

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF MONTEREY GRAND MANOR CONDOMINIUM APARTMENT HOMES**

This Declaration of Covenants, Conditions and Restrictions, hereinafter called "Declaration", is made and executed in Clark County, State of Nevada, this 7th day of August, 1972, by WBC DEVELOPMENT, a Limited Partnership, recorded on July 26, 1972 in Book 249 as Document No. 208991, hereinafter called "Declarant", pursuant to the provisions of the Nevada Condominium Act.

WHEREAS, Declarant is the owner of certain real property in Clark County, Nevada, being a portion of the SE of Section 21, Township 21 South, Range 61 East, M.D.B. & M., as more particularly described on Exhibit A attached and made a part hereof.

And Whereas, Declarant has concurrently herewith filed for a record a Condominium Map which is intended to and does divide the said property into condominiums which Declarant intends to sell and convey to various purchasers subject to Declaration of Covenants, Conditions and Restrictions herein contained.

And, WHEREAS, Declarant intends to sell such condominiums, together with all appurtenances thereto, subject to the provision of the aforesaid act as a condominium project, and to impose upon said property mutually beneficial restrictions under a general plan of improvement for the benefit of all of said condominiums and Owners thereof.

NOW, THEREFORE, the Declarant does hereby publish and declare that all of the property described above is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved subject to the following covenants, conditions, restrictions, uses, limitations, and obligations, all of which are declared and agreed to be in furtherance of a plan for the improvement of said property and the division thereof into condominiums, and shall be deemed to run with the land and shall be a burden and a benefit to Declarant, its successors and assigns and any person acquiring or owning an interest in the real property and improvements, their grantees, successors, heirs, executors, administrators and assigns.

1. Definitions: Certain terms are used in this Declaration and shall be defined as follows, unless the context clearly indicates a different meaning therefore:

- (a) "Declarant" shall mean WBC DEVELOPERS, a Nevada Limited Partnership, which has made and executed this Declaration;
- (b) "Declaration" shall mean this instrument by which the Monterey Grand Manor Condominium Apartment Homes project is established as provided for under the Nevada Condominium Act (NRS Chapter 117).
- (c) "Project" shall mean the entire parcel of real property referred to in this Declaration to be divided into condominiums;
- (d) "Map" shall mean the Subdivision Map for Condominium Purposes of Monterey Grand Manor filed for record herewith by Declarant;

(e) "Unit shall mean the elements of a condominium which are not owned in common with the owners of other condominiums in the project as shown on the Map. The boundary lines of each Unit are the interior unfinished surfaces of its perimeter walls, bearing walls, floors, ceiling, windows and window frames, doors and door frames, and trim, and includes both the portions of the subdivided building so described and the air space so encompassed;

(f) "Common Area" shall mean all land and all portions of the subdivided property not located within a Unit, and also includes, but not by way of limitation, control heating, refrigeration and air conditioning equipment, roofs, foundations, pipes, ducts, flues, chutes, conduits, wires and other utility installations to the outlets, bearing walls, columns and girders, to the interior surfaces thereof regardless of

(g) "Condominiums" shall mean the entire estate and they may not be separated in the real property owned by any Owner, consisting of two inseparable parts: (i) an undivided interest in the common area, and (ii) ownership of a separate interest in a Unit,

(h) "Owner" shall mean any person with an ownership interest in a condominium in the project;

(i) "Board" shall mean the governing body of the project, elected pursuant to Paragraph 5 hereof;

(j) "Manager" shall mean the person or firm designated by the Board to manage the affairs of the project;

(k) "Mortgage" shall mean a deed of trust as well as a mortgage;

(l) "Mortgagee" shall mean a beneficiary under or holder of a deed of trust as well as a mortgage;

(m) "Record" shall mean to file of record with the Office of the County Recorder of Clark County, Nevada;

(n) "Condominium Act" shall mean the Nevada Condominium Act (Title 10, Chpt. 117, Nevada Revised Statutes).

2. Voting: At any meeting of the Owners each Owner, including Declarant, shall be entitled to one vote for each Unit owned by him. Any Owner may attend and vote at such meeting in person, or by an Agent duly appointed by an instrument in writing signed by the Owner and filed with the Board or the Manager. Any designation of any agent to act for an Owner may be revoked at any time by written notice to the Board or Manager and shall be deemed revoked when the Board or the Manager shall receive actual notice of the death or judicially declared incompetence of such Owner or the conveyance by such Owner of his condominium. Where there is more than one record Owner of a Unit, any or all of such persons may attend any meeting of the owners, but it shall be necessary for those present to act unanimously in order to cast the vote to which they are entitled. All such persons must sign any designation or an agent to act for such persons. Declarant shall be entitled to one vote for each Unit owned by Declarant.

3. Meetings: The presence at any meeting of Owners in person or by proxy having a majority of the total votes entitled to be cast shall constitute a quorum. In the event that quorum is not present at any meeting, the Owners present, though less than a quorum, may adjourn the meeting to a time certain not less than 5 days nor more than 30 days thereafter to a later date and give notice thereof to all Owners in accordance with the provisions of Paragraph 4 hereof, and at that meeting the presence of Owners holding by person or proxy 30 percent of the total votes shall constitute a quorum for the transaction of business; but in the event a quorum is not present at their meeting, the Owners present, though less than a quorum, may adjourn the

meeting to a time certain not less than 5 days nor more than 15 days thereafter and give notice thereof to all the Owners in accordance with Paragraph 4 and, at that adjourning meeting. Owners who are present in person or proxy shall constitute a quorum. Unless otherwise expressly provided in this Declaration, any action may be taken at any meeting of the Owners upon the affirmative vote of a majority of the Owners present and voting provided that a quorum is present as provided for above.

(a) Annual Meetings: There shall be a meeting of the Owners on the second Tuesday of March of each year at 8:00 P.M. at the project or at such other place in the Las Vegas Valley as the Board may designate (not more than 60 days before or after such date) as may be designated by written notice of the Board delivered to the Owners not less than 10 days prior to the date fixed for said meeting. At the annual meeting, the Board shall present a certified audit of the common expenses, itemizing receipts and disbursements for the preceding calendar year, the allocation thereof to each Owner, and the estimated common expenses for the coming calendar year. Within 10 days after the annual meeting, said statement shall be delivered to the Owners not present at said meeting.

(b) Special Meetings: Special meetings of the Owners may be called at any time for the purpose of considering matters which, by the terms of this Declaration require the approval of the Owners. Said meetings shall be called by written notice, signed by a majority of the Board, or by the Owners having 1/5 of the total votes and delivered not less than 10 days prior to the date fixed for said meeting. Said notices shall specify the date, time, and place of meeting, and the matters to be considered thereat.

4. Notices: Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been deposited in the United States mail, postage prepaid, addressed to each such person at the address given by such person to the Board or Manager for the purpose of service of such notice or to the Unit of such person if no address has been given to the Manager.

5. Election and Proceedings of the Board:

(a) Election: At each annual meeting, the Owners shall elect a Board of Governors for the forthcoming year, consisting of 5 Owners, provided, however, that the first Board elected hereunder may be elected at a special meeting duly called, said Board to serve until the first annual meeting. Every Owner entitled to vote at any election of members of the Board may cumulate his votes and give one candidate a number of votes equal to the number of members of the Board to be elected, multiplied by the number of votes to which such Owner is otherwise entitled, or distribute his votes on the same principal among as many candidates as he thinks fits. The candidates receiving the highest number of votes up to the number of members of the Board to be elected shall be deemed elected.

(b) Term: Members of the Board shall serve for a term of 2 years, provided that three of the five members of the first Board elected shall serve for a one-year term. The other two shall serve for a two-year term. The members of the Board shall serve until their respective successors are elected, or until their death, resignation or removal, provided that if any member ceases to be an Owner, his membership on the Board shall thereupon terminate.

(c) Resignation and Removal: Any member of the Board may resign at any time by giving written notice to the Manager, and any member may be removed from membership on the Board by a majority vote of the Owners, present at a meeting held as provided in Paragraph 3.

(d) Proceedings: Three members of the Board shall constitute a quorum and, if a quorum is present, the decision of a majority of those present shall be the act of the Board. Their Board shall elect a chairman, who shall preside over both its meeting and those of the Owners.

Meetings of the Board may be called, held and conducted in accordance with such regulations as the Board may adopt. The Board may also act without a meeting by unanimous written consent of its members.

(e) Declarant Performs Functions: Until the first election of the Board, Declarant shall exercise the right, duties, and functions of the Board.

6. Authority of the Board: The Board, for the benefit of the condominiums and the Owners, shall enforce the provisions hereof and shall acquire and shall, out of the common expense fund hereinafter provided for, pay the following:

(a) Water, sewer, garbage, electrical, telephone and gas and other necessary utility services as well as maintenance of the grounds for the common area.

(b) All taxes, assessments, utility services and other charges not separately billed to the individual owner and in turn include the pro-rata purchase thereof in the owners assessment.

(c) The amount of any bond or deposit required to be posted by the Clark County Sanitation District or other utility as collateral for the payment of service fees.

(d) A policy or policies of fire insurance as the same are more fully set forth in Paragraph 24 of this Declaration with extended coverage endorsement, for the insurable replacement value of the Units and common Area, payable as provided in Paragraph 24, or such other fire and casualty insurance as the Board shall determine gives substantially equal or greater protection to the Owners, and their mortgagors, as their respective interests may appear.

(e) A policy or policies as the same are more fully set fourth in Paragraph 24 of this Declaration insuring the Board, the Owners and the Manger against any liability to the public or to the Owners (of units and of the common Area, and their invitees or tenants), incident to the ownership and / or use of the project, and including the personal liability exposure of the Owners. Limits of liability under such insurance shall not be less than Three Hundred Thousand Dollars (\$300,000.00) for any one person injured, for any one accident, and Ten Thousand Dollars (\$10,000.00) for property damage for each occurrence (such limits and coverage to be reviewed at least annually by the Board and increased in its discretion). Said policy or policies shall be issued on a comprehensive liability basis and shall provide cross liability endorsement wherein the rights of named insured's under the policy or policies shall not be prejudiced as respect his, her or their action against another named insured.

(f) Workman's compensation insurance to the extent necessary to comply with any applicable laws.

(g) The services of a person or firm to manage its affairs (herein called the "Manager") to the extent deemed advisable by the Board as well as such other personnel as the Board shall determine shall be necessary or proper for the operation of the Common Area, whether such personnel are employed directly by the Board or are furnished by the Manager.

(h) Legal and accounting services necessary or proper in the operation of the Common Area or the enforcement of this Declaration.

(i) A fidelity bond naming the Manager, and such other persons as may be designated by the Board as principals and the owners as obliges for the first year in an amount at least equal to the estimated cash requirement for that year as determined under Paragraph 8 hereof, and for each year thereafter in an amount at least equal to the total sum collected through the common expense fund during the preceding year.

(j) Painting, maintaining, repairing, and all landscaping of the Common Area, and such furnishings and equipment for the Common Area as the Board shall determine are necessary and proper, and the Board shall have the exclusive right and duty to acquire the same for the Common Area; provided, however, that the interior surfaces of each Unit (and the interior surfaces of other areas, the exclusive use of which is reserved to the Owner by easement) shall be painted, maintained and repaired by the Owners thereof, all such maintenance to be at the sole cost and expense of the particular Owner.

(k) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Board is required to secure or pay for pursuant to the terms of this Declaration or by law or which in its opinion shall be necessary or proper for the operation of the Common Area or the enforcement of this Declaration, provided that if any such materials, supplies, furniture, labor, services, maintenances, repairs, structural alterations, insurance, taxes or assessments are provided for particular Units, the cost hereof shall be especially assessed to the Owners of such units.

The Board shall also pay any amount necessary to discharge any lien or encumbrance levied against the entire property or any part thereof which may in the opinion of the Board constitute a lien against the Common Area, rather than merely against the interests therein of particular Owners. Where one or more Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Board by reason of said lien liens shall be specially assessed to said Owners.

(l) Maintenance and repair of any Unit, if such maintenance or repair is reasonably necessary in the discretion of the Board to protect the Common Area or preserve the appearance and value of the project and the Owners or Owner of said Unit have failed or refused to perform said maintenance or repair within reasonable time after written notice of the necessity of said maintenance or repair delivered by the Board to said Owner or Owners, provided that the Board shall levy a special assessment against the condominium of such Owner or Owners for the cost of said maintenance or repair.

7. Board Powers, Exclusive: The Board shall enact rules governing the use of the Common Area and shall have the exclusive right to contract for all goods, services and insurance, payment for which is to be made from the common expense fund.

8. Common Expenses: Assessments: Within 30 days prior to the beginning of each calendar year the Board shall estimate the net charges to be paid during such year (including reasonable provisions for contingencies and replacements and less any expected income and any surplus from the prior year's fund). Said "estimated cash requirements" shall be assessed to the Owners and Declarant on a Unit basis. The Unit charge is to be uniform for like Units throughout the condominium. If said sum estimated proves inadequate for any reason, including nonpayment of any Owner's assessment, the Board may at any time levy a further assessments, which shall be assessed to the owners in like proportions, unless otherwise provided herein. Each Owner shall be obligated to pay assessments made pursuant to this Paragraph to the Board in equal monthly installments on or before the first day of each month during such year, or in such other reasonable manner as the Board shall designate.

a. The Declarant shall exercise the rights, duties and functions of the Board set forth in the paragraph for the period ending 30 days after the election of the first Board hereunder.

b. All funds collected hereunder shall be expended for the purposes designed herein.

c. The omission by the Board, before the expiration of any year, to fix the assessments hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the Owner from the obligations to pay the

assessments, or any installments thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed. Amendments to Paragraph 8 shall be effective only upon written consent of 75 percent of the Owners. No Owner may exempt himself from liability for his contribution towards the common expense by waiver of the use or enjoyment of any of the Common Areas or by abandonment of his Unit.

9. Default in Payment of Assessments: Each monthly assessment and each special assessment shall be separate, distinct and personal debts and obligations of the Owner against whom the same are assessed. The amount of any assessment, whether regular or special, assessed to the Owner or any condominium which is delinquent for 10 days plus interest at 7 percent and costs, including reasonable attorney's fees, shall become a lien upon such condominium from the time of (and not before) recordation of a notice of assessment as provided in NRS 117.070 of the Condominium Act. A certificate executed by the Secretary of the Board stating the indebtedness secured by the lien upon any condominium created hereunder, shall be conclusive upon the Board and the Owners as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith; and such certificate shall be furnished to any Owner or any encumbrances or prospective encumbrances of a condominium upon request at a reasonable fee, not to exceed Fifteen Dollars (\$15.00). Any encumbrances holding a lien on a Unit may pay any unpaid common expenses payable with respect to such Unit and upon such payment such encumbrances shall be subrogated to the rights of the Board for the amounts paid.

10. Upon payment of a delinquent assessment concerning which such a certificate has been so recorded, the Board shall cause to be recorded a satisfaction and the release of the lien thereof. The lien for nonpayment of the assessment may be enforced by shall by the board or other person or corporation authorized by the Board, such sale to be conducted in accordance with NRS 117.070 of the Nevada Condominium Act.

11. Mortgage Protection: Notwithstanding all other provisions hereof:

(a) The liens created hereunder upon any condominium shall be subject and subordinate to rights of the bona fide Owner of a recorded First Trust Deed or Mortgage upon said Unit, provided that after foreclosure of the Trust Deed or Mortgage, the purchaser thereof shall be subject to the lien rights imposed by Paragraph 9 of these Covenants, Conditions and Restrictions.

(b) No Amendment to this Paragraph shall affect the rights of the holder or any such Mortgage recorded prior to recordation of such amendment that does not join in the execution thereof.

(c) By subordination agreement executed by a majority of the Board, the benefits of (a) and (b) above may be extended to Mortgages not otherwise entitled thereto.

12. Delegation to Manager: The Board may delegate any of its duties, power or functions, including, but not limited to, the authority to give the certificate provided for in Paragraph 9 hereof, and the authority to give the subordination agreements provided for in Paragraph 10 hereof, to any person or firm, to act as Manager of the project, provided that any such delegation shall be revocable upon notice by the Board. The members of the Board shall not be liable for any omissions or improper exercise by the Manager of any such duty, power or function so delegated by written instrument executed by a majority of the Board. In the absence of any appointment, the Chairman of the Board shall act as Manager. Any Manager named or employed by Declarant shall be employed to manage only until the first annual election at which time the new Board shall have the right to retain or discharge said Manager as it determines desirable in its discretion.

13. **Exclusive Ownership and Possession by Owner:** Each Owner shall be entitled to exclusive ownership and possession of his Unit. Each Owner may use the common areas in accordance with the purposes for which they are intended, without hindering or encroaching upon the lawful right of the Owners.

An Owner shall not be deemed to own the undecorated and/or unfinished surfaces of the perimeter walls, floors, ceilings, windows and doors bounding his Unit, nor shall the Owner be deemed to own the utilities running through his Unit which are utilized for, or serve more than one Unit, except as a tenant in common with the other Owners. An Owner, however, shall be deemed to own and shall have the exclusive right to paint, repaint, tile, wax, paper or otherwise refinish and decorate the inner surfaces of the walls, floors, ceilings, windows and doors bounding his Unit.

14. **Owner's Obligation to Repair:** Except for those portions which the Board is required to maintain and repair hereunder (if any), each Owner shall at the Owner's expense keep the interior of his Unit and its equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of his Unit. In addition to decorating and keeping the interior of the Unit in good repair, The Owner shall be responsible for the maintenance or replacement of any plumbing fixtures, lighting fixtures, refrigerators, air conditioning equipment, dishwashers, disposals or ranges that may be in or connected with the Unit. It is expressly understood that there is, appurtenant to each Unit, an air conditioner that is located on the roof of the building housing the Unit. An easement is hereby reserved in favor of each Unit for the purposes of maintenance and repair of the said air conditioners by the respective Unit Owners.

The Owner, at his expense, shall keep the interior of the storage space assigned to his unit in good order, condition and repair. The Board and Manager shall not be responsible to the Owner for loss or damage by theft or otherwise of articles which the Owner in the storage space or Unit may store.

15. **Prohibition Against Structural Changes by Owner:** The Owner shall not, without first obtaining written consent of the board, make or permit to be made any structural alteration, improvement or addition in or to his Unit. The Owner shall do neither act nor any work that will impair the structural soundness or integrity of the buildings or safety of the property or impair any easement or hereditament. The Owner shall not paint or decorate any portion of the exterior of the buildings or other Common Area.

16. **Limitations on Use of Units and Common Area:** The Units and Common Area shall be occupied and used as following:

(a) No Owner shall occupy or use his Unit, or permit the same or any part thereof to be occupied or used for any purpose other than as a private residence, residential purposes only.

(b) There shall be no obstruction of the Common Area. Nothing shall be stored in the Common Area without the prior consent of the Board except as hereinafter expressly provided or in designated storage area.

(c) Nothing shall be done or kept in any Unit or in the Common Area, which ill increase the rate of insurance on the Common Area, without the prior written consent of the Board. No Owner shall permit anything to be done or kept in his Unit or in the Common Area that will result in the cancellation of insurance on any Unit or any part of the Common Area or which would be in violation of any law. No waste will be committed in the Common Area.

(d) No sign of any kind shall be displayed to the public view on or from any Unit or the Common Area without the prior consent of the Board, and the approval of the Clark County Planning Commission, as required by law.

(e) No animals, livestock or poultry of any kind shall be raised, bred, or kept in any Unit or in the Common Area, except that dogs, cats or other household pets may be kept in Units, subject to rules and regulations adopted by the Board;

(f) No noxious or offensive activity shall be carried on in any Unit or in the Common Area, nor shall anything be done herein which may be or become an annoyance or nuisance to the other Owners.

(g) Nothing shall be altered or constructed upon or removed from the Common Area, except upon approval of the Board.

17. Encroachments: If any portion of the common elements shall encroach upon any Unit, or if any Unit shall encroach upon any other Unit or upon any portion of the Common Area as a result of the construction of a building, or as a result of settling or shifting of a building, a valid easement for the encroachment and for its maintenance shall exist so long as the building stands. In the event a building, the Unit, any adjoining Unit, or any adjoining common element shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then rebuilt, any resulting encroachment of a part of the common elements upon any Unit or of any Unit upon any other Unit or upon any part of the common elements shall be permitted, and a valid easement for such encroachments and for its maintenance shall exist so long as a building stands.

18. Entry for Repairs: The Board or its agents may enter any Unit to do maintenance, landscaping or construction for which the Board is responsible. Such entry shall be made on such prior notice to, and with as little inconvenience to, the Owners as is practicable.

19. Failure of Board to Insist on Strict Performance No Waiver: The failure of the Board or Manager to insist upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment in the future, of any term, covenant, condition or restriction. The receipt by the Board or Manager of any assessment from an Owner, with knowledge of the breach, of any covenant hereof shall not be deemed a waiver of such breach, and no waiver by the Board or Manager of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board or Manager.

20. Limitation of Board's Liability: The Board shall not be liable for any failure of water supply or other service to be obtained and paid for by the Board hereunder, or for injury or damage to person or property caused by the elements or by another Owner or person in the project, or resulting from electricity, water rain, dust or sand, which may leak or flow from the outside or from any parts of the buildings or from any of its pipes, drains conduits, appliances, or equipment, or from any other place unless caused gross negligence of the Board. No contribution or abatement of common expense assessments shall be claimed or allowed for inconveniences or discomfort arising from the making of repairs or improvements or discomfort arising from the making of repairs or improvements to the Common Area or from any action taken to comply with any law, ordinance or orders of a governmental authority.

21. Indemnification of Board Members: Each member of the Board shall be indemnified by the Owners against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him in connection with any proceedings to which he may be a party, or in which he may become involved, by reason of his being or having been a member of the Board,

whether or not he is a member of the Board at the time such expenses are incurred, except in such cases where the member of the Board is guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification shall apply only when the Board approves such settlement and reimbursements as being for the interests of the Board.

22. Approval of Transfer or Lease:

(a) No Owner may effectively dispose of a Unit or any interest therein by sale or lease for more than one year except to another Owner in the condominium without approval of the Board.

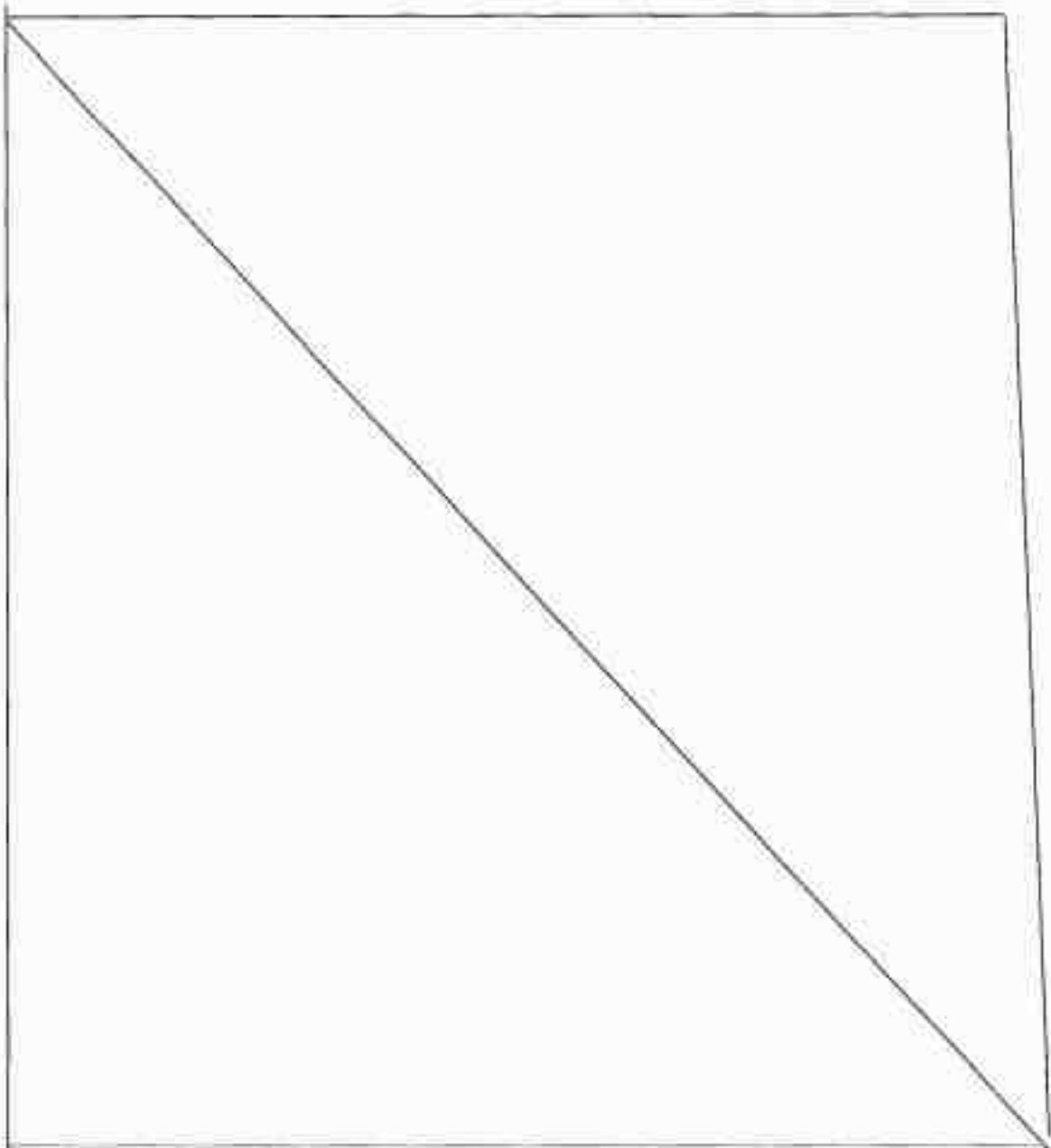
(b) An Owner intending to make a bona fide sale or lease of his Unit or any interest therein shall give to the Board notice of such intention, together with the name and address of the intended purchaser or lessee, and such other information concerning the intended purchaser or lessee as the Board may reasonably require. In the case of a prospective sale or lease, such notice, at Owner's option, may include a demand by him that the Board furnish a purchaser or lessee if the person proposed is not approved; and if such demand is made, the notice shall be accompanied by an executed copy of the proposed contract to sell or lease. If the notice to Board herein required is not given, then at any time after receiving knowledge of a transaction or event transferring ownership or possession of a Unit, the Board, at its election and without notice, may approve or disapprove the transaction or ownership.

(c) Within 30 days after receipt of the notice described in Subparagraph (b) of the Paragraph, the Board must either approve or disapprove the proposed transaction. If approved, the approval shall be stated in a certificate executed by the Chairman and Secretary in recordable form, and shall be delivered to the purchaser, lessee, or new owner, and shall be recorded in the public records of the county (except that a lease need not be recorded).

23. Disapproval of Transfer or Leases:

(a) If the Board disapproves a proposed sale or lease and if the notice of same given by the Owner shall so demand, then within 30 days after receipt of such notice and information the Board shall deliver or mail by certified mail to the Owner an offer to purchase or lease by a purchaser or lessee approved by the Board who will purchase and to whom the Owner must sell the Unit at the price and upon the terms to be paid stated in the disapproved offer to purchase or lease.

(b) If the Board shall fail to provide a purchaser as required in Subparagraph (a) of the Paragraph, then notwithstanding the disapproval, the sale or ownership, as the case may be, shall be deemed to have been approved, and the Board shall furnish a certificate of approval as provided in Paragraph 21.



24. Mortgages Not Affected by Right of First Refusal: In the event a holder of a First Trust Deed or Mortgage upon any Unit purchases the same at any foreclosure sale, or accepts a Deed in lieu of foreclosure from an Owner, then the restrictions on transfer in Paragraph 21 shall not apply unless and until the purchaser occupies the unit or causes the same to be sold to a purchaser at which time the purchaser from the Mortgagee shall be bound on subsequent resale or transfers by the terms of Paragraph 21.

25. Insurance: The Board shall maintain at all times insurance of the type and kind in at least the amounts provided in paragraph 6, including insurance for such other risks of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other condominium projects similar in construction, design and use which insurance shall be governed by the following provisions

a. All policies shall be secured at standard rates established by the Nevada State

Insurance Commissioner and shall be written with a company licensed to do business in the State of Nevada and holding a rating of "AAA" or better by Best's Insurance Reports.

b. Exclusive authority to adjust losses under policies hereafter in force in the project shall be vested in the Board or its authorized representative.

c. In no event shall the insurance coverage obtained and maintained by the Board hereunder be brought into contribution with insurance purchased by individual Owners or the Mortgagees.

d. Each Owner may obtain additional insurance at his own expense; provided, however, that no Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Board in behalf of all Owners may realize under any insurance policy which the Board may have in force on the project at any particular time.

e. Each Owner shall be required to notify the Board of all improvements made by the Owner to his Unit, the value of which is in excess of One Thousand Dollars (\$1,000.00).

f. Any Owner who obtains individual insurance policies covering any portion of the project other than personal property belonging to such Owner shall be required to file a copy of such individual policy or policies with the Board within 30 days after purchase of such insurance.

g. The Board shall make every effort to secure insurance policies that will provide for the following:

a. A waiver of subrogation by the insurer as to any claims against the Board, the Manager, the Owners and their respective servants, agents and guests;

b. That the master policy on the project cannot be cancelled, invalidated or suspended on account of the conduct of any one more individual Owners;

That the policy cannot be cancelled, invalidated or suspended on account of the conduct of any officer or employee of the Board or Manager without a prior demand in writing that the Board or Manager cure the defect; and that any "no other insurance" clause in the master policy exclude individual owner's policies from consideration.

The annual insurance review which the Board is required to conduct as provided in Paragraph 6 above shall include an appraisal of the improvements in the project by a representative of the insurance carrier writing the master policy.

26. Damage and Destruction:

If any of the Buildings are damaged by fire or other casualty and said damage is limited to a single Unit, all insurance proceeds shall be paid to the Owner or Owner's or Mortgager or Mortgagees, of the Owner or Owners of such Unit, as their respective interests may appear, and such Owner or Owners, or Mortgager or Mortgagees shall use the same to rebuild or repair such Unit in accordance with the original plans and specifications therefore.

If such damage is confined to any part of the Common Area and if the available insurance proceeds initially offered or paid by the insurer do not exceed the cost of repairing or rebuilding by more than Twenty-Five Thousand Dollars (\$25,000.00), such insurance proceeds shall be paid to the insurance trustee hereinafter designated. The Board shall thereupon contract to repair or rebuild the damaged portions of the Common Area, as nearly in accordance with the original plans and specifications therefore as is reasonably possible and the funds held in the insurance trust fund shall be used for this purpose. If the insurance proceeds are insufficient to pay all of the costs of repairing or rebuilding, the Board may levy a special assessment on all

Owners, in proportion to the interest of each Owner in the Common Area to make up any deficiency. If the damage is more than one Unit and part of the Common Area, the Board, in its sole discretion, shall allocate the insurance proceeds fairly between such Unit and the Common Area, and Paragraphs (a) and (b) shall apply respectively.

(1) If the damage is to more than one Unit, then all insurance proceeds shall be paid to such bank or trust company as insurance trustee as may be designated by the Board to be held for the benefit of the Owners of such Units and their Mortgagees as their respective interest may appear, upon terms authorized by the Board, consistent with this Declaration.

(2) The Board shall obtain firm bids (including an obligation to provide a performance bond) from two or more responsible contractors to rebuild the damaged Units in accordance with their original plans and specifications and shall, as soon as possible thereafter, call a special meeting, of the Owners of such Units to consider such bids. If the Board fails to do so within 60 days after the casualty occurs, any Owner of any such Unit may obtain such bids, and call and conduct such meeting as herein provided (failure to call such a meeting, or to repair such casualty damage, within 24 months from date such damage occurred shall be deemed for all purposes a decision not to rebuild said Units). At such meeting, the said Owners may, by 66 1/3 percent vote, elect to reject all of such bids and thus not rebuild their Units or, by 51 percent vote, elect to reject all such bids requiring amounts more than Three Hundred Dollars (\$300.00) per damaged Unit in excess of available insurance proceeds. Failure to reject all bids shall authorize the Board to accept the un-rejected bid it considers most favorable.

(3) If a bid is to be accepted, the Board shall levy a special assessment in proportion to the interest of each Owner making a fair allocation of damage as between Units (but the decision of the Board shall be final) to make up any deficiency between that total insurance proceeds and the contract price for such repair or rebuilding, and such assessment and all insurance proceeds, whether or not subject to liens or mortgages shall be paid to said insurance trustee to be used for such rebuilding. If any Owner shall fail to pay the special assessment within 30 days after the levy thereof, the Board may make up the deficiency by payment from the common expense fund and shall have a lien on the said Unit of the same manner as is provided in Paragraph 9 above. Upon payment, the Board shall let the contract to the successful bidder.

Upon an election not to rebuild, the Board shall, as soon as reasonably possible and as agent for the Owners of such Units, remove, at the expense of said Owners, all debris of the casualty, and make such improvements on the remaining adjacent Units as is necessary for the continued use of such adjacent Units, and pay all insurance proceeds remaining, allocated as aforesaid to such Owners, on condition that each such Owner quitclaim all of his right, title and interest in and to said project to the said Board, to be held by said Board as part of the Common Area thereafter.

(4) If the damage is to part of the Common Area and to more than one Unit, the Board, in its sole discretion, shall allocate its insurance needs to the Common Area and such Units and

Paragraphs (b) and (d) shall apply respectively.

(b) If the entire project is damaged, then the proceeds of insurance shall be dealt with as would be under Paragraph (d) hereof and upon an election of all Owners not to rebuild the Board then, as agent of all Owners, shall sell the project in its then condition free from the effect of this Declaration.

(d) Within 60 days after the day such damage occurs, the Manager or the Board or, if they do not, any Owner, the insurer, the insurance trustee, or and Mortgagee shall record a sworn certificate stating that such damage has occurred, describing it, identifying the building suffering such damage, the name of any insurance trustee, reciting that the sworn certificate is recorded

pursuant to the provisions of Paragraph 4 hereof on the Owners.

If the Owners decide not to rebuild, either by calling a meeting and rejecting all bids presented or by failing to call such a meeting and failing to repair such damage within 24 months after the damage occurs, then the Manager or the Board or, if they do not, any Owner or Mortgagee, shall record a sworn certificate setting forth such decision and reciting that under the provisions of this Declaration the prohibition against judicial partition provided for in Paragraph 26 hereof has terminated and that judicial partition of the project may be obtained pursuant to NRS 117.050 of the Condominium Act of the State of Nevada. Upon final judgment of a Court of competent jurisdiction decreeing such partition, this Declaration shall terminate. The provisions of this Paragraph cannot be amended without the unanimous consent of all Owners in writing.

Partition: There shall be no judicial partition of the project or any part thereof, nor shall Declarant or any Owner seek judicial partition, except upon the conditions set forth in Paragraph 25 hereof in the case of damage and destruction, or the conditions set forth in NRS 117.050 (c) of the Condominium Act in the case of obsolescence; provided, however, that the period of time during which the project must have been in existence, shall be 30 years rather than 50 years; provided, further, that if any condominium shall be owned by two or more co-tenants or tenants-in-common or as joint tenants, nothing herein contained shall be deemed to prevent a judicial partition as between such co-tenants. But such partition shall not affect any other condominium.

27. Enforcement: Each Owner shall comply strictly with the provisions of this Declaration and with the administrative rules and regulations drafted pursuant thereto as the same may be lawfully amended from time to time and with decisions adopted pursuant to said Declaration and administrative rules and regulations, and failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Board or Manager on behalf of the Owners, or in a proper case, by an aggrieved Owner.

28. Personal Property: The Board or Manager may acquire and hold, for the benefit of the Owners, tangible and intangible personal property and may dispose of the same by sale or otherwise; and the beneficial interest in such personal property shall be owned by the Owners in the same proportion as their respective interests in the Common Area, and shall not be transferable except with a transfer of a condominium. A transfer of a condominium shall transfer to the transferee ownership of the transferor's beneficial interest in such personal property.

Within 30 days following the recording of this Declaration, the Declarant shall execute and deliver a bill of sale to the Board in behalf of all the Owners, transferring all items of personal property located on the project and furnished by the Declarant, which property is intended for the common use and enjoyment of the Owners

29. Audit: Any Owner may, at any time at his own expense, cause an audit or inspection to be made of the books and records of the Manager or Board. The Board, at the expense of the common expenses, shall obtain a certified audit of all books and records pertaining to the project at no greater than annual intervals and furnish copies thereof to the Owners.

30. Interpretation: The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a condominium project. Failure to enforce any provision hereof shall not constitute a waiver of the rights to enforce said provision or any other provision hereto.

31. Amendment: Except as otherwise provided herein, the provisions of this Declaration may be amended by an instrument in writing signed and acknowledged by record Owners holding 75 percent of the total vote hereunder, which amendment shall be effective upon recordation in the Office of the Recorder of the County of Clark.

32. Severability: The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any other provision hereof. In the event that it is judicially determined that a particular provision of this Declaration violates the rule against perpetuities, the period specified in that provision shall not become invalid, but instead shall be reduced to the maximum allowed by law.

33. Effective Date: This Declaration shall take effect upon recording.

IN WITNESS WHEREOF, the undersigned has executed this instrument this _____ day of _____, 2008

WBC DEVELOPMENT, a Limited Partnership

By _____

By _____

SCHEDULE - A

LEGAL DESCRIPTION: That portion of the Southeast Quarter (SE ¼) of Section 21, Township 21 South, Range 61 East, M.D.B & M., Clark County, Nevada, described as follows: COMMENCING at the Southeast corner of the North Half (N½) of the Southeast Quarter (SE ¼) of said Section 21 as the same is designated by survey thereof in file 2, page 90, of Registered Professional Engineers File in the Office of the County Recorder of Clark County, Nevada; thence South 89° 58' 10" West along the South line of the North Half (N ½) of the Southeast Quarter (SE ¼) of said section 21, a distance of 995.91 feet to the TRUE POINT OF BEGINNING; thence continuing South 89° 58' 10" West a distance of 105.22 feet to a point; thence North 0° 08' 45" West a distance of 39.64 feet to a point; thence South 89° 58' 10" West a distance of 243.14 feet to a point; thence South 0° 08' 45" East a distance of 0.23 feet to a point; thence South 89° 58' 10" West a distance of 243.14 feet to a point; thence North 0° 08' 45" West a distance of 582.75 feet to a point; thence North 89° 58' 10" east a distance of 243.14 feet to a point; thence continuing North 89° 58' 10" East a distance of 178.72 feet to a non tangent point on a curve concave Northerly, having a radius of 45.00 feet; thence along said curve to the left, being the Southerly line of that certain parcel of land as conveyed to Clark County by Deed recorded August 6, 1971 as Document No. 119827, Clark County Records, from a point whose radial bears South 38° 54' 44" West through a central angle of 69° 56' 44" on an arc distance of 54.94 feet to a point of reverse compound curvature; thence Northeasterly along said curve concave to the Southeast; having a radius of 25.00 feet through a central angle of 31° 00' 10" an arc distance of 13.53 feet to a point of tangency; thence North 89° 58' 10" East a distance of 105.22 feet to a point; thence South 0° 08' 45" East a distance of 622.16 feet to the TRUE POINT OF BEGINNING.