored the October 3, 2012 notice that the property had been sold and did

not follow, or even acknowledge, the explicit instructions, that the $300 check was for "HOA dues". See Tobin Declaration, ¶ 26.

27. SCA's official record, shows the following entries which conflict with SCA000176-SCA000643, Red Rock Foreclosure file, that was SCA's sole source of alleged facts in the motion for summary judgment. See Tobin Declaration, ¶ 27.

28. There is no entry in the Resident Transaction Report that the house was sold or that RRFS, as SCA's agent, collected $63,100. (disputes fact #31, page 5, line 12). See Tobin Declaration, ¶ 28.

29. The only entry in the Resident Transaction Report (Page 1336) is the August 27, 2014 entry that a "Collection Payment PIF $2,701.04" was payment in full of the Gordon Hansen account. See Tobin Declaration, ¶ 29.

30. The Resident Transaction Report Page 1337 listed the second owner (RESID 0480 02) of 2763 White Sage as Jimijack Irrevocable Trust, effective September 25, 2014 with the credit of $225 "Account Setup Fee Resal(e)". See Tobin Declaration, ¶ 30

31. There is no SCA record that Thomas Lucas or Opportunity Homes, alleged purchaser at the August 15, 2014 sale, was ever an owner of 2763 White Sage Drive. (disputes Fact #32, Page 5,) See Tobin Declaration, ¶ 31.

32. The Resident Transaction report shows that the $300 Tobin intended to pay the quarter ending September 30, 2012 was credited in the HOA's records on November 9, 2012 as "Collection Payment Part(ial)", and it was not credited properly as Fact 13, Page 4, Line 1 of the Order falsely claims is undisputed. See Tobin Declaration, ¶ 32.

33. The payment for "HOA dues" was applied on October 18, 2012 in the RRFS ledger (See Exhibit 9, SCA000623-625) to unauthorized and unnecessary collection fees despite the NRS 116A.640(8) explicit prohibition against "Intentionally apply(ing) a payment of an assessment from a unit's owner towards any fine, fee or other charge that is due." See Tobin Declaration, ¶ 33.

34. Tobin made no attempt to evaluate or reduce the RRFS demands for fees as she had contracted with Proudfit Realty to complete a short sale and expected the bank and the new

owner to arrange to pay the HOA the full amount due. See Tobin Declaration, ¶ 34.

35. SCA's claim that Tobin attached to the October 3, 2012 letter a notice of sanction dated September 20, 2012. This statement is false, and Tobin believes is an attempt to unfairly disparage her rather than a long-standing SCA member in good standing that was trying to sell a house at the bottom of the market on behalf of a deceased homeowner's estate. See Tobin Declaration, ¶ 35.

36. The October 3, 2012 letter plainly states there are two enclosures – check for HOA dues and death certificate.

37. There was no third enclosure listed of a September 20, 2012 notice of hearing as falsely claimed by SCA in fact #9 line 18, page 3 of Findings of Fact. See Tobin Declaration, ¶ 37.

38. The September 20, 2012 notice of hearing that RRFS claims was enclosed with the October 3, 2012 letter could not have come from Tobin as she would only have had the original. See Tobin Declaration, ¶ 38

39. SCA proceeded unnecessarily with collections and adding unauthorized fees despite two payoff demands from Ticor Title on or about December 20, 2012 and January 16, 2013. See Tobin Declaration, ¶ 39.

40. SCA managing and collection agents ignored the fact that both the real estate agent Doug Proudfit and Tobin, both long-term SCA homeowners in good standing, had no interest in the HOA not receiving all assessments that were due and were working diligently to sell the property after the market had crashed. See Tobin Declaration, ¶ 40.

41. Check no. 143 was payment for the HOA quarterly dues for the Property for the period commencing July 1, 2012 in the principal amount of $275.00, together with late fees in the amount of $25.00. Check no. 143 did not clear the bank until October 23, 2012. See Tobin Declaration, ¶ 41.

42. Check No. 143 in the amount of $300.00 was incorrectly credited by the HOA's debt collector, Red Rock Financial Services ("RRFS") to the account for the Property on or about October 18, 2012 as shown by the RRFS ledger sent on November 5, 2012 to the Property

(but not the owner's address of record). See Tobin Declaration, ¶ 42, Ledger attached thereto as Exhibit 8.

43. The Resident Transaction Report shows that the $300 from check no. 143 was credited as "Collection Payment Part(ial)" rather than as $275 plus $25 late fee for the July 2012 quarter, which would have brought the account current with a zero balance instead of the $495.15 RRFS claimed was still owing in the ledger. See Tobin Declaration, ¶ 43.

44. NRS116A.640(8) prohibits an HOA agent from applying assessment payments to "any fine, fee or other charge that is due". See Tobin Declaration, ¶ 44.

45. The legal framework established by the HOA, as delineated in SCA Board Resolution, dated November 17, 2011 "Establishing The Governing Documents Enforcement Policy and Process" (Exhibit 17) requires that prior to sanctioning an owner for an alleged violation of the governing documents, such as delinquent assessments, the Board must provide a specific notice of violation, a notice of violation hearing, notice of sanction (hearing determination), notice of appeal, and an appeal determination letter. See Tobin Declaration, ¶ 45

46. Specifically, the Third Amended and Restated Declaration of Covenants, Conditions and Restrictions for Sun City Anthem expressly provides in part that:

> **7.4 Compliance and Enforcement**
>
> **(a) Every Owner and Occupant of a Lot shall comply with the Governing Documents. The Board may impose sanctions for violation of the Governing Documents after notice and a hearing in accordance with the procedures set forth in the By-Law. The Board shall establish a range of penalties for such violations, with violations of the Declaration, unsafe conduct, harassment, or intentionally malicious conduct treated more severely than other violations. Such sanctions may include, without limitation:**
>
> **(i) imposing a graduated range of reasonable monetary fines which shall, pursuant to the Act, constitute a lien upon the violator's lot... The amount of each such fine must be commensurate with the severity of the violation and shall in no event exceed the maximum permitted by the Act. The Rules may be enforced by the assessment of a fine only if: (A) Not less than thirty (30) days before the violation, the person against whom the monetary penalty will be imposed has been provided with written notice of the applicable provisions of the Governing Documents that form the basis of the violation; (B) Within a reasonable time after discovery of the violation, the person against whom the monetary fine will be imposed has been provided with written notice specifying the details of the violation, the amount of the monetary penalty, and the date, time and location for a**

hearing on the violation and a reasonable opportunity to contest the violation at the hearing; (C) The Board must schedule the date, time, and location for the hearing on the violation so that the person against whom the monetary fine will be imposed is provided with a reasonable opportunity to prepare for the hearing to be present at the hearing; and (D) The Board must hold a hearing before it may impose a monetary fine, ...

(emphasis added).

See Third Amended and Restated Declaration of Covenants, Conditions and Restrictions for Sun City Anthem ("CC&Rs"), Exhibit 10 at pp. 35-36.

See Tobin Declaration, ¶ 46.

47. SCA did not provide Tobin any of these notices, nor did it hold a hearing prior to the imposition of fines misnamed as collection costs. See Tobin Declaration, ¶ 47.

48. SCA imposed progressively more serious and disproportionate sanctions for the alleged violation of delinquent assessments, up to and including foreclosure, without providing any meaningful and compliant due process. See Tobin Declaration, ¶ 48.

49. SCA claims to have sent a September 17, 2012 notice of intent to lien, that Tobin does not have any record or recollection of having received and for which there is no proof of service for this notice in the 54 pages of proofs in SCA000176-SCA000643. See Tobin Declaration, ¶ 49.

50. Even if sent, that notice was defective and non-compliant

a. There was no preceding notice of violation,

b. RRFS's claiming $617.94 on September 17, 2012 is excessive and unauthorized when $275 only came due on July 1, 2012.

c. Only $25 late fee was authorized on July 31, 2012 when the payment is 30 days late

d. $317.94 claimed by RRFS for collection costs for the next 35 days the payment was late is not authorized

e. An excessive, non-negotiable fee, of $317.94, which SCA collection agent claimed must be disputed within 30 days of a notice that Tobin did not receive, is not a "collection cost", it is a fine and a sanction. See Tobin Declaration, ¶ 50

51. On or about December 14, 2012, the HOA caused a Notice of Delinquent Assessments (the "Lien") to be recorded against the Property which claimed the amount of $925.76 was delinquent and owed as of December 5, 2012 when at that time, only $275.00 was due and owing for the period commencing October 1, 2012. The Lien included erroneous charges and did not credit assessments paid when the amount was below the minimum past due amount when collection can begin. See Tobin Declaration, ¶ 51.

52. As of December 14, 2012, the maximum amount of the delinquency for the Property's HOA account was $300.00, consisting of then-current quarterly dues in the amount of $275.00, together with late fees in the amount of $25.00. See Tobin Declaration, ¶ 52.

53. On or about April 30, 2013, RRFS responded to a payoff demand from "Miles Bauer", agents for Bank of America ("BANA") and claimed that $2,876.95 was due and payable as of April 30, 2013. See May 29, 2013 Red Rock Financial Services Ledger, Exhibit 11 to the Tobin Declaration.

54. On or about May 9, 2013, Miles Bauer tendered $825 for the nine months of assessments which were at that point in time delinquent. However, RRFS refused BANA's tender without notifying the SCA Board. See Tobin Declaration, ¶ 54.

55. Tobin never received any notice from RRFS or from SCA that BANA's tender had been rejected. See Tobin Declaration, ¶ 55

56. Tobin was never given an opportunity to pay the $75 late fees authorized as of April 30, 2013, so that the delinquency would have been cured in total including all authorized late fees. See Tobin Declaration, ¶ 56.

57. This unjustified refusal of BANA's payment should have stopped all unnecessary collection efforts as all delinquencies on the account had been cured and the account was then current. See Tobin Declaration, ¶ 57.

58. On or about February 12, 2014, a Notice of Foreclosure Sale ("Notice of Sale") was issued and served by RRFS, which claimed $5,081.45 was due and owing, and scheduled the sale for March 7, 2014. See Notice of Foreclosure Sale, Exhibit 12 to the Tobin Declaration.

59. On or about February 20, 2014, Tobin signed a new listing agreement with Craig

Leidy, also a long time SCA owner in good standing. See Tobin Declaration, ¶ 59.

60. On March 28, 2014, RRFS sent an Accounting ledger to Chicago Title in response to a payoff demand related to a contingent sale to Red Rock Region Investments LLC in which the amount before fees claimed as due and owing on February 11, 2014 was $4,240.10, and that the amount due on March 28, 2014 was $4,687.64. See Exhibit 21 to the Tobin Declaration for emails with Leidy that show that this is the last ledger sent.

61. Tobin gave Leidy verbal authority to handle all notices and contact with the HOA's agents, RRFS, and written authority to arrange a short sale with Nationstar Mortgage, the new loan servicer as of December 1, 2013. See Tobin Declaration, ¶ 63.

62. NRS 116.3116 was violated when RRFS refused two tenders of the super-priority amount, one on May 9, 2013 from BANA, and the second from Nationstar on June 5, 2014. See Tobin Declaration, ¶ 62.

63. The Notice of Sale was sent to the Ombudsman on February 13, 2014 as required by NRS 116.311635(2)(b)(3). However, on May 15, 2014, RRFS notified the Ombudsman that the Notice of Sale was cancelled, the Trustee sale was cancelled, and the Owner was retained. See Compliance View Screen, authenticated on April 15, 2019 by Terralyn Lewis, Administration Section Manager, Nevada Real Estate Division attached to the Tobin Declaration as Exhibit 14.

64. The compliance screen is the Ombudsman's contemporaneous log of letters, notices and deed submitted to the State of Nevada Real Estate Division for a HOA foreclosure and provides the only record available to the public documenting the notice of sale process and foreclosure of the Property. See Tobin Declaration, ¶ 66.

65. The compliance screen was obtained pursuant to a public records request and was produced pursuant to NRCP 16. No party has challenged the authenticity of the Compliance Screen. See Tobin's public record request, Exhibit 15; Nona Tobin's Initial List of Witnesses and Production of Documents, Exhibit 16.

66. The Property was sold on August 15, 2014 although no valid notice of sale was in effect as the Notice of Sale was cancelled on or about May 15, 2014 and not replaced. See

Tobin Declaration, ¶ 66.

67. The August 22, 2014 Foreclosure Deed, the recording of which was requested by Opportunity Homes, LLC claims the Property was sold for $63,100 based upon the First Notice of Default, dated March 12, 2013, which was rescinded on April 3, 2013. See Recorded Rescission of Notice of Default attached to the Tobin Declaration as Exhibit 17.

68. The August 22, 2014 Foreclosure Deed contains the false recitals that 1) default had occurred as described in the rescinded Notice of Default and Election to Sell; 2) there had been no payments made after July 1, 2012; 3) that as of February 11, 2014, $5,081.45 was due and owing and that 4) RRFS "complied with all the requirements of law". See Exhibit 18 to the Tobin Declaration.

69. SCA did not provide the notices required by NRS 116.31162(4)

(a) A schedule of the fees that may be charged if the unit owner fails to pay the past due obligation;

(b) A proposed repayment plan; and

(c) A notice of the right to contest the past due obligation at a hearing before the executive board and the procedures for requesting such a hearing.

See Tobin Declaration, ¶ 69

70. NRS 116.31164(3)(b) (2013) requires that "the person conducting the sale…deliver a copy of the deed to the Ombudsman within 30 days after the deed is delivered to the purchaser…", but no foreclosure deed has ever been delivered to the Ombudsman.

71. NRS 116.31164 (3)(c) 1-5 requires the order in which the proceeds of the sale are to be paid out. No distribution was made to any claimant out of the reported $63,100 collected for the sale except for the $2,701.04 that paid the HOA in full. See Tobin Declaration, ¶ 71.

72. Tobin attempted to make a claim for the proceeds in September 2014 but was rebuffed by RRFS, which falsely claimed that the proceeds had been deposited with the court for interpleader. See Tobin Declaration, ¶ 74.

73. SCA agents did not conduct the collection process leading up to the foreclosure

in compliance with the legal framework empowering and limiting the SCA Board's authority to sanction or fine an owner for ANY alleged violation of the governing documents. See Tobin Declaration, ¶ 73.

74. On September 16, 2016, SCA refused Tobin's request for SCA records of its compliance actions against the owner of the Property without a court order. See Tobin Declaration, ¶ 74.

75. Tobin signed to approve purchase offers for four sales which did not come out of escrow due to the actions of BANA and Nationstar. See Tobin Declaration, ¶ 75.

76. Initially, Tobin accepted an offer for $310,000 on or about August 8, 2012, but BANA refused to close, and the prospective buyers who had moved in, on or about October 23, 2012 withdrew and moved out in April, 2013. See Tobin Declaration, ¶ 76

77. A second offer to purchase the Property was made on May 10, 2013 for $395,000.00. See Tobin Declaration, ¶ 77.

78. Tobin offered to return the property to BANA on a deed in lieu in mid-2013, but BANA rejected it claiming the title wasn't clear. See Tobin Declaration, ¶ 78.

79. The third escrow opened on March 4, 2014 for a $340,000 cash offer which Nationstar, as the new servicing bank, held in abeyance while Nationstar required that it be placed up for public auction on www.auction.com. See Tobin Declaration, ¶ 79.

80. The auction.com sale period was from May 4, 2014 to May 8, 2014 when it was sold to the high bidder for $367,500, pending approval by the beneficiary. See Tobin Declaration, ¶ 80.

81. Nationstar's negotiator would not accept either the $340,000 offer held in abeyance nor would it accept the $367,000 from the auction.com sale. See Tobin Declaration, ¶ 81.

82. When listing agent Leidy put a notice on the MLS on July 25, 2014 that the property was back on the market, he indicated he had worked out all the other liens and it should close quickly. See Tobin Declaration, ¶ 82.

83. A buyer who had bid several times on it in March, 2014, re-expressed interest by

making a new offer on July 26, 2014. See Tobin Declaration, ¶ 83.

84. Tobin signed a counter-offer on August 1, 2014 for $375,000. See Tobin Declaration, ¶ 84

85. At the same time, Nationstar required that the asking price on the listing be raised to $390,000. See Tobin Declaration, ¶ 85.

86. The buyer countered on August 4, 2014 with an offer of $358,800 which was on the table when the HOA foreclosed without notice to Tobin, the listing agent, the servicing bank, or any of these bona fide purchasers who were interested in purchasing the property in arms-length transactions. See Tobin Declaration, ¶ 86.

87. The Nevada Statement of Value recorded on August 22, 2014 for the purpose of establishing the Real Property Transfer Tax (RPTT) stated the RPPT market value was $353,529 and the February 23, 2015 request for an RPTT refund shows that Thomas Lucas did not have "Proof of notification for HOA foreclosure" on August 22, 2014 when he recorded the foreclosure deed See Tobin Declaration, ¶ 87.

88. At the time of the foreclosure sale, based upon the various offers to purchase the Property, Tobin formed the opinion that the value of the Property was not less than $358,800.00. See Tobin Declaration, ¶ 88.

89. RRFS disclosures claim that Thomas Lucas purchased the property for $63,100 and took title in the name of Opportunity Homes LLC. See Tobin Declaration, ¶ 89.

90. SCA official ownership records, however, do not have any entry that shows SCA foreclosed on this property nor that either Thomas Lucas nor Opportunity Homes LLC ever owned the property. See Tobin Declaration, ¶ 90.

91. Nationstar's limited joinder to declare the sale valid must be denied as it offered no sworn affidavits nor any evidence whatsoever to support its claims. See Tobin Declaration, ¶ 91.

92. Nationstar has no knowledge of how SCA conducted the sale and has no basis for claiming that the sale was valid to remove Tobin's property rights but was not valid to extinguish a deed of trust. See Tobin Declaration, ¶ 92.

II. Argument

A. Legal Standard

EDCR 2.24(b) provides in part that "[a] party seeking reconsideration of a ruling of the court, other than any order which may be addressed by motion pursuant to N.R.C.P. 50(b), 52(b), 59 or 60 must file a motion for such relief within 10 days after the service of written notice of the order or judgment unless the time is shortened or enlarged by order." Pursuant to NRCP 56(c), summary judgment may only be entered when "there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law." Respectfully, this court erred by granting summary judgment despite the existence of genuine issues of material fact.

B. Defendant's Motion should have been denied as genuine issues of material fact remain.

There are several issues of material fact which should have precluded the entry of summary judgment. There is a legitimate dispute whether the October 3, 2012 letter that Tobin sent to Sun City Anthem included a copy of the Notice of Hearing as claimed by SCA. (See Order, ¶¶ 6-8, and compare to Tobin Declaration, ¶¶ 18-23 and 36-38). Further, there are genuine issues whether HOA complied with its own CC&Rs regarding required notices. See Tobin Declaration, ¶¶ 45-47). Notably, although SCA's failure to comply with its CC&Rs regarding required notices and a right to hearing was raised by Tobin in her opposition to SCA's motion for summary judgment, this issue was not addressed by the Court, nor was it included in the Court's order.

As set above, the HOA, by and through its agent, RRFS, did not follow its own CC&R requirements regarding notice and a right to a hearing, nor did it conduct a valid foreclosure sale in compliance with the statutory requirements. The HOA and RRFS made numerous mistakes in attempting to foreclose upon the Property, including: (i) failing to provide Tobin with a notice and right to a hearing as required by the CC&Rs; (ii) failing to properly credit payments; (iii) failing to accurately calculate the amount due; (iv) failing to provide proper notice of the foreclosure sale; and (v) conducing a foreclosure sale on a cancelled Notice of Sale. Any of

these errors, standing alone, should be sufficient to set aside the foreclosure. Moreover, taken together, the combined errors, combined with the purchase price at the foreclosure sale mandates that it be set aside, and title quieted in the name of the Trust.

SCA relied upon the often-cited *Shadow Wood HOA v. N.Y. Cmty. Bancorp.*, 132 Nev. Adv. Op. 5, 366, P.3d 1105 (2016) in support of its motion for summary judgment. *Shadow Wood* was recently interpreted by the Nevada Supreme Court in *Nationstar Mort., LLC v. Saticoy Bay LLC Series 2227 Shadow Canyon*, 133 Nev Adv. Rep. 91, 405 P.3d 641 (2017). In *Nationstar*, the Court succinctly summarized *Shadow Wood* as follows: the bank foreclosed on its deed of trust and obtained the property via credit bid at the foreclosure sale for roughly $46,000. Because the bank never paid off the unextinguished 9-month super priority lien and failed to pay the continuing assessments after it obtained title, the HOA foreclosed on its lien. At that sale, the purchaser bought the property for roughly $11,000. The bank filed suit to set aside the sale, and the district court granted the bank's request. On appeal, the Nevada Supreme Court considered whether the bank had established equitable grounds to set aside the sale. This court started with the premise that "demonstrating that an association sold a property at its foreclosure sale for an inadequate price is not enough to set aside that sale; there must also be a showing of fraud, unfairness, or oppression." *Nationstar*, 133 Nev. Adv. Rep. 91, 405 P. 3d at 647, quoting *Shadow Wood*, 132 Nev. Adv. Op. 5, 366 P. 3d at 1112 (citing *Long v. Towne, 98 Nev. 11, 13, 639 P.2d 528, 530 (1982))*. The Court in *Nationstar* then stated that the bank in *Shadow Wood* "failed to establish that the foreclosure sale price was grossly inadequate as a matter of law," and observed that the $11,000 purchase price was 23 percent of the property's fair market value and therefore the sales price was "not obviously inadequate." *Id.*

In support, the *Nationstar* Court acknowledged the decision in *Golden v. Tomiyasu*, 79 Nev. 503, 514, 387 P.2d 989, 995 (1963), wherein the Supreme Court upheld a sale with a purchase price that was 29 percent of fair market value. The Court relied upon the Restatement's suggestion that a sale for less than 20 percent of the property's fair market value may "'[g]enerally'" be invalidated by a court. *Nationstar*, 133 Nev. Adv. Rep. 91, 405 P. 3d at 647, quoting *Shadow Wood*, 132 Nev. Adv. Op. 5, 366 P. 3d at 1112-13 (quoting *Restatement*

(Third) of Prop.: Mortgages § 8.3 (1997)). The analysis then turned to whether the sale was affected by fraud, unfairness, or oppression. *Id.*

Although the Court in *Nationstar* declined to adopt the Restatement's 20-percent standard or any other hard-and-fast dividing line based solely on price, the Court did not say that price is wholly irrelevant. In fact, *Golden* recognized that the price/fair-market-value disparity is a relevant consideration because a wide disparity may require less evidence of fraud, unfairness, or oppression to justify setting aside the sale:

> [I]t is universally recognized that inadequacy of price is a circumstance of greater or less weight to be considered in connection with other circumstances impeaching the fairness of the transaction as a cause of vacating it, and that, where the inadequacy is palpable and great, **very slight additional evidence of unfairness or irregularity is sufficient to authorize the granting of the relief sought**.

Nationstar, 133 Nev. Adv. Rep. 91, 405 P. 3d at 648, quoting *Golden*, 79 Nev. at 515-16, 387 P.2d at 995 (quoting *Odell v. Cox*, 151 Cal. 70, 90 P. 194, 196 (Cal. 1907) (emphasis added)). "While mere inadequacy of price has rarely been held sufficient in itself to justify setting aside a judicial sale of property, courts are not slow to seize upon other circumstances impeaching the fairness of the transaction as a cause for vacating it, especially if the inadequacy be so gross as to shock the conscience." *Id.* (quoting *Schroeder v. Young*, 161 U.S. 334, 337-38, 16 S. Ct. 512, 40 L. Ed. 721 (1896))).

Thus, while the Nationstar Court continued to endorse *Golden's* approach to evaluating the validity of foreclosure sales: mere inadequacy of price is not in itself sufficient to set aside the foreclosure sale, it must be considered together with any alleged irregularities in the sales process to determine whether the sale was affected by fraud, unfairness, or oppression. *See Id.* Although the *Nationstar* Court declined to adopt the Restatements suggestion that a foreclosure sale for less than 20 percent of fair market value necessarily invalidates the sale, it is a factor that must be considered. Here, SCA has not disputed that the foreclosure sale price was less than 20 percent of the fair market value. See Tobin Declaration, ¶¶ 75-89.

Thus, we must now look to the irregularities in the foreclosure sale. Irregularities that

may rise to the level of fraud, unfairness, or oppression include an HOA's failure to mail a deed of trust beneficiary the statutorily required notices, *see SFR Invs. Pool 1, LLC v. U.S. Bank, N.A.*, 130 Nev., Adv. Op. 75, 334 P.3d 408, 418 (2014). The irregularities in the foreclosure process are set forth in detail in Tobin's Declaration and require that SCA's motion be denied as there are significant issues of disputed fact that can only be resolved at trial. Generally, the HOA did not comply with its own CC&R's by failing to provide the requisite notices and a right to hearing required by the CC&Rs (Tobin Declaration, ¶¶ 45-47); the HOA did not properly credit payments (Tobin Declaration, ¶¶ 41-43 and 50-52), the HOA failed to accurately calculate the amount due (Tobin Declaration, ¶¶ 41-43 and 50-52), the HOA failed to give proper notice of the foreclosure sale (Tobin Declaration, ¶¶ 49 and 58), and the Notice of Sale was cancelled and not replaced (Tobin Declaration, ¶¶ 63-66).

Having presented evidence of the HOA's failure to provide proper notices, the HOA cannot rely on deed recitals to validate an otherwise invalid foreclosure sale. NRS 116.31166(3) requires that a foreclosure sale be conducted pursuant to NRS 116.31162, 116.31163 and 116.31164 to vest a purchaser at the HOA foreclosure sale with title to the Property. By using the phrase "pursuant to" in NRS 116.31166930 with reference to NRS 116.31162, 116.31163 and 116.31164, the Nevada legislature mandated compliance with those statutes. Consequently, a HOA foreclosure sale that does not vest title unless the HOA actually complies with NRS 116.31162, 116.31163 and 116.31164. Here, there is a genuine dispute whether there was such compliance. Certainly, the HOA's failure to comply with the statutory notice requirements, along with those mandated by the CC&Rs, violates Tobin's due process rights to notice and a hearing At the very least, there is at least slight evidence of unfairness or irregularity sufficient to raise a genuine issue of material fact that merits reconsideration of the Order, and upon such reconsideration, denial of SCA's motion for summary judgment.

CONCLUSION

Summary judgment is only appropriate when, after a review of the record viewed in a light most favorable to the non-moving party, there remain no issues of material fact, and the moving party is entitled to judgment as a matter of law. Here, as detailed in the Tobin

Declaration, there are numerous material issues of fact in dispute. Accordingly, Tobin respectfully submits it was error to grant SCA's motion for summary judgment.

For the foregoing reasons Cross-Claimant Nona Tobin respectfully requests that this Court reconsider the Order and deny Sun City Anthem Community Association's Motion for Summary Judgment.

Dated this 25 day of April, 2019.

MUSHKIN • CICA • COPPEDGE

MICHAEL R. MUSHKIN, ESQ.
Nevada State Bar No. 2421
L. JOE COPPEDGE, ESQ.
Nevada State Bar No. 4954
4495 South Pecos Road
Las Vegas, Nevada 89121
Attorneys for Nona Tobin, an individual and as Trustee of the Gordon B. Hansen Trust

CERTIFICATE OF SERVICE

I hereby certify that the foregoing **Cross-Claimant Nona Tobin's Motion for Reconsideration** was submitted electronically for filing and/or service with the Eighth Judicial District Court on this 25TH day of April, 2019. Electronic service of the foregoing document shall be upon all parties listed on the Odyssey eFileNV service contact list:

An employee of
MUSHKIN • CICA • COPPEDGE

MICHAEL R. MUSHKIN
Nevada Bar No. 2421
L. JOE COPPEDGE
Nevada Bar No. 4954
MUSHKIN CICA COPPEDGE
4495 S. Pecos Road
Las Vegas, NV 89121
Telephone: 702-454-3333
Facsimile: 702-386-4979
michael@mccnvlaw.com
jcoppedge@mccnvlaw.com

Attorneys for Nona Tobin, an individual and as Trustee of the Gordon B. Hansen Trust

DISTRICT COURT
CLARK COUNTY, NEVADA

JOEL A. STOKES and SANDRA F. STOKES, as trustee for the JIMIJACK IRREVOCABL TRUST, Plaintiffs, vs. BANK OF AMERICA, N.A.; SUN CITY ANTHEM COMMUNITY ASSOCIATION.; DOES I through X and ROES BUSINESS ENTITIES 1 through 10, inclusive, Defendants. And Related Matters.	Case No.: A-15-720032-C Consolidated with: A-16-730078-C Department: XXXI

DECLARATION OF NONA TOBIN IN SUPPORT OF MOTION FOR RECONSIDERATION

Nona Tobin, under penalty of perjury, states as follows:

I have personal knowledge of the facts stated herein, except for those facts stated to be based upon information and belief. If called to do so, I would truthfully and competently testify to the facts stated herein, except those facts stated to be based upon information and relief. I make this declaration in support of Counterclaimant/Cross-Claimant Nona Tobin's Motion for Reconsideration to clarify the issues of disputed fact regarding the

1. I have lived in Sun City Anthem at 2664 Olivia Heights Avenue since February 20, 2004 and have been an owner in good standing the entire time.

2. On or about July 31, 2003, Gordon B. Hansen, together with his then wife Marilyn, purchased the property located at 2763 White Sage Drive, Henderson, Nevada 89052, APN 191-13-811-052 (the "Property"). See true and correct copy of Deed, Exhibit 1.

3. Gordon and Marilyn divorced, and on or about June 10, 2004, Marilyn Hansen quit claimed the Property to Gordon Hansen as a part of the divorce settlement. See true and correct copy of Quitclaim Deed, Exhibit 2.

4. On or August 22, 2008, the Gordon B. Hansen Trust (the "Trust") was formed pursuant to NRS chapter 163, and I was identified as the successor trustee in the event of Gordon Hansen's death. See true and correct copy of Trust Instrument, Exhibit 3.

5. On August 27, 2008, title to the property was transferred to the Gordon B. Hansen Trust. See true and correct copy of Deed, Exhibit 4.

6. Gordon B. Hansen died on January 14, 2012, and I became a trustee of the Trust. See Certificate of Death, Exhibit 5.

7. Per the sole amendment to the Trust, dated August 10, 2011, there were two equal co-beneficiaries of the Trust's assets, Nona Tobin, the deceased's fiancé, and his son, Steve Hansen.

8. In July 2016, on behalf of the beneficiaries of the Trust, I attempted to intervene into Nationstar Mortgage vs. Opportunity Homes, LLC, A-16-730078, which was consolidated into A-15-720032-C in mid-August, 2016, but was denied for procedural defects. Exhibit 6 is a true and correct copy of my sworn affidavit dated September 23, 2016, made in support of that motion to intervene, and is included herein as part of this declaration.

9. On March 27, 2017, Steve Hansen executed a declaration made under penalty of perjury that he disclaimed all interest in the property and the Gordon B. Hansen Trust, leaving me as the sole beneficiary of the Trust.

10. On March 28, 2017, acting in my capacity as sole Trustee, I recorded a new Deed transferring all the Gordon B. Hansen Trust's interest in the Property to Nona Tobin, an

individual.

11. I paid the HOA dues and late fees for three quarters after Gordon Hansen's death that covered the period from January 1, 2012 through September 30, 2012.

12. I accepted a purchase offer on the property on August 8, 2012 from the Sparkmans and authorized them to move in pending the close of escrow.

13. I did not accurately recall the timing and method of submitting the last payment (check 143) dated August 17, 2012, of $275 assessments for the quarter ending September 30, 2012 plus $25 installment late fee.

14. Both checks 142 and 143 were for $300 for HOA dues, and both were dated August 17, 2012, but only check 142 had a date received stamped on the check. See true and correct copies of the cancelled checks, attached hereto as Exhibit 7.

15. Check 142 paid the assessments for my own house on August 17, 2012.

16. It was not until December 26, 2018, when my attorney Joe Coppedge emailed copies of SCA0001-SCA000643 that I saw SCA00031, which was a letter signed by me to the SCA HOA dated October 3, 2012.

17. I did not initially see SCA000001-SCA000643 because they were not properly served as documents though the Court's e-filing system, but were only alluded to as a picture of a CD that was meaningless to me.

18. Seeing SCA000631 refreshed my memory that check 143 was sent to the HOA with other specific notices and instructions.

19. I enclosed was the death certificate, providing notice that the homeowner had died.

20. I provided notice that I had accepted an offer for a short sale on the property and that the new owners were expected to move in within the month.

21. I requested that the HOA collect future assessments out of escrow and to direct questions to Real Estate Broker Doug Proudfit, (who is a well-known, long-time SCA owner in good standing), or from the new owners, or by whatever normal procedures the HOA used when the owner died.

22. The subject of the October 13, 2012 letter was "Delinquent HOA dues for 2763 White Sage" and the enclosed check was identified as "Check for $300 HOA dues" which covered the $275 assessments that were late for the quarter ending September 30, 2012 and the $25 late fee which was authorized for the installment being sent after July 30, 2012.

23. Nothing in this letter indicates in any way that I refused to pay assessments as alleged by SCA in Fact 9.

24. Given the property was in escrow as of August 8, 2012, I reasonably expected that the assessments due on October 1, 2012 would be paid out of escrow in the same way a pending tax payment is paid out of escrow according to the terms of the escrow instructions.

25. Exhibit 8 to the Tobin Declaration is the SCA Resident Transaction Report for 2763 White Sage, pages 1334 through 1337, covering the period from January 1, 2006 through that I received from SCA on May 9, 2016 pursuant to a records request.

26. SCA agents, RMI community manager, and its affiliate, Red Rock Financial Services ("RRFS") ignored the October 3, 2012 notice that the property had been sold and did not follow, or even acknowledge, the explicit instructions, that the $300 check was for "HOA dues".

27. SCA's official record, shows the following entries which conflict with SCA000176-SCA000643, Red Rock Foreclosure file, that was SCA's sole source of alleged facts in the motion for summary judgment.

28. There is no entry in the Resident Transaction Report that the house was sold or that RRFS, as SCA's agent, for collected $63,100. (disputes fact #31, page 5, line 12)

29. The only entry in the Resident Transaction Report (Page 1336) is the August 27, 2014 entry that a "Collection Payment PIF $2,701.04" was payment in full of the Gordon Hansen account.

30. The Resident Transaction Report Page 1337 listed the second owner (RESID 0480 02) of 2763 White Sage as Jimijack Irrevocable Trust, effective September 25, 2014, with the credit of $225 "Account Setup Fee Resal(e)".

31. There is no SCA record that Thomas Lucas or Opportunity Homes, alleged

purchaser at the August 15, 2014 sale, was ever an owner of 2763 White Sage Drive. (disputes Fact #32, Page 5).

32. The Resident Transaction report shows that the $300 I intended to pay the quarter ending September 30, 2012 was credited in the HOA's records on November 9, 2012 as "Collection Payment Part(ial)" and it was not credited properly as Fact 13, Page 4, line 1 of the order falsely claims is undisputed.

33. The payment for "HOA dues" was applied on October 18, 2012 in the RRFS ledger (Exhibit 9, SCA000623-625) to unauthorized and unnecessary collection fees despite the NRS 116A.640(8) explicit prohibition against "Intentionally apply(ing) a payment of an assessment from a unit's owner towards any fine, fee or other charge that is due."

34. I made no attempt to evaluate or reduce the RRFS demands for fees as I had contracted with Proudfit Realty to complete a short sale and expected the bank and the new owner to arrange to pay the HOA the full amount due.

35. SCA claim that I attached to the October 3, 2012 letter a notice of sanction dated September 20, 2012. This statement is false, and I believe an attempt to unfairly disparage me rather than a long-standing SCA member in good standing that was trying to sell a house at the bottom of the market on behalf of a deceased homeowner's estate.

36. The October 3, 2012 letter plainly states there are two enclosures – check for HOA dues and death certificate.

37. There was no third enclosure listed of a September 20, 2012 notice of hearing as falsely claimed by SCA in fact #9 line 18, page 3 of Findings of Fact.

38. The September 20, 2012 notice of hearing that RRFS claims was enclosed with the October 3, 2012 letter could not have come from me as I obviously would only have had the original.

39. SCA proceeded with unnecessarily with collections and adding unauthorized fees despite two pay off demands from Ticor Title on or about December 20, 2012 and January 16, 2013.

40. SCA managing and collection agents ignored the fact that both the real estate

agent Doug Proudfit and the executor of the estate, Nona Tobin, both long-term SCA homeowners in good standing, had no interest in the HOA not receiving all assessments that were due and were working diligently to sell the property after the market had crashed.

41. Check no. 143 was payment for the HOA quarterly dues for the Property for the period commencing July 1, 2012 in the principal amount of $275.00, together with late fees in the amount of $25.00. Check no. 143 cleared the bank until October 23, 2012.

42. Check No. 143 in the amount of $300.00 was incorrectly credited by the HOA's debt collector, Red Rock Financial Services ("RRFS") to the account for the Property on or about October 18, 2012 as shown by the RRFS ledger sent on November 5, 2012 to the Property (but not the owner's address of record). See Ledger, Exhibit 8.

43. The Resident Transaction Report shows that the $300 from check no. 143 was credited as "Collection Payment Part(ial)" rather than as $275 plus $25 late fee for the July 2012 quarter, which would have brought the account current with a zero balance instead of the $495.15 RRFS claimed was still owing in the ledger in Exhibit 8.

44. NRS116A.640(8) prohibits an HOA agent from applying assessment payments to "any fine, fee or other charge that is due".

45. The legal framework established by the HOA, as delineated in SCA Board Resolution, dated November 17, 2011 "Establishing The Governing Documents Enforcement Policy and Process" requires that prior to sanctioning an owner for an alleged violation of the governing documents, such as delinquent assessments, the Board must provide a specific notice of violation, a notice of violation hearing, notice of sanction (hearing determination), notice of appeal, appeal determination letter

46. Specifically, the Third Amended and Restated Declaration of Covenants, Conditions and Restrictions for Sun City Anthem expressly provides in part that,

> **7.4 Compliance and Enforcement**
>
> **(a) Every Owner and Occupant of a Lot shall comply with the Governing Documents. The Board may impose sanctions for violation of the Governing Documents after notice and a hearing in accordance with the procedures set forth in the By-Law. The Board shall establish a range of penalties for such violations, with violations of the Declaration, unsafe conduct, harassment, or intentionally**

malicious conduct treated more severely than other violations. Such sanctions may include, without limitation:

(i) imposing a graduated range of reasonable monetary fines which shall, pursuant to the Act, constitute a lien upon the violator's lot… The amount of each such fine must be commensurate with the severity of the violation and shall in no event exceed the maximum permitted by the Act. The Rules may be enforced by the assessment of a fine only if: (A) Not less than thirty (30) days before the violation, the person against whom the monetary penalty will be imposed has been provided with written notice of the applicable provisions of the Governing Documents that form the basis of the violation; (B) Within a reasonable time after discovery of the violation, the person against whom the monetary fine will be imposed has been provided with written notice specifying the details of the violation, the amount of the monetary penalty, and the date, time and location for a hearing on the violation and a reasonable opportunity to contest the violation at the hearing; (C) The Board must schedule the date, time, and location for the hearing on the violation so that the person against whom the monetary fine will be imposed is provided with a reasonable opportunity to prepare for the hearing to be present at the hearing; and (D) The Board must hold a hearing before it may impose a monetary fine, …

(emphasis added).

See Third Amended and Restated Declaration of Covenants, Conditions and Restrictions for Sun City Anthem, Exhibit 10 at pp. 35-36.

47. SCA did not provide me any of these notices, nor did it hold a hearing prior to the imposition of fines misnamed as collection costs.

48. SCA imposed progressively more serious and disproportionate sanctions for the alleged violation of delinquent assessments, up to and including foreclosure, without providing any meaningful and compliant due process.

49. SCA claims to have sent a September 17, 2012 notice of intent to lien, that I do not have any record or recollection of having received and for which there is no proof of service for this notice in the 54 pages of proofs in SCA000176-SCA000643.

50. Even if sent**,** that notice was defective and non-compliant

a. There was no preceding notice of violation,

b. RRFS's claiming $617.94 on September 17, 2012 is excessive and unauthorized when $275 only came due on July 1, 2012.

c. Only $25 late fee was authorized on July 31, 2012 when the payment is 30 days late

d. $317.94 claimed by RRFS for collection costs for the next 35 days the payment was late is not authorized

e. An excessive, non-negotiable fee, of $317.94, which SCA collection agent claimed must be disputed within 30 days of a notice I didn't get, is not a "collection cost", it is a fine and a sanction.

51. On or about December 14, 2012, the HOA caused a Notice of Delinquent Assessments (the "Lien") to be recorded against the Property which claimed the amount of $925.76 was delinquent and owed as of December 5, 2012 when at that time, only $275.00 was due and owing for the period commencing October 1, 2012. The Lien included erroneous charges and did not credit assessments paid when the amount was below the minimum past due amount when collection can begin. See Lien, Exhibit 11.

52. As of December 14, 2012, the maximum amount of the delinquency for the Property's HOA account was $300.00, consisting of then-current quarterly dues in the amount of $275.00, together with late fees in the amount of $25.00.

53. On or about April 30, 2013, RRFS responded to a payoff demand from "Miles Bauer", agents for Bank of America (BANA), and claimed that $2,876.95 was due and payable as of April 30, 2013. See May 29, 2013 Red Rock Financial Services Ledger, Exhibit 12.

54. On or about May 9, 2013, Miles Bauer tendered $825 for the nine months of assessments which were at that point in time delinquent. However, RRFS refused BANA's tender without notifying the SCA Board.

55. I never received any notice from RRFS or from SCA that BANA's tender had been rejected.

56. I was never given an opportunity to pay the $75 late fees authorized as of April 30, 2013, so that the delinquency would have been cured in total including all authorized late fees.

57. This unjustified refusal of BANA's payment should have stopped all

unnecessary collection efforts as all delinquencies on the account had been cured and the account was then current.

58. On or about February 12, 2014, a Notice of Foreclosure Sale ("Notice of Sale") was issued and served by RRFS, which claimed $5,081.45 was due and owing, and scheduled the sale for March 7, 2014. See Notice of Foreclosure Sale, Exhibit 12.

59. On or about February 20, 2014, I signed a new listing agreement with Craig Leidy, also a long time SCA owner in good standing.

60. On March 28, 2014, RRFS sent an Accounting ledger to Chicago Title in response to a payoff demand related to a contingent sale to Red Rock Region Investments LLC in which the amount before fees claimed as due and owing on February 11, 2014 was $4,240.10, and that the amount due on March 28, 2014 was $4,687.64.

61. I gave Leidy verbal authority to handle all notices and contact with the HOA's agents, RRFS, and written authority to arrange a short sale with Nationstar Mortgage, the new loan servicer as of December 1, 2013.

62. NRS 116.3116 was violated when RRFS refused two tenders of the super-priority amount, one May 9, 2013 from BANA, and the second from Nationstar on June 5, 2014.

63. The Notice of Sale was sent to the Ombudsman on February 13, 2014 as required by NRS 116.311635(2)(b)(3). However, on May 15, 2014, RRFS notified the Ombudsman that the Notice of Sale was cancelled, the Trustee sale was cancelled, and the Owner was retained. See Compliance View Screen, authenticated on April 15, 2019 by Terralyn Lewis, Administration Section Manager, Nevada Real Estate Division in Exhibit 14.

64. The compliance screen is the Ombudsman's contemporaneous log of letters, notices and deed submitted to the State of Nevada Real Estate Division for a HOA foreclosure and provides the only record available to the public documenting the notice of sale process and foreclosure of the Property.

65. The compliance screen was obtained pursuant to a public records request and was produced pursuant to NRCP 16. No party has challenged the authenticity of the

Compliance Screen. See Tobin's public record request, Exhibit 15; Nona Tobin's Initial List of Witnesses and Production of Documents, Exhibit 16.

66. The Property was sold on August 15, 2014 although no valid notice of sale was in effect as the Notice of Sale was cancelled on or about May 15, 2014 and not replaced.

67. The August 22, 2014 Foreclosure Deed, the recording of which was requested by Opportunity Homes, LLC claims the Property was sold for $63,100 based upon the First Notice of Default, dated March 12, 2013, which was rescinded on April 3, 2013. See Recorded Rescission of Notice of Default, Exhibit 17.

68. The August 22, 2014 Foreclosure Deed contains the false recitals that 1) default had occurred as described in the rescinded Notice of Default and Election to Sell; 2) there had been no payments made after July 1, 2012; 3) that as of February 11, 2014, $5,081.45 was due and owing and that 4) RRFS "complied with all the requirements of law". Exhibit 18.

69. SCA did not provide the notices required by NRS 116.31162(4)

(a) A schedule of the fees that may be charged if the unit s owner fails to pay the past due obligation;

(b) A proposed repayment plan; and

(c) A notice of the right to contest the past due obligation at a hearing before the executive board and the procedures for requesting such a hearing.

70. NRS 116.31164(3)(b) (2013) requires that "the person conducting the sale…deliver a copy of the deed to the Ombudsman within 30 days after the deed is delivered to the purchaser…", but no foreclosure deed has ever been delivered to the Ombudsman.

71. NRS 116.31164 (3)(c) 1-5 requires the order in which the proceeds of the sale are to be paid out. No distribution was made to any claimant out of the reported $63,100 collected for the sale except for the $2,701.04 that paid the HOA in full.

72. I attempted to make a claim for the proceeds in September 2014 but was rebuffed by RRFS, which falsely claimed that the proceeds had been deposited with the court for interpleader.

73. SCA agents did not conduct the collection process leading up the foreclosure in

compliance with the legal framework empowering and limiting the SCA Board's authority to sanction or fine an owner for ANY alleged violation of the governing documents.

74. On September 16, 2016, SCA refused my request for SCA records of its compliance actions against the owner of the Property without a court order.

75. I signed to approve purchase offers for four sales which did not come out of escrow due to the actions of BANA and Nationstar.

76. Initially, I accepted an offer for $310,000 on or about August 8, 2012, but BANA refused to close, and the prospective buyers who had moved in on or about October 23, 2012 withdrew and moved out in April, 2013.

77. A second offer to purchase the Property was made on May 10, 2013 for $395,000.00.

78. I offered to return the property to BANA on a deed in lieu in mid-2013, but BANA rejected it claiming the title wasn't clear.

79. The third escrow opened on March 4, 2014 for a $340,000 cash offer which Nationstar, as the new servicing bank, held in abeyance while Nationstar required that it be placed up for public auction on www.auction.com.

80. The auction.com sale period was from May 4, 2014 to May 8, 2014 when it was sold to the high bidder for $367,500, pending approval by the beneficiary.

81. Nationstar's negotiator would not accept either the $340,000 offer held in abeyance nor would it accept the $367,000 from the auction.com sale.

82. When listing agent Leidy put a notice on the MLS on July 25, 2014 that the property was back on the market, he indicated he had worked out all the other liens and it should close quickly.

83. A buyer who had bid several times on it in March, 2014, re-expressed interest by making a new offer on July 26, 2014.

84. I signed a counter-offer on August 1, 2014 for $375,000.

85. At the same time, Nationstar required that the asking price on the listing be raised to $390,000.

86. The buyer countered on August 4, 2014 with an offer of $358,800 which was on the table when the HOA foreclosed without notice to me, the listing agent, the servicing bank, or any of these bona fide purchasers who were interested in purchasing the property in arms-length transactions.

87. The Nevada Statement of Value recorded on August 22, 2014 for the purpose of establishing the Real Property Transfer Tax (RPTT) stated the RPPT market value was $353,529 and the February 23, 2015 request for an RPTT refund shows that Thomas Lucas did not have "Proof of notification for HOA foreclosure" on August 22, 2014 when he recorded the foreclosure deed.

88. At the time of the foreclosure sale, based upon the various offers to purchase the Property, it is my opinion that the value of the Property was not less than $358,800.00

89. RRFS disclosures claim that Thomas Lucas purchased the property for $63,100 and took title in the name of Opportunity Homes LLC.

90. SCA official ownership records, however, do not have any entry that shows SCA foreclosed on this property nor that either Thomas Lucas nor Opportunity Homes LLC ever owned the property.

91. Nationstar's limited joinder to declare the sale valid must be denied as it offered no sworn affidavits nor any evidence whatsoever to support its claims.

92. Nationstar has no knowledge of how SCA conducted the sale and has no basis for claiming that the sale was valid to remove my property rights but was not valid to extinguish a deed of trust.

I declare under penalty of perjury under the laws of the State of Nevada that the foregoing is true and correct.

Dated this 29th day of April 2019.

NONA TOBIN

EXHIBIT "1"

20030731
.04442

CLARK COUNTY, NEVADA
FRANCES DEANE, RECORDER

RECORDED AT THE REQUEST OF:
LAWYERS TITLE OF NEVADA

07-31-2003 14:08 CAB

OFFICIAL RECORDS

BOOK/INSTR:20030731-04442

PAGE COUNT: 3

FEE: 16.00
RPTT: 971.25

APN: 191-13-811-052
R.P.T.T. $ 971.25

LAND AMERICA / LAWYERS TITLE:
WHEN RECORDED RETURN TO &
MAIL TAX STATEMENTS TO:
City First Mtg Serv.
379 W. 500 S.
Bountiful, UT 84010

GRANT, BARGAIN AND SALE DEED

THIS INDENTURE WITNESSETH: That **DEL WEBB COMMUNITIES, INC., an Arizona Corporation,** FOR A VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, do hereby Grant, Bargain, Sell and Convey to

GORDON B. HANSEN AND MARILYN HANSEN, HUSBAND AND WIFE AS JOINT TENANTS

all that real property situate in the County of Clark, State of Nevada, bounded and described as follows:

See Exhibit "A" Legal Description Attached

SUBJECT TO:

1. Taxes for the fiscal year 2003-2004.
2. Rights of way, reservations restrictions, easements and conditions of record.

20030731
.04442

APN: 191-13-811-052

LAND AMERICA / LAWYERS TITLE:

Together with all tenements, hereditaments and appurtenances thereunto belonging or appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

WITNESS my hand this 30th day of July, 2003.

DEL WEBB COMMUNITIES, INC., an Arizona Corporation

BY: _____
S. O'CONNOR, Vice President

STATE OF NEVADA)
)ss:
COUNTY OF CLARK)

On this 30th day of July, 2003, personally appeared before me, a Notary Public in and for said County and State, S. O'Connor, Vice President, who acknowledged that he executed the above instrument.

WITNESS my hand and official seal.

PATRICIA LOUISE LANE
Notary Public State of Nevada
No. 01-67990-1
My appt. exp. Mar. 19, 2005

_____
NOTARY PUBLIC in and for said County and State.

20030731
.04442

ORDER NO.: 03051663

EXHIBIT a

(LEGAL)

APN#191-13-811-052

Lot Eighty-Five (85) in Block Four (4) of FINAL MAP OF SUN CITY ANTHEM UNIT NO. 19 PHASE 2, as shown by map thereof on file in Book 102 of Plats, Page 80, in the Office of the County Recorder, Clark County, Nevada.

20030731
.04442

28

STATE OF NEVADA
DECLARATION OF VALUE

1. **Assessor Parcel Number(s):**
   a) 191-13-811-052
   b)
   c)
   d)

FOR RECORDERS OPTIONAL USE ONLY
Document/Instrument#:
Book: Page:
Date of Recording:
Notes:

2. **Type of Property:**
   a) ☐ Vacant Land b) ☒ Single Family Residence
   c) ☐ Condo/Townhouse d) ☐ 2-4 Plex
   e) ☐ Apartment Building f) ☐ Commercial/Industrial
   g) ☐ Agricultural h) ☐ Mobile Home
   i) ☐ Other

3. **Total Value/Sales Price of Property:** $382,311.07
4. Deed in Lieu of Foreclosure Only (value of property) $
5. Transfer Tax Value: $382,311.07
6. Real Property Transfer Tax Due: $971.25

7. **If Exemption Claimed:**
   a) Transfer Tax Exemption, per NRS 375.090, Section:
   b) Explain Reason for Exemption:

8. **Partial Interest:** Percentage being transferred: ____%

The undersigned declares and acknowledges, under penalty of perjury, pursuant to NRS 375.060 and NRS 375.110, that the information provided is correct to the best of their information and belief, and can be supported by documentation if called upon to substantiate the information provided herein. Furthermore, the disallowance of any claimed exemption, or other determination of additional tax due, may result in a penalty of 10% of the tax due plus interest at 1% per month.

Pursuant to NRS 375.030, the Buyer and Seller shall be jointly and severally liable for any additional amount owed.

Signature _____ **Capacity:** **GRANTOR**

Signature _____ **Capacity:** **GRANTEE**

SELLER (GRANTOR) INFORMATION (REQUIRED)		**BUYER (GRANTEE) INFORMATION** (REQUIRED)	
Print Name:	DEL WEBB COMMUNITIES, INC.	**Print Name:**	
Address:	11500 SOUTH EASTERN AVENUE	**Address:**	2763 White Sage Dr.
City:	HENDERSON	**City:**	Henderson
State:	NEVADA **Zip:** 89052	**State:**	NV **Zip:** 89052

COMPANY/PERSON REQUESTING RECORDING
LAWYERS TITLE OF NEVADA, INC., ESCROW NO.: 03-05-1663-AD
1210 SOUTH VALLEY VIEW BLVD., ESCROW OFFICER: DAPHNE WRIGHT & CATHERINE AGANOS
LAS VEGAS, NV 89102

(AS A PUBLIC RECORD THIS FORM MAY BE RECORDED)

4442

EXHIBIT "2"

20040611-0005547
Fee: $42.00 RPTT: EXEMPT
06/11/2004 16:45:39 T20040036379
Req: REBECCA P WALLACE
Frances Deane
Clark County Recorder Pgs: 5

APN# 191-13-811-052
11 digit number may be obtained at:
http://sandgate.co.clark.nv.us/cicsAssessor/ownr.htm

COVER PAGE, DECLARATION OF VALUE

QUITCLAIM DEED

Type of Document
(Example: Declaration of Homestead, Quit Claim Deed, etc.)

(C4)

Recording requested by:

Rebecca P. Wallace, ESQ.

Return to:

Name Rebecca P. Wallace, Esq.

Address 1001 Whitney Ranch Dr. #140

City/State/Zip Henderson, NV 89014

This page added to provide additional information required by NRS 111.312 Sections 1-2
(An additional recording fee of $1.00 will apply.)

This cover page must be typed or printed clearly in black ink only.

OS17/03

QUITCLAIM DEED

APN#: 191-13-811-052

THIS QUITCLAIM DEED, Executed this _____ day of _____, 2004 by first party, Gordon B. Hansen & Marilyn Hansen, whose post office address is 2763 White Sage Drive, Henderson, Nevada 89052, to second party, Gordon B. Hansen, whose post office address is 2763 White Sage Drive, Henderson, Nevada 89052.

WITNESSETH That the said first party, for good consideration and for the sum of One and 00/100********** Dollars ($1.00) paid by the said second party, the receipt whereof is hereby acknowledged, does hereby remise, release and quitclaim unto the said second party forever, all the right, title, interest and claim which the said first party has in and to the following described parcel of land, and improvements and appurtenances thereto in the County of Clark, State of Nevada, to wit:

Assessor Description: LOT EIGHTY-FIVE (85) IN BLOCK FOUR (4) OF FINAL MAP OF SUN CITY ANTHEM UNIT NO. 19 PHASE 2, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 102 OF PLATS, PAGE 80, IN THE OFFICE OF THE COUNTY RECORDER, CLARK COUNTY, NEVADA.

Property Address: 2763 White Sage Drive
Henderson, Nevada 89052

APN: 191-13-811-052

RECORDING REQUESTED BY:

REBECCA P. WALLACE, ESQ.
1001 Whitney Ranch Dr. #140
Henderson, Nevada 89014

WHEN RECORDED MAIL TO:

REBECCA P. WALLACE, ESQ.
1001 Whitney Ranch Dr. #140
Henderson, Nevada 89014

MAIL TAX STATEMENTS TO:

GORDON B. HANSEN
2763 White Sage Drive
Henderson, Nevada 89052

IN WITNESS WHEREOF, The said first party has signed and sealed these presents the day and year first above written. Signed, sealed and delivered in presence of:

Signature of Witness

Signature of First Party

Brenda Ricks
Print name of Witness

Marilyn Hansen
Print name of First Party

Signature of Witness

Signature of Second Party

Sabrina M. Emmons
Print name of Witness

Gordon B. Hansen
Print name of Second Party

State of Nevada)
County of Clark)

On June 4, 2004 before me, Cynthia L. Reed (name of Notary) appeared Marilyn T. Hansen (name of First Party) personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
WITNESS my hand and official seal.

(Seal)

Signature of Notary

Affiant ___ Known X Produced ID
Type of ID NV DL

State of Nevada)
County of Clark)

On June 9th 2004 before me, Sandra Palmer (name of Notary) appeared Gordon B. Hansen (name of Second Party) personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
WITNESS my hand and official seal.

NOTARY PUBLIC
STATE OF NEVADA
County of Clark
SANDRA A. PALMER
Appt. No. 03-79307-1
My Appt. Expires Dec 9, 2006

Signature of Notary

Affiant X Known ___ Produced ID
Type of ID NV DL

STATE OF NEVADA
DECLARATION OF VALUE

1. Assessor Parcel Number(s)
   a) 191-13-811-052
   b)
   c)
   d)
2. Type of Property:
   a) ☐ Vacant Land b) ☒ Single Fam. Res.
   c) ☐ Condo/Twnhse d) ☐ 2-4 Plex
   e) ☐ Apt. Bldg f) ☐ Comm'l/Ind'l
   g) ☐ Agricultural h) ☐ Mobile Home
   ☐ Other
3. Total Value/Sales Price of Property $
   Deed in Lieu of Foreclosure Only (value of property) ( )
   Transfer Tax Value: $
   Real Property Transfer Tax Due $
4. If Exemption Claimed:
   a. Transfer Tax Exemption per NRS 375.090, Section X (5)
   b. Explain Reason for Exemption: Pursuant to Decree of Divorce
5. Partial Interest: Percentage being transferred: ____ %

FOR RECORDERS OPTIONAL USE ONLY
Document/Instrument #:
Book ____ Page:
Date of Recording:
Notes

The undersigned declares and acknowledges, under penalty of perjury, pursuant to NRS 375.060 and NRS 375.110, that the information provided is correct to the best of their information and belief, and can be supported by documentation if called upon to substantiate the information provided herein. Furthermore, the parties agree that disallowance of any claimed exemption, or other determination of additional tax due, may result in a penalty of 10% of the tax due plus interest at 1% per month. Pursuant to NRS 375.030, the Buyer and Seller shall be jointly and severally liable for any additional amount owed.

Signature Marilyn Hansen Capacity Grantor
Signature Gordon B. Hansen Capacity Grantee

SELLER (GRANTOR) INFORMATION (REQUIRED)	BUYER (GRANTEE) INFORMATION (REQUIRED)
Print Name: Marilyn Hansen	Print Name: Gordon B. Hansen
Address: 2763 White Sage Dr.	Address: 2763 White Sage Dr.
City: Henderson,	City: Henderson
State: NV Zip: 89052	State: NV Zip: 89052

COMPANY/PERSON REQUESTING RECORDING (required if not seller or buyer)
Print Name: Rebecca P. Wallace, Esq. Escrow #
Address: 1001 Whitney Ranch Dr. #140
City: Henderson State: NV Zip: 89014

(AS A PUBLIC RECORD THIS FORM MAY BE RECORDED/MICROFILMED)

5547

EXHIBIT "3"

THE GORDON B. HANSEN TRUST
Dated August 22, 2008

Prepared by
Andrew M. Cox, Esq.
GERRARD COX LARSEN
2450 St. Rose Parkway, Suite 200
Henderson, Nevada 89074

TABLE OF CONTENTS

TRUST AGREEMENT

OF THE

GORDON B. HANSEN TRUST

THIS DECLARATION OF TRUST AGREEMENT is made on August 22, 2008, by GORDON B. HANSEN, (hereinafter referred to as the "Trustor" or "Grantor" when reference is made to him in his capacity as creator of this Trust and the transferor of the principal properties thereof), and GORDON B. HANSEN, of Clark County, Nevada (hereinafter referred to as the "Trustee," when reference is made to him in his capacity as Trustee or fiduciary hereunder).

Witnesseth:

WHEREAS, the Trustor desires by this Trust Agreement to establish the "GORDON B. HANSEN TRUST" for the use and purposes hereinafter set forth, to make provisions for the care and management of certain of his present properties and for the ultimate distribution of the Trust properties;

NOW, THEREFORE, the Trustor hereby gives, grants, and transfers to the Trustee, IN TRUST, which Trustee hereby declares that he has received from the Grantor, the property listed on Schedule "A", (which schedule is attached hereto and made a part of this Trust Agreement), TO HAVE AND TO HOLD THE SAME IN TRUST, and to manage, invest and reinvest the same and any additions that may be made from time to time hereto, subject to the provisions of Trust as hereinafter provided.

All property subject to this Trust Indenture shall constitute the Trust estate and shall be held for the purpose of protecting and preserving it, collecting the income therefrom, and making distributions of the principal and income thereof as hereinafter provided.

Additional property may be added to the Trust estate, at any time and from time to time, by the Trustor or any person or persons, by inter vivos act or testamentary transfer, or by insurance contract or Trust designation.

The property comprising the original Trust estate, during the life of the Trustor, shall retain its character as his separate property, as designated on the attached Schedule "A" or document of transfer or conveyance. Property subsequently received by the Trustee during the life of the Trustor may be listed on addenda to Schedule "A" and shall have the separate character designated thereon or on the document of transfer or conveyance.

ARTICLE I
NAME AND BENEFICIARIES OF THE TRUST

1.1 **Name**. The Trust created in this instrument may be referred to as the "GORDON B. HANSEN TRUST", and any separate Trust may be referred to by adding the name of the beneficiary.

1.2 **Beneficiaries**. The Trust estate created hereby shall be for the use and benefit of GORDON B. HANSEN, and for the other beneficiaries named herein. The name of the fiancé of the Trustor is NONA TOBIN. The name of the one (1) now living child of the Trustor is STEVEN ERIC HANSEN. This child shall hereinafter be designated as the "Child of the Trustor".

ARTICLE II
DISTRIBUTION OF INCOME AND PRINCIPAL WHILE THE TRUSTOR SHALL LIVE

2.1 **Distributions While The Trustor Lives**. During the lifetime of GORDON B. HANSEN, he shall be entitled to all income and principal of the Trust property without limitation.

2.2 **Use of Residence**. While the Trustor shall live, he may possess and use, without rental or accounting to Trustee, any residence owned by this Trust.

ARTICLE III
INCAPACITY

3.1 **Incapacity of Trustor**. If at any time, as certified in writing by two licensed physicians, the Trustor has become physically or mentally incapacitated, whether or not a court of competent jurisdiction has declared him incompetent, mentally ill, or in need of a guardian or conservator, the Trustee shall pay to the Trustor or apply for his benefit, the amounts of net income and principal necessary, in the Trustee's discretion, for the proper health, support and maintenance of the Trustor in accordance with his accustomed manner of living, until the incapacitated Trustor, either in the Trustee's discretion or as certified by two licensed physicians, is again able to manage his own affairs or until his death.

3.2 **Reliance on writing**. Anyone dealing with this Trust may rely on the physicians' written statements regarding the Trustor's incapacity, or a photocopy of the statements, presented to them by the Trustee. A third party relying on such written statements shall not incur any liability to any beneficiary for any dealings with the Trustee in reliance upon such written statements. This provision is inserted in this Trust indenture to encourage third parties to deal with the Trustee without the need for court proceedings.

ARTICLE IV
DISTRIBUTION OF HOUSEHOLD AND PERSONAL EFFECTS AFTER DEATH OF TRUSTOR

4.1 **Distribution of Personal Property**. After the death of the Trustor, the Trustee shall retain or distribute all tangible personal property of the deceased Trustor, including but not limited to, furniture, furnishings, rugs, pictures, books, silverplate, linen, china, glassware, objects of art, wearing apparel, jewelry,

ornaments, and automobiles in accordance with any written statement or list that the Trustor leaves disposing of this property. Any such statement or list then in existence shall be determinative with respect to all bequests made therein. Any property not included on said list shall be distributed as follows:

(a) To NONA TOBIN, for her lifetime use and benefit, if she survives the Trustor.

(b) Upon the death of NONA TOBIN, the Trustee shall distribute any remaining household and personal effects, which are not distributed by a written statement or list, to STEVEN ERIC HANSEN as he shall select. Any tangible personal property which STEVEN ERIC HANSEN does not select shall be distributed in accordance with Article V below.

ARTICLE V
DISTRIBUTION OF INCOME AND PRINCIPAL
AFTER DEATH OF THE TRUSTOR

5.1 **Payment of Expenses**. Upon the death of the Trustor, the Trustee may, in the Trustee's sole discretion, pay from the income and/or principal of this Trust, the administrative expenses, the expenses of the last illness and funeral of the Trustor, and any other debt owed by Trustor. Following such payments, the principal and undistributed income of the Trust shall be administered and as set forth herein.

5.2 **Specific Bequest**. Upon the death of the Trustor, Thirty-three percent (33%) of the remaining Trust estate shall be held in a separate Trust for the benefit of NONA TOBIN and this Trust share shall be distributed or retained as follows:

(a) If, in the opinion of the Trustee, the income and principal from all other sources of which the Trustee has knowledge shall not be sufficient for the education, health, support or maintenance of NONA TOBIN in her accustomed manner of living at the date of the Trustor's death, the Trustee is authorized to use and expend such part of the Trust income and/or principal from this Trust share as is necessary to meet such needs.

(b) If NONA TOBIN is not then living or upon the death of NONA TOBIN, the remainder of this Trust share, if any, shall be distributed in accordance with Section 5.3 below.

5.3 **Distribution of the Remaining Trust Estate.** Upon the death of the Trustor, after making the required distributions set forth above, any remaining property, both income and principal of this Trust estate, shall be distributed to STEVEN ERIC HANSEN, if he is then living, outright and free of Trust. If STEVEN ERIC HANSEN is not then living, then the remaining Trust estate shall be divided into as many equal shares as there are children of STEVEN ERIC HANSEN who are then living, including the step-daughter of STEVEN ERIC HANSEN, ALIXANDRA LANGE, (hereinafter referred to as "grandchildren of the Trustors" or "grandchild of the Trustors") and grandchildren of the Trustors who are deceased leaving issue then living, and these shares shall be distributed or retained as follows:

(a) If any grandchild of the Trustors is then the age of Thirty-five (35) years or older, his or her share shall be distributed to him or her outright and free of Trust.

(b) For each grandchild of the Trustors who is then under the age of Thirty-five (35) years, his or her share shall be retained in a separate Trust and, until the grandchild attains the age of Twenty-five (25) years, the net income and principal from each Trust share shall be distributed to the grandchild as is necessary, in the discretion of the Trustee, for the support, comfort, well-being, education or health needs of the grandchild. After attaining the age of Twenty-five (25) years, the net income from each Trust share shall be distributed at least quarter annually to the grandchild of the Trustors. In addition, principal may be used, in the discretion of the Trustee, for the education or emergency health needs of the beneficiary.

(c) Upon attaining the age of Twenty-five (25) years, one-third (1/3) of the then value of the grandchild's Trust share shall be distributed to him or her outright and free of Trust. Upon attaining the age of Thirty (30) years, one-half (1/2) of the then value of the grandchild's Trust share shall be distributed to him or her outright and free of Trust. Upon attaining the age of Thirty-five (35) years, the entire remaining balance of the grandchild's Trust share shall be distributed to the grandchild outright and free of Trust. If a grandchild has already attained age Twenty-five (25), Thirty (30), or

Thirty-five (35) at the division date, the Trustee, shall upon making the division, distribute to such grandchild one-third (1/3), two-thirds (2/3), or all of his or her Trust share, respectively.

(d) If prior to full distribution a grandchild becomes deceased, his or her remaining share shall be distributed outright equally to his or her issue who are then living under the same terms and conditions as set forth in this section or, if there are no then living issue of the grandchild, his or her remaining share shall be distributed equally outright to his or her then living siblings. However, if any such distributee is one for whom a Trust is then being administered under this Article V, the share of such distributee shall, instead of being distributed outright, be added to that Trust and administered and distributed in accordance with its terms.

5.4 **Charging Advances Against Beneficiary's Distributive Shares.** Whenever any Trust assets here under are being divided into shares and, under the provisions of this trust, the share of any person in such assets is required to be charged with any advance (with or without interest on such advance), the actual charging of such advance against such share shall be accounted for on a hotchpot basis; that is, as though the amount of such advance (based on fair market values at the effective date of such advance and including interest thereon, if so provided) were a part of an increase in the Trust assets being divided into shares and as though the amount of such advance had been allocated to and represented a prior partial distribution toward the share of the person who is charged with such advance. Likewise, whenever any Trust assets hereunder are being divided into shares and there is included among those assets a promissory note receivable (or similar monetary obligation due the Trust involved) which its Trustees determine is owed directly or indirectly by any person who is direetly or indirectly a beneficiary of one of those shares, (i) such receivable shall be valued at its then face amount (including accrued but unpaid interest thereon, if any) and (ii), in the making of such division into shares, such receivables shall be allocated at such value to the share in which such debtor has a direct or indirect interest (at least insofar as the size of such share permits such allocation).

5.5 **Generation Skipping Trusts**. If the special generation skipping transfer tax exemption election provided by Section 2652(a)(3) of the Internal Revenue Code (Code) is exercised as to any property held in this Trust or if this Trust is receiving property from any other Trust to which the special election has been made, the Trustee is authorized, at any time in the exercise of absolute discretion, to set apart such property in a separate trust so that its inclusion ratio, as defined in Section 2642(a) of the Code is or remains zero. If such Trust(s) is (are) created then any estate or death taxes as well as any discretionary distributions to the Children of the Trustor shall be first charged against and paid out of the principal of the Trust(s) as to which the special election provided by Section 2652(a)(3) is not applicable.

5.6 **Last Resort Clause**. In the event that the principal of the Trust administered under this Article V is not disposed of under the foregoing provisions, the remainder, if any, shall be distributed, outright and free of Trust, to NONA TOBIN, if she is then living. If NONA TOBIN is not then living, the remainder, if any, shall be distributed outright and free of Trust, equally to the heirs at law of GORDON B. HANSEN, their identities and shares to be determined according to the laws of the State of Nevada then in effect relating to the intestate succession of separate property.

ARTICLE VI

TRUSTEE'S DISCRETION ON DISTRIBUTION TO PRIMARY BENEFICIARIES

6.1 **Delay of Distribution**. Notwithstanding the distribution provisions of Article V, the following powers and directions are given to the Trustee:

(a) If, upon any of the dates described in Article V, the Trustee for any reason described below determines, in the Trustee's sole discretion, that it would not be in the best interest of the beneficiary that a distribution take place, then in that event the said distribution shall be totally or partially postponed until the reason for the postponement has been eliminated. During the period of postponement, the Trustee shall have the absolute

discretion to distribute income or principal to the beneficiary as the Trustee deems advisable for the beneficiary's welfare.

(b) If said causes for delayed distribution are never removed, then the Trust share of that beneficiary shall continue until the death of the beneficiary and then be distributed as provided in this Trust Instrument. The causes of such delay in the distribution shall be limited to any of the following:

(1) The current involvement of the beneficiary in a divorce proceeding or a bankruptcy or other insolvency proceeding.

(2) The existence of a large judgment against the beneficiary.

(3) Chemical abuse or dependency, or the conviction of the beneficiary of a felony, involving drugs or narcotics, unless a five year period has followed said conviction.

(4) The existence of any event that would deprive the beneficiary of complete freedom to expend the distribution from the Trust estate according to his or her own desires.

(5) In the event that a beneficiary is not residing in the United States of America at any given time, then the Trustee may decline to transmit to him or her any part or all of the income and shall not be required to transmit to him or her any of the principal if, in the Trustee's sole and uncontrolled judgment, the political and/or economic conditions of such place of residence of the beneficiary are such that it is likely the money would not reach him or her, or upon reaching him or her, would be unduly taxed, seized, confiscated, appropriated, or in any way taken from him or her in such a manner as to prevent his or her use and enjoyment of the same.

(6) The judicially declared incompetency of the beneficiary.

(c) The Trustee shall have no duty to inquire or investigate at any time whether an event has occurred that could be cause for a delayed distribution to a beneficiary under this Article VI, and the Trustee shall not be deemed to have knowledge of any event that could be cause for a delayed distribution unless the Trustee has actual knowledge of the happening of any such event prior to the distribution in questions.

(d) To safeguard the rights of the beneficiary, if any distribution from his or her Trust share has been delayed for more than one (1) year, he or she may apply to the District Court in Las Vegas, Nevada, for a judicial determination as to whether the Trustee has reasonably adhered to the standards set forth herein. The Trustee shall not incur, and is hereby absolved or, and liability arising from or relating to the provisions of this Article VI, except for willful misconduct.

ARTICLE VII

PROVISIONS RELATING TO TRUSTEESHIP

7.1 **Successor Trustee**. In the event of the death or incapacity of the original Trustee, NONA TOBIN, currently residing in Henderson, Nevada, shall serve as the Successor Trustee of all of the Trusts hereunder. If NONA TOBIN should become deceased, unable or unwilling to serve as a Successor Trustee, STEVEN ERIC HANSEN, currently residing in Tehachapi, California, shall serve as Successor Trustee of all of the Trusts hereunder. In determining the incapacity of any Trustee serving hereunder, the guidelines set forth in Section 3.1 may be followed.

If no Successor Trustee is designated to act in the event of the death, incapacity or resignation of the Trustee then acting, or no Successor Trustee accepts the office, the Trustee then acting may appoint a Successor Trustee. If no such appointment is made, the majority of the adult beneficiaries entitled to distribution from this trust may appoint a Successor Trustee.

7.2 **Liability Of Successor Trustee**. No Successor Trustee shall be liable for the acts, omissions, or default of a prior Trustee. Unless requested in writing within sixty (60) days of appointment by an adult beneficiary of the Trust, no Successor Trustee shall have any duty to audit or investigate the accounts or administration of any such Trustee, and may accept the accounting records of the predecessor Trustee showing assets on hand without further investigation and

without incurring any liability to any person claiming or having an interest in the Trust.

7.3 **Acceptance By Trustee**. A Trustee shall become Trustee or Co-Trustee jointly with any remaining or surviving Co-Trustees, and assume the duties thereof, immediately upon delivery of written acceptance to Trustor, during his lifetime and thereafter to any Trustee hereunder, or to any beneficiary hereunder, if for any reason there shall be no Trustee then serving, without the necessity of any other act, conveyance, or transfer.

7.4 **Delegation By Trustee**. Any individual Co-Trustee shall have the right at any time, by an instrument in writing delivered to the other Co-Trustee, to delegate to such other Co-Trustee any and all of the Trustee's powers and discretion.

7.5 **Resignation Of Trustee**. Any Trustee at any time serving hereunder may resign as Trustee by delivering to Trustor, during his lifetime and thereafter to any Trustee hereunder, or to any beneficiary hereunder if for any reason there shall be no Trustee then serving hereunder, an instrument in writing signed by the resigning Trustee.

7.6 **Corporate Trustee**. During the Trust periods, if any, that a corporate Trustee acts as Co-Trustee with an individual, the corporate Trustee shall have the unrestricted right to the custody of all securities, funds, and other property of the Trusts and it shall make all payments and distributions provided hereunder.

7.7 **Majority**. Subject to any limitations stated elsewhere in this Trust Indenture, all decisions affecting any of the Trust estate shall be made in the following manner: While three or more Trustees, whether corporate or individual, are in office, the determination of a majority shall be binding. If only two Trustees are in office, they must act unanimously.

7.8 **Bond**. No bond shall ever be required of any Trustee hereunder.

7.9 **Expenses and Fees**. The Successor Trustee shall be reimbursed for all actual expenses incurred in the administration of any Trust created herein. The

Successor Trustee shall be entitled to reasonable compensation for service rendered to the Trust. In no event, however, shall the fees exceed those fees that would have been charged by state or federal banks in the jurisdiction in which the Trust is being governed. However, any corporate Trustee shall be entitled to compensation for its services in accordanee with its published fee schedule.

ARTICLE VIII
PROVISIONS RELATING TO TRUSTOR'S POWERS

8.1 **Power To Amend**. During the lifetime of the Trustor, this Trust Indenture may be amended in whole or in part by an instrument in writing, signed by the Trustor, and delivered to the Trustee. Upon the death of the Trustor, this Trust Indenture shall not be amended.

8.2 **Power To Revoke**. During the lifetime of Trustor, the Trustor may revoke this Trust Indenture by an instrument in writing, signed by the Trustor. Upon revocation, the Trustee shall deliver the revoked portion of the Trust property to the Trustor. Upon the death of the Trustor, this Trust Indenture shall not be revoked.

8.3 **Power To Change Trustee**. During the lifetime of the Trustor, he may change the Trustee or Successor Trustee of this Trust by an instrument in writing.

8.4 **Additions To Trust**. Any additional property acceptable to the Trustee may be transferred to this Trust. The property shall be subject to the terms of this Trust.

8.5 **Gift Program**. If the Trustor becomes legally incompetent, or if in the Trustee's judgment reasonable doubt exists regarding capacity, the Trustee is authorized in such Trustee's sole discretion to continue any gift program which the Trustor had previously commenced, to make use of the federal gift tax annual exclusion. Such gifts may be made outright or in trust.

ARTICLE IX

PROVISIONS RELATING TO TRUSTEE'S POWERS

9.1 **Management Of Trust Property**. With respect to the Trust property, except as otherwise specifically provided in this Trust, the Trustee shall have all powers now or hereafter conferred upon trustees by applicable state law, and also those powers appropriate to the orderly and effective administration of the Trust. Any expenditure involved in the exercise of the Trustee's powers shall be borne by the Trust estate. Such powers shall include, but not be limited to, the following powers with respect to the assets in the Trust estate:

(a) To register any securities or other property held hereunder in the name of the Trustee or in the name of a nominee, with or without the addition of words indicating that such securities or other property are held in a fiduciary capacity, and to hold in bearer form any securities or other property held hereunder so that title thereto will pass by delivery, but the books and records of Trustee shall show that all such investments are part of his respective funds.

(b) To hold, manage, invest and account for the separate trusts in one or more consolidated funds, in whole or in part, as he may determine. As to each consolidated fund, the division into the various shares comprising such fund need be made only upon Trustee's books of account.

(c) To lease Trust property for terms within or beyond the term of the Trust and for any purpose, including exploration for and removal of gas, oil, and other minerals; and to enter into community oil leases, pooling and unitization agreements.

(d) To borrow money, mortgage, hypothecate, pledge or lease Trust assets for whatever period of time Trustee shall determine, even beyond the expected term of the respective Trust.

(e) To hold and retain any property, real or personal, in the form in which the same may be at the time of the receipt thereof, as long as in the exercise of his discretion it may be advisable so to do, notwithstanding same may not be of a character authorized by law for investment of trust funds.

(f) To invest and reinvest in his absolute discretion, and he shall not be restricted in his choice of investments to such investments as are permissible for fiduciaries under any present or future applicable law, notwithstanding that the same may constitute an interest in a partnership.

(g) To advance funds to any of the Trusts for any Trust purpose. The interest rate imposed for such advances shall not exceed the current rates.

(h) To institute, compromise, and defend any actions and proceedings.

(i) To vote, in person or by proxy, at corporate meetings any shares of stock in any Trust created herein, and to participate in or consent to any voting Trust, reorganization, dissolution, liquidation, merger, or other action affecting any such shares of stock or any corporation which has issued such shares of stock.

(j) To partition, allot, and distribute, in undivided interest or in kind, or partly in money and partly in kind, and to sell such property as the Trustee may deem necessary to make division or partial or final distribution of any of the Trusts.

(k) To determine what is principal or income of the Trusts and apportion and allocate receipts and expenses as between these accounts.

(l) To make payments hereunder directly to any beneficiary under disability, to the guardian of his or her person or estate, to any other person deemed suitable by the Trustees, or by direct payment of such beneficiary's expenses.

(m) To employ agents, attorneys, brokers, and other employees, individual or corporate, and to pay them reasonable compensation, which shall be deemed part of the expenses of the Trusts and powers hereunder.

(n) To accept additions of property to the Trusts, whether made by the Trustor, a member of the Trustor's family, by any beneficiaries hereunder, or by any one interested in such beneficiaries.

(o) To hold on deposit or to deposit any funds of any Trust created herein, whether part of the original Trust fund or received thereafter, in one or more savings and loan associations, bank or other financing institution and in such form of account, whether or not interest bearing, as Trustee may determine, without regard to the amount of any such deposit or to

whether or not it would otherwise be a suitable investment for funds of a trust.

(p) To open and maintain safety deposit boxes in the name of this Trust.

(q) To make distributions to any Trust or beneficiary hereunder in cash or in specific property, real or personal, or an undivided interest therein, or partly in cash and partly in such property, and to do so without regard to the income tax basis of specific property so distributed. The Trustor requests but does not direct, that the Trustee make distributions in a manner which will result in maximizing the aggregate increase in income tax basis of assets of the estate on account of federal and state estate, inheritance and succession taxes attributable to appreciation of such assets.

(r) The powers enumerated in NRS 163.265 to NRS 163.410, inclusive, are hereby incorporated herein to the extent they do not conflict with any other provisions of this instrument.

(s) The enumeration of certain powers of the Trustee shall not limit his general powers, subject always to the discharge of his fiduciary obligations, and being vested with and having all the rights, powers, and privileges which an absolute owner of the same property would have.

(t) The Trustee shall have the power to invest Trust assets in securities of every kind, including debt and equity securities, to buy and sell securities, to write covered securities options on recognized options exchanges, to buy-back covered securities options listed on such exchanges, to buy and sell listed securities options, individually and in combination, employing recognized investment techniques such as, but not limited to, spreads, straddles, and other documents, including margin and option agreements which may be required by securities brokerage firms in connection with the opening of accounts in which such option transactions will be effected.

(u) In regard to the operation of any closely held business of the Trust, the Trustee shall have the following powers:

(1) The power to retain and continue the business engaged in by the Trust or to recapitalize, liquidate or sell the same.

(2) The power to direct, control, supervise, manage, or participate in the operation of the business and to determine the manner and

degree of the fiduciary's active participation in the management of the business and to that end to delegate all or any part of the power to supervise, manage or operate the business to such person or persons as the fiduciary may select, including any individual who may be a beneficiary or Trustee hereunder.

(3) The power to engage, compensate and discharge, or as a stockholder owning the stock of the Corporation, to vote for the engagement, compensation and discharge of such managers, employees, agents, attorneys, accountants, consultants or other representatives, including anyone who may be a beneficiary or Trustee hereunder.

(4) The power to become or continue to be an officer, director or employee of a Corporation and to be paid reasonable compensation from such Corporation as such officer, director and employee, in addition to any compensation otherwise allowed by law.

(5) The power to invest or employ in such business such other assets of the Trust estate.

(v) To borrow money at interest rates then prevailing from any individual, bank or other source, irrespective or whether any such individual or bank is then acting as Trustee, and to create security interests in the Trust property by mortgage, pledge, or otherwise, to make a guaranty of, including a third party guaranty.

9.2 **Limitation on Discretionary Power**. The Trustee's discretion to distribute income and principal to a beneficiary who is also a Trustee shall be limited, with respect to such Trustee, to distributions for the beneficiary's health, education, maintenance and support.

9.3 **Power to Appoint Agent**. The Trustee is authorized to employ attorneys, accountants, investment managers, specialists, and such other agents as the Trustee shall deem necessary or desirable. The Trustee shall have the authority to appoint an investment manager or managers to manage all or any part of the assets of the Trust, and to delegate to said investment manager the discretionary power to acquire and dispose of assets of the Trust. The Trustee may charge the

compensation of such attorneys, accountants, investment managers, specialists, and other agents against the Trust, including any other related expenses.

9.4 **Broad Powers Of Distribution**. After the death of the Trustor, upon any division or partial or final distribution of the Trust estate, the successor Trustee shall have the power to partition, allot and distribute the Trust estate in undivided interest or in kind, or partly in money and partly in kind, at valuations determined by the Trustee, and to sell such property as the Trustee, in the Trustee's discretion, considers necessary to make such division or distribution. In making any division or partial or final distribution of the Trust estate, the Trustee shall be under no obligation to make a pro rata division or to distribute the same assets to beneficiaries similarly situated. Rather, the Trustee may, in the Trustee's discretion, make non pro rata divisions between Trusts or shares and non pro rata distributions to beneficiaries as long as the respective assets allocated to separate trusts or shares or the distributions to beneficiaries have equivalent or proportionate fair market value. The income tax basis of assets allocated or distributed non pro rata need not be equivalent and may vary to a greater or lesser amount, as determined by the Trustee, in his or her discretion, and no adjustment need be made to compensate for any difference in basis.

9.5 **Merger of Identical Trusts**. Should the Trustee of any separate trust hereunder at any time also be the Trustee of a trust having substantially identical dispositive provisions for the benefit of the same beneficiary or beneficiaries but created under some other trust agreement, such two identical trusts may, in the discretion of such Trustee, be merged together and thereafter administered as one single trust under the trust agreement having the earliest rule against perpetuities savings clause date. Where such a merger would be thus authorized but for differences in the identity of the contingent remainder beneficiaries of such otherwise mergeable trusts, such trusts may instead be consolidated together in a new trust created by the Trustee of such otherwise mergeable trusts under a new trust instrument executed by it having all of the same provisions as would

apply to such a merger except those provisions relating to contingent remainder interests, which provisions shall be written in such manner as to preserve the relative interests of the different contingent remainder beneficiaries having an interest therein on the basis of the fair market value of the net assets of each trust entering into such consolidation as of the effective date of such consolidation as reasonably determined by such Trustee.

9.6 **Special Needs Trust.** If any beneficiary has any special needs where government assistance is utilized, and if any direct or indirect distribution from this Trust to or on behalf of the beneficiary may jeopardize the beneficiary's ability to qualify for government assistance, then the vesting of said beneficiary's share may, in the Trustee's discretion, be postponed until the Trustee(s) does as follows, if possible: the Trustee(s) is specifically empowered to place that beneficiary's share into a discretionary Special Needs Trust under the applicable state and federal statutes. The terms of the discretionary Special Needs Trust shall be such terms as are provided by default under the applicable state and federal statutes, as well as such other terms as are necessary in the discretion of the Trustee(s) in furtherance of the objectives of this Trust. If required, the Trustee(s) may seek court action to establish this discretionary sub-Trust.

9.7 **Apply For Government Assistance**. The Trustee shall have the power to deal with governmental agencies and to make applications for, receive and administer any of the following benefits, if applicable: Social Security, Medicare, Medicaid, Supplemental Security Income, In-Home Support Services, and any other government resources and community support services available to the elderly.

9.8 **Catastrophic Health Care Planning**. The Trustee shall have the power to explore and implement planning strategies and options and to plan and accomplish asset preservation in the event the Trustor needs long-term health and nursing care. Such planning shall include, but is not necessarily limited to, the power and authority to: (1) make home improvements and additions to the

Trustor's family residence; (2) pay off, partly or in full, the encumbrance, if any, on the Trustor's family residence; (3) purchase a family residence, if the Trustor does not own one; (4) purchase a more expensive family residence; (5) make gifts of assets for estate planning purposes to the beneficiaries and in the proportions set forth in Article V.

ARTICLE X
SUBCHAPTER S STOCK

10.1 **S-Corporation Stock**. To the extent that any Trust created under this Instrument (for purposes of this Article an "Original Trust") owns or becomes the owner (or would but for this provision become the owner) of shares of stock of any then electing "S corporation" pursuant to Section 1361 et seq. of the Internal Revenue Code, or to the extent that any such Original Trust owns or becomes the owner of shares of stock of any "small business corporation" as defined in Section 1361 (b) of the Internal Revenue Code with respect to which the Trustees desire to continue, make, or allow to be made an S corporation election, the Trustees of such Trust shall have the power at any time, in such Trustees' sole and absolute discretion, the exercise of which shall not be subject to review by any person or court, to terminate said original Trust as to such shares of stock and to allocate, pay, and distribute (or cause to be allocated, paid, and distributed directly from any transferor) some or all of such shares of stock to either (i) a separate and distinct Qualified Subchapter S Trust pursuant to the provisions of paragraph 10.2 below, or (ii) a separate and distinct Electing Small Business Trust pursuant to the provisions of paragraph 10.3 below.

10.2 **Qualified Subchapter S Trust**. In the event shares of stock are allocated, paid, or distributed to a Qualified Subchapter S Trust pursuant to paragraph 10.1 above, such Trust and Trust fund shall be designated with the name of the same Beneficiary with whose name the Original Trust is designated (such Beneficiary

with whose name the Original Trust is designated being for purposes of this Article the only "Beneficiary" of such trust) and shall be held pursuant to the same terms and conditions as the Original Trust, except that, notwithstanding any other provision in this Trust Indenture applicable to the Original Trust:

(a) Until the death of the Beneficiary of the Qualified Subchapter S Trust, the Trustees of such Qualified Subchapter S Trust shall pay and distribute to such Beneficiary and to no other person all of the net income of the Qualified Subchapter S Trust annually or at more frequent intervals. Any and all income accrued but not paid to the Beneficiary prior to the death of the Beneficiary shall be paid to the estate of the Beneficiary.

(b) Any distribution of principal from a Qualified Subchapter S Trust may be made only to the Beneficiary then entitled to receive income from such trust.

(c) The current income Beneficiary's income interest terminates on the earlier of the Beneficiary's death or the termination of the Qualified Subchapter S Trust. If the Qualified Subchapter S Trust terminates during the life of the Beneficiary, all Qualified Subchapter S Trust principal shall distribute to the income Beneficiary.

(d) Each Qualified Subchapter S Trust is intended to be a Qualified Subchapter S Trust, as defined in Section 1361 (d) of the Internal Revenue Code, as amended, or any successor provisions thereto. Accordingly, no Trustees of any Qualified Subchapter S Trust created pursuant to this Article shall have any power, the possession of which would cause any such Trust to fail to be a Qualified Subchapter S Trust; no power shall be exercisable in such a manner as to cause any such Trust to fail to be a Qualified Subchapter S Trust; and any ambiguity in this Trust Indenture shall be resolved in such a manner that each such trust shall be a Qualified Subchapter S Trust.

(e) The provisions of Articles V and VI shall have no application to the distribution of income from any Qualified Subchapter S Trust created or continued pursuant to the provisions of this Article.

(f) Any power provided in Articles V and VI of this Trust Indenture may be exercised with respect to any Qualified Subchapter S Trust created pursuant to this Article if and only if, or to the extent that, the exercise of any such power shall not violate the provisions of this Article and shall

not impair or disqualify the Qualified Subchapter S Trust status of such trust.

10.3 **Electing Small Business Trust**. In the event shares of stock are allocated, paid, or distributed to an Electing Small Business Trust pursuant to paragraph 10.1 above, the Trustee shall make the proper Small Business Trust election, and such Trust and Trust fund shall be designated with a name chosen at the Trustee's discretion, and shall be held pursuant to the same terms and conditions as the Original Trust except that, notwithstanding any other provision in this Trust Indenture applicable to the Original Trust:

(a) The Electing Small Business Trust shall not have as a beneficiary any person other than an individual or an estate, except that a charitable organization described in paragraph (2), (3), (4) or (5) of Section 170(c) of the Internal Revenue Code may hold a contingent interest.

(b) No interest in the Electing Small Business Trust may be acquired by purchase.

(c) Each Electing Small Business Trust is intended to be an Electing Small Business Trust, as defined in Section 1361(e) of the Internal Revenue Code, as amended, or any successor provisions thereto. Accordingly, no Trustees of any Electing Small Business Trust created pursuant to this Article shall have any power, the possession of which would cause any such Trust to fail to be a Electing Small Business Trust; no power shall be exercisable in such a manner as to cause any such Trust to fail to be an Electing Small Business Trust; and any ambiguity in this Trust Indenture shall be resolved in such a manner that each such trust shall be an Electing Small Business Trust.

10.4 **Effect on Beneficiaries**. In granting to the Trustee the discretion to create one or more Qualified Subchapter S Trusts and/or Electing Small Business Trusts as herein provided, the Trustor recognizes that the interest of present or future beneficiaries may be increased or diminished upon the exercise of such discretion.

ARTICLE XI

QUALIFIED PLANS AND IRA'S

11.1 Any Trust created hereunder may receive distributions from a Qualified Plan (as defined below). In the event a Trust which is named as a designated beneficiary of a Qualified Plan is subdivided into separate sub-trusts, the Trustee may, in the Trustee's discretion, allocate the Qualified Plan in such manner as the Trustee determines, provided that the Qualified Plan shall be allocated only to a Trust which is or becomes irrevocable at the death of the owner of the Qualified Plan, and provided further that no allocation shall be made which would cause immediate income tax recognition of the Qualified Plan.

11.2 The Trustee is directed to take all steps necessary to qualify the Trust as a "designated beneficiary" for purposes of the minimum distribution rules set forth in § 401(a)(9) of the Code. This includes providing appropriate documentation to the plan administrator of each Qualified Plan (including the custodian of each individual retirement account) by October 31 of the calendar year immediately following the calendar year in which the Trustor's death occurs, consistent with the requirements of Treas. Reg. § 1.401(a)(9)-4, A-6.

11.3 The Trustee is further directed to receive annually from the Qualified Plan the minimum distribution amounts based on the beneficiary's life expectancy, and to immediately distribute such amounts to the beneficiary of the Trust or sub-Trust, as the case may be.

11.4 For purposes of this Article XI, the account balance in any Qualified Plan at the Trustor's death shall be considered Trust principal. Income from a Qualified Plan shall mean income in a trust accounting sense, determined under the provisions of this Declaration as if the Qualified Plan were a Trust, without regard to any provisions of the Code defining income for federal income tax purposes.

11.5 Notwithstanding any other provision of this Declaration, no debt, estate tax or expense of administration arising at the death of a trustor may be paid from a Qualified Plan for which a Trust created hereunder is designated as beneficiary. Estate taxes or GST taxes arising upon the death of a Trustor shall not be apportioned to assets held in a Qualified Plan except to the extent that failure to apportion taxes to assets of a Qualified Plan would cause a substantial disparity in the distribution of Trust assets among beneficiaries of the same class, in which case the taxes apportioned to the Qualified Plan shall be payable from other Trust assets distributable to the beneficiaries. In the alternative, rather than satisfying the taxes from other assets of the Trust, a beneficiary whose interest in the assets of a Qualified Plan is subject to the burden of such taxes may pay the taxes personally if the beneficiary so chooses.

11.6 As used herein, the term "Qualified Plan" refers to any employee benefit plan or individual retirement arrangement that is allowed to accumulate any part of its earnings on an income tax deferred basis under the Code including, without limitation, plans described under I.R.C. § 401, I.R.C. § 403, I.R.C. 408, I.R.C. § 408A, and I.R.C. § 457. A Qualified Plan includes a plan that is reasonably believed to qualify under one or more such provisions of the Code, even if it is subsequently determined that such plan does not so qualify.

ARTICLE XII
PROTECTION OF AND ACCOUNTING BY TRUSTEE

12.1 **Protection**. The Trustee shall not be liable for any loss or injury to the property at any time held by him hereunder, except only such as may result from his fraud, willful misconduct, or gross negligence. Every election, determination, or other exercise by Trustee of any discretion vested, either expressly or by implication, in him, pursuant to this Trust Indenture, whether made upon a

question actually raised or implied in his acts and proceedings, shall be conclusive and binding upon all parties in interest.

12.2 **Accounting**. Upon the written request delivered or mailed to the Trustee by an income beneficiary hereunder, the Trustee shall render a written statement of the financial status of the Trust. Such statement shall include the receipts and disbursements of the Trust for the period requested or for the period transpired since the last statement and the principal of the Trust at the end of such period. Statements need not be rendered more frequently than annually.

ARTICLE XIII
GENERAL PROVISIONS

13.1 **Controlling Law**. This Trust Indenture is executed under the laws of the State of Nevada and shall in all respects be administered by the laws of the State of Nevada; provided, however, the Trustee shall have the discretion, exercisable at any later time and from time to time, to administer any Trust created hereunder pursuant to the laws of any jurisdiction in which the Trustee may be domiciled, by executing a written instrument acknowledged before a notary public to that effect, and delivered to the then income beneficiaries. If the Trustee exercises the discretion, as above provided, this Trust Indenture shall be administered from that time forth by the laws of the other state or jurisdiction.

13.2 **Spendthrift Provision**. No interest in the principal or income of any trust created under this Trust Instrument shall be anticipated, assigned, encumbered or subjected to creditors' claims or legal process before actual receipt by a beneficiary. This provision shall not apply to the Trustor's interest in the Trust estate. The income and principal of this Trust shall be paid over to the beneficiary at the time and in the manner provided by the terms of this Trust, and not upon any written or oral order, nor upon any assignment or transfer by the beneficiary, nor by operation of law.

13.3 **Perpetuities Savings Clause**. Unless terminated earlier in accordance with other provisions of this trust, any trust hereby created or created by the exercise of any power hereunder shall terminate the later of, (1) Twenty-one (21) years after the death of the last survivor of the following: (a) the Trustor; (b) all the issue of Trustor who are living at the death of the Trustor; and (c) all named beneficiaries who are living at the death of the Trustor, or (2) upon the expiration of the maximum period authorized by the laws of the State of Nevada or the state by which the trust is then being governed. Upon such termination, the Trust estate, and any accumulations thereon, shall be distributed to those persons and in the same proportions as the income of the trust is then being paid.

13.4 **No-Contest Provision**. The Trustor specifically desires that this Trust Indenture and these Trusts created herein be administered and distributed without litigation or dispute of any kind. If any beneficiary of these trusts or any other person, whether stranger, relative or heir, or any legatee or devisee under the Last Will and Testament of either the Trustor or the successors-in-interest of any such persons, including the Trustor's estate under the intestate laws of the State of Nevada or any other state lawfully or indirectly, singly or in conjunction with another person, seek or establish to assert any claim or claims to the assets of these Trusts established herein, or attack, oppose or seek to set aside the administration and distribution of the Trusts, or to invalidate, impair or set aside its provisions, or to have the same or any part thereof declared null and void or diminished, or to defeat or change any part of the provisions of the Trusts established herein, then in any and all of the above-mentioned cases and events, such person or persons shall receive One Dollar ($1.00), and no more, in lieu of any interest in the assets of the Trusts or interest in income or principal.

13.5 **Provision For Others**. The Trustor has, except as otherwise expressly provided in this Trust Indenture, intentionally and with full knowledge declined to provide for any and all of his heirs or other persons who may claim an interest in his respective estates or in these Trusts.

13.6 **Severability**. In the event any clause, provision or provisions of this Trust Indenture prove to be or be adjudged invalid or void for any reason, then such invalid or void clause, provision or provisions shall not affect the whole of this instrument, but the balance of the provisions hereof shall remain operative and shall be carried into effect insofar as legally possible.

13.7 **Physical Division of Property Not Necessary**. Physical segregation or division of the various trusts created hereunder is not required, except as may be necessary by the termination of any such trust. The Trustee is required to keep separate accounts for the various undivided trusts.

13.8 **Distribution Of Small Trust**. If the Trustee, in the Trustee's absolute discretion, determines that the amount held in Trust is not large enough to be administered in Trust on an economical basis, then the Trustee may distribute the Trust assets free of Trust to those persons then entitled to receive the same; or in the case of a minor beneficiary, the Trustee may, in the Trustee's discretion, also distribute to a custodial account under the Uniform Transfers to Minors Act or similar account for the benefit of the minor beneficiary.

13.9 **Headings**. The various clause headings used herein are for convenience of reference only and constitute no part of this Trust Indenture.

13.10 **More Than One Original**. This Trust Indenture may be executed in any number of copies and each shall constitute an original of one and the same instrument.

13.11 **Interpretation**. Whenever it shall be necessary to interpret this Trust, the masculine, feminine and neuter personal pronouns shall be construed interchangeably, and the singular shall include the plural and the singular.

13.12 **Definitions**. The following words are defined as follows:

(a) **"Principal" and "Income"**. Except as otherwise specifically provided in this Trust Indenture, the determination of all matters with respect to what is principal and income of the Trust estate and the apportionment and allocation of receipts and expenses thereon shall be governed by the provisions of Nevada's Revised Uniform Principal and Income Act, or its

equivalent, as it may be amended from time to time and so long as such Act does not conflict with any provision of this instrument. Notwithstanding such Act, no allowance for depreciation shall be charged against income or net income payable to any beneficiary.

(b) **"Education"**. Whenever provision is made in this Trust Indenture for payment for the "education" of a beneficiary, the term "education" shall be construed to include private schools, non profit and independent schools, pre-kindergarten through twelfth grade, include technical or trade schooling, college or postgraduate study, so long as pursued to advantage by the beneficiary at an institution of the beneficiary's choice. In determining payments to be made for a beneficiary's education, the Trustees shall take into consideration the beneficiary's related living and traveling expenses to the extent that they are reasonable.

(c) **"Child, Children, Descendants or Issue"**. Except as otherwise set forth herein, as used in this instrument, the term "descendants" or "issue" of a person means all of that person's lineal descendants of all generations. The terms "child, children, descendants or issue" include adopted persons and a step-child or step-grandchild.

(d) **"Tangible Personal Property"**. As used in this instrument, the term "tangible personal property" shall not include money, evidences of indebtedness, documents of title, securities and property used in a trade or business.

13.13 **Health Insurance Portability and Accountability Act Regulations**.

(a) **HIPAA Regulations Require Special Release and Consent.** The federal regulation known as the Health Insurance Portability and Accountability Act (HIPAA) regarding disclosure of individually identifiable health information necessitates a special release and consent authority to all healthcare providers before medical information will be released to agents of the patient. It is the Trustor's intent to be in compliance with HIPAA.

(b) **HIPAA Release Authority**. The Trustor hereby instructs that the Trustee(s) be treated as the Trustor wants to be treated with respect to the Trustor's rights and regarding the use and disclosure of the Trustor's individually identifiable health information or other medical records. This release authority applies to any information governed by the Health Insurance Portability and Accountability Act, 42 USC 1320d and 45 CFR 160-164.

(c) **Legal Consent for Disclosure of Health Care Information.** Any physician, healthcare professional, dentist, health plan, hospital, clinic, laboratory, pharmacy or other health care provider, any insurance company, the Medical Information Bureau Inc. or other health care clearinghouse that has provided treatment or services shall give, disclose and release to the Trustor's designated Trustee, without restriction, identifiable health information and medical records regarding any past, present or future medical or mental health condition, to include all information relating to the diagnoses treatment of HIV/AIDS, sexually transmitted diseases, mental illness and drug or alcohol abuse.

(d) **Supersession of Prior Documents and Expiration Event.** The authority given the Trustee in this HIPAA legal consent shall supercede any prior agreements that the Trustor may have made with the Trustor's health care providers to restrict access or disclosure of the Trustor's individually identifiable health information. The authority given the Trustee has no expiration date and shall expire only in the event that the Trustor revokes the authority in writing and delivers it to the Trustor's health care provider.

(e) **Release and Hold Harmless Provision.** In order to induce the disclosing party to disclose the aforesaid private and/or protected confidential information, the Trustor hereby forever releases and holds harmless said disclosing party who relies on this instrument from any liability under confidentiality rules arising from HIPAA as a consequence of said disclosure.

EXECUTED in Clark County, Nevada, on August 22, 2008.

GORDON B. HANSEN

ACCEPTANCE BY TRUSTEE

I certify that I have read the foregoing Declaration of Trust and understand the terms and conditions upon which the Trust estate is to be held, managed, and disposed of by me as Trustee. I accept the Declaration of Trust in all particulars and acknowledge receipt of the trust property described in Schedule "A" attached hereto, identified by my signature.

GORDON B. HANSEN

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On August 22, 2008, before me, the undersigned, a Notary Public in and for such County and State, personally appeared GORDON B. HANSEN, known to me to be Trustor and Trustee whose name is subscribed to the within instrument and who acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year in this certificate first above written.

Notary Public - State of Nevada
COUNTY OF CLARK
TONYA MEYER
No. 98-3283-1 My Appointment Expires July 6, 2010

NOTARY PUBLIC

EXHIBIT "4"

(4) -1

20080827-0003627

Fee: $16.00 RPTT: EX#007
M/C Fee: $0.00
08/27/2008 15:28:08
T20080191661
Requestor:
LEGAL EXPRESS
Debbie Conway SCR
Clark County Recorder Pgs: 4

APN: 191-13-811-052

GRANT, BARGAIN, SALE DEED

THIS INDENTURE WITNESSETH: That GORDON B. HANSEN, without consideration, does hereby Grant, Bargain, Sell and Convey to GORDON B. HANSEN, Trustee of the GORDON B. HANSEN TRUST, dated August 22, 2008, as amended, or restated, or his successors, all of his right, title and interest in that real property situated in the County of Clark, State of Nevada, bounded and described as follows:

LOT EIGHTY-FIVE (85) IN BLOCK FOUR (4) OF FINAL MAP OF SUN CITY ANTHEM UNIT NO. 19 PHASE 2, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 102 OF PLATS, PAGE 80, IN THE OFFICE OF THE COUNTY RECORDER, CLARK COUNTY, NEVADA.

Commonly known as: 2763 White Sage Drive, Henderson, NV 89052.

SUBJECT TO: 1. Powers of Trustee attached hereto as Exhibit "A" and by this reference incorporated herein.

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining.

GRANTEES ADDRESS: Mr. Gordon B. Hansen, 2664 Olivia Heights Ave., Henderson, NV 89052

Witness his hand this 22nd day of August, 2008.

Gordon B. Hansen
GORDON B. HANSEN

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On this 22nd day of August, 2008, before me, the undersigned, a Notary Public in and for said County of Clark, State of Nevada, personally appeared GORDON B. HANSEN, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Tonya Meyer
Notary Public

Notary Public - State of Nevada
COUNTY OF CLARK
TONYA MEYER
No. 98-3283-1 My Appointment Expires July 8, 2010

Mail Tax Statements to:
Mr. Gordon B. Hansen
2664 Olivia Heights Ave.
Henderson, NV 89052

When Recorded, Mail to:
Mr. Gordon B. Hansen
2664 Olivia Heights Ave.
Henderson, NV 89052

EXHIBIT "A"

POWERS OF TRUSTEE

GORDON B. HANSEN, Trustee, is hereby vested with complete powers of disposition of the real estate herein described, including the power to plat, sell, encumber, mortgage and convey as a whole or in parcels, and no person dealing with said Trustee shall be obligated to look beyond the terms of this instrument for power in the Trustee to sell, encumber, mortgage or convey, the real estate described herein.

Said Grantee is likewise hereby excused from any and all duties of diligence and responsibility respecting the propriety of any act of said Trustee purporting to be done under or by virtue of the terms of this issue.

This conveyance is made in Trust pursuant to and in accordance with the "GORDON B. HANSEN TRUST" which was executed on August 22, 2008.

STATE OF NEVADA
DECLARATION OF VALUE

1. Assessor Parcel Number
   a) 191-13-811-052
   b)_____
   c)_____
   d)_____

FOR RECORDER OPTIONAL USE ONLY
Document/Instrument #: _____
Book_____ Page:_____
Date of Recording: Conv of trust

2. Type of Property:
   a) ☐ Vacant Land b) ■ Single Fam. Res.
   c) ☐ Condo/Twnhse d) ☐ 2-4 Plex
   e) ☐ Apt. Bldg f) ☐ Comm'l/Ind'l
   g) ☐ Agricultural h) ☐ Mobile Home
   i) ☐ Other

3. Total Value/Sales Price of Property $_____
   Deed in Lieu of Foreclosure Only (value of property) (_____)
   Transfer Tax Value: $_____
   Real Property Transfer Tax Due $ 0

4. If Exemption Claimed:

   a. Transfer Tax Exemption per NRS 375.090, Section 7
   b. Explain Reason for Exemption: Transfer without consideration to or from a Trust

5. Partial Interest: Percentage being transferred: N/A%

The undersigned declares and acknowledges, under penalty of perjury, pursuant to NRS.375.060 and NRS 375.110, that the information provided is correct to the best of their information and belief, and can be supported by documentation if called upon to substantiate the information provided herein. Furthermore, the parties agree that disallowance of any claimed exemption, or other determination of additional tax due, may result in a penalty of 10% of the tax due plus interest at 1% per month. Pursuant to NRS 375.030, the Buyer and Seller shall be jointly and severally liable for any additional amount owed.

Signature Gordon B. Hansen Capacity Grantor

Signature_____ Capacity_____

SELLER (GRANTOR) INFORMATION (REQUIRED)		BUYER (GRANTEE) INFORMATION (REQUIRED)	
Print Name:	GORDON B. HANSEN	Print Name:	GORDON B. HANSEN TRUST
Address:	2763 White Sage Dr.	Address:	2664 Olivia Heights Ave.
City:	Henderson	City:	Henderson
State:	NV Zip: 89052	State:	NV Zip: 89052

COMPANY/PERSON REQUESTING RECORDING (required if not seller or buyer)

Print Name:	Mr. Gordon B. Hansen	Escrow #:	
Address:	2664 Olivia Heights Ave.		
City:	Henderson State: NV	Zip:	89052

(AS A PUBLIC RECORD THIS FORM MAY BE RECORDED/MICROFILMED)

3629

EXHIBIT "5"

STATE OF NEVADA — DEPARTMENT OF HUMAN RESOURCES
DIVISION OF HEALTH — VITAL STATISTICS

CERTIFICATE OF DEATH

2012000568
STATE FILE NUMBER

DECEDENT

Gordon Bruce HANSEN

January 14, 2012

Clark

Henderson

St Rose Dominican Hospital, Siena Campus

Inpatient

Male

White

Not Hispanic

64

January 20, 1947

California

United States

547-88-6451

Police Officer

Law Enforcement

Nevada

Clark

Henderson

2854 Clear Heights Avenue

Yes

PARENTS

Charles David HANSEN

Marie Evelyn LEHSCLI

Steven Eric HANSEN

19513 Vista Drive Tehachapi, California 93561

DISPOSITION

Cremation

Palm Crematory

Las Vegas Nevada 89101

BART HURTON

Simplicity Society

Las Vegas, NV

CERTIFIER

RITA CHUANG MD

January 16, 2012

19:50

RITA CHUANG MD 2628 Horizon Ridge Henderson, NV 89052

REGISTRAR

SUSAN ZANNIS

SIGNATURE AUTHENTICATED

January 18, 2012

YES [ ] NO [X]

CAUSE OF DEATH

Pancreatic Cancer

DUE TO, OR AS A CONSEQUENCE OF

DUE TO, OR AS A CONSEQUENCE OF

DUE TO, OR AS A CONSEQUENCE OF

No

No

STATE REGISTRAR

"CERTIFIED TO BE A TRUE AND CORRECT COPY OF THE DOCUMENT ON FILE WITH THE REGISTRAR OF VITAL STATISTICS ... This copy was issued by the Southern Nevada Health District from State certified documents ... State Board of Health pursuant to NRS 440.175

Lawrence K. Sands, D.O., M.P.H.

Registrar of Vital Statistics

NOT VALID WITHOUT THE RAISED SEAL OF THE SOUTHERN NEVADA HEALTH DISTRICT

By

Date Issued: JAN 23 2012

AA2001180

Tobin 000043

SOUTHERN NEVADA HEALTH DISTRICT • 625 Shadow Lane P.O. Box 3902 • Las Vegas, Nevada 89127 • 702-759-1000

EXHIBIT “6”

AFFD
NONA TOBIN
STEVE HANSEN
2664 Olivia Heights Ave.
Henderson NV 89052
(702) 465-2199
Applicants for Intervention
In Proper Person

Electronically Filed
09/23/2016 12:28:58 PM

CLERK OF THE COURT

DISTRICT COURT
CLARK COUNTY, NEVADA

JOEL A. STOKES and SANDRA F. STOKES, as trustees of the JIMIJACK IRREVOCABLE TRUST,

Plaintiffs,

vs.

BANK OF AMERICA, N.A.; SUN CITY ANTHEM COMMUNITY ASSOCIATION, INC.; DOES 1 through X and ROE BUSINESS ENTITIES 1 through 10, inclusive,

Defendants.

Case No.: A-15-720032-C

Dept. No.: XXXI

AFFIDAVIT OF NONA TOBIN IN SUPPORT OF NONA TOBIN AND STEVE HANSEN'S MOTION TO INTERVENE

COMES NOW, NONA TOBIN and STEVE HANSEN (*"Applicants"*), in proper person, and hereby submit this Affidavit of Nona Tobin in support of their Motion to Intervene.

Dated this 22nd day of September, 2016.

/s/ Nona Tobin
NONA TOBIN
2664 Olivia Heights Ave.
Henderson NV 89052
(702) 465-2199
Applicants for Intervention,
In Proper Person

/s/ Steve Hansen
STEVE HANSEN
21417 Quail Springs Rd.
Tehachapi, CA 93561
(661) 513-6616
Applicants for Intervention,
In Proper Person

AFFIDAVIT OF NONA TOBIN IN SUPPORT OF NONA TOBIN AND STEVE HANSEN'S MOTION TO INTERVENE

STATE OF NEW MEXICO)
) ss:
COUNTY OF TOAS)

1. I, NONA TOBIN, am one of two individuals who filed as pro se litigants a motion to intervene in case A730078, Nationstar Mortgage, LLC vs. Opportunity Homes, LLC.

2. Our interest in the case is as the sole beneficiaries of the Gordon B. Hansen Trust (*herein the Trust*) which was the equitable title holder of the subject property, 2763 White Sage Drive, Henderson, NV at the time title was transferred to Opportunity Homes by virtue of the disputed August 15, 2014 foreclosure sale for delinquent HOA assessments.

3. The Gordon B. Hansen Trust was the equitable title holder of the subject property at 2763 White Sage Drive, Henderson, beginning August 27, 2008 when the property was assigned to the Trust by Mr. Hansen, who was sole owner, since July, 2004 when his then-wife quit claimed her interest to him pursuant to their divorce property settlement.

4. Our claim will be that the HOA sale should be voided and title returned to the Trust, and therefore, to us as the beneficiaries of the Trust.

5. I became the Successor Trustee of the Gordon B. Hansen Trust, dated August 22, 2008 and amended on August 10, 2011, on January 14, 2012, when the Grantor Gordon. B Hansen died.

6. All evidence that will be presented to support the claims that will be made in our case will be based on my personal knowledge, my personal research of public records, documents in my possession, actions I took on behalf of the Trust over the past 4 and one half years, correspondence to and from me and the banks as well as the official certified records of the two

realtors that document over two and one-half years of dealing with bizarre behavior by the banks whose investors refused to close on offers as high as $395,000 on a loan with a $389,000 balance and an offer for $375,000 as late as two weeks before the HOA sale transferred title for $63,100.

7. I am filing this affidavit to clarify: 1) how we as individuals relate to the Gordon B. Hansen Trust, the real party in interest, and 2) the authority I have as Trustee of the Trust that was the equitable title holder at the time of the disputed HOA sale.

8. There are two beneficiaries of the Trust and we are now the sole surviving members of the Trust: Nona Tobin and Steve Hansen, each with a 50% interest.

9. Steve Hanson, son of the Trust's Grantor, is a resident of California, works full time, and has not participated in any way in the actions related to the Trust or this case that will serve as the basis for our complaint.

10. Steve Hansen is named as a co-complainant at my request, but he will not be appearing in court as he has no personal knowledge of the facts and issues surrounding the case. He is named only to ensure that the court is aware that I am acting as the Trustee, a fiduciary with the authority to act on behalf of the Trust; I am not acting like an attorney.

11. During the past four and half years, I have spent literally hundreds of hours and signed hundreds of pages of documents in my capacity as Successor Trustee dealing with problems regarding this property, and I can say without a doubt, I know more about transactions related to this particular property than anyone.

12. All our claims will be based on what I know personally, documents I wrote, received as Executor, or have as part of the Realtors' certified history of two listing agreements, and my detailed analysis of the public record.

13. It is arguable that the local rule 7.42(b) which states a "corporation may not appear in proper person", would apply here and thus bar "Nona Tobin, as Trustee of the Gordon B. Hansen Trust" from appearing in proper person.

14. However, to avoid any possible appearance of usurping authority reserved for members of the Nevada bar, it was with an abundance of caution that I put the names of both beneficiaries, in pro per, as the parties applying to intervene.

15. The Trust is not a corporation, rather it is a Grantor Trust formed in Nevada under the provisions of NRS 163 re Creation of Trusts.

16. In addition to the powers granted to the Trustee explicitly in the Trust document, the powers listed in NRS 163.265 through NRS163.410 were incorporated by reference.

17. In pursuing this litigation to quiet title back to the Trust, I am exercising the power of a Trustee incorporated by reference in the Trust of NRS163.375 which states: "A fiduciary may compromise, adjust, arbitrate, sue on or defend, abandon or otherwise deal with and settle claims in favor of or against the estate or trust as the fiduciary deems advisable, and the fiduciary's decision shall be conclusive between the fiduciary and the beneficiaries of the estate or trust and the person against or for whom the claim is asserted, in the absence of fraud by such person, and, in the absence of fraud, bad faith or gross negligence of the fiduciary, shall be conclusive between the fiduciary and the beneficiaries of the estate or trust."

18. Our motion to intervene was in concert with Nationstar's, i.e., to have the court declare that the HOA sale invalid, although we do have other claims and additional rationale as to why the HOA sale should be voided, including fraud on the part of the HOA agent.

19. In that case Nationstar prayed, among other things, to have the court declare that the August 15, 2014 foreclosure sale was void for violations of due process, and further that the

illegitimate HOA sale conveyed no interest in the subject property to Opportunity Homes as the high bidder.

20. Beyond that, our claim will state that the HOA sale was implemented in a manner that was statutorily noncompliant, violated our due process rights, was commercially unreasonable and was fraudulently conducted by Red Rock Financial Services usurping the authority of Sun City Anthem Community Association, Inc. (HOA) for their own unjust enrichment.

21. When our motion to intervene was filed on July 29, 2016, it was to intervene on case A730078, Nationstar v. Opportunity Homes, filed on January 12, 2016, which I was aware of because of the Lis Pendens against the property recorded by WFZ on January 13, 2016.

22. Our intervention into that case was to support Nationstar's claim that the HOA sale was invalid, for the same as well as different reasons, but also to pray that once the defective HOA sale was voided by the court, title should return to the equitable owner (the Trust) by placing all parties back as they were, i.e., to re-gain whatever title or security interests they actually had, on the day prior to the sale.

23. In our scenario, Nationstar would retain whatever security interest they had (and they legitimately could prove they had) in the first deed of trust on August 14, 2014 and no more.

24. Our prayer to the court would be to 1) void the sale, 2) give back title to us as the equitable titleholders prior to the fraudulent HOA sale, and 3) not allow Nationstar's claims to a security interest to prevail by bypassing the requirements of Nevada's 2011 anti-foreclosure fraud law, SB 284.

25. I believe Nationstar's claims are clearly contradicted by evidence I possess.

26. NRS163.270 gives the Trustee powers related to buying and selling property, and I exercised this power between 2012 and 2014 first by signing an exclusive listing agreement with Proudfit Realty from the period of February, 2012 through July, 2013.

27. During the Proudfit listing, there were two contingent sales (one at full price) that are documented to have failed due to Bank of America's recalcitrant investor's resistance, and also documented is a refusal by Bank of America to accept my proffered deed in lieu (DIL).

28. I subsequently signed an exclusive agency agreement to sell the property with Berkshire Hathaway Home Services, Nevada Properties (BHHS), and the signed listing agreements extended from February, 2014 through October, 2014.

29. During the BHHS listing, the disputed HOA sale occurred. My BHHS agent Craig Leidy told me that he was not notified until the day before the sale by Thomas Lucas, a fellow BHHS Realtor that he was going to bid on Craig's listing. Craig Leidy also stated that he had requested notice and there had been four postponements previously where notice had been provided to him by Christine Marley of Red Rock Financial Services.

30. The improperly-noticed HOA sale also occurred after the HOA's agent notified the Nevada Real Estate Division Office of the Ombudsman (OMB) to cancel the Notice of Sale NRS 38.310 process because the "Owner was retained."

31. The Foreclosure deed was never submitted to the OMB as required by 2013 NRS 116.31164(3)(b), thereby keeping the HOA sale out of the notice of the regulatory agency.

32. Title transferred on August 22, 2014 to Opportunity Homes which was actually the alter ego, Thomas Lucas, Realtor in the same BHHS office under Broker Forrest Barbee that was listing the property on my behalf at the time.

33. Based on the conflict of interest and insider information Thomas Lucas possessed, we will claim that neither Opportunity Homes nor Thomas Lucas was not a bona fide purchaser for value as would be required for a foreclosure sale to be legitimate.

34. During the time I had the property listed for sale, numerous actions occurred which are documented in the Realtor's records which directly contradict claims made by Nationstar as to their ownership of the beneficial interest in the first DOT, and it is important for an equitable solution to the competing title and security interests claims to this property that we be allowed to present our evidence.

35. After our MOI was filed, the A730078 case was joined with the A720032 case of which we had previously be unaware since Plaintiffs Joel and Sandra Stokes never recorded a Lis Pendens.

36. We have substantial additional claims against the Plaintiffs Joel and Sandra Stokes which include the fact that the sole document that conveyed interest in the subject property to the Plaintiffs was a Quit Claim deed that was fraudulently notarized by CluAynne M. Corwin, a notary public employed by Peter Mortenson, an attorney who shares the law office with Plaintiffs' attorney Joseph. Y. Hong, at 10781 W. Twain Ave., Las Vegas.

37. I am attaching the aforementioned June 9, 2015 Quit Claim Deed because I noticed that in all the motions and claims that had been filed by the Plaintiffs or Nationstar's attorneys which attached virtually all other recorded documents, I did not see that anyone has shared this important document with the court.

38. This is a second route by which the title claims of the Plaintiffs should be dismissed, by virtue of the conveyance document not conforming to NRS 111.345, proof by a competent witness.

39. If the court invalidated the Plaintiff's interests due to the insufficiency of the conveyance instrument, it is absolutely necessary that we be permitted to intervene in the case to preserve our rights vis a vis Nationstar and F. Bondurant.

40. F. Bondurant is a counter defendant who we will claim is a sham LLC that held the title only for eight minutes on June 9, 2015 solely for the purpose of covertly and fraudulently conveying the property to the Plaintiffs.

41. The aforementioned Quit Claim Deed is an exhibit since neither of the attorneys thought it was important to bring to the court's attention earlier.

FURTHER, YOUR AFFIANT SAYETH NAUGHT.

DATED this 23rd day of September, 2016.

NONA TOBIN

Subscribed and Sworn to before me
this 23 day of September, 2016.

NOTARY PUBLIC

OFFICIAL SEAL
JEANNE M. TIMMER
Notary Public
State of New Mexico
My Comm. Expires 1/15/17

Inst #: 20150609-0001537
Fees: $18.00 N/C Fee: $0.00
RPTT: $1377.00 Ex: #
06/09/2015 12:38:36 PM
Receipt #: 2452609
Requestor:
ROBERT GOLDSMITH
Recorded By: ARO Pgs: 3
DEBBIE CONWAY
CLARK COUNTY RECORDER

APN: 191-13-811-052
Recording requested by and mail documents and tax statements to:

Name: F. Bondurant, LLC.
Address: 10781 West Twain Avenue
City/State/Zip: Las Vegas, NV 89135

3

QUITCLAIM DEED

THIS QUITCLAIM DEED, Executed this 4th day of June 2015, by Opportunity Homes LLC (hereinafter "Grantor(s)"), whose address is 2557 Windmill Parkway, Suite 145, Henderson, Nevada 89074, to F. Bondurant, LLC. (hereinafter "Grantee(s)"), whose address is 10781 West Twain Avenue, Las Vegas, Nevada 89135.

WITNESSETH, That the said Grantor, for good consideration and for the sum of One Dollar USD ($1.00) paid by the said Grantee, the receipt whereof is hereby acknowledged, does hereby remise, release and quitclaim unto the said Grantees forever, all the right, title, interest and claim which the said Grantor has in and to the following described parcel of land, and improvements and appurtenances thereto in the County of Clark, State of Nevada, to wit:

Commonly known as:

2763 White Sage Drive, Henderson, Nevada 89052

More particularly described as:

APN: 191-13-811-052

Lot Eighty-Five (85) in Block 4, of SUN CITY ANTHEM UNIT #19 PHASE 2, as shown by map thereof on file in Book 102 of Plats, Page 80, in the Office of the County Recorder of Clark County, Nevada.

IN WITNESS WHEREOF, The said first party has signed and sealed these presents the day and year first above written.

Signed, sealed and delivered in presence of:

Grantor

Thomas Lucas, Manager
Opportunity Homes LLC

State of Nevada)
) ss
County of Clark)

On this 4th day of June, 2016, before me, Debra L Batesel a notary public in and for the County of Clark, State of Nevada, did personally appear before me the person of Thomas Lucas, Manager of Opportunity Homes LLC, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to this Quitclaim Deed; and, acknowledged to me that he executed the same in his capacity, and that by his signature on this instrument did execute the same.

WITNESS my hand and official seal.

Signature:

NOTARY PUBLIC
County of Clark-State of Nevada
DEBRA L. BATESEL
No. 92-2383-1
My Appointment Expires April 17, 2016

Inst #: 20150609-0001545
Fees: $18.00 N/C Fee: $0.00
RPTT: $1377.00 Ex: #
06/09/2015 01:06:29 PM
Receipt #: 2452518
Requestor:
ROBERT GOLDSMITH
Recorded By: ARO Pgs: 3
DEBBIE CONWAY
CLARK COUNTY RECORDER

APN: 191-13-811-052
Recording requested by and mail
documents and tax statements to:

(3).1

Name: Joel A. Stokes and Sandra F. Stokes
Address: 5 Summit Walk Trail
City/State/Zip: Henderson, NV 89052

QUITCLAIM DEED

THIS QUITCLAIM DEED, Executed this 9th day of June 2015, by F. Bondurant, LLC. (hereinafter "Grantor(s)"), whose address is 10781 West Twain Avenue, Las Vegas, NV 89135, to Joel A. Stokes and Sandra F. Stokes, as Trustees of the Jimijack Irrevocable Trust (hereinafter "Grantee(s)"), whose address is 5 Summit Walk Trail, Henderson, Nevada 89052.

WITNESSETH, That the said Grantor, for good consideration and for the sum of One Dollar USD ($1.00) paid by the said Grantee, the receipt whereof is hereby acknowledged, does hereby remise, release and quitclaim unto the said Grantees forever, all the right, title, interest and claim which the said Grantor has in and to the following described parcel of land, and improvements and appurtenances thereto in the County of Clark, State of Nevada, to wit:

Commonly known as:

2763 White Sage Drive, Henderson, Nevada 89052

More particularly described as:

APN: 191-13-811-052

Lot Eighty-Five (85) in Block 4, of SUN CITY ANTHEM UNIT #19 PHASE 2, as shown by map thereof on file in Book 102 of Plats, Page 80, in the Office of the County Recorder of Clark County, Nevada.

IN WITNESS WHEREOF, The said first party has signed and sealed these presents the day and year first above written.

Signed, sealed and delivered in presence of:

Yeun Lee

Grantor Yeun Lee Manager

State of Nevada)
) ss
County of Clark)

On this 8th day of June, 2015, before me, Claudyne M. Corwin, a notary public in and for the County of Clark, State of Nevada, did personally appear before me the person of Thomas Lucas, Manager of Opportunity Homes LLC, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to this Quitclaim Deed; and, acknowledged to me that he executed the same in his capacity, and that by his signature on this instrument did execute the same.

WITNESS my hand and official seal.

NOTARY PUBLIC
CLAUDYNE M. CORWIN
STATE OF NEVADA - COUNTY OF CLARK
MY APPOINTMENT EXP. APRIL 12, 2016
No: 04-08240-1

Signature: Claudyne M. Corwin

No 04-08240-1
April 12, 2016

STATE OF NEVADA
DECLARATION OF VALUE

1. Assessor Parcel Number(s)
   a. 191-13-811-052
   b. _____
   c. _____
   d. _____
2. Type of Property:
   a. ☐ Vacant Land b. ☒ Single Fam. Res.
   c. ☐ Condo/Twnhse d. ☐ 2-4 Plex
   e. ☐ Apt. Bldg f. ☐ Comm'l/Ind'l
   g. ☐ Agricultural h. ☐ Mobile Home
   ☐ Other

FOR RECORDERS OPTIONAL USE ONLY
Book_____ Page:_____
Date of Recording: _____
Notes:

3.a. Total Value/Sales Price of Property $ 270,000
   b. Deed in Lieu of Foreclosure Only (value of property) (_____)
   c. Transfer Tax Value: $
   d. Real Property Transfer Tax Due $ 1377.00

4. **If Exemption Claimed:**
   a. Transfer Tax Exemption per NRS 375.090, Section _____
   b. Explain Reason for Exemption: _____

5. Partial Interest: Percentage being transferred: 100 %

The undersigned declares and acknowledges, under penalty of perjury, pursuant to NRS 375.060 and NRS 375.110, that the information provided is correct to the best of their information and belief, and can be supported by documentation if called upon to substantiate the information provided herein. Furthermore, the parties agree that disallowance of any claimed exemption, or other determination of additional tax due, may result in a penalty of 10% of the tax due plus interest at 1% per month. Pursuant to NRS 375.030, the Buyer and Seller shall be jointly and severally liable for any additional amount owed.

Signature _____ Capacity: Manager

Signature _____ Capacity: _____

SELLER (GRANTOR) INFORMATION (REQUIRED)

Print Name: F. Bondurant LLC
Address: 10781 W. Twain
City: Las Vegas
State: Nevada Zip: 89135

BUYER (GRANTEE) INFORMATION (REQUIRED)

Print Name: Joel A Stokes and Sandra Stokes Jimijack Irrevocable Trust
Address: 5 Summit Walk Trail
City: Henderson
State: Nevada Zip: 89052

COMPANY/PERSON REQUESTING RECORDING (Required if not seller or buyer)

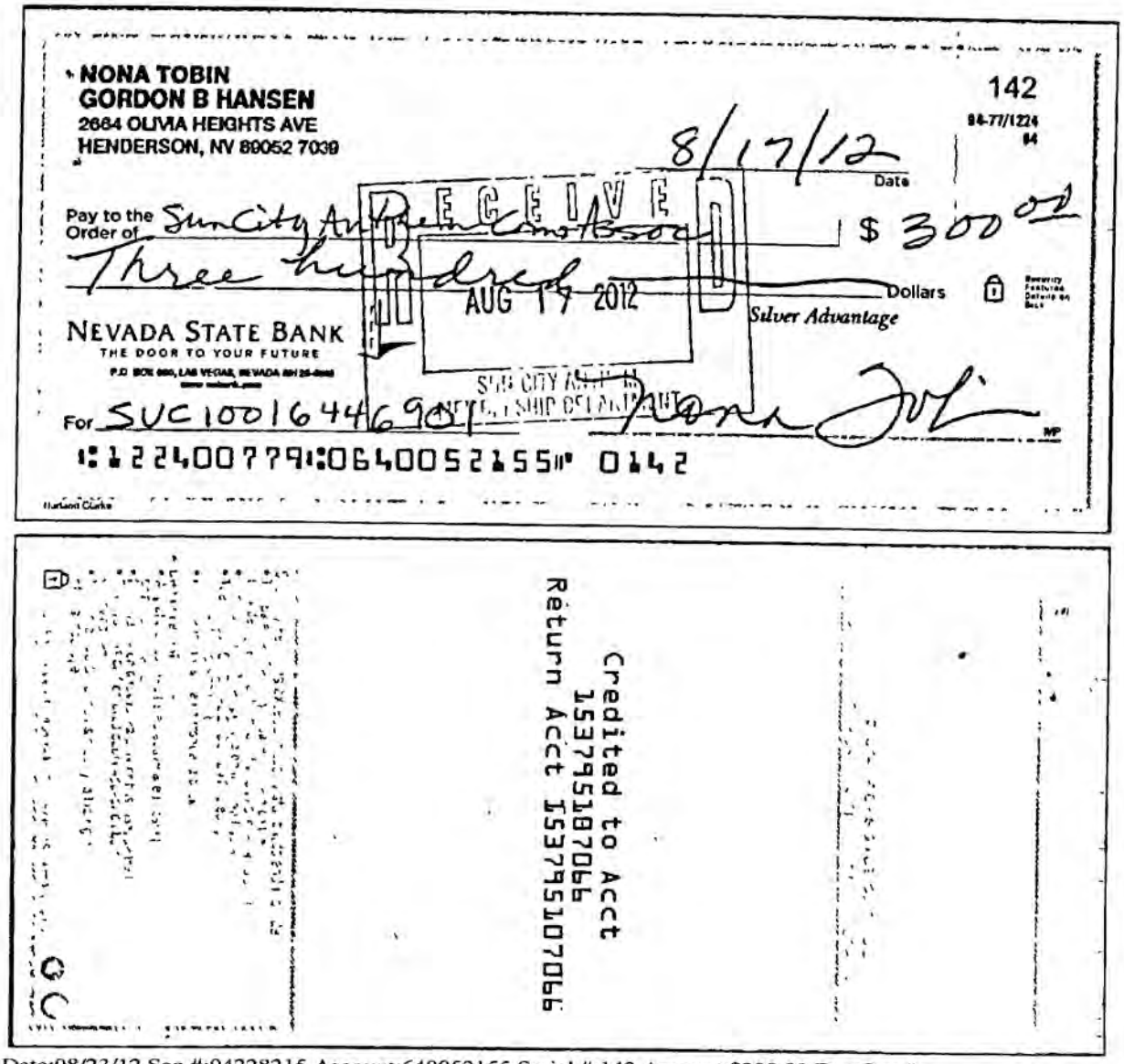
Print Name: Robert Goldsmith
Address: 446 Beautiful Hill
City: Las Vegas

Escrow #

State: Nevada Zip: 89138

AS A PUBLIC RECORD THIS FORM MAY BE RECORDED/MICROFILMED

EXHIBIT “7”



NONA TOBIN
GORDON B HANSEN
2664 OLIVIA HEIGHTS AVE
HENDERSON, NV 89052 7039

142
84-77/1224

8/17/12
Date

Pay to the Order of Sun City Anthem Community Assoc
$ 300 00

Three hundred
Dollars

RECEIVED
AUG 17 2012
SUN CITY ANTHEM
MEMBERSHIP DEPARTMENT

Silver Advantage

NEVADA STATE BANK
THE DOOR TO YOUR FUTURE
P.O. BOX 985, LAS VEGAS, NEVADA 89125-0985

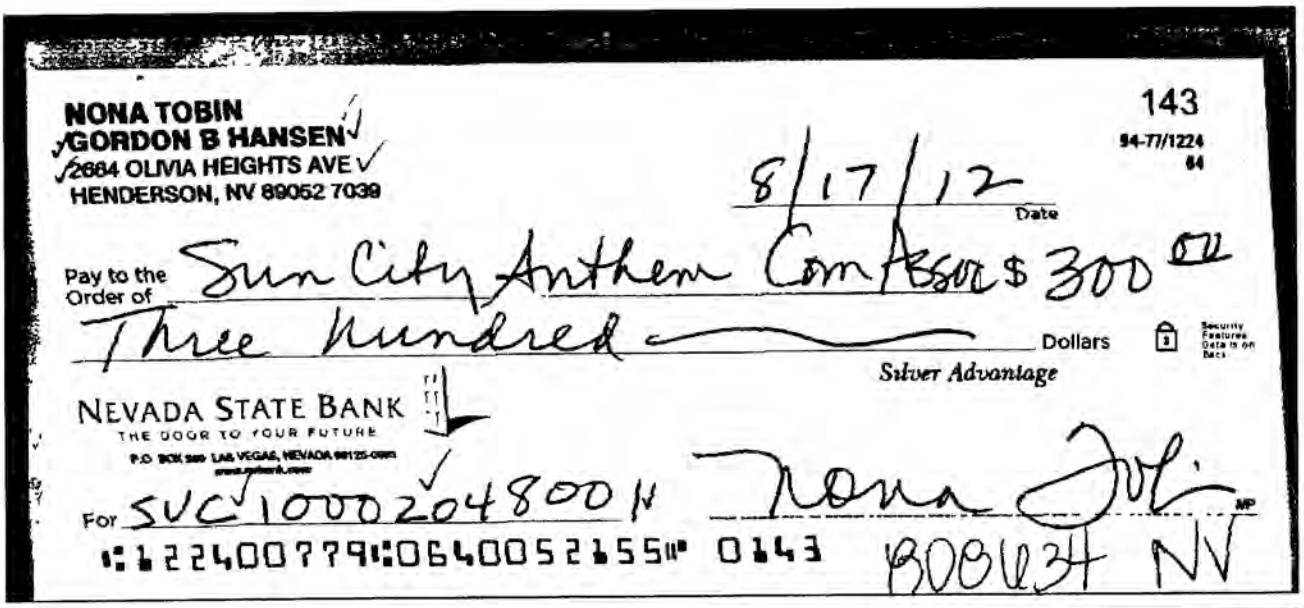
For SUC10016446901

Nona Tobin

⑆122400779⑆064005215⑈ 0142

Credited to Acct
153795107066
Return Acct 153795107066

Date:08/23/12 Seq #:94228215 Account:640052155 Serial #:142 Amount:$300.00 Dep Seq #:-



NONA TOBIN
GORDON B HANSEN
2664 OLIVIA HEIGHTS AVE
HENDERSON, NV 89052 7039

143
94-77/1224
84

8/17/12
Date

Pay to the Order of Sun City Anthem Com Assoc $ 300 00

Three Hundred Dollars

Silver Advantage

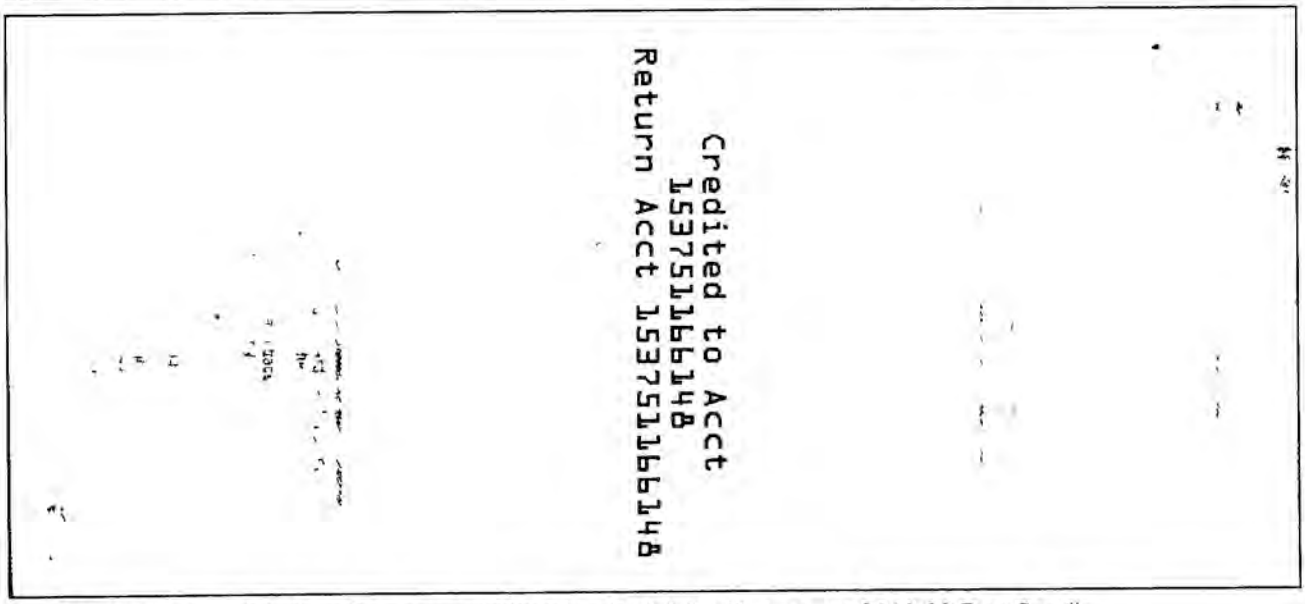
NEVADA STATE BANK
THE DOOR TO YOUR FUTURE
P.O. BOX 5800 LAS VEGAS, NEVADA 89125-0800
www.nsbank.com

For SVC 1000204800 N

Nona Tobin

⑈122400779⑈0640052155⑈ 0143

89052 NV



Date:10/23/12 Seq #:94234937 Account:640052155 Serial #:143 Amount:$300.00 Dep Seq #:-

EXHIBIT “8”

Resident Transaction Report
SUCI Sun City Anthem Community Association
Date: 01/01/2000 - 04/01/2016

Building: 0002 SCA Big Sky
2450 Hampton Rd

Las Vegas, NV 89052

Res Id / Unit Address	Resident Name / Bill Address	Type	Date	Code	Charge Code Desc	Check No	Amount	Balance
0480 01	Gordon B Hansen							
	2763 White Sage Dr				2664 Olivia Heights Ave			
	Henderson, NV 89052				Henderson, NV 89052			
	Current Credit History Code:		CL		Effective Date: 09/30/2014			
							Beg Bal	00.00
		Charge	01/01/2006	QA	Conversion		235.00	235.00
		Pay	02/01/2006		Conversion		-235.00	00.00
		Charge	04/01/2006	QA	Billing		235.00	235.00
		Pay	04/18/2006		Batch Adjustment		-235.00	00.00
		Charge	07/01/2006	QA	Billing		235.00	235.00
		Pay	07/12/2006		Batch Adjustment		-235.00	00.00
		Charge	10/01/2006	QA	Billing		235.00	235.00
		Pay	10/26/2006		Batch Adjustment		-235.00	00.00
		Charge	01/01/2007	QA	Billing		235.00	235.00
		Pay	01/11/2007		Batch Adjustment		-235.00	00.00
		Pay	03/08/2007		Batch Adjustment		-235.00	-235.00
		Charge	04/01/2007	QA	Billing		235.00	00.00
		Pay	06/06/2007		Batch Adjustment		-235.00	-235.00
		Charge	07/01/2007	QA	Billing		235.00	00.00
		Charge	10/01/2007	SQA	Sun City Anthem Quarter		235.00	235.00
		Pay	10/11/2007		Receipt Processing	1873	-235.00	00.00
		Charge	01/01/2008	SQA	Sun City Anthem Quarter		275.00	275.00
		Pay	01/11/2008		Receipt Processing	6761	-275.00	00.00
		Charge	03/01/2008	SPA	Fence Painting		81.32	81.32
		Credit	03/01/2008	SPA	Reverse Fence Painting		-81.32	00.00
		Charge	04/01/2008	SQA	Sun City Anthem QT Assm		275.00	275.00
		Pay	04/08/2008		Receipt Processing	3313	-275.00	00.00
		Charge	06/01/2008	RPR	Fence Painting		81.32	81.32
		Pay	06/25/2008		Receipt Processing	2044	-81.32	00.00
		Charge	07/01/2008	SQA	Sun City Anthem QT Assm		275.00	275.00
		Pay	07/11/2008		Receipt Processing	6578	-275.00	00.00
		Pay	09/25/2008		Lockbox Payment	02057	-175.00	-175.00
		Charge	10/01/2008	SQA	Sun City Anthem QT Assm		175.00	00.00
		Pay	12/31/2008		Lockbox Payment	02074	-240.00	-240.00
		Charge	01/01/2009	SQA	Sun City Anthem QT Assm		240.00	00.00
		Charge	04/01/2009	SQA	Sun City Anthem QT Assm		240.00	240.00
		Pay	04/07/2009		Lockbox Payment	02090	-240.00	00.00
		Charge	07/01/2009	SQA	Sun City Anthem QT Assm		240.00	240.00
		Pay	07/13/2009		Lockbox Payment	23791	-240.00	00.00
		Pay	10/09/2009		Lockbox Payment	97004	-240.00	-240.00
		Charge	01/01/2010	SQA	Sun City Anthem QT Assm		240.00	00.00
		Pay	01/25/2010		Lockbox Payment	10803	-240.00	-240.00
		Charge	04/01/2010	SQA	Sun City Anthem QT Assm		240.00	00.00
		Charge	07/01/2010	SQA	Sun City Anthem QT Assm		240.00	240.00
		Charge	07/30/2010	LF	Late Fees		25.00	265.00
		Pay	08/16/2010		Lockbox Payment	63164	-265.00	00.00
		Pay	10/07/2010		Lockbox Payment	98965	-240.00	-240.00
		Charge	01/01/2011	SQA	Sun City Anthem QT Assm		250.00	10.00
		Pay	02/18/2011		Lockbox Payment	84899	-10.00	00.00
		Charge	04/01/2011	SQA	Sun City Anthem QT Assm		250.00	250.00

Resident Transaction Report
SUCI Sun City Anthem Community Association
Date: 01/01/2000 - 04/01/2016

Building: 0002 SCA Big Sky
2450 Hampton Rd

Las Vegas, NV 89052

Res ID: / Unit Address	Resident Name / Bill Address	Type	Date	Code	Charge Code Desc	Check No	Amount	Balance
0480 01	Gordon B Hansen 2763 White Sage Dr Henderson, NV 89052				2664 Olivia Heights Ave Henderson, NV 89052			
	Current Credit History Code:		CL		Effective Date: 09/30/2014			
		Charge	04/30/2011	LF	Late Fees		25.00	275.00
		Pay	05/20/2011		Lockbox Payment	02215	-275.00	00.00
		Charge	07/01/2011	SQA	Sun City Anthem QT Assm		250.00	250.00
		Charge	07/30/2011	LF	Late Fees		25.00	275.00
		Pay	08/18/2011		Lockbox Payment	02227	-275.00	00.00
		Charge	10/01/2011	SQA	Sun City Anthem QT Assm		250.00	250.00
		Pay	10/11/2011		Lockbox Payment	52791	-240.00	10.00
		Pay	11/22/2011		Lockbox Payment	61105	-10.00	00.00
		Charge	01/01/2012	SQA	Sun City Anthem QT Assm		275.00	275.00
		Charge	01/30/2012	LF	Late Fees		25.00	300.00
		Pay	02/21/2012		Lockbox Payment	00112	-300.00	00.00
		Charge	04/01/2012	SQA	Sun City Anthem QT Assm		275.00	275.00
		Pay	04/26/2012		Receipt Processing	127	-275.00	00.00
		Charge	07/01/2012	SQA	Sun City Anthem QT Assm		275.00	275.00
		Charge	07/31/2012	LF	Late Fees		25.00	300.00
		Charge	08/31/2012	LF	Late Fees		25.00	325.00
		Charge	09/30/2012	INT	Interest		01.21	326.21
		Charge	09/30/2012	LF	Late Fees		25.00	351.21
		Charge	10/01/2012	SQA	Sun City Anthem QT Assm		275.00	626.21
		Charge	10/31/2012	LF	Late Fees		25.00	651.21
		Pay	11/09/2012		Collection Payment Part	110812	-300.00	351.21
		Charge	11/30/2012	LF	Late Fees		25.00	376.21
		Charge	12/31/2012	INT	Interest		01.10	377.31
		Charge	12/31/2012	LF	Late Fees		25.00	402.31
		Charge	01/01/2013	SQA	Sun City Anthem QT Assm		275.00	677.31
		Charge	01/31/2013	LF	Late Fees		25.00	702.31
		Charge	03/02/2013	LF	Late Fees		25.00	727.31
		Credit	03/02/2013	LF	Sun City Anthem QT Assm		-25.00	702.31
		Charge	03/31/2013	INT	Interest		02.31	704.62
		Charge	03/31/2013	LF	Late Fees		25.00	729.62
		Charge	04/01/2013	SQA	Sun City Anthem QT Assm		275.00	1,004.62
		Charge	04/02/2013	LF	Late Fees		25.00	1,029.62
		Credit	04/02/2013	LF	Rev 04/02/13 LF		-25.00	1,004.62
		Charge	05/01/2013	LF	Late Fees		25.00	1,029.62
		Charge	05/31/2013	LF	Late Fees		25.00	1,054.62
		Charge	06/30/2013	INT	Interest		03.52	1,058.14
		Charge	06/30/2013	LF	Late Fees		25.00	1,083.14
		Charge	07/01/2013	SQA	Sun City Anthem QT Assm		275.00	1,358.14
		Charge	07/31/2013	LF	Late Fees		25.00	1,383.14
		Charge	08/31/2013	LF	Late Fees		25.00	1,408.14
		Charge	09/30/2013	INT	Interest		04.73	1,412.87
		Charge	09/30/2013	LF	Late Fees		25.00	1,437.87
		Charge	10/01/2013	SQA	Sun City Anthem QT Assm		275.00	1,712.87
		Charge	10/31/2013	LF	Late Fees		25.00	1,737.87
		Charge	11/30/2013	LF	Late Fees		25.00	1,762.87
		Charge	12/31/2013	INT	Interest		05.94	1,768.81

Resident Transaction Report
SUCI Sun City Anthem Community Association
Date: 01/01/2000 - 04/01/2016

Building: 0002 SCA Big Sky
2450 Hampton Rd

Las Vegas, NV 89052

Res ID / Unit Address	Resident Name / Bill Address	Type	Date	Code	Charge Code Desc	Check No	Amount	Balance
0480 01	Gordon B Hansen 2763 White Sage Dr Henderson, NV 89052				2664 Olivia Heights Ave Henderson, NV 89052			
	Current Credit History Code:		CL		Effective Date: 09/30/2014			
		Charge	12/31/2013	LF	Late Fees		25.00	1,793.81
		Credit	12/31/2013	LF	Reverse LF		-25.00	1,768.81
		Charge	01/01/2014	SQA	Sun City Anthem QT Assm		275.00	2,043.81
		Charge	01/30/2014	LF	Late Fees		25.00	2,068.81
		Charge	03/30/2014	INT	Interest		07.15	2,075.96
		Charge	04/01/2014	SQA	Sun City Anthem QT Assm		275.00	2,350.96
		Charge	04/30/2014	LF	Late Fees		25.00	2,375.96
		Charge	05/30/2014	INT	Interest		08.36	2,384.32
		Charge	06/30/2014	INT	Interest		08.36	2,392.68
		Charge	07/01/2014	SQA	Sun City Anthem QT Assm		275.00	2,667.68
		Charge	07/30/2014	LF	Late Fees		25.00	2,692.68
		Charge	08/27/2014	INT	RRFS INT 7/14		08.36	2,701.04
		Pay	08/27/2014		Collection Payment PIF	082114	-2,701.04	00.00
		Charge	08/29/2014	FINE	Landscape Maint.		25.00	25.00
		Charge	08/30/2014	INT	Interest		09.57	34.57
		Credit	08/30/2014	INT	REV 08/14 INT		-09.57	25.00
		Charge	09/05/2014	FINE	Landscape Maint		25.00	50.00
		Charge	09/12/2014	FINE	Landscape Maint		25.00	75.00
		Charge	09/23/2014	FINE	Landscape Maint. 9.19.1		25.00	100.00
		Credit	09/25/2014	FINE	Trsfr 8/29 - 9/23/14 FI		-25.00	75.00
		Credit	09/25/2014	FINE	Trsfr 8/29 - 9/23/14 FI		-25.00	50.00
		Credit	09/25/2014	FINE	Trsfr 8/29 - 9/23/14 FI		-25.00	25.00
		Credit	09/25/2014	FINE	Trsfr 8/29 - 9/23/14 FI		-25.00	00.00
							Res Balance	00.00

Resident Transaction Report
SUCI Sun City Anthem Community Association
Date: 01/01/2000 - 04/01/2016

Building: 0002 SCA Big Sky
2450 Hampton Rd

Las Vegas, NV 89052

Res ID / Unit Address	Resident Name / Address	Type	Date	Code	Charge Code Desc / Bill Address	Check No	Amount	Balance
0480 02	Jimijack Irr Tr 2763 White Sage Dr Henderson, NV 89052				5 Summit Walk Trail Henderson, NV 89052			
	Current Credit History Code:		RM		Effective Date: 02/05/2016			
							Beg Bal	00.00
		Charge	09/25/2014	ASFR	Account Setup Fee Resal		225.00	225.00
		Charge	09/25/2014	FINE	8/29 - 9/23/14 FINES		100.00	325.00
		Charge	10/01/2014	SQA	Sun City Anthem QT Assm		275.00	600.00
		Pay	10/21/2014		Lockbox Payment	02235	-275.00	325.00
		Credit	11/06/2014	FINE	posted in error		-100.00	225.00
		Pay	11/24/2014		Lockbox Payment	02245	-225.00	00.00
		Charge	01/01/2015	SQA	Sun City Anthem QT Assm		275.00	275.00
		Pay	01/26/2015		Lockbox Payment	02260	-275.00	00.00
		Charge	04/01/2015	SQA	Sun City Anthem QT Assm		275.00	275.00
		Pay	04/20/2015		Lockbox Payment	02287	-275.00	00.00
		Charge	07/01/2015	SQA	Sun City Anthem QT Assm		275.00	275.00
		Charge	07/30/2015	LF	Late Fees		25.00	300.00
		Charge	09/03/2015	LPC	PreCollections - Initia		50.00	350.00
		Pay	09/22/2015		Lockbox Payment	00137	-350.00	00.00
		Charge	10/01/2015	SQA	Sun City Anthem QT Assm		275.00	275.00
		Charge	10/30/2015	LF	Late Fees		25.00	300.00
		Charge	12/02/2015	LPC	PreCollections - Initia		50.00	350.00
		Pay	12/10/2015		Receipt Processing	119	-350.00	00.00
		Charge	01/01/2016	SQA	Sun City Anthem QT Assm		275.00	275.00
		Charge	01/30/2016	LF	Late Fees		25.00	300.00
		Pay	02/24/2016		Lockbox Payment	00172	-300.00	00.00
							Res Balance	00.00

Anthem
SUN CITY

Sun City Anthem Community Association, Inc.

2450 Hampton Rd.

Henderson, NV 89052

Jimijack Irr Tr
Joel Stokes Trs
5 Summit Walk Trail
Henderson, NV 89052

Property Address: 2763 White Sage Dr
Account #: 16962

Code	Date	Amount	Balance	Check#	Memo
Sun City Anthem Assessment	4/1/2016	275.00	275.00		Sun City Anthem Assessment
Payment	4/21/2016	-275.00	0.00	195	AAFSLB-042116.txt
Payment	5/6/2016	-275.00	-275.00	143	AAFSLB-050616.txt

Current	30 - 59 Days	60 - 89 Days	>90 Days	Balance:	-275.00
-275.00	0.00	0.00	0.00		

EXHIBIT “9”

Red Rock Financial Services
Account Detail
Sun City Anthem Community Association

Information as of: November 5, 2012

Red Rock Financial Services Account Number: R808634
Property Address: 2763 White Sage Dr, Henderson, NV 89052
Hansen, The Estate of Gordon B.

Detailed Summary

Date	Description	Amount	Balance	Check#
01/01/2006	Quarterly Assessment	$235.00	$235.00	
02/01/2006	Association Mgmt Payment	-$235.00	$0.00	
04/01/2006	Quarterly Assessment	$235.00	$235.00	
04/18/2006	Association Mgmt Payment	-$235.00	$0.00	
07/01/2006	Quarterly Assessment	$235.00	$235.00	
07/12/2006	Association Mgmt Payment	-$235.00	$0.00	
10/01/2006	Quarterly Assessment	$235.00	$235.00	
10/26/2006	Association Mgmt Payment	-$235.00	$0.00	
01/01/2007	Quarterly Assessment	$235.00	$235.00	
01/11/2007	Association Mgmt Payment	-$235.00	$0.00	
03/08/2007	Association Mgmt Payment	-$235.00	-$235.00	
04/01/2007	Quarterly Assessment	$235.00	$0.00	
06/08/2007	Association Mgmt Payment	-$235.00	-$235.00	
07/01/2007	Quarterly Assessment	$235.00	$0.00	
10/01/2007	Sun City Anthem QT Assmt	$235.00	$235.00	
10/11/2007	Association Mgmt Payment	-$235.00	$0.00	1873
01/01/2008	Sun City Anthem QT Assmt	$275.00	$275.00	
01/11/2008	Association Mgmt Payment	-$275.00	$0.00	6761
03/01/2008	Special Assessment	-$81.32	-$81.32	
03/01/2008	Special Assessment	$81.32	$0.00	
04/01/2008	Sun City Anthem QT Assmt	$275.00	$275.00	
04/08/2008	Association Mgmt Payment	-$275.00	$0.00	3313
06/01/2008	Unit Repair	$81.32	$81.32	
06/25/2008	Association Mgmt Payment	-$81.32	$0.00	2044
07/01/2008	Sun City Anthem QT Assmt	$275.00	$275.00	

7251 Amigo Street, Suite 100, Las Vegas, NV 89119 Phone: (702) 932-6887 Fax: (702) 341-7733

Printed: 11/5/12

Red Rock Financial Services
Account Detail
Sun City Anthem Community Association

Information as of: November 5, 2012

Red Rock Financial Services Account Number: R808634
Property Address: 2763 White Sage Dr, Henderson, NV 89052
Hansen, The Estate of Gordon B.

Detailed Summary

Date	Description	Amount	Balance	Check#
07/11/2008	Association Mgmt Payment	-$275.00	$0.00	6578
09/25/2008	Association Mgmt Payment	-$175.00	-$175.00	02057
10/01/2008	Sun City Anthem QT Assmt	$175.00	$0.00	
12/31/2008	Association Mgmt Payment	-$240.00	-$240.00	02074
01/01/2009	Sun City Anthem QT Assmt	$240.00	$0.00	
04/01/2009	Sun City Anthem QT Assmt	$240.00	$240.00	
04/07/2009	Association Mgmt Payment	-$240.00	$0.00	02090
07/01/2009	Sun City Anthem QT Assmt	$240.00	$240.00	
07/13/2009	Association Mgmt Payment	-$240.00	$0.00	23791
10/09/2009	Association Mgmt Payment	-$240.00	-$240.00	97004
01/01/2010	Sun City Anthem QT Assmt	$240.00	$0.00	
01/25/2010	Association Mgmt Payment	-$240.00	-$240.00	10803
04/01/2010	Sun City Anthem QT Assmt	$240.00	$0.00	
07/01/2010	Sun City Anthem QT Assmt	$240.00	$240.00	
07/30/2010	Late Fee	$25.00	$265.00	
08/16/2010	Association Mgmt Payment	-$265.00	$0.00	63164
10/07/2010	Association Mgmt Payment	-$240.00	-$240.00	98965
01/01/2011	Sun City Anthem QT Assmt	$250.00	$10.00	
02/18/2011	Association Mgmt Payment	-$10.00	$0.00	84899
04/01/2011	Sun City Anthem QT Assmt	$250.00	$250.00	
04/30/2011	Late Fee	$25.00	$275.00	
05/20/2011	Association Mgmt Payment	-$275.00	$0.00	02215
07/01/2011	Sun City Anthem QT Assmt	$250.00	$250.00	
07/30/2011	Late Fee	$25.00	$275.00	
08/18/2011	Association Mgmt Payment	-$275.00	$0.00	02227

Printed: 11/5/12

Red Rock Financial Services
Account Detail
Sun City Anthem Community Association

Information as of: November 5, 2012

Red Rock Financial Services Account Number: R808634
Property Address: 2763 White Sage Dr, Henderson, NV 89052
Hansen, The Estate of Gordon B.

Detailed Summary

Date	Description	Amount	Balance	Check#
10/01/2011	Sun City Anthem QT Assmt	$250.00	$250.00	
10/11/2011	Association Mgmt Payment	-$240.00	$10.00	52791
11/22/2011	Association Mgmt Payment	-$10.00	$0.00	61105
01/01/2012	Sun City Anthem QT Assmt	$275.00	$275.00	
01/30/2012	Late Fee	$25.00	$300.00	
02/21/2012	Association Mgmt Payment	-$300.00	$0.00	00112
04/01/2012	Sun City Anthem QT Assmt	$275.00	$275.00	
04/26/2012	Association Mgmt Payment	-$275.00	$0.00	127
07/01/2012	Sun City Anthem QT Assmt	$275.00	$275.00	
07/31/2012	Late Fee	$25.00	$300.00	
08/31/2012	Late Fee	$25.00	$325.00	
09/13/2012	Management Company Collection Cost	$150.00	$475.00	
09/17/2012	Intent to Lien Letter	$125.00	$600.00	
09/17/2012	Intent Mailing Costs	$8.97	$608.97	
09/17/2012	Intent Mailing Costs	$8.97	$617.94	
09/24/2012	Vendor Adjustment	-$150.00	$467.94	
09/30/2012	Late Fee	$25.00	$492.94	
09/30/2012	Interest	$1.21	$494.15	
10/01/2012	Sun City Anthem QT Assmt	$275.00	$769.15	
10/18/2012	Red Rock Partial Payment	-$300.00	$469.15	PC 143
10/30/2012	Association Interest	$1.21	$470.36	
10/31/2012	Late Fee	$25.00	$495.36	

Printed: 11/5/12

EXHIBIT “10”

Receipt/Conformed Copy

Requestor:
LEACH JOHNSON ETAL
05/20/2008 16:38:20 T20080094151
Book/Instr: 20080520-0004342
Restrictio Page Count: 116
Fees: $129.00 N/C Fee: $0.00

Debbie Conway
Clark County Recorder

When Recorded Return To:

John E. Leach, Esq.
Leach Johnson Song & Gruchow
5495 S. Rainbow Blvd., Suite 202
Las Vegas, Nevada 89118

APN Nos: 190-05-110-001

(continued on next page)

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

THIRD

AMENDED AND RESTATED

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

SUN CITY ANTHEM

APN Nos.:

190-05-312-001
190-06-214-001 thru 190-06-214-072
190-06-311-001 thru 190-06-311-054
190-06-311-059 thru 190-06-311-171
190-06-312-001 thru 190-06-312-002
190-06-316-001 thru 190-06-316-044
190-06-410-001 thru 190-06-410-189
190-06-414-001
190-07-110-001 thru 190-07-110-008
190-07-110-026 thru 190-07-110-084
190-07-119-001 thru 190-07-119-037
190-07-120-001 thru 190-07-120-007
190-07-120-016 thru 190-07-120-025
190-07-310-001 thru 190-07-310-015
190-07-310-020 thru 190-07-310-029
190-07-318-001 thru 190-07-318-004
190-07-319-001 thru 190-07-319-040
190-07-401-006
190-07-410-001 thru 190-07-410-006
190-07-410-013 thru 190-07-410-022
190-07-412-001 thru 190-07-412-004
190-07-412-007 thru 190-07-412-020
190-07-412-022
190-07-413-001 thru 190-07-413-006
190-07-414-001 thru 190-07-414-019
190-07-415-001 thru 190-07-415-016
190-07-416-014 thru 190-07-416-019
190-07-817-001 thru 190-07-817-037
190-07-818-001 thru 190-07-818-042
190-07-819-001 thru 190-07-819-013
190-08-415-001 thru 190-08-415-031
190-17-110-001 thru 190-17-110-026
190-17-401-001
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190-18-110-001 thru 190-18-110-063
190-18-112-001 thru 190-18-112-012
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191-14-511-001
191-14-610-001 thru 191-14-610-022
191-18-512-001 thru 012
191-18-513-001 thru 046
191-18-514-001 thru 065

TABLE OF CONTENTS

THIRD

AMENDED AND RESTATED

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

SUN CITY ANTHEM

This THIRD AMENDED & RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SUN CITY ANTHEM (the "Second Amended and Restated Declaration") is made this _____ day of May, 2008, by Sun City Anthem Community Association, Inc. (the "Association").

RECITALS

WHEREAS, on June 17, 1998, Del Webb Communities, Inc., an Arizona corporation, ("Declarant") formed Sun City Anthem Community Association, Inc., a Nevada nonprofit corporation by filing the Articles of Incorporation in the Office of the Nevada Secretary of State;

WHEREAS, on June 29, 1998, Declarant recorded the Declaration of Covenants, Conditions and Restrictions for Sun City Anthem in the Office of the County Recorder, Clark County, Nevada, in Book No. 980629, as Instrument No. 00719 (the "Declaration");

WHEREAS, the 1999 Nevada Legislature adopted Senate Bill ("SB") 451, which became effective on October 1, 1999, and which made certain changes to the Unified Common-Interest Ownership Act, codified as Nevada Revised Statutes Chapter 116 (the "Act");

WHEREAS, the Association adopted the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Sun City Anthem (the "First Amended and Restated Declaration") in order to bring the Declaration into conformance with SB 451. The First Amended and Restated Declaration was recorded on October 31, 2000, in the Office of the County Recorder, Clark County, Nevada, in Book No. 20001031, as Instrument No. 02253;

WHEREAS, the 2003 Nevada Legislature adopted SB 100, which became effective on October 1, 2003, and which made additional changes to the Act;

WHEREAS, the Association adopted the First Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Sun City Anthem (the "First Amendment") in order to bring the First Amended and Restated Declaration into conformance with SB 100. The First Amendment was recorded on April 16, 2004, in the Office of the County Recorder, Clark County, Nevada, in Book No. 20040416, as Instrument No. 0003069;

WHEREAS, the Association adopted the Second Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Sun City Anthem (the "Second Amendment") in order to adopt an Asset Enhancement Fee and to clarify the age restriction provision of the Declaration. The Second Amendment was recorded on April 19, 2004, in the Office of the County Recorder, Clark County, Nevada, in Book No. 20040419, as Instrument No. 0003196;

WHEREAS, the 2005 Nevada Legislature adopted SB 325, which became effective on October 1, 2005, and which made additional changes to the Act;

WHEREAS, the Act authorized the Board to amend the First Amended and Restated Declaration if any provision contained therein does not conform to the Act, and authorizes the Board to make such amendments without complying with the procedural requirements generally applicable to the amendment of governing documents;

WHEREAS, on April 16, 2008, the Board of Directors caused the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for Sun City Anthem (the "Second Amended and Restated Declaration") to be recorded in the Office of the County Recorder, Clark County, Nevada, in Book No. 20080416, as Instrument No. 0001189, for the purpose of consolidating the First Amended and Restated Declaration and the amendments thereto into a single document and to bring the First Amended and Restated Declaration into compliance with the Act;

WHEREAS, after recordation of the Second Amended and Restated Declaration, it was discovered that portions of the First Amendment and Second Amendment had been unintentionally omitted from the Second Amended and Restated Declaration;

NOW, THEREFORE, the Second Amended and Restated Declaration is hereby amended and restated in its entirety as follows:

PART ONE: INTRODUCTION TO THE COMMUNITY

Del Webb Communities, Inc., as developer of Sun City Anthem, has established this Declaration to provide a governance structure and a flexible system of standards and procedures for the overall development, administration, maintenance, and preservation of Sun City Anthem as a master planned community.

ARTICLE I
CREATION OF THE COMMUNITY

1.1. Purpose and Intent.

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

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

1.2. Binding Effect.

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

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

1.3. Governing Documents.

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

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

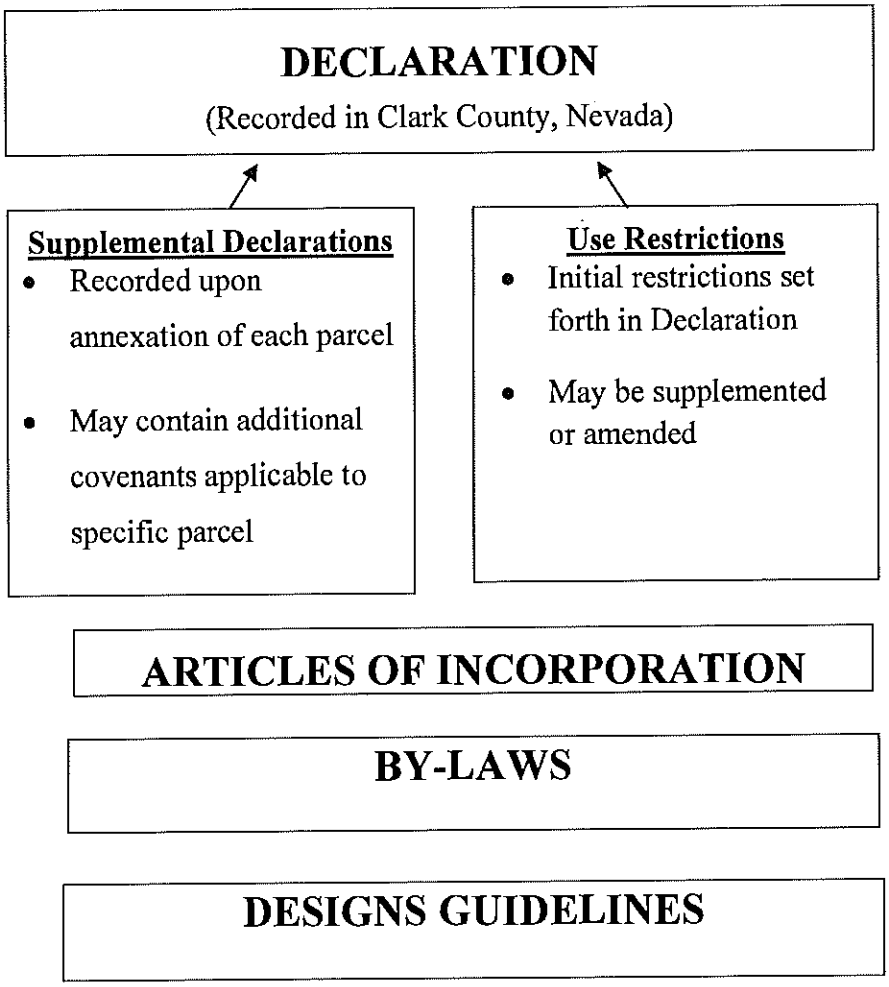
In the event of a conflict between or among the Governing Documents and any such additional covenants or restrictions, and/or the provisions of any other articles of incorporation, by-laws, rules, or policies governing any Neighborhood, the Governing Documents shall control. Nothing in this Section shall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

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

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

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

The following diagram summarizes the Governing Documents for Sun City Anthem.



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

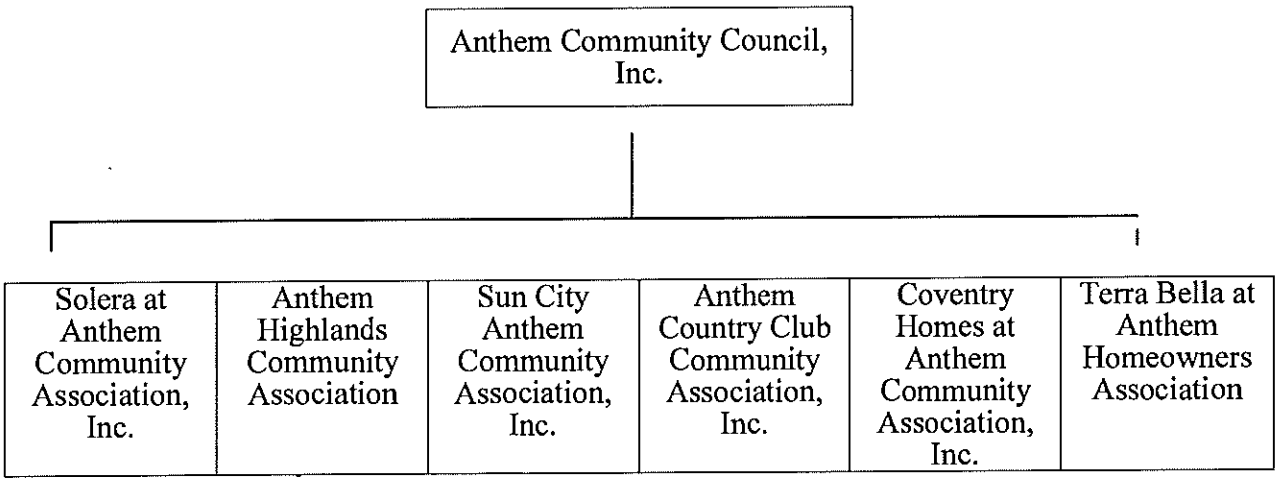
1.4. Anthem Community Council.

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

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

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

Council Membership Structure



ARTICLE II
CONCEPTS AND DEFINITIONS

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

"Act": The Nevada Common Interest Ownership Act. Nevada Revised Statutes, Chapter 116-1101, *et seq.* as it may be amended from time to time.

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

"Age-Qualified Occupant": Any person (i) 50 years of age or older who owns and Occupies a Dwelling Unit and was the original purchaser of the Dwelling Unit from Declarant; or (ii) 55 years of age or older who Occupies a Dwelling Unit. An Occupant of an ancillary "guest house" or "in-law suite" on a Lot, unless also an Age-Qualified Occupant of the primary Dwelling Unit on the Lot, shall not be an Age-Qualified Occupant.

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

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

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

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

"Association": Sun City Anthem Community Association, Inc., a Nevada nonprofit corporation, its successors or assigns.

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

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

"By-Laws": The By-Laws of Sun City Anthem Community Association, Inc., attached as Exhibit "C," as they may be amended from time to time.

"Common Area": All real and personal property, including easements, which the Association owns, leases, or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners, all areas designated as a "common element or common area" on the Plats, and all interests as provided in the Act. The term shall include the Limited Common Area, as defined below, and may also include, without limitation, recreational facilities, entry

features, signage, landscaped medians, rights of way and roads, lakes ponds, parks, greenbelts, enhanced and native open space, trails, sidewalks and land operated as a golf course, if owned by the Association.

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

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

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

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

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

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

"Dwelling Unit": Each building or structure or portion of a building or structure situated upon a Lot and which is intended for use and Occupancy as an attached or detached residence for a single family. Notwithstanding the above, an ancillary "guest house" or "in-law suite" on a Lot shall not be a separate Dwelling Unit but, instead, shall be deemed a part of the structure serving primarily as the Dwelling Unit on the Lot.

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

"Home Owner": An Owner other than Declarant.

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

"Lot": A contiguous portion of the Properties, whether improved or unimproved, other than Common Area common property of any Neighborhood Association, and property dedicated to the public, which may be independently owned and conveyed and which is intended to be developed, used, and Occupied for residential purposes and to contain a Dwelling Unit. The term shall mean all interests defined as "Lot" in Section 166.11039 of the Act. The term shall

refer to the land, if any, which is part of the Lot as well as any improvements, including any Dwelling Unit, thereon. The boundaries of each Lot shall be delineated on a Recorded Plat.

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

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

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

"Maximum Lots": The maximum number of Lots approved for development within Sun City Anthem under the Master Plan, as amended from time to time; provided, however, that nothing in this Declaration shall be construed to require Declarant to develop the maximum number of lots approved. The Maximum Lots as of the date of this Declaration is 3313 Lots. This number shall increase if additional Lots are approved for development under the Master Plan.

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

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

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

Where the context permits or requires, the term Neighborhood shall also refer to the Neighborhood Committee (an advisory committee established in accordance with the By-Laws) or Neighborhood Association, if any, having concurrent jurisdiction over the property within the Neighborhood. Neighborhood boundaries may be established and modified as provided in Section 6.4.

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

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

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

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

"Occupy, "Occupies", or "Occupancy": Unless otherwise specified in the Governing Documents, staying overnight in a particular Dwelling Unit for at least 150 days in the subject calendar year. The term "Occupant" shall refer to an individual who Occupies a Dwelling Unit.

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

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

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

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

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

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

(a) any Age Qualified Occupant;

(b) any Person 19 years of age or older who Occupies a Dwelling Unit with an Age Qualified Occupant; and

(c) any spouse of an Age-Qualified Occupant who Occupied a Dwelling Unit with an Age-Qualified Occupant and who continues, without interruption, to Occupy the same Dwelling Unit after termination of the Occupancy of said Age-Qualified Occupant.

Notwithstanding the above, an Occupant of an ancillary "guest house" or "in-law suite" on a Lot, unless also a Qualified Occupant of the structure serving primarily as the Dwelling Unit on the Lot, shall not be a Qualified Occupant.

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

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

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

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

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

PART TWO: CREATION AND MAINTENANCE OF COMMUNITY STANDARDS

The standards for use, conduct, maintenance, and architecture within Sun City Anthem are what give the community its identity and make it a place that people want to call "home". Yet those standards must be more than a static recitation of "thou shall nots." This Declaration establishes procedures for rulemaking as a dynamic process which allows the community standards to evolve as the community grows and as technology evolves.

ARTICLE III
USE AND CONDUCT

3.1. Restrictions on Use Occupancy and Alienation.

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

(a) Residential and Related Uses. The properties shall be used only for residential, recreational, and related purposes. Related purposes may include, without limitation, offices for any management agent or agents retained by the Association, business offices for declarant or the Association consistent with this Declaration and any Supplemental Declaration. In addition, any commercial activity that directly advances the residential and recreational character of the Properties may be authorized by Declarant or the Association, if consistent with the Governing Documents. Any Supplemental Declaration or any additional Recorded covenants may impose

stricter standards than those contained in this Article and the Association shall have standing and the power to enforce such standards.

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

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

The Board shall establish policies and procedures from time to time as necessary to maintain its status as an age restricted community under Nevada or federal law. The Association shall provide, or contract for the provision of, those facilities and services designed to meet the physical and social needs of older persons as may be required under such laws.

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

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

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

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

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

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

This Section shall not apply to any activity conducted by Declarant or a person approved by Declarant with respect to its development and sale of the properties or its use of any Lots which it owns within the Properties, including the operation of a "vacation villa," "vacation

getaway," or similar program permitting temporary residential use. Additionally, this Section shall not apply to any activity conducted by the Council, Association, or a Person approved by the Association for the purpose of operating, maintaining or advancing the residential and recreational character of the Properties.

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

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

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

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

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

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

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

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

3.2. Framework for Regulation.

The Governing Documents establish, as part of the general plan of development for the properties, a framework of affirmative and negative covenants, easements, and restrictions governing the properties. Within that framework, the Board and the members must have the ability to respond to unforeseen problems and changes in circumstances, conditions, needs, desires, trends, and technology which inevitably will affect Sun City Anthem, its Owners and

residents. Therefore, this Article establishes procedures for modifying and expanding the Use Restrictions, set forth in Section 3.6 below, and such Rules as may be created and revised from time to time.

3.3. Use Restriction and Rule making Authority.

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

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

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

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

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

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

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

3.4. Owners' Acknowledgment and Notice to Purchasers.

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

3.5. Protection of Owners and Others.

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

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

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

(c) Alienation. No Use Restriction or Rule shall place a blanket prohibition on leasing or conveying any Lot or require the Association's consent before leasing or conveying any Lot. However, the Association may (i) require that Owners use Association approved lease forms; (ii) impose a reasonable fee on the lease or conveyance of a Lot based upon the Association's related administrative costs; (iii) require that Owners provide the Association

advance notice of any lease or conveyance; (iv) require such other payments or actions as this Declaration may require; and impose a minimum lease term.

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

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

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

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

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

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

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

3.6. Initial Use Restrictions and Rules.

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

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

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

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

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

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

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

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

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

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

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

size, color, lettering, and placement of such sign. The Board, Council, and Declarant shall have the right to erect signs as they, in their discretion, deem appropriate. Notwithstanding the foregoing, Owners shall be permitted to display a political sign in the front yard of a Lot but may not exceed twenty-four (24) inches by thirty-six (36) inches. As used herein, "political sign" means a sign that expresses support for or opposition to a candidate, political party or ballot question. No signs shall be displayed anywhere on the Common Areas.

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

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

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

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

No vehicle may be left upon any portion of the Properties except in a garage, driveway, parking pad, or other area designated by the Board. No person shall park any commercial vehicles, recreational vehicles, mobile homes, trailers, campers, boats or other watercraft, all other oversized vehicles, stored vehicles, and unlicensed vehicles or inoperable vehicles within the Properties other than in enclosed garages; provided, however, one boat or recreational vehicle may be temporarily kept or stored completely in a driveway or completely on a parking

pad on a Lot for not more than four nights within each calendar month. This Section shall not apply to emergency vehicle repairs.

Only electronic powered golf carts may be operated within the Properties; gasoline powered golf carts are prohibited.

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

(o) Displaying the Flag of the United States.

(i) Except as otherwise provided in Subsection (ii), below, the Association shall not prohibit an Owner from engaging in the display of the flag of the United States within such physical portion of the Association as the Owner has a right to occupy and use exclusively.

(ii) The provisions of this section do not:

(A) Apply to the display of the flag of the United States for commercial advertising purposes; or

(B) Preclude the Association from adopting rules that reasonably restrict the placement and manner of the display of the flag of the United States by an Owner.

(iii) In any action commenced to enforce the provisions of this section, the prevailing party is entitled to recover reasonable attorney's fees and costs.

(iv) As used in this section, "display of the flag of the United States" means a flag of the United States that is:

(A) Made of cloth, fabric, or paper;
(B) Displayed from a pole or staff or in a window; and
(C) Displayed in a manner that is consistent with 4 U.S.C. Chapter 1.

The term does not include a depiction or emblem of the flag of the United States that is made of balloons, flora, lights, paint, paving materials, roofing, siding, or any other similar building, decorative, or landscaping component.

(p) Alteration of Lots; Access to Lots.

(i) Except as otherwise provided in the Act and subject to the provisions of the Declaration, an Owner:

(A) May make any improvements or alterations to his Lot that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Association;

(B) May not change the appearance of the Common Areas, the exterior appearance of any Lot, or any other portion of the Association without the permission of the Association; and

(C) After acquiring an adjoining Lot or an adjoining part of an adjoining Lot, may remove or alter any intervening partition or create apertures therein, even if the partition in whole or in part is a Common Area as long as those acts do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Association. Removal of partitions or creation of apertures under this paragraph is not an alteration of boundaries.

(ii) The Association may not:

(A) Unreasonably restrict, prohibit, or otherwise impede the lawful rights of an Owner to have reasonable access to his Lot.

(B) Unreasonably restrict, prohibit, or withhold approval for an Owner to add to a Lot:

(1) Improvements such as ramps, railings, or elevators that are necessary to improve access to the Lot for any occupant of the Lot who has a disability;

(2) Additional locks to improve the security of the Lot; or

(3) Shutters to improve the security of the Lot or to aid in reducing the costs of energy for the Lot.

(iii) Any improvement or alteration made pursuant to subsection (ii), above, that is visible from any other portion of the Association must be installed, constructed, or added in accordance with the procedures set forth in the Governing Documents of the Association and must be selected or designed to the maximum extent practicable to be compatible with the style of the Association.

ARTICLE IV
ARCHITECTURE AND LANDSCAPING

4.1. General.

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

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

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

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

4.2. Architectural Review.

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

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

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

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

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

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

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

4.3. Guidelines and Procedures.

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

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

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

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

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

The ARC shall, within 30 days after receipt of a completed application and all required information, respond in writing to the applicant at the address specified in the application. The response may (i) approve the application, with or without conditions; (ii) approve a portion of the application and disapprove other portions; or (iii) disapprove the application. The ARC may, but shall not be obligated to, specify the reasons for any objections and/or other suggestions for curing any objections.

In the event that the ARC fails to respond within the 30-day period, approval shall be deemed to have been given, subject to Declarant's right to veto approval by the ARC pursuant to

this Section. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Guidelines unless a variance has been granted pursuant to Section 4.5. Notice shall be deemed to have been given at the time the envelope containing the response is deposited with the U. S. Postal Service. Personal delivery of such written notice shall, however, be sufficient and shall be deemed to have been given at the time of delivery to the applicant.

Until expiration of Declarant's rights under this Article Section 4.2(a), the ARC shall notify Declarant in writing within three business days after the ARC has approved any application relating to proposed activity within the scope of matters Declarant delegated to the ARC. The notice shall be accompanied by a copy of the application and any additional information Declarant may require. Declarant shall have 10 days after receipt of such notice to veto any such action, in its sole discretion, by written notice to the ARC and the applicant.

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

Notwithstanding the above, the initial landscaping on any Lot shall be installed as approved within 90 days from the date of the initial closing of escrow on the Lot.

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

4.4. Waiver Approval.

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

4.5. Variances.

The ARC may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duty adopted regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) estop the ARC from denying a variance in other circumstances. For purposes of this Section, the

inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance. Notwithstanding the above, the ARC may not authorize variances without the written consent of Declarant, so long as Declarant owns any portion of the Properties or has the right to expand the Properties pursuant to Section 9.1.

4.6. Limitation of Liability.

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

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

4.7. Certificate of Compliance.

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

4.8. Enforcement.

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

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

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

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

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

(a) Detached garages (except as authorized by Declarant during initial construction);

(b) Detached storage buildings and detached sheds;

(c) Compost piles or containers;

(d) Decks or balconies;

(e) Basketball goals;

(f) Free-standing flagpoles, subject to the Owners' right to display the flag of the United States as set forth in Section 3.6(o) of this Declaration and consistent with the Act;

(g) Outside clothes lines or other outside facilities for drying or airing clothes; and

(h) Satellite dishes of more than one meter in diameter.

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

4.10 Drought Tolerant Landscaping. Each Owner may install or maintain drought tolerant landscaping on his or her Lot; provided, however, that the Owner first submits a detailed description or plans for such drought tolerant landscaping for architectural review and approval in accordance with Section 4.3 of this Article IV. Furthermore, the drought tolerant landscaping must be selected or designed to the maximum extent practicable to be compatible with the style of the Properties.

ARTICLE V
MAINTENANCE AND REPAIR

5.1. Maintenance of Lots.

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

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

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

5.2 Maintenance of Neighborhood Property.

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

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

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

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

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

5.3. Responsibility for Repair and Replacement.

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

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

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

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

PART THREE: COMMUNITY GOVERNANCE AND ADMINISTRATION

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

ARTICLE VI
THE ASSOCIATION AND ITS MEMBERS

6.1. Function of the Association.

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

6.2. Membership.

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

6.3. Voting.

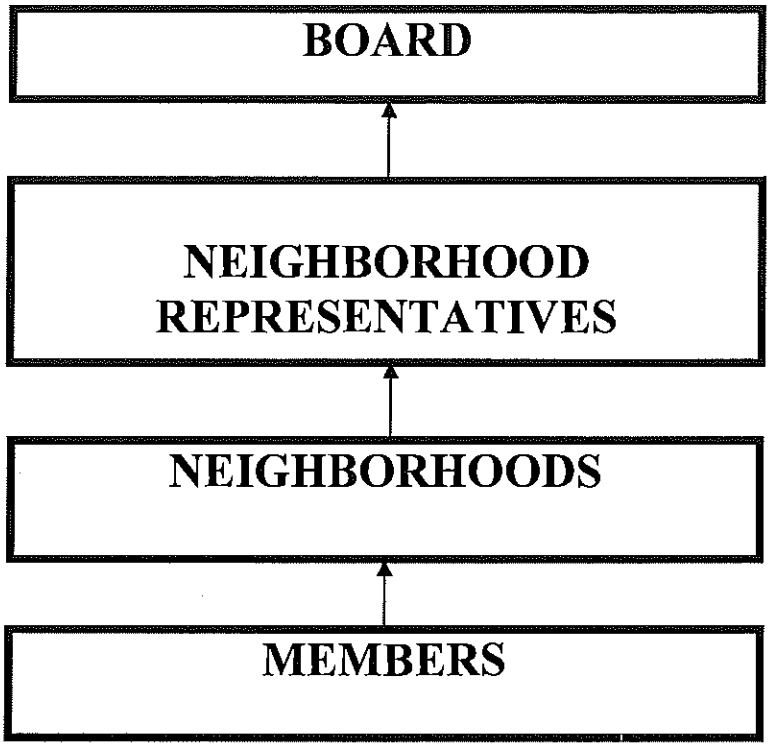
The Association shall have one class of membership composed of all Owners. Each Owner shall have one equal vote for each Lot in which it holds the interest required for membership under Section 6.2, except that there shall be only one vote per Lot and no vote shall be exercised for any property which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

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

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

6.4. Neighborhoods and Neighborhood Representatives.

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



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

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

NEIGHBORHOOD

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

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

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

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

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

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

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

The Board shall remove any Neighborhood Representative or alternate Neighborhood Representative from office upon submission of a signed petition from a Majority of the

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

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

6.5. Voting Groups and Representative Voting.

Declarant may, but shall not be obligated to, combine different Neighborhoods into "voting groups" for the purpose of electing directors to the Board. Such voting groups shall be designated to promote representation on the Board by groups with dissimilar interests and to avoid particular groups dominating the Board due to the number of votes held by such groups. Declarant shall establish voting groups, if at all, no later than the expiration of the Declarant Control Period by Recording a Supplemental Declaration identifying each group by legal description or other means by which the Lots within each group can clearly be determined. Declarant may amend such designations, in its discretion, at any time during the Declarant Control Period. In any event, each voting group shall elect an equal number of directors to the Board.

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

ARTICLE VII
ASSOCIATION POWERS AND RESPONSIBILITIES

7.1. Acceptance and Control of Association Property.

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

(b) Declarant and its designees may convey to the Association personal property and fee title, leasehold, or other property interests in any real property, improved or unimproved, described in Exhibits "A" or "B." The Association shall accept and maintain such property at its expense for the benefit of its Members, subject to any restrictions set forth in the deed or other instrument transferring such property to the Association. The Association shall operate any facilities on the conveyed property as intended from the date of completion of construction of the facility and the issuance of a certificate of occupancy, if applicable. Upon written request of Declarant, the Association shall reconvey to Declarant any unimproved portions of the Properties

originally conveyed by Declarant to the Association for no consideration, to the extent conveyed by Declarant in error or needed by Declarant to make minor adjustments in property lines.

7.2. Maintenance of Area of Common Responsibility.

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

(i) all portions of and structures situated upon the Common Area;

(ii) landscaping within public rights-of-way within or abutting the Properties;

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

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

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

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

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

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

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

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

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

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

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

7.3. Insurance.

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

(i) Blanket property insurance on the Common Areas, insuring against all risks of direct physical loss commonly insured against. The total amount of insurance after application of any deductibles must not be less than eighty percent (80%) of the actual cash value of the Common Areas at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations and other items normally excluded from property insurance policies;

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

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

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

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

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

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

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

If the insurance described in subsections (i) and (ii) of this Section 7.3(a) is not reasonably available, the Association shall promptly cause notice of that fact to be hand-delivered or sent prepaid by United States mail to all Owners.

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

The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 7.3(a). In the event of an insured loss, the deductible shall be treated as a Common Expense or a Neighborhood Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the procedures set forth in Section 3.26 of the By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the folk amount of such deductible against such Owner(s) and their tots as a Benefited Assessment.

All insurance coverage obtained by the Board shall:

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

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

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

(iv) contain an inflation guard endorsement;

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

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

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

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

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

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

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

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

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

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

(v) a cross liability provision; and

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

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

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

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

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

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

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

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

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

7.4. Compliance and Enforcement.

(a) Every Owner and Occupant of a Lot shall comply with the Governing Documents. The Board may impose sanctions for violation of the Governing Documents after notice and a hearing in accordance with the procedures set forth in the By-Laws. The Board shall

establish a range of penalties for such violations, with violations of the Declaration, unsafe conduct, harassment, or intentionally malicious conduct treated more severely than other violations. Such sanctions may include, without limitation:

(i) imposing a graduated range of reasonable monetary fines which shall, pursuant to the Act, constitute a lien upon the violator's Lot. However, unless the imposed fine was for a violation affecting the health, safety and welfare of the Association, such lien may not be foreclosed by the Association. The amount of each such fine must be commensurate with the severity of the violation and shall in no event exceed the maximum permitted by the Act. The Rules may be enforced by the assessment of a fine only if: (A) Not less than thirty (30) days before the violation, the person against whom the monetary penalty will be imposed has been provided with written notice of the applicable provisions of the Governing Documents that form the basis of the violation; (B) Within a reasonable time after the discovery of the violation, the person against whom the monetary fine will be imposed has been provided with written notice specifying the details of the violation, the amount of the monetary penalty, and the date, time, and location for a hearing on the violation and a reasonable opportunity to contest the violation at the hearing; (C) The Board must schedule the date, time, and location for the hearing on the violation so that the person against whom the monetary fine will be imposed is provided with a reasonable opportunity to prepare for the hearing and to be present at the hearing; and (D) The Board must hold a hearing before it may impose a monetary fine, unless the person against whom the monetary fine will be imposed: (1) pays the monetary fine; (2) executes a written waiver of the right to the hearing; or (3) fails to appear at the hearing after being provided with notice of the hearing in accordance with this Section 7.4(a)(i). If a fine is imposed pursuant to this subsection and the violation is not cured within fourteen (14) days or such longer cure period as the Board establishes, the violation shall be deemed a continuing violation and the Board may thereafter impose an additional fine for the violation for each seven (7) day period or portion thereof that the violation is not cured. Any additional fine may be imposed without notice and an opportunity to be heard. In the event that any Occupant, guest, or invitee of a Lot violates the Governing Documents and a fine is imposed, the fine shall be assessed against the violator, provided, however, if the fine is not paid by the violator within the time period set by the Board, the Owner shall pay the fine upon notice from the Board. The Board shall publish and cause to be hand delivered or sent prepaid by United States mail to the mailing address of each Lot or to any other mailing address designated in writing by the Lot Owner a schedule of fines applicable to particular violations;

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

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

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

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

(vi) requiring an Owner, at its own expense, to remove any structure or improvement on such Owner's Lot in violation of Article IV and to restore the Lot to its

previous condition and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass;

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

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

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

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

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

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

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

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

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

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

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

(iv) that it is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action. Such decision shall not be construed a waiver of the Association's right to enforce such provision at a later time under other circumstances of preclude the Association from enforcing any other covenant, restriction, or rule.

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

7.5. Implied Rights: Board Authority.

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

7.6. Indemnification at Officers, Directors, and Others.

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

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

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

(c) Exclusion from Liability for Other Tortious Acts.

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

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

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

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

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

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

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

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

7.7. Safety.

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

EACH OWNER ACKNOWLEDGES, UNDERSTANDS, AND COVENANTS TO INFORM ITS TENANTS AND ALL OCCUPANTS OF ITS LOT THAT THE ASSOCIATION, ITS BOARD, COMMITTEES, NEIGHBORHOOD ASSOCIATIONS, THE COUNCIL, AND ALL OTHER PERSONS INVOLVED WITH THE

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

7.8. Provision of Services.

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

7.9. Change of Services and Use of Common Area.

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

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

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

7.10. View Impairment.

DECLARANT, THE ASSOCIATION, AND THE COUNCIL DO NOT GUARANTEE OR REPRESENT THAT ANY VIEW OVER AND ACROSS LOTS OR THE OPEN SPACE FROM ADJACENT LOTS WILL BE PRESERVED WITHOUT IMPAIRMENT. DECLARANT, THE ASSOCIATION, AND THE COUNCIL SHALL

NOT HAVE THE OBLIGATION TO RELOCATE, PRUNE, OR THIN TREES OR OTHER LANDSCAPING EXCEPT AS SET FORTH IN ARTICLE V. TREES AND OTHER LANDSCAPING MAY BE ADDED TO LOTS AND TO THE OPEN SPACE FROM TIME TO TIME SUBJECT TO APPLICABLE LAW AND THE GOVERNING DOCUMENTS. ANY EXPRESS OR IMPLIED EASEMENTS FOR VIEW PURPOSES OR FOR THE PASSAGE OF LIGHT AND AIR ARE HEREBY EXPRESSLY DISCLAIMED.

7.11. Relationship with Neighborhoods.

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

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

7.12. Relationship with Governmental and Tax-Exempt Organizations.

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

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

7.13. Relationship with Council and Anthem Communities.

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

7.14. Recycling Programs.

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

ARTICLE VIII
ASSOCIATION FINANCES

8.1. Budgeting and Allocating Common Expenses.

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

Prior to the commencement of each fiscal year as set by the Board, the Board shall determine the budget for the Association for such fiscal year in the following manner:

(a) The Board shall, not less than thirty (30) days nor more than sixty (60) days before the beginning of each fiscal year of the Association, prepare and distribute to each Owner

a copy of the budget for the daily operation of the Association (the "Operating Budget"). The Operating Budget must include, without limitation, the estimated annual revenue and expenditures of the Association and any contributions to be made to the reserve fund established by this Article VIII. In lieu of distributing copies of the Operating Budget, the Board may distribute summaries of the Operating Budget, accompanied by a written notice that the Operating Budget is available for review at the business office of the Association or other suitable location and that copies of the Operating Budget will be provided upon request.

(b) The Association shall also establish adequate reserves, funded upon a reasonable basis, for the repair, replacement, and restoration of the major components of the Common Areas. The reserve funds may be used only for those purposes and not for daily maintenance. Money in the reserve accounts may not be withdrawn without the signatures of at least two (2) members of the Board or the signatures of at least one (1) member of the Board and one (1) officer of the Association who is not a member of the Board.

(c) The Board shall, not less than thirty (30) days or more than sixty (60) days before the beginning of the fiscal year of the Association, prepare and distribute to each Owner a copy of the reserve budget (the "Reserve Budget") as set forth in Section 8.3.

(d) Upon determination of the Budget for a Fiscal Year, the Board shall furnish a copy of the budget to each Owner as herein provided (which budget shall separately identify amounts attributable to the Operating Budget and the Reserve Budget) together with a written statement of the amount of the Base Assessment to be assessed against the Owner's Lot for the applicable fiscal year. The Board shall set a date for a meeting of the Owners to consider

ratification of the budget not less than fourteen (14) nor more than thirty (30) days after the mailing of the budget. Unless at that meeting ninety percent (90%) of all Owners reject the budget, the budget is ratified, whether or not a quorum is present. If the proposed budget is rejected, the periodic budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget proposed by the Board.

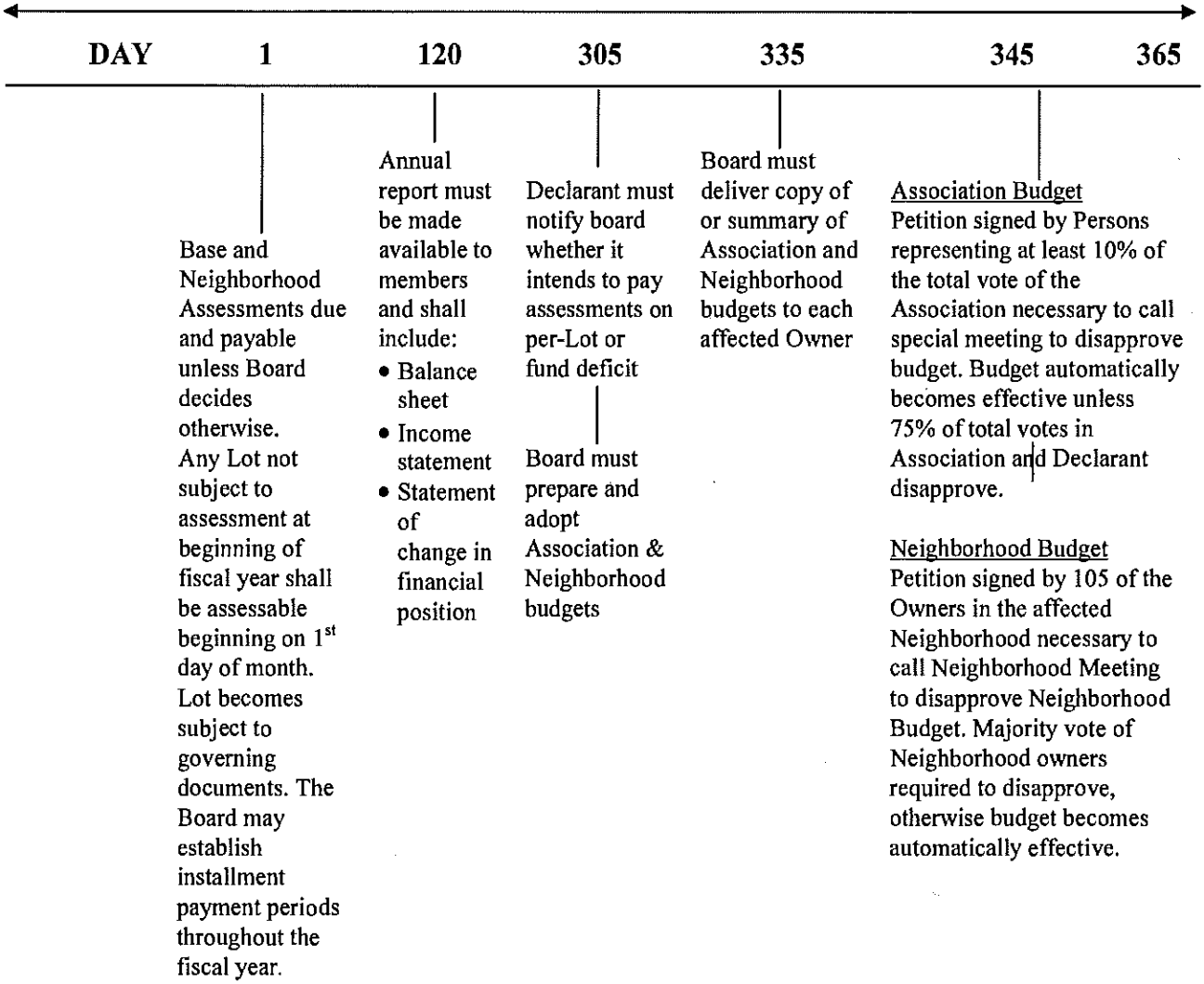
(e) The amount to be raised by Base Assessments during a fiscal year shall be equal to (i) the Operating Budget for such period, plus (ii) the Reserve Budget to be set aside for said period, less the amount attributable to the Operating Budget collected but not disbursed in the immediately preceding fiscal year or partial fiscal year; provided, however, that in lieu of such subtraction the Board may elect to refund said surplus to the Owners or deposit the funds into the reserve account.

If the Board fails to determine or cause to be determined the total amount to be raised by Base Assessments in any fiscal year and/or fails to notify the Owners of the amount of such Base Assessments for any fiscal year, then the amounts of Base Assessments shall be deemed to be the amounts assessed in the previous fiscal year.

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

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

Except as emergencies may require, the Association shall make no commitments or expenditures in excess of the funds reasonably expected to be available to the Association.



Section 8.2 Budgeting and Allocating Neighborhood Expenses.

Not less than thirty (30) days nor more than sixty (60) days before the beginning of each fiscal year, the Board shall prepare a separate budget covering the estimated Neighborhood Expenses for each Neighborhood on whose behalf Neighborhood Expenses are expected to be incurred during the coming year (the "Neighborhood Budget"). A copy of the Neighborhood Budget, together with notice of the amount of the Neighborhood Assessment, shall be distributed to each Owner in the applicable Neighborhood. In lieu of distributing copies of the Neighborhood Budget, the Board may distribute summaries of the Neighborhood Budget, accompanied by a written notice that the Neighborhood Budget is available for review at the business office of the Association or other suitable location and that copies of the budget will be provided upon request. Each such Neighborhood Budget shall include any costs for additional services or a higher level of services which the Owners in such Neighborhood have approved pursuant to Section 6.4(a) and any contribution to be made to a reserve fund pursuant to Section 8.3. The Neighborhood Budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Lots, and the amount required to

be generated through the levy of Neighborhood and Special Assessments against the Lots in such Neighborhood.

The Association is hereby authorized to levy Neighborhood Assessments equally against all Lots in the Neighborhood which are subject to assessment under Section 8.6 to fund Neighborhood Expenses; provided, if so specified in the applicable Supplemental Declaration or if so directed by petition signed by a Majority of the Owners within the Neighborhood, any portion of the assessment intended for exterior maintenance of structures, insurance on structures, or replacement reserves which pertain to particular structures shall be levied on each of the Benefited Lots in proportion to the benefit received.

Such Neighborhood Budget and assessment shall become effective unless disapproved at a meeting of the Neighborhood by Owners of a Majority of the Lots in the Neighborhood to which the Neighborhood Assessment applies. However, there shall be no obligation to call a meeting for the purpose of considering the budget except on petition of Owners of at least ten percent (10%) of the Lots in such Neighborhood. This right to disapprove shall only apply to those line items in the Neighborhood budget which are attributable to services requested by the Neighborhood and shall not apply to any item which the Governing Documents require to be assessed as a Neighborhood Assessment.

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

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

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

8.3. Budgeting for Reserves.

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

The Board shall, not less than 30 days nor more than 60 days before the beginning of the fiscal year of the Association, prepare and distribute a reserve budget for the Area of Common Responsibility and for each Neighborhood for which the Association maintains capital items as a Neighborhood Expense. In lieu of distributing topics of the reserve budgets, the Board may distribute summaries of those budgets, accompanied by a written notice that the budgets are available for review at the business office of the Association or other suitable location and that

copies of the budgets will be provided upon request. The Reserve Budget for the Area of Common Responsibility shall be distributed as aforesaid to all Owners in the Community, and the Reserve Budget for each Neighborhood shall be distributed as aforesaid to the Owners comprising the Neighborhood in question.

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

(a) the current estimated replacement cost, estimated remaining life and estimated useful life of each major component of the Area of Common Responsibility or capital items which the Association maintains as a Neighborhood Expense, as the case may be;

(b) as of the end of the fiscal year for which the budget is prepared, the current estimate of the amount of cash reserves that are set aside, to repair, replace or restore the major components of the Area of Common Responsibility or capital items which the Association maintains as a Neighborhood Expense, as the case may be;

(c) a statement indicating whether the Board has determined or anticipates that the levy of one or more special assessments will be required to repair, replace or restore any major components, Area of Common Responsibility or capital items which the Association maintains as a Neighborhood Expense, as the case may be, or to provide adequate reserves for that purpose; and

(d) a general statement describing the procedures used for the estimation of accumulation of cash reserves needed, including, without limitation, the qualifications of the Person responsible for the preparation of the reserve studies required under this Section.

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

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

The Board shall cause a reserve study to be conducted at least once every five years by a qualified individual, as defined in the Act. The Board shall review the results of the reserve study at least annually to determine if the reserves are sufficient and make any adjustments it deems necessary to maintain the required reserves. The Association shall cause the first study of the reserves to be prepared by October 1, 2000. The study must be conducted by a person qualified by training and experience to conduct such a study (as determined pursuant to the Act), including a member of the Board, an Owner, or the management agent of the Association who is qualified. The study must include, without limitation:

(aa) a summary of an inspection of the major components of the Area of Common Responsibility or capital items which the Association maintains as a

Neighborhood Expense, as the case may be, that the Association is obligated to repair, replace, or restore;

(bb) an identification of the major components of the Area of Common Responsibility or capital items which the Association maintains as a Neighborhood Expense, as the case may be, that the Association is obligated to repair, replace, or restore which have a remaining useful life of less than 30 years;

(cc) an estimate of the remaining useful life of each major component or capital item so identified;

(dd) an estimate of the cost of repair, replacement, or restoration of each major component or capital item so identified; and,

(ee) an estimate or the total annual assessments that may be required to cover the cost of repair, replacement, or restoration of the major components or capital items so identified after subtracting the reserves of the Association as of the date of the study.

8.4. Special Assessments.

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

8.5. Benefited Assessments.

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

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

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

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

written notice to the Owners of Lots in, or the Neighborhood Representative representing, the Neighborhood and an opportunity for such Owners or Neighborhood Representative to be heard before levying any such assessment.

8.6. Authority to Assess Owners: Time of Payment.

Declarant establishes and the Association is hereby authorized to levy assessments as provided for in this Article and elsewhere in the Governing Documents. The obligation to pay assessments shall commence as to each Lot on the first day of the month following: (a) the month in which the Lot is made subject to this Declaration; or (b) the month in which the Board first adopts a budget and levies assessments pursuant to this Article, whichever is later. The first annual Base Assessment and Neighborhood Assessment, if any, levied on each Lot shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Lot. Assessments shall be paid in such manner and on such dates as the Board may establish. The Board may require advance payment of assessments at closing of the transfer of title to a Lot and impose special requirements for Owners with a history of delinquent payment. If the Board so elects, assessments may be paid in two or more installments. Unless the Board otherwise provides, the Base Assessment and any Neighborhood Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his Lot, the Board may require the outstanding balance on all assessments, including interest, late charges, and other costs, to be paid in full immediately,

8.7 Obligation for Assessments.

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

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

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

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

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

8.8. Lien for Assessments/Foreclosure.

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

Such lien, when delinquent, may be enforced in the manner prescribed in the Act. The Association may foreclose its lien by sale after:

(a) The Association has mailed by certified or registered mail, return receipt requested, to the Owner or his successor in interest, at his address if known and at the address of the Lot, a notice of delinquent assessment which states the amount of the assessments and other sums that are due in accordance with the Act, a description of the Lot against which the lien is imposed and the name of the record owner of the Lot;

(b) Not less than 30 days after mailing the notice of delinquent assessment, the Association or other person conducting the sale has executed and caused to be recorded, with the Clark County Recorder, a notice of default and election to sell the Lot to satisfy the lien, which contains the same information as the notice of delinquent assessment, but must also comply with the following:

(i) Describe the deficiency in payment;
(ii) State the name and address of the person authorized by the Association to enforce the lien by sale; and
(iii) Contain, in 14-point bold type, the following warning:
WARNING! IF YOU FAIL TO PAY THE AMOUNT SPECIFIED IN THIS NOTICE, YOU COULD LOSE YOUR HOME, EVEN IF THE AMOUNT IS IN DISPUTE!

(c) The Owner or his successor in interest has failed to pay the amount of the lien, including costs, fees, and expenses incident to its enforcement for 90 days following the recording of the notice of default and election to sell.

(d) The notice of default and election to sell referenced in subsection (b), above, must be signed by the person designated in the Declaration or by the Association for that purpose or, if no one is designated, by the President.

(e) The period of 90 days referenced in subsection (c), above, begins on the first day following the later of:

(i) The date on which the notice of default is recorded; or

(ii) The date on which a copy of the notice of default is mailed by certified or registered mail, return receipt requested, to the Owner or his successor in interest at his address, if known, and at the address of the Lot.

(f) The Association may not foreclose a lien by sale based on a fine or penalty for a violation of the Governing Documents unless:

(i) The violation poses an imminent threat of causing a substantial adverse effect on the health, safety, or welfare of the Owners or residents of the Association.

(ii) The penalty is imposed for failure to adhere to a schedule required pursuant to NRS 116.310305 of the Act.

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

The sale or transfer of any Lot shall not affect the assessment lien or relieve such Lot from the lien for any subsequent assessments. Subject to the Act, the subsequent Owner to the foreclosed Lot shall not be personally liable for assessments on such Lot due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Lots subject to assessments under Section 8.6, including such acquirer, its successors and assigns.

8.8A Procedure for Sale

The Association or other person conducting the sale shall also, after the expiration of the 90 days and before selling the Lot:

(a) 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 service must be made on the Owner as follows:

(i) A copy of the notice of sale must be mailed, on or before the date of first publication or posting, by certified or registered mail, return receipt requested, to the

Owner or his successor in interest at his address, if known, and to the address of the Lot; and

(ii) A copy of the notice of sale must be served, on or before the date of first publication or posting, in the manner set forth in the Act.

(b) Mail, on or before the date of first publication or posting, a copy of the notice by first-class mail to

(i) Each person entitled to receive a copy of the notice of default and election to sell under the Act;

(ii) The holder of a recorded security interest or the purchaser of the Lot, if either of them has notified the Association, before the mailing of the notice of sale, of the existence of the security interest, lease or contract of sale, as applicable; and

(iii) The Ombudsman.

(c) In addition to the requirements set forth in subsection (a), above, a copy of the notice of sale must be served:

(i) By a person who is 18 years of age or older and who is not a party to or interested in the sale by personally delivering a copy of the notice of sale to an occupant of the Lot who is of suitable age; or

(ii) By posting a copy of the notice of sale in a conspicuous place on the Lot.

(d) Any copy of the notice of sale required to be served pursuant to this section must include:

(i) The amount necessary to satisfy the lien as of the date of the proposed sale; and

(ii) The following warning in 14-point bold type:
WARNING! A SALE OF YOUR PROPERTY IS IMMINENT! UNLESS YOU PAY THE AMOUNT SPECIFIED IN THIS NOTICE BEFORE THE SALE DATE, YOU COULD LOSE YOUR HOME, EVEN IF THE AMOUNT IS IN DISPUTE. YOU MUST ACT BEFORE THE SALE DATE. IF YOU HAVE ANY QUESTIONS, PLEASE CALL (name and telephone number of the contact person for the association). IF YOU NEED ASSISTANCE, PLEASE CALL THE FORECLOSURE SECTION OF THE OMBUDSMAN'S OFFICE, NEVADA REAL ESTATE DIVISION, AT (toll-free telephone number designated by the Division) IMMEDIATELY.

(e) Proof of service of any copy of the notice of sale required to be served pursuant to this section must consist of:

(i) A certificate of mailing which evidences that the notice was mailed through the United States Postal Service; or

(ii) An affidavit of service signed by the person who served the notice stating:

(A) The time of service, manner of service and location of service; and

(B) The name of the person served or, if the notice was not served on a person, a description of the location where the notice was posted on the Lot.

8.9. Limitation on Increases of Assessments.

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

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

An emergency situation is any one of the following:

(a) an extraordinary expense required by an order of a court.

(b) an extraordinary expense necessary to repair or maintain the Properties or any part of them for which the Association is responsible where a threat to personal safety on the Properties is discovered; or

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

8.10. Exempt Property.

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

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

(b) all property within Anthem owned or maintained by the Council or by another residential association, and any other properly not subject to this Declaration;

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

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

In addition, both Declarant and the Association shall have the right, but not the obligation, to grant exemptions to certain Persons qualifying for tax exempt status under Section

501(c) of the Internal Revenue Code so long as such Persons own property subject to this Declaration for purposes listed in Section 501(e).

8.11 Interest on Fines.

(a) Any past due fine may:

(i) Bear interest at a rate established by the Association, not to exceed the legal rate per annum or the amounts set forth in the Act;

(ii) Include any Costs of Collecting the past due fine at a rate established by the Association in accordance with the Act; and

(iii) Include any costs incurred by the Association during a civil action to enforce the payment of the past due fine.

(b) "Costs of Collecting" includes without limitation, any collection fee, filing fee, recording fee, referral fee, fee for postage or delivery, and any other fee or cost that an Association may reasonably charge to the Owner for the collection of a past due fine. The term does not include any costs incurred by the Association during a civil action to enforce the payment of a past due fine;

8.12 Asset Enhancement Fee.

(a) General Rule. In addition to the transfer fee collected by the Association to cover the administrative costs associated with membership transfers, the Association shall collect a full Asset Enhancement Fee upon each transfer of title to a Lot, unless:

(i) the transfer of title is an exempt transfer as defined in subparagraph (f) below, or

(ii) the Lot in question is already subject to a New Member Fee, as set forth in subparagraph (g) below.

(b) Obligation to Pay. The Asset Enhancement Fee shall be:

(i) charged to the grantor of the Lot,

(ii) payable by the grantor or grantee, as their contract provides, to the Association at the close of escrow for the sale of the Lot, and

(iii) recoverable by the Association as any other lien for assessments as set forth in Article VIII of the Declaration and Nevada law.

(c) Notice. Each Owner transferring a Lot shall notify the Association's secretary or designee, within three (3) days after an escrow has been opened, that the Lot is scheduled to be sold. Such notice shall include the name of the buyer, the estimated closing date, and any other information the Association may reasonably request.

(d) Calculation of Asset Enhancement Fee. The Asset Enhancement Fee shall equal 1/3 of one percent (1%) of the Gross Selling Price of the Lot, with all improvements, upgrades and premiums included, and shall be due upon the closing of the sale of the Lot. The Gross Selling Price shall be the total cost to the purchaser of the Lot, excluding the real property transfer taxes.

(e) Purpose. The Association shall deposit the Asset Enhancement Fee into the Association's operating account, for the purpose of, among other things, stabilizing assessments, and subsidizing the cost of enhancements and improvements to the Areas of Common Responsibility. By way of example and not limitation, Asset Enhancement Fees may be used to assist the Association in funding operating and maintenance costs for the recreational facilities, Common Area open space preservation and all other funding needs for operating the Association.

(f) Exempt Transfers. Any Owner acquiring title to a Lot on or before April 19, 2004, the Recording date of the Amendment adopting the Asset Enhancement Fee, is exempt from the Asset Enhancement Fee.

Any Owner acquiring title to a Lot after April 19, 2004 is obligated to pay the Asset Enhancement Fee, unless the transfer of title to the Lot is one of the following transactions:

(i) by or to the Declarant, or its successor in interest;

(ii) by a builder or developer holding title solely for purposes of development and resale;

(iii) by a Person who is co-Owner of a Lot to another co-Owner of the Lot;

(iv) by an Owner of a Lot to the Owner of the Lot and a family member of the Owner;

(v) to the Owner's Estate, surviving spouse, or heirs at law, upon the death of the Owner;

(vi) to an entity wholly owned by the Owner or to a family trust created by the Owner for the direct benefit of the Owner and his or her spouse and/or heirs at law;

(vii) to an institutional lender as security for the performance of an obligation pursuant to a Mortgage;

(viii) to a non-profit organization, as defined in Section 501(c)(3) of the Internal Revenue Code;

Notwithstanding the foregoing, if an Owner acquires title to a Lot pursuant to one or more of the exempt transfers set forth in paragraph (f) (i) – (viii) above, then that Owner is treated as the former Owner for the purpose of determining when an Owner acquired title. There is no limit to the number of consecutive, exempt transfers which may occur. For example, if Owner A owns a Lot at the time the Amendment is Recorded but conveys title to his Family Trust after the Amendment is Recorded, then the Family Trust will be treated as the Owner of the Lot prior to Recording of the Amendment if and when the Family Trust sells the Lot to a member of the general public.

(g) Relationship to New Member Fee. This Amendment does not alter or amend an Owner's obligation to pay a New Member Fee required by a Supplemental or Additional Declaration Recorded by the Declarant. Provided, however, that if an Owner is obligated to pay a New Member Fee pursuant to a Supplemental or Additional Declaration, then that Owner is only required to pay the portion of the Asset Enhancement Fee that exceeds the amount of the New Member Fee, if any.

PART FOUR: COMMUNITY DEVELOPMENT

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

ARTICLE IX
EXPANSION OF THE COMMUNITY

9.1. Expansion by Declarant.

Declarant may from time to time subject to the provisions of this Declaration all or any portion of the property described in Exhibit "B" by Recording a Supplemental Declaration describing the additional property to be subjected. A Supplemental Declaration Recorded pursuant to this Section shall constitute an "amendment" pursuant to Section 116.2110 of the Act, but shall not require the consent of any Person except the owner of such property, if other than Declarant. Declarant's right to expand the community includes the right to create Lots, Common Area and Limited Common Area with respect to such annexed property. Declarant's right to expand the Properties pursuant to this Section shall expire when all property described in Exhibit "B" has been subjected to this Declaration. Until then, Declarant may transfer or assign this right to any Person who is the developer of at least a portion of the real property described in Exhibits "A" or "B." Any such transfer shall be memorialized in a written. Recorded instrument executed by Declarant.

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

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

9.2. Expansion by the Association.

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

9.3. Additional Covenants and Easements.

Declarant may subject any portion of the Properties to additional covenants and easements, including covenants obligating the Association to maintain and insure such property and authorizing the Association to recover its costs through Neighborhood Assessments. Such

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

9.4. Effective Date of Supplemental Declaration.

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

ARTICLE X
ADDITIONAL RIGHTS RESERVED TO DECLARANT

10.1. Withdrawal of Property.

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

10.2. Marketing and Sales Activities.

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

10.3. Right to Develop.

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

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

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

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

10.5. Right to Approve Additional Covenants.

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

10.6. Right to Prove Changes in Community Standards.

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

10.7. Right to Merge or Consolidate the Association.

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

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

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

10.9. Right to Transfer or Assign Declarant Rights.

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

10.10. Easement to Inspect and Right to Correct.

(a) Easement. Declarant reserves for itself and such other Persons as it may designate perpetual, non-exclusive easements throughout Sun City Anthem to the extent reasonably necessary for the purposes of accessing, inspecting, resting, redesigning, correcting, or

improving any portion of Sun City Anthem, including this and the Area of Common Responsibility. Declarant shall have the right to redesign, correct, or improve any part of Sun City Anthem, including Lots and the Area of Common Responsibility,

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

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

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

10.11. Exclusive Rights to Use Name of Development.

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

10.12. Del Webb Marks.

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

10.13. Vacation Villas.

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

Owners of Vacation Villas located within the Properties shall be Members of the Association. Declarant may transfer or lease Vacation Villas and make Vacation Villas available for use by guests selected in its discretion. Occupants of the Vacation Villas shall have a non-

exclusive easement for use, access, and enjoyment in and to the Common Area, including but not limited to any recreational facilities within the Common Area. The Board shall assign activity or use privilege cards to Declarant on behalf of all owners of Vacation Villas for the purpose of exercising such easement. Vacation Villas shall remain Vacation Villas until Declarant otherwise provides in written notice to the owner of such Vacation Villa and to the Association.

10.14. Equal Treatment.

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

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

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

(c) limits or prevents purchasers of now residential housing constructed by Declarant, its successors, assigns. and affiliates in Sun City Anthem from becoming members of the Association or enjoying full use of its Common Areas, subject to the membership provisions of this Declaration and the By taws;

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

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

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

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

10.15. Right to Use Common Area for Special Events.

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

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

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

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

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

10.16. Sales by Declarant.

Notwithstanding the restriction set forth In Section 3.1, Declarant reserves the right to sell Lots to Persons between 50 and 55, inclusive years or age; provided, such sales shall not affect Sun City Anthem's compliance with all applicable State and Federal lasts under which the Properties may be developed and operated as an age-restricted community.

10.17. Termination of Rights.

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

PART FIVE: PROPERTY RIGHTS WITHIN THE COMMUNITY

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

ARTICLE XI
EASEMENTS

11.1. Easements in Common Area.

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

(a) the Governing Documents and any other applicable covenants;

(b) any restrictions or limitations contained in any deed conveying such property to the Association;

(c) the Board's right to:

(i) adopt rules regulating the use and enjoyment of the Common Area, including rules limiting the number of guests who may use the Common Area;

(ii) suspend the right of an Owner to use recreational facilities within the Common Area:

(A) for any period during which any charge against such Owner's Lot remains delinquent; and

(B) for a period not to exceed 30 days for a single violation or for a longer period in the case of any continuing violation, of the Governing Documents after notice and a hearing pursuant to Section 3.26 of the By-Laws;

(iii) dedicate or transfer all or any part of the Common Area, subject to such approval requirements as may be set forth in this Declaration;

(iv) impose reasonable membership requirements and charge reasonable admission or other use fees for the use of any recreational facility situated upon the Common Area;

(v) permit use of any recreational facilities situated on the Common Area by persons other than Owners, their families, lessees, and guests upon payment of use fees established by the Board;

(vi) mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to the approval requirements set forth in Sections 17.5 and 20.4;

(vii) limit the use of those portions of the Common Area designated "Limited Common Areas," as described in Article X1i to the exclusive use of certain Owners; and,

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

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

(c) the requirement that access to and use of recreational facilities within the Properties shall be subject to the presentation of an Activity Card issued by the Association for such purpose and as provided under Article XV of the Declaration.

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

11.2. Easements of Encroachment.

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

11.3. Easements for Utilities. Etc.

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

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

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

(iii) reading utility meters.

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

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

11.4. Easements to Serve Additional Property.

Declarant hereby reserves for itself and its duly authorized agents, successors, assigns, and mortgagees, an easement over the Common Area for the purposes enjoyment, use, access,

and development of the property described in Exhibit "B"; whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads and for connecting and installing utilities on such property.

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

11.5. Easements for Maintenance, Emergency and Enforcement.

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

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

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

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

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

Person liable for damage resulting from flooding due to hurricanes, heavy rainfall, or other natural occurrences.

11.7. Easements for Cross-Drainage.

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

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

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

11.9. Easements for Golf Course.

(a) The Properties are burdened with an easement permitting golf balls unintentionally to come upon such areas, and for golfers at reasonable times and in a reasonable manner to come upon the Common Area or common property of a Neighborhood to retrieve errant golf balls. The existence of this easement shall not relieve golfers of liability for damage caused by errant golf balls.

Under no circumstances shall any of the following Persons be held liable for any damage or injury resulting from arrant golf balls or the exercise of this easement: Declarant; the Association or its Members (in their capacities as such); the Council or its members; Del Webb Communities. Inc., its successors, successors-in-title to the golf course, or assigns; any builder or contractor (in their capacities as such); any agent, officer, director, or partner of any of the foregoing, or any officer or director of any partner.

(b) The owner of any golf course within or adjacent to any portion of the Properties, its agents, successors, and assigns, shall at all times have a right and non-exclusive easement of access and use over those portions of the Common Areas reasonably necessary to the operation, maintenance, repair, and replacement of its golf course.

(c) Any portion of the Properties immediately adjacent to any golf course is hereby burdened with a non-exclusive easement in favor of the adjacent golf course for overspray of water from the irrigation system serving such golf course. Under no circumstances shall the Association or the owner of such golf course be held liable for any damage or injury resulting from such overspray or the exercise of this easement.

(d) The owner of any golf course within or adjacent to any portion of the Properties, its successors and assigns, shall have a perpetual, exclusive easement of access over the Properties for the purpose of retrieving golf balls from bodies of water within the Common Areas lying reasonably within range of golf balls hit from its golf course.

(e) The owner of any golf course within or adjacent to any portion of the Properties, its successors, and assigns, as well as its agents, members, guests, invitees, employees, and authorized users of such golf course, shall at all times have a right and non-exclusive easement of access and use over all roadways and golf cart paths, if any, located or to be located within the Properties and reasonably necessary to travel to and from the golf course. The Association shall permit the parking of vehicles on the streets within the Properties at reasonable times before, during, and after golf tournaments and other similar functions held at the golf course.

ARTICLE XII
LIMITED COMMON AREAS

12.1. Purpose.

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

12.2. Designation.

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

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

12.3 Use by Others.

The Association may, upon approval of a Majority of the Owners of or upon approval of the board of directors of a Neighborhood Association (if applicable) for the Neighborhood(s) to which any Limited Common Area is assigned, permit Owners of Lots in other Neighborhoods to use all or a portion of such Limited Common Area upon payment of reasonable user fees, which fees shall be used to offset the Neighborhood Expenses attributable to such Limited Common Area.

ARTICLE XIII
PARTY WALLS AND OTHER SHARED STRUCTURES

13.1 General Rules of Law to Apply.

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

13.2 Maintenance, Damage, and Destruction.

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

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

13.3. Right to Contribution Runs with Land.

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

13.4. Disputes.

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

ARTICLE XIV
GOLF COURSE

14.1. Assumption of Risk and Indemnification.

Each Owner, by its purchase of a Lot in the vicinity of any golf course, hereby expressly assumes the risk of noise, personal injury or property damage caused by maintenance and operation of any such golf course, including, without limitation: (a) noise from maintenance equipment (it being specifically understood that such maintenance typically takes place around sunrise or sunset), (b) noise caused by golfers, (c) use of pesticides, herbicides and fertilizers, (d) use of effluent in the irrigation of the golf course, (e) reduction in privacy caused by constant golf traffic on the golf course or the removal or pruning of shrubbery or trees on the golf course, (t) errant golf balls and golf clubs, and (g) design or redesign of the golf course.

Each such Owner agrees that Declarant, the Association, the Council, and any of Declarant's affiliates or agents shall not be liable to Owner or any other person claiming any loss or damage, including, without limitation, indirect, special or consequential loss or damage arising from personal injury, destruction of property, trespass, loss of enjoyment or any other alleged wrong or entitlement to remedy based upon, due to, arising from or otherwise related to

the proximity of Owner's Lot to the golf course, including, without limitation, any claim arising in whole or in part from the negligence of Declarant, any of Declarant's affiliates or agents, the Association, or the Council. The Owner hereby agrees to indemnify and hold harmless Declarant, Declarant's affiliates and agents, the Association, and the Council against any and all claims by Owner's visitors, tenants and others upon such Owner's Lot.

14.2 View Impairment.

Declarant, the Association, and the Council do not guarantee or represent that any view over and across any golf course from adjacent Lots will be preserved without impairment. No provision of this Declaration shall be deemed to create an obligation of the Association, Declarant, or the Council to relocate, prune, or thin trees or other landscaping except as provided in Article V. The owner of the golf course, if any, may in its sole and absolute discretion, add trees and other landscaping to such golf course from time to time. In addition, the owner of any golf course may, in its sole and absolute discretion, change the location, configuration, size, and elevation of the tees, bunkers, fairways, and greens on such golf course from time to time. Any such additions or changes to such golf course may diminish or obstruct any view from the Lots and any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed. Any such addition or change to any golf course may not adversely affect drainage flow across the properties.

ARTICLE XV
ACTIVITY CARDS

15.1. Issuance by the Board.

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

15.2 Assignment of Rights.

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

15.3. Vacation Villas.

Each Vacation Villa, as described in Section 10.13, located within the Properties shall be allocated three Activity Cards for use by the temporary Occupants of the Vacation Villa. Vacation Villas located adjacent to the Properties may be issued Activity Cards based on the

arrangements set forth in a contract or covenant to share costs between the Association and the owner of such Vacation Villas. Additional Activity Cards shall be issued to Declarant upon request with payment of the then current charge for additional Activity Cards, In the event that no "then current charge" Is in effect at the time of such request, the charge for additional Activity Cards for Vacation Villas shall be determined in the reasonable discretion of Declarant.

15.4. Issuance to Declarant.

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

PART SIX: RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY

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

ARTICLE XVI
DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

16.1. Prerequisites to Actions Against Declarant.

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

16.2. Consensus for Association Litigation.

Except as provided in this Section, the Association or a Neighborhood Association shall not commence a judicial or administrative proceeding without first providing at least 21 days written notice of a meeting to consider such proposed action to its Members. Taking such action shall require the vote of Owners of 75% of the total number of Lots in the Association or in the Neighborhood Association, as appropriate. This Section shall not apply, however, to (a) actions brought by the Association to enforce the Governing Documents (including, without limitation, the collection of assessments and the foreclosure of liens); (b) counterclaims brought by the Association in proceedings instituted against it; or (c) actions to protect the health, safety, and welfare of the Members. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

16.3. Alternative Method for Resolving Disputes.

Declarant, the Association, any Neighborhood Association, their officers, directors, and committee members, all Persons subject to this Declaration, and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes involving the Properties, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that those claims, grievances, or disputes described in Sections 16.4 ("Claims") shall be resolved using the procedures set forth in Section 16.5 in lieu of f ling suit in any court.

16.4 Claims.

Unless specifically exempted below all Claims arising out of or relating to the interpretation, application, or enforcement of the Governing Documents, or the rights, obligations, and duties of any Bound Party under the Governing Documents or relating to the design or construction of improvements on the Properties shall be subject to the provisions of Section 16.5.

Notwithstanding the above, unless all parties thereto otherwise agree, the following shall not constitute a Claim and shall not be subject to the provisions of Section 16.5:

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

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

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

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

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

(f) any suit as to which any applicable statute of limitations would expire within 90 days of giving the Notice required by Section 16.5(a), unless the party or parties against whom the Claim is made agree to toll the statute of limitations as to such Claim for such period as may reasonably be necessary to comply with this Article.

With the consent of all parties thereto, any of the above may be submitted to the alternative dispute resolution procedures set forth in Section 16.5.

16.5. Mandatory Procedures.

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

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

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

(iii) Claimant's proposed remedy; and

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

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

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

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

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

The Association must satisfy the mediation or arbitration process under the direction of the Nevada Real Estate Division and in compliance with Nevada Revised Statutes,

16.6 Allocation of Costs of Resolving Claims.

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

16.7. Enforcement of Resolution.

After resolution of any Claim through negotiation or mediation, if any Party fails to abide by the terms of any agreement, then any other Party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in Section 16.5. In such event, the Party taking action to enforce the agreement shall be entitled to recover from the non-complying Party (or if more than one noncomplying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement, including, without limitation, attorneys' fees and court costs,

16.8. Attorneys' Fees.

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

The following diagram depicts the dispute resolution process:

DISPUTE RESOLUTION TIMELINE

Claim Between Bound Parties

Day 1	Days 1-30	Days 30-60	Days 60-90+
• Factual Basis • Legal Basis • Propose a resolution • Propose a meeting • Send by hand delivery or First class mail • Send copy to Board	• Good faith effort • Parties meet within the Properties • May request Board assistance • If unsuccessful written termination sent by Claimant to Respondent and Board	• Claimant must submit Claim • Mediator assigned by agency under pre-arranged agreement • If Claim is not submitted, it is waived	• Agency supplies rules • Fee split between Parties • Written summary from each side • Supervised negotiation • Contractual settlement or • Termination of mediation

ARTICLE XVII
MORTGAGEE PROVISIONS

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

17.1. Notices of Action.

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

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

(b) Any delinquency in the payment of assessments or charges owed by a Lot subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of 60 days, or any other violation of the Governing Documents relating to such Lot or the Owner or Occupant which is not cured within 60 days:

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

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

17.2 No Priority.

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

17.3. Notice to Association.

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

17.4. Failure of Mortgagee to Respond.

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

17.5. HUD/VA Approval.

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

ARTICLE XVIII
PRIVATE AMENITIES

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

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

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

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

PART SEVEN: CHANGES IN THE COMMUNITY

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

ARTICLE XIX
CHANGES IN OWNERSHIP OF LOTS

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

ARTICLE XX
CHANGES IN COMMON AREA

20.1 Condemnation.

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

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

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

20.2 Partition.

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

20.3 Transfer at Dedication or Common Area.

The Association may dedicate portions of the Common Area to Clark County, Nevada, or to any other local, state, or federal governmental or quasi-governmental entity, subject to such approval as may be required by Sections 17.5 and 20.4.

20.4 Actions Requiring Owner Approval.

If either the U.S. Department of Housing and Urban Development or the U.S. Department of Veterans Affairs is insuring or guaranteeing the Mortgage on any Lot, then the following actions shall require the prior approval of Home Owners representing not less than sixty-seven percent (67%) of the total votes held by Home Owners in the Association and the consent of Declarant, if such exists: merger, consolidation, or dissolution of the Association; annexation of additional property other than that described in Exhibit "B"; and dedication, conveyance, or mortgaging of Common Area. Notwithstanding anything to the contrary in Section 20.1 or this Section, the Association, acting through the Board, may grant easements over the Common Area for installation and maintenance of utilities and drainage facilities and for other purposes not inconsistent with the intended use of the Common Area without the approval of the membership.

20.5 Delivery of Amendments of Owners.

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

20.6 Liberal Construction to Comply with the Act.

It is the intention of Declarant that this Amended and Restated Declaration be liberally construed to conform to the provisions of the Act, as amended by SB 451. To the extent that it does not expressly conform to the Act, as amended, this Declaration shall be deemed to conform with the Act by operation of law.

ARTICLE XXI
AMENDMENT OF DECLARATION

21.1 Corrective Amendments.

In addition to specific amendment rights granted elsewhere in this Declaration, until conveyance of the first Lot to a Home Owner, Declarant may unilaterally amend this Declaration for any purpose. Thereafter, Declarant, or the Board with consent of the Declarant, unilaterally may amend this Declaration if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to citable any reputable title insurance company to issue title insurance coverage on the Lots: (c) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase; insure, or guarantee mortgage loans on the Lots: or (d) to satisfy the requirements of any local, state, or federal governmental agency.

However, any such amendment shall not adversely affect the title to any Lot unless the Owner shall consent in writing.

21.2 By Owners.

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

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

21.3. Validity and Effective Date.

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

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

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

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

21.4 Exhibits.

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

21.5 Severability.

(a) The inclusion of a provision in the Governing Documents that violates any provision of the Act does not render any other provisions of the Governing Documents invalid or otherwise unenforceable if the other provisions can be given effect in accordance with their original intent.

(b) In the event of a conflict between the provisions of the Declaration and the By-Laws, the Declaration prevails except to the extent the Declaration is inconsistent with the Act.

IN WITNESS WHEREOF, this Third Amended and Restated Declaration has been executed by the Association as of the date first written above. The undersigned hereby certify that this Second Amendment has been adopted and approved in accordance with the Act.

By: _____
Michael A. Dixon
Its: President

By: Rosalyn Berman
Rosalyn Berman
Its: Vice President/Treasurer

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On the 14 day of May, 2008, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Michael A. Dixon, personally known by me or proved to me to be the person whose name is subscribed to the foregoing Third Amended and Restated Declaration of Covenants, Conditions and Restrictions of Sun City Anthem Community Association, Inc. and who acknowledged to me that she/he executed the same.

Dayna Goulet
NOTARY PUBLIC

DAYNA GOULET
NOTARY PUBLIC
STATE OF NEVADA
APPT. No. 06-108598-1
MY APPT. EXPIRES MAY 22, 2010

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On the 14 day of May, 2008, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Rosalyn Berman, personally known by me or proved to me to be the person whose name is subscribed to the foregoing Third Amended and Restated Declaration of Covenants, Conditions and Restrictions of Sun City Anthem Community Association, Inc. and who acknowledged to me that she/he executed the same.

Dayna Goulet
NOTARY PUBLIC

DAYNA GOULET
NOTARY PUBLIC
STATE OF NEVADA
APPT. No. 06-108598-1
MY APPT. EXPIRES MAY 22, 2010

Exhibit "A"

Land Initially Submitted

All of Sun City Anthem Unit No. 1 as shown by map thereof on file in Book 84 Page 55 of Plats in the office of the County Recorder of Clark County, Nevada

All of Sun City Anthem Unit No 2 as shown by map thereof on file in Book 84 Page 62 of Plats in the office of the County Recorder of Clark County, Nevada.

All of Sun City Anthem Unit No. 3 as shown by map thereof on file in Book 84 Page 67 of Plats in the office of the County Recorder of Clark County Nevada.

All of Sun City Anthem Unit No. 3A as shown by Map thereof on file in Book 94 of Plats, Page 67, in the office of the County Recorder of Clark County, Nevada.

All of Sun City Anthem Unit No 4 Phase 1 as shown by Map thereof on file in Book 86 of Plats, Page 69, in the office of the County Recorder of Clark County, Nevada.

All of Sun City Anthem Unit No. 4 Phase 2 as shown by Map thereof on file in Book 90 of Plats, Page 14, in the office of the County Recorder of Clark County, Nevada.

All of Sun City Anthem Unit No. 4 Phase 3 as shown by Map thereof on file in Book 90 of Plats, Page 21, in the office of the County Recorder of Clark County, Nevada.

All of Sun City Anthem Unit No. 5 as shown by Map thereof on file in Book 92 of Plats, Page 24, in the office of the County Recorder of Clark County, Nevada.

All of Sun City Anthem Vacation Getaways as shown by Map thereof on file in Book 86 of Plats Page 87, in the office of the County Recorder of Clark County, Nevada

All of Sun City Anthem Unit No.7 as shown by Map thereof on file in Book 92 of Plats, Page 74, in the office of the County Recorder of Clark County, Nevada.

All of Sun City Anthem Unit No. 8 as shown by Map thereof on file in Book 90 of Plats, Page 80, in the office of the County Recorder of Clark County, Nevada.

All of Sun City Anthem Unit No. 8A as shown by Map thereof on file in Book 92 of Plats, Page 93, in the office of the County Recorder of Clark County, Nevada.

All of Sun City Anthem Unit No. as shown by Map thereof on file in Book 95 of Plats, Page 02, in the office of the County Recorder of Clark County, Nevada.

All of Sun City Anthem Unit No. 10 as shown by Map thereof on file in Book 93 of Plats, Page 25, in the office of the County Recorder of Clark County, Nevada.

All of Sun City Anthem Unit No. 11 as shown by Map thereof on file in Book 95 of Plats, Page 02, in the office of the County Recorder of Clark County, Nevada.

EXHIBIT "B"

Land Subject to Annexation

All or portions of Sections 11, 12, 13, 14 and 24 of Township 23 South, Range 61 East and Sections 5, 6, 7, 8, 17, 18, 19, and 20 of Township 23 South, Range 62 East.

Any contiguous property with a 2 mile radius of the above property.

Exhibit "A"

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All or portions of Sections 11, 12, 13, 14 and 24 of Township 23 South, Range 61 East and Sections 5,6, 7, 8, 17, 18, 19, and 20 of Township 23 South, Range 62 East.

Any contiguous property with a 2 mile radius of the above property.

EXHIBIT "C"

THIRD

AMENDED AND RESTATED BY-LAWS

OF

SUN CITY ANTHEM

COMMUNITY ASSOCIATION, INC.

TABLE OF CONTENTS

THIRD

AMENDED AND RESTATED BY-LAWS

OF

SUN CITY ANTHEM

COMMUNITY ASSOCIATION, INC.

This THIRD AMENDED AND RESTATED BYLAWS OF SUN CITY ANTHEM COMMUNITY ASSOCIATION, INC. (the "Third Amendment") is made this _____ day of May, 2008, by Sun City Anthem Community Association, Inc., a Nevada nonprofit corporation. All capitalized terms used herein shall have the meaning ascribed to such terms in the Third Amended and Restated Declaration of Covenants, Conditions and Restrictions for Sun City Anthem, unless otherwise defined herein.

RECITALS

WHEREAS, on June 17, 1998, Del Webb Communities, Inc., an Arizona corporation, ("Declarant") formed Sun City Anthem Community Association, Inc., a Nevada nonprofit corporation by filing the Articles of Incorporation in the Office of the Nevada Secretary of State;

WHEREAS, on June 29, 1998, Declarant recorded the Declaration of Covenants, Conditions and Restrictions for Sun City Anthem in the Office of the County Recorder, Clark County, Nevada, in Book No. 980629, as Instrument No. 00719 (the "Declaration");

WHEREAS, the Declaration provides that the Association shall be operated by a Board of Directors (the "Board");

WHEREAS, on July 26, 1998, the Board adopted the By-Laws of Sun City Anthem Community Association, Inc.;

WHEREAS, the 1999 Nevada Legislature adopted Senate Bill ("SB") 451, which became effective on October 1, 1999, and which made certain changes to the Unified Common-Interest Ownership Act, codified as Nevada Revised Statutes Chapter 116 (the "Act");

WHEREAS, on October 30, 2000, the Association adopted the Amended and Restated By-Laws of Sun City Anthem Community Association, Inc. (the "Amended and Restated By-Laws") for the sole purpose of bringing the By-Laws into compliance with the changes set forth in SB 451;

WHEREAS, on January 22, 2004, during the Declarant Control period, the Association and Declarant adopted the First Amendment to the Amended and Restated By-Laws of Sun City Anthem Community Association, Inc. in order to increase the number of directors serving on the Board and to add an additional Home Owner to serve on the Board prior to the expiration of the Declarant Control period;

WHEREAS, the 2003 Nevada Legislature adopted SB 100, 136, and 359 which became effective on October 1, 2003, and which certain made additional changes to the Act;

WHEREAS, on April 15, 2004, the Association adopted the Second Amendment to the Amended and Restated By-Laws of Sun City Anthem Community Association, Inc. in order to bring the Amended and Restated By-Laws into compliance with the Act;

WHEREAS, the 2005 Nevada Legislature adopted SB 325, which became effective on October 1, 2005, and which made certain additional changes to the Act;

WHEREAS, on April 18, 2008, the Board adopted the Second Amended and Restated By-Laws of Sun City Anthem Community Association, Inc. (the "Second Amended and Restated By-Laws") for the purpose of consolidating the First Amended and Restated By-Laws and the amendments thereto into a single document and to bring the First Amendment and Restated Bylaws into compliance with the Act;

WHEREAS, after adopting the Second Amended and Restated By-Laws, the Board discovered that certain amendments that had been previously adopted had been inadvertently omitted from the Second Amended and Restated By-Laws; and

WHEREAS, the Board desires to amend and restate the Second Amended and Restated By-Laws in order to insert the previous amendments that were inadvertently omitted.

NOW, THEREFORE, the Third Amended and Restated By-Laws are hereby amended and restated as follows:

ARTICLE I
NAME; PRINCIPAL OFFICE; DEFINITIONS

1.1. Name. The name of the corporation is Sun City Anthem Community Association, Inc., a Nevada nonprofit corporation (the "Association").

1.2. Principal Office. The Association's principal office shall be located in Henderson, Nevada. The Association may have such other offices, either within or outside the State of Nevada, as the Board of Directors may determine or as the Association's affairs may require.

1.3. Application. The provisions of these By-Laws are applicable to Sun City Anthem which is located in Henderson, Nevada. All present and future Owners and their tenants, future tenants, employees and any other Person who might use the facilities of Sun City Anthem in any manner are subject to these By-Laws and that certain Declaration of Covenants, Conditions, and Restrictions for Sun City Anthem (the "Declaration") recorded in the Office of the County Recorder of Clark County, Nevada. The mere acquisition or lease of any Lot or Dwelling Unit in the community will signify that the acquirer or tenant accepts, ratifies, and agrees to comply with these By-Laws.

1.4. Definitions. The words used in these By-Laws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in the Declaration, unless the context indicates otherwise.

ARTICLE II
ASSOCIATION: MEMBERSHIP; MEETINGS; QUORUM; VOTING; PROXIES

2.1. Membership. The Association shall have one class of membership as more fully set forth in the Declaration, the terms of which pertaining to membership are incorporated by this reference.

2.2. Place of Meetings. Meetings of the Association Members shall be held within the Properties or at such other suitable place as the Board may designate.