## DESERT INN ESTATES OWNERS ASSOCIATION AMENDED AND RESTATED DECLARATION of COVENANTS , CONDITIONS, and RESTRICTIONS

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

This Amended and Restated Declaration of Covenants, Conditions and Restrictions (the "Declaration") is made this 28th day of January , 2000 A.D., by DESERT INN ESTATES OWNERS ASSOCIATION, on behalf of the membership thereof.

#### WITNESSETH:

The Homeowners Association (defined herein) operates on democratic principles. The success of the community depends on the efforts of its Members and their willingness to participate in the process. An effective association requires that each Member make a commitment to the community of time, effort and money to preserve the character of the community and the value of the homes within.

WHEREAS, on or about October 18, 1978, Nevada Savings & Loan Association, as Developer and original Declarant recorded a Declaration of Conditions, Covenants and Restrictions (the "CC&Rs") with the Clark County Recorder's Office in Book No. 958, Instrument No. 917526, which instrument sets forth, among other things, the use restrictions, architectural control provisions and enforcement rights related thereto of the Declarant and the Owners. Such CC&Rs were amended by amendment (the "Amendment") recorded on October 25, 1989, in Book 891025, as Instrument No. 00738 with the Clark County, Nevada, Recorder's Office. By recording of this Declaration, the Association, on behalf of the Membership of same, and amendment being made in accordance with the governing documents of the Association, the Association hereby amends and restates said CC&Rs and the Amendment, which Property described in the CC&Rs shall hereafter be subject to all rights and obligations of this Declaration in an effort to maintain a residential manufactured home community with permanent grounds, open spaces and other common facilities for the benefit of the Owners and the community, which shall be deemed a planned community; and

WHEREAS, DESERT INN ESTATES OWNERS ASSOCIATION desires to provide for the preservation of the values and amenities in said community and for the maintenance of said grounds, open spaces and other common facilities and to this end, desires to subject the real property described herein, together with such additions as may hereafter be made to this Declaration , the easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said Property and each owner thereof; and

WHEREAS, it was deemed advisable, for the efficient preservation of the values and amenities in said community, to create an agency to which should be delegated the powers of maintaining and administering the common properties and facilities and administering and enforcing the covenants, conditions and restrictions and collecting and disbursing the assessments and charges heretofore and hereinafter created; and

WHEREAS, on September 14, 1993, DESERT INN MOBILE ADULT ESTATES OWNERS ASSOCIATION, caused its name to be changed with the Secretary of State of Nevada to DESERT INN ESTATES OWNERS ASSOCIATION, a nonprofit corporation, which is currently incorporated under the laws of the State of Nevada for the purpose of exercising the functions herein;

NOW, THEREFORE, DESERT INN ESTATES OWNERS ASSOCIATION declares that the real property described in Article II hereof, and such additions thereto as may hereafter be brought within the terms of this Declaration is and shall be held, transferred, sold, conveyed and occupied subject to Covenants, Conditions, Restrictions, easement, charges and liens (sometimes referred to as "Covenants and Restrictions") hereafter set forth.

#### ARTICLE I

#### **DEFINITIONS**

- **SECTION 1:** The following words when used in this Declaration or any Supplemental Declaration (unless the context shall prohibit) shall have the following meanings:
  - (a) "Association" shall mean and refer to DESERT INN ESTATES OWNERS ASSOCIATION.
- (b) "Property or Properties" shall mean and refer to the real property described in ARTICLE II, and such additions thereto as may hereafter be brought within the terms of this Declaration or any Supplemental Declaration. (See description of Properties set forth within Exhibit "A" attached hereto.)
- **(c) "Common Properties"** shall mean and refer to those areas of land designated as common areas on the Properties described in **Article II**, and such other additions thereto as may hereafter be brought within the terms of this Declaration or any Supplemental Declaration.
- (d) "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of Common Properties as heretofore defined.
- **(e)** "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot situated upon the Properties, but, notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure. At least one occupant of each Lot must be 55 years of age or older.
- (f) "Member" shall mean and refer to all those Owners who are members of the Association as provided in Article III, Section 1 and 3, hereof.
- (g) "Mortgage" shall mean the conveyance of an interest in any Lot or other portion of the Properties to secure the performance of an obligation, which conveyance shall be void upon the due performance of said obligation.
  - (h) "Mortgagee" shall mean a person or entity to whom a Mortgage is made.
- (i) "Mortgagor" shall mean a person or entity who mortgages his/her or its property to another, i. e., maker of a mortgage; and

- (j) <u>"Deed of Trust"</u> shall mean and be synonymous with the word <u>"Mortgage"</u> and the same may be used interchangeably with the same meaning; and likewise the word <u>"Trustor"</u> shall be synonymous with the word <u>"Mortgagor"</u> and the word <u>"Beneficiary"</u> shall be synonymous with the word <u>"Mortgagee.</u>"
- (k) "Sale" Shall mean the recordation of a deed to convey title to a new Owner, or execution of contract of sale by seller and purchaser.
- (I) "Assessment Period" Shall mean the annual periods as set forth in Article VI, Section 3 of this Declaration.
- (m) "Declaration" shall mean and refer to this Amended and Restated Declaration of Covenants, Conditions and Restrictions and any supplemental Declaration of Covenants, Conditions and Restrictions applicable to the Properties hereafter recorded in the office of the Recorder of Clark County, Nevada.
- (n) <u>"Contract of Sale"</u> Shall mean and refer to installment sales contract wherein a purchaser takes possession of a Lot prior to a deed being conveyed, but upon conveyance, all the obligations of the Contract merge into the Deed.

## ARTICLE II PROPERTY SUBJECT TO THIS DECLARATION ADDITIONS THERETO

<u>Section 1</u> <u>Property</u> The real property which is, and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in the State of Nevada, County of Clark, and is more particularly described in: **Exhibit "A"** attached hereto and incorporated herein.

Section 2. Mergers

Upon a merger or consolidation of the Association with another Association as provided in its Articles of Incorporation, its properties, rights and obligations may, by operation of law, or otherwise be transferred to another surviving or consolidated Association or, alternatively, the properties, rights and obligations of another Association may, by operation of law, or otherwise, be added to the properties, rights and obligations of the Association's as a surviving corporation pursuant to a merger. The surviving or consolidated Association may administer the covenants and restrictions established by this Declaration within the Property together with the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall affect any revocation, change or addition to the covenants established by this Declaration within the Property except as hereinafter provided. Any such merger or consolidation shall have the assent of two-thirds (2/3) of the eligible Members.

#### Section 3. Easements

(a) The Common Properties shall be owned by the Association in fee simple for the use, enjoyment and convenience of the Owners and shall contain the walkways, recreational areas, storage and trash areas, and all other areas not a part of the Lots. Each Lot and its Owner within the Properties is hereby declared to have a non-exclusive easement over all of the Common Properties and such easement is hereby granted, transferred and conveyed to all Lot Owners for the benefit of the Lots, the Owners of the Lots, and each of them and for their respective families, guests and invitees for all of the purposes and uses hereinabove set forth and without limiting the generality of the foregoing, for recreational purposes and use and for ingress and egress over and

through the Common Properties. In furtherance of the establishment of this easement, the individual deeds to the Lots may, but shall not be required to, set forth the foregoing easements:

(b) Each Lot and its Owner within the Properties is hereby declared to have an easement and the same is hereby granted over all adjoining Lots and Common Properties for the purpose of accommodating any encroachment due to engineering errors, errors in original constructing, settlement or shifting; <a href="provided">provided</a> <a href="https://docs.provided.com/however">however</a>, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred on any Lot that is partially or totally destroyed, and then repaired or rebuilt. The Owners of each Lot agree that minor encroachment over adjoining Lots shall be permitted and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist.

## ARTICLE III MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

**SECTION 1. MEMBERSHIP** Every Owner of a Lot which is subject to these Covenants, Conditions and Restrictions shall be a Member of the Association, and such ownership shall be the sole qualification for Membership provided that any such person or entity who holds an interest merely as a security for the performance of an obligation shall not be entitled to Membership because of the interest held merely as a security for the performance of an obligation. There shall be only one voting interest for each Lot.

The Membership held by an Owner of a Lot shall not be transferred, except upon the sale of such Lot, and then only to the purchaser of such Lot, the Membership being appurtenant to such Lot. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association. In the event the Owner of any Lot should fail or refuse to transfer the Membership in his name to the purchaser of such Lot, the Association shall have the right to record the transfer upon the books of the Association and issue a new Membership to the purchaser, and thereupon the old Membership outstanding in the name of the seller shall be null and void as though the same had been surrendered.

Section 2. Voting Rights The Association shall have one class of voting Membership.

Members shall be all those Owners as defined in **Article I**, **Section 1**. Members shall be entitled to one vote for each Lot for Annual Elections only in which they hold the interest required for Membership by **Section 1**. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such Lot will be exercised, as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot. If a Lot Owner will not be able to attend any meeting he may use a proxy, or absentee ballot, except no proxy may be used in the case of the election of Directors. Only one (1) Member per Lot may serve on the Board of Directors at the same time. All Members may serve and fully participate on all committees without reservation.

Section 3. Suspension of Membership During any period in which a Member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights and right to use the recreational facilities of such Member shall be suspended until such assessment has been paid. Such rights of a Member and Members of the household may also be suspended, after notice and hearing, for a period not to exceed 60 days, for violation of any rules and regulations established by the Board of Directors governing the use of the Common Area and facilities. The suspension of such rights shall be in addition to any fines imposed by the Association.

## ARTICLE IV <u>DUTIES OF THE ASSOCIATION AND ASSESSMENTS</u>

<u>Section 1.</u> <u>Duties of the Association</u>. In addition to the powers delegated to it by its Articles of Incorporation, and without limiting the generality thereof, the Association shall:

- (a) Own, maintain and otherwise manage all of the Common Properties and all facilities, improvements and landscaping thereon, and all private streets and all property acquired by the Association;
- (b) Maintain in good repair the exteriors, including roofs, of all buildings situated within Common Properties;
  - (c) Maintain all landscaping and walkways on the Common Properties;
- (d) Pay any and all real and personal property taxes and other charges assessed against the Common Properties;
- (e) Have the authority to obtain, for the benefit of all the Common Properties, all water, gas, electric power, gardening service and refuse collections; nothing contained in this sub-paragraph shall be construed to impose any obligation on the Association to remove garbage or rubbish from any individual residence;
- (f) Grant easements where necessary for utilities and sewer facilities over the Common Properties and the Lots;
- (g) Maintain policies of liability insurance, insuring the Association and its agents, guests and invitees and the owners of the Lots against liability to the public or to said owners, their guests and invitees incident to the Ownership or use of the Common Properties, in the amount of not less than \$1,000,000.00 covering all claims for personal injury and \$300,000.00 for property damage arising out of a single occurrence, such coverage to include protection against liability for non-owned and hired automobile, and liability for property of others. Said limits shall be reviewed at intervals of at least (3) years and adjusted, if necessary, to provide such coverage and protection as the Association may deem prudent;
- (h) Maintain a policy or policies of fire and such other causalities insurance as the Association may deem necessary upon all of the improvements upon the Common Properties, in such and with such companies as the Association may determine, which policies shall, among other things, provide for a Loss Payable Endorsement to the Association. Upon the occurrence of any casualty loss resulting in damage to any of said improvements, the Association shall, using such proceeds as are available to it from such insurance policies, immediately cause said improvements to be rebuilt as to restore them as nearly as possible to their original condition;
- (i) Maintain its funds in a trust account and render to its Members a certified annual accounting along with the provision to Members of budgets and budget reserves as may be required by Nevada law; also provide Fidelity insurance in an amount equal to one hundred and fifty (150%) percent of the monthly operating budget to protect against dishonest acts on the part of the officers, directors, trustees and employees of such Association;
- Regulations as the Association may deem reasonable in connection with the use and maintenance of all of the Properties and Common Properties, with such Rules and Regulations being altered or amended from time to time as the Association may see fit, all in accordance with Nevada law.

- 1. The Bylaws or Rules and Regulations may also be amended by the Membership. A written request for a specific amendment, signed by not less than ten (10%) percent of Lot Owners, must be presented to the Board.
- 2. The proposed amendment(s) will be included for discussion at an informational meeting that will be published in the "Roadrunner" or other circular distributed to the Owners. Specific dates for the informational meeting and the voting day will be included on the same notice. The voting day must be held not less then ten (10) days or more than thirty (30) days after the informational meeting. An affirmative vote of two thirds (2/3) of eligible Members voting will be required for passage.
- 3. The counting of votes for amendments shall be conducted in the clubhouse. All Members may observe the vote count.
- 4. Any proposal or amendment, once voted on, may not be resubmitted for consideration for a period of not less than one (1) year after any rejection thereof.
  - 5. A copy of the Bylaws and Rules and Regulations shall be:
    - (a) Maintained in the office of the Association and be available for inspection at all reasonable times.
    - (b) Given to each prospective Owner by a Member selling his/her Lot to a third party prior to the close of escrow on such Lot.
- **6.** The Bylaws and Rules and Regulations shall be binding upon each and every Owner. No amendment of the Bylaws or Rules and Regulations shall be effective until thirty (30) days after the distribution of the amendment either by hand delivery or by mailing to the Lot owners, or to such address designated by the Owner.
- (k) Provide that each Member of the Executive Board shall within ninety (90) days after election or appointment certify in writing that he has read and understands to the best of his ability, the governing documents of the Association and the provisions of NRS 116.
- (1) May employ a professional management firm or agency, if necessary, for the purpose of performing any and all of the foregoing duties.
- (m) In no event shall the Association enter into any contracts which shall bind it for a period in excess of one (1) year unless reasonable cancellation provisions are included in the contracts. Except for the purchase of equipment, said purchase shall be authorized by the Board of Directors and shall not bind the Association in excess of three (3) years.
  - (n) Have the right to ingress and egress in and to all the Lots for the above purposes.
- (0) In its discretion, obtain for the benefit of all Members of the Association domestic water service and to pay such charges as shall be required by the appropriate agency or authority for such services, and that cost thereof shall be assessed to and become a lien upon the premises to which such service is rendered, and each Member will pay the Association the amount of such charge in the time and manner set forth in subparagraph (a) of Section 5 of Article VI of this Declaration and that payment thereof may be enforced in the manner set forth in sub-paragraph (b) of Section 5 of Article VI of this declaration. In the exercise of its

discretion, the Association shall provide a bond in the amount required by the appropriate agency or authority to insure to the same agent or authority that payment will be made for the charges incurred for the services by such agency or authority.

- (p) Shall require that in the event water meters are provided for each individual Lot, the Owner shall become responsible and shall assume the cost for water use, maintenance and services affiliated with such said water line and service.
- (q) Shall cause all Board members, employees and any others with fiscal responsibilities to be bonded.
- (r) Within thirty (30) days after the budget adoption, the budget or summary, will be provided to all Lot Owners and a date will be set for a membership ratification meeting. Unless a majority of all Association Lot Owners (289) reject the budget at that meeting, the budget is ratified whether or not a quorum is present.

## ARTICLE V PROPERTY RIGHTS IN THE COMMON PROPERTIES

- <u>Section 1. Members Easement of Enjoyment</u> Subject to the provision of Section 3, Members shall have the right and easement of enjoyment in and to the Common Properties and such easement shall be appurtenant in and to the Common Properties and such easement shall be appurtenant to and shall pass with the Title to every Lot.
- <u>Section 2.</u> <u>Title to the Common Properties</u> The Association as of the date of this Declaration holds fee simple title to the Common Properties free and clear of all encumbrances.
- <u>Section 3.</u> <u>Extent of Members' Easements</u> The rights and Members' easements of enjoyment created hereby shall be subject to the following:
- (a) The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Properties, and in aid thereof, with the assent of two-thirds (2/3) of all eligible Members.
- (b) The right of the Association to transfer all or any part of the Common Properties is subject to the assent of two-thirds (2/3) of all eligible Members in advance of any action taken. The Board of Directors shall record an instrument transferring all or part of the Common Properties after the prior approval. Said recorded instrument is to be signed by two-thirds (2/3) of the existing Members of the Board of Directors.
- (c) The right of the Association to dedicate all or any part of the Common Properties is subject to prior approval of two thirds (2/3) of the Board of Directors followed by a meeting and vote of the Members according to the procedures outlined in the Bylaws Article IV Section 5c.

Written notification, agenda, Membership meeting and Membership vote are required.

#### ARTICLE VI COVENANTS FOR MAINTENANCE ASSESSMENTS

<u>Section 1.</u> <u>Creation of the Lien and Personal Obligation of Assessments</u> The Owner of any Lot by acceptance of deed or execution of a contract of sale, whether or not it shall be expressed in any such deed or other conveyance, shall be deemed to be covenant and agree to pay to the Association or its designated representative:

- (1) Monthly assessments or charges, which will be equally assessed for each Lot.
- (2) Special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided, which will be equally assessed for each Lot.

The monthly and special assessments, together with such interest thereon and cost of collection thereof as hereinafter provided, shall be a charge on the land and shall be continuing lien upon the Property against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due, but the said personal obligation shall not pass to his successors in title unless expressly assumed by them or authorized by Nevada law.

<u>Section 2.</u> <u>Purpose of Assessments</u> The assessment levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in the Properties and in particular for the improvement and maintenance of the Common Properties.

#### Section 3. Maximum Monthly Assessment

- (a) The maximum monthly assessment may be increased each year not more than (10%) percent above the maximum assessment for the previous year without a vote of the eligible Membership.
- (b) The maximum monthly assessment may be increased above ten (10%) percent by a vote of two-thirds (2/3) of the eligible Members who are voting in person, by proxy or absentee ballot at the meeting duly called for this purpose. Written notice shall be delivered to all Members not less than ten (10) days nor more than thirty (30) days in advance and shall set forth the reasons for the proposed increase above ten (10) percent.
- (c) The Board of Directors may fix the monthly assessment at an amount not in excess of the maximum increase as set forth above.
- Section 4. Special Assessments for Capitol Improvements In addition to the monthly assessments authorized by Section 3 hereof, the Association may levy in any assessment period a special assessment applicable to that period only, for the purpose of defraying, in whole or in part, the cost of any construction, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the eligible Members who are voting in person, proxy or absentee ballot at a meeting duly called for this purpose. Written notice shall be mailed to all Members not less than ten (10) days nor more than thirty (30) days in advance and shall set forth the purpose of the meeting.

#### Section 5.

- (a) The Association shall also have the authority, through the Board of Directors, to establish, fix and levy a special assessment on any Lot to secure the liability of the Owner thereof to the Association arising from breach by such Owner of any of the provisions of this Declaration which breach shall require the expenditures of time, money or both, by the Association for repair or remedy. Each Lot within said Subdivision shall be subject to a lien to secure all assessments levied as provided in this Section 5 and by acceptance of a conveyance to him of a Lot within said Subdivision, each Owner covenants for himself, his heirs, successors and assigns, to pay each assessment levied by the Association on the Lot described in such conveyance to him within ten (10) days after receipt of an invoice for the same, and further covenants that if said such charge is not paid within thirty (30) days from the date that said invoice is deposited, postage prepaid in the United States mails, in an envelope addressed to such Owner at the address of the Lot and to such address as said Owner shall have designated, the amount of such charge shall become a lien upon said Owners Lot and shall bear interest from the due date at the rate of ten (10%) percent per annum and shall continue to be a such a lien until fully paid. Each Owner grants to the Association, the right and power to bring civil action against such Owner for the collection of such charge and to record a Notice of Claim of Lien in the Office of the County Recorder of Clark County, Nevada, which notice shall state therein the amount of such claim, the date when the same was due, a description of the Lot against which the same has been assessed, and the name of record or reputed Owner thereof and to be signed by an Officer of the Association. Upon payment or other satisfaction of such assessments, the actual cost expended or required to be expended in connection with recordations of or other expenses related to said notice, the Association shall record a further notice stating the satisfaction and release of the lien thereof.
- (b) Each lien established pursuant to the provisions of this Declaration by the recording of a notice of a claim of lien may be enforced by sale by the Association, its attorney or other person authorized to make the sale, after failure of the Owner to pay such assessment in accordance with it's terms, and such sale to be conducted in accordance with the provisions of NRS 116 or any other manner permitted by law. In any such action, the Association shall be entitled cost, including reasonable attorney fees.
- By accepting a conveyance to him/her of a Lot within such Subdivision, each Owner, for him/herself, his/her heirs, successors and assigns, covenants that, in the event that thereshall be a failure to maintain said Lot and the improvements situated thereon in a manner satisfactory to the Board of Directors of the Association, or if such Owner shall alter said premises before submission of plans thereof to the Board of Directors as provided in Article VIII hereof, the Board of Directors shall have the right, through agents and employees of the Association, to enter such Lot and to repair, maintain, rehabilitate and to restore the premises or any improvements thereon, and that cost thereof shall be assessed to and become a lien upon the premises so repaired, maintained, rehabilitated or restored and that he/she will pay to the Association the amount of said charge in the time and manner set forth in Sub-paragraph (a) of this Section 5 and that payment thereof may be enforced in the manner set forth in Sub-paragraph (b) of this Section 5; or if such Owner shall fail to pay the charge imposed by the County of Clark for any sewer service or other service supplied by the said County of Clark or if such Owner shall fail to pay the charge for service by any utility or other corporation or person for any type of service and such failure shall result in another Owner in said Sub-division being deprived of such service, the Association may pay such charge or charges and the amount so paid shall be assessed and become a lien in favor of the Association upon the premises to which such service was supplied and such Owner shall pay the same to the Association in the time and manner set forth in Sub-paragraph (a) of this Section 5 and that payment thereof shall be enforced in the manner set forth in Sub-paragraph (b) of this Section 5.

#### **Section 6.** Monthly Assessments:

The monthly assessments provided for herein shall commence on the first day of the month. Late fees shall accrue after the 15th day of each month.

<u>Section 7.</u> <u>Duties of the Board of Directors</u> The Board of Directors shall fix the amount of assessment in a manner set forth herein, which assessment shall be equal for each Lot.

Such assessments levied pursuant to this **Article VI** shall be submitted to each Owner. The Association shall upon demand at any time furnish to any Owner liable for such assessment a certificate in writing signed by an Officer of the Association, setting forth whether said

assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

## Section 8. Effect of Non-Payment of Assessment: Personal obligation of the Owner: The liens: Remedies of the Association:

If the assessments are not paid on the date when due (being the dates specified in Section 6 hereof), then said assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof be as hereinafter provided, thereupon becoming a continuing lien on the property which shall bind such Property in the hands of the then Owner, his heirs, devisees, personal representatives and assigns, and it shall also be the personal obligation for the statutory period and shall not pass to his/her successor in title unless expressly assumed by them.

If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of ten (10%) percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or may foreclose the lien against the property, or proceed with such other remedies herein enumerated, and there shall be added to the amount of such assessments the cost of preparing and filing the complaint in such action, and in the event a judgment is obtained against the Owner, such judgment shall include interest on the assessment as above provided, reasonable attorneys fees incurred in obtaining such judgment, together with the costs of the action.

Section 9. Subordination of Lien to Mortgages

The Lien of the assessment provided for herein shall be subordinate to the lien of any first mortgage or contract holder. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure, or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such foreclosure sale or transfer in lieu thereof, unless collection of same is expressly authorized by Nevada law. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Mortgage Protection No breach of the Covenants, Conditions and Restrictions in this Declaration, nor the enforcement thereof, or of any lien provision herein, shall defeat or render invalid the lien of any mortgage, or deed of trust made in good faith and for value. However, all of the Covenants, Conditions and Restrictions in this Declaration shall be binding upon any Owner whose title is derived through foreclosure, or any proceedings or act taken in lieu thereof.

- <u>Section 11. Exempt Property.</u> The following property subject to this Declaration shall be exempt from the assessments, charge and lien created herein:
- (a) All properties to the extent of any easement or other interest therein dedicated and accepted by the local public authority and devoted to the public use;
- (b) All properties as defined in Article I, Section I hereof; notwithstanding any provisions herein, no land or improvements devoted to dwelling use shall be exempt from said assessments, charges or liens.

#### ARTICLE VII PARTY WALLS

- <u>Section 1.</u> Each wall which is constructed as a part of the original construction on the sub-divided property and any part of which is placed on the dividing line between separate Lots in said Subdivision shall constitute a party wall and, in the event that such a wall was not placed exactly on the dividing line between separate Lots, it shall be maintained in the location originally constructed, and with respect to such wall, each of the adjoining Owners shall assume the burdens and be entitled to the benefits of these restrictive covenants, and to the extent not inconsistent herewith, the general rules of law regarding party walls shall be applied thereto.
- Section 2. Sharing of Repair and Maintenance The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.
- Section 3. Destruction by Fire or Other Casualty If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it and, if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owner to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.
- Section 4. Right to Contribution Runs with Land

  The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.
- <u>Section 5.</u> <u>Arbitration</u> In the event of any dispute arising concerning a party wall, binding arbitration procedures will be pursued according to Nevada law, in lieu of the commencement of an action before the courts.

## ARTICLE VIII ARCHITECTURAL CONTROL COMMITTEE

Section 1. Review by Committee No building, fence, wall or other structure or material improvement shall be commenced or erected upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, color materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association after reviewing the recommendation by the Architectural Chairman appointed by the Board.

In the event said Board fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it or, in any event, if no suit to enjoin the addition, alterations or change has been commenced prior to the completion thereof, approval will not be required and this Article will be deemed to have been fully complied with, subject to limitations in **Article IX**, **Section 8**.

## ARTICLE IX MISCELLANEOUS COVENANTS

In addition to all other Covenants contained herein, the use of the Properties and each Lot therein is subject to the following:

Section 1. None of the Lots shall be used except for residential purposes. No structure shall be erected, altered, placed or permitted to remain on any such Lot other than a single family manufactured home dwelling and such necessary or desired utility building(s), and no such structure shall exceed the height above the ground level as originally constructed and no manufactured home on any Lot shall be smaller in size than twelve (12) feet wide and forty (40) feet long, subject to conditions of **Article IX**, **Section 8**.

<u>Section 2.</u> Lot Owners may engage in small service-oriented and neighbor-to-neighbor for profit activities (examples: minor home repair, Lot maintenance, seamstress, housekeeping and companion services, etc.). These activities must be primarily to serve the needs of the Association residents.

The following conditions/prohibitions will apply:

- (1) All required equipment and materials must be stored in a shed on the homeowners Lot and must not present any danger to neighboring Lots. Equipment which cannot be stored in a shed must be stored off Estates grounds.
- Such activities requiring permits, licenses or other approvals required by municipal authorities shall be obtained before any such activities shall take place. Work hours, noise levels and material storage must comply with Clark County codes and the rules and regulations of the Association.
- (3) No outside clients will be allowed on Estates grounds with the exception of real estate clients.
- (4) No commercial child care or baby sitting is allowed on the Estates.

Section 3. No sign or billboard of any kind shall be displayed to the public view on any portion of the Properties or any Lot except one sign for each building site of no more than eighteen (18) inches by twenty-four (24) inches advertising the property for sale or rent. Additionally, political signs not larger than twenty-four (24) inches by thirty-six (36) inches may be displayed prior to an election and removed from the Lot immediately after an election.

<u>Section 4.</u> No noxious or offensive activity shall be carried on upon any Lot or any part of the Properties, nor shall anything be done thereon which may be or may become an annoyance or nuisance, public or private, to the neighborhood or which shall in any way interfere with the quiet enjoyment of each of the Owners of his/her respective unit, or which shall in any way increase the rate of insurance.

<u>Section 5.</u> No machinery, dump trucks, stake trucks, building materials, junk, debris or similar property shall be parked, stored or kept on any Lot or street within or adjoining the Subdivision. No short wave radio equipment shall be operated on or from any Lot nor shall any aerial be constructed on any Lot, without the prior written consent of the Association. No unregistered vehicle may park on any street.

Section 6. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other common household pets may be kept on the Lots provided that they are not kept, bred or maintained for any commercial purposes or in unreasonable numbers, which determination shall be made in the sole discretion of the Board. Notwithstanding the foregoing, no animals or fowl may be kept on the Properties which result in an annoyance or are obnoxious to residents in the vicinity and, in any event, the Lot Owner shall be absolutely liable to each and all remaining Owners, their families, guest and invitees, and to the Association, for any and all damage to property brought upon the Lots or the Common Properties by any Lot Owner or by Members of his/her family, guest or invitees.

<u>Section 7.</u> No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels or mineral excavation or shafts be permitted upon the surface of any Lot or within five hundred (500) feet below the surface of the Properties. No derrick or other structure designed for use in boring for water, oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 8. No building addition, accessory, fence wall or other structure or improvement shall be commenced or erected on any Lot, nor shall any addition on or change or alteration therein be made, until the plans and specifications showing the nature, kind, shape, height, color, materials, floor plans, location of such structure or improvement have been submitted to and approved in writing by the Board of Directors. Any open space between a manufactured home and the ground surface shall be skirted. In addition, each Owner must install and maintain a carport cover and patio or porch cover. The patio or porch cover will be based on the design of the manufactured home. Garages are permitted on the carport side with the approval of the Architectural Committee. They must be built in accordance with the laws and municipal codes of Clark County, Nevada.

Section 9. No permanent or temporary structure or manufactured home shall be permitted, maintained or constructed on any Lot closer than ten (10) feet to the front of any Lot, nor closer than five (5) feet to the side of any Lot nor closer than twenty (20) feet from the rear property line excepting where a building setback line is shown otherwise on the recorded plat. Not more than one (1) single family manufactured home or living area shall be permitted, maintained or constructed upon any Lot in said Subdivision.

<u>Section 10.</u> No manufactured home may be placed on any Lot until approved in writing by the Association as to location, size, condition and appearance. Each manufactured home shall have complete sanitary facilities, including, among others, a lavatory, toilet, tub or shower and kitchen sink and shall be connected to sewage outlets in conformity with State health requirements.

Section 11. If a homeowner owns a recreational vehicle, utility trailer or boat, it may be parked in the RV storage lot, provided space is available. A homeowner may park an RV, utility trailer or boat at the rear of their paved driveway provided there is sufficient space to park a full size vehicle at the front of the driveway. Written notification of such parking arrangements must be filed at the Association office prior to RV parking.

- **Section 12.** A homeowner or his/her guest may not park a vehicle in front of their neighbor's home without the Owner's permission and they must be available to move the vehicle if the neighbor requires the space.
- <u>Section 13.</u> Recreational vehicles may not be parked on the street with the following exception: An unoccupied RV may be parked in front of a home owner's/occupant's Lot for pre-trip preparation and post-trip unloading and cleaning. Prior to an Owner parking an RV on the street for more than 18 hours, the Owner shall provide to the Association Office notice of his intent to park on the street for more than 18 hours. Parking may not exceed seventy-two (72) hours. Abuse of this privilege will be subject to a fine.
- Section 14. Moving vans, trucks, flatbed trailers, etc. must be loaded or unloaded between the hours of 8 A.M. and 10 P.M. Parking of such vehicles within the park may not exceed seventy two (72) hours.
- <u>Section 15.</u> Each Lot Owner or other occupant shall park or keep such Owner's or Occupant's motor vehicle only on the surfaced driveways of such Lot, or on the street in front of such Lot. No vehicle which is under major repairs shall be parked or kept on any Lot or any street within or adjoining the Sub-division. Minor repairs shall be done only within the covered area of the driveway.
- <u>Section 16.</u> All rubbish, trash and garbage shall be regularly removed from the Properties and shall not be allowed to accumulate thereon. All clotheslines, woodpiles and stored materials shall be prohibited unless obscured from view of adjoining Lots, driveways and streets by a fence or appropriate screen approved by the Architectural Committee. Refuse containers in good condition plus those containers required for recycling may be maintained on the carport or patio at a point that is to the rear of the side steps/deck or to a point farthest away from the street.
- <u>Section 17.</u> Each Owner of A Lot shall pay any real and personal property taxes or charges assessed against his/her respective Lot and the utility charges for said Lot and all cost of maintaining said Lot and dwelling unit.
- <u>Section 18.</u> The respective Lots shall not be rented by the Owners thereof for transient or hotel purposes which will be defined as:
  - (a) Rental for any period less than thirty (30) days.
- (b) Any rental if the occupants of the Lot are provided customary hotel services, such as room service for food and beverage, maid service, furnishing laundry and linen and bellboy service.

Other than the foregoing obligations, the Owners of the respective Lots shall have the absolute right to lease same provided that said lessee is made subject to the Covenants Conditions and Restrictions, and limitations and uses contained in this Declaration and, further, subject to the Articles of Incorporation and the Bylaws of the Association. Any Owner who leases said property where lessee fails to comply with any of the covenants, conditions and restrictions, limitations and uses within this Declaration, or does not comply with the Articles of Incorporation or Bylaws of the Association, such Owner shall be considered in default of said Declaration, Articles of Incorporation or Bylaws of the Association and shall be responsible and obligated to pay any fines and liens imposed as a result of the acts or inaction of the tenant(s).

- <u>Section 19.</u> Each Owner of a Lot shall maintain the improvements thereon so that the same shall at all times reflect prompt quality repair and upkeep. Lots must be landscaped and be free of weeds and errant grass. While desert landscaping is encouraged, lawns are permitted. Lawns must be well groomed and maintained. Owners are responsible for maintaining the street in front of the Lot, and their respective Lot free of spilled automotive fluids, paints, stains, solvents and like materials. In the event the Lot Owner fails to maintain the improvements and grounds as set forth, the Association may take corrective action at the Owner's expense.
- <u>Section 20.</u> Any Member may delegate, in accordance with the Bylaws of the Association, his/her right of enjoyment to the Common Area and the facilities to the Members of his/her family, or to his/her tenants who reside on the property. Any Member who delegates his/her right of enjoyment to tenants shall forfeit his/her right of enjoyment during said delegation.
- <u>Section 21.</u> The rights and duties of the Owners of Lots within said subdivision with respect to the sanitary sewer and water, electricity, gas and telephone shall be governed by the following:
- (a) Wherever joint sanitary sewer house connections and/or joint water house connections or electricity, gas or telephone lines are installed within the said Sub-division, which connections, or any portion thereof, lie in or upon Lots owned by other than an Owner of a Lot served by said connections, the Owner of any Lot served by said connections shall have the right, and is hereby granted an easement to the full extent necessary therefore, to enter upon Lots or to have the utility companies enter upon Lots within the said Sub-division in or upon which the said Sub-division in or upon which the said Sub-division in or upon which said connections or any portion thereof, to repair and generally maintain said connection as and when the same may be necessary as set forth below.
- (b) Whatever joint sanitary sewer house connections and/or joint water house connections electricity, gas or telephone or other lines or other services are installed within said Subdivision, which connections serve more than one Lot, the Owner of each Lot served by said connection is hereby granted an easement over each Lot which will be traversed by said connection or service line for the full use and enjoyment, including the right to repair, maintain and replace such connection or service line as services the Lot owned by each Owner so that each Lot may be properly served.
- (c) In the event that any portion of said connection or line is damaged or destroyed through the act of an Owner of a Lot being served by said connection, or any of his/her agents or guests or Members of his/her family, whether or not such act is negligent or otherwise culpable, so as to deprive the other Owners being served by said connection, of the full use and enjoyment of said connection, then the first of such Owners shall forthwith proceed to replace or repair the same to as good a condition as formerly without cost to the other Owners served by said connection.
- (d) In the event any portion of said connection or line is damaged or destroyed by some other cause other than the act of any of the adjoining Owners, his/her agents, guests or members of his/her family (excluding ordinary wear and tear and deterioration from lapse of time) then in such event if such damage or destruction shall prevent the full use and enjoyment of said connection by the Owner of a Lot served by said connection, all such Owners who are thereby deprived of said use and enjoyment shall proceed forthwith to replace or repair said connection to as good condition as formerly at their joint and equal expense, and if such Owners fail to do so, the Association may proceed to replace or repair the same and charge the cost thereof to the Owners therefore so deprived, in the same manner as an assessment pursuant to Article VI Section 5.

(e) In the event of a dispute between Owners with respect to the repair or rebuilding of said connection or with respect to the sharing of the cost thereof, then upon written request of one of such Owners addressed to the Association, the matter shall be submitted to binding arbitration as outlined in **Article VII**, **Section 5.** The matter shall be arbitrated in accordance with Nevada Law.

## ARTICLE X GENERAL PROVISIONS

Section 1. Amendment The Covenants, Conditions and Restrictions of this Declaration shall run with and bind the land and shall inure to the benefit of, and be enforceable by, the Association, or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of ten (10) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years. The Covenants, Conditions and Restrictions of this Declaration may be amended by an instrument signed by not less than sixty-six and two-thirds (66 2/3%) percent of the Lot Owners. Any amendment must be properly recorded.

<u>Section 2.</u> <u>Notices</u> Any notices required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when hand delivered or mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

<u>Section 3.</u> <u>Enforcement</u> Enforcement of these Covenants, Conditions and Restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any Covenant, Condition and Restriction either to restrain violation or to recover damages, and against the land to enforce any lien created by these Covenants; and failure by the Association or any Owner to enforce any Covenant, Condition or Restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 4. Fines Any fines levied by the association will not exceed the maximum allowed by current or future laws.

Section 5. Construction The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan in the manufactured home residential community and for the maintenance of community areas. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provisions hereof.

<u>Section 6.</u> <u>Severability</u> Invalidation of any one of these Covenants, Conditions and Restrictions by judgment or court order shall in no way affect any other provision, which shall remain in full force and effect.

Section 7. Adult Occupancy It is the intent of the Association to comply with the Fair Housing Act of 1988, and to provide housing intended and operated for occupancy by at least one (1) person fifty-five (55) years of age or older per Lot. Additionally, in order to provide for congenial adult occupancy of the property and for the protection of the value of the Lots, each Lot shall be only occupied by adult persons of the age of twenty-one (21) years and over. Minor children may be allowed to occupy any Lot when visiting or vacationing, but with time limits, pursuant to Rules and Regulations from time to time promulgated by the Association.

(a) The Association must verify the ages of Owners, members of the Owner's family or tenants who reside on the property, by requesting a Photo Copy of a driver's license, photo identification card or birth certificate.

(b) The Association hereby requires the Board of Directors to establish a Social and Recreational (S&R) committee to formulate and implement social and recreational programs and services for all residents with special attention to activities for senior citizens.

<u>Section 8.</u> <u>Limitation of Guests</u> The Association has the right to charge reasonable admission fees and other charges for the use of any recreational facility or social events and to reasonably limit the number of guests.

The undersigned certify that the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions was approved by the affirmative vote of at least 75% of the Association members by proxy or vote on January 26, 2000.

DESERT INN ESTATES OWNERS ASSOCIATION,

Frank A. Crawford, President

STATE OF NEVADA

) ss.

COUNTY OF CLARK

On January 27, 2000, personally appeared before me a notary public, Frank A. Crawford, personally known or proved to me to be the person whose name is subscribed to the above instrument, who acknowledged to me that he executed the above instrument.

NOTARY PUBLIC in and for said County and State

Notary Public - State of Nevada County of Clark ROCHELLE HEIFETZ My Appointment Expires No: 98-4478-1 September 3, 2002 21

#### **EXHIBIT A**

#### **DESERT INN ESTATES OWNERS ASSOCIATION**

<u>LEGAL DESCRIPTION:</u> Situated in the Las Vegas Valley Water District, County of Clark, State of Nevada, described as followed

LOTS 251 through 335, Block 01 LOTS 336 through 353, Block 14 LOTS 354 through 369, Block 15 LOTS 370 through 387, Block 16 LOTS 388 through 398, Block 17 LOTS 399 through 420, Block 18 LOTS 421 through 442, Block 19 LOTS 443 through 456, Block 20 LOTS 457 through 478, Block 21 LOTS 479 through 500, Block 22 and Lots C and D in DESERT INN **ESTATES OWNERS ASSOCIATION 1** as shown by map thereof on file in book 21 of Plats, page 9, in the Office of the County Recorder of Clark County, Nevada

LOTS 501 through 524, Block LOTS 525 through 548, Block M **LOTS** 549 through 570, Block N LOTS 571 through 594, Block P LOTS 595 through 618, Block O LOTS 619 through 630, Block S LOTS 631 through 750, Block G LOTS 751 through 762, Block LOTS 763 through 780, Block LOTS 781 through 798, Block L LOTS 799 through 810, Block 0 LOTS 811 through 828, Block Lots E and F in DESERT INN ESTATES OWNERS ASSOCIATION 2, as shown by map thereof on file in Book 24 of Plats, page 99, in the Office of the County Recorder of Clark County, Nevada

#### EXHIBIT A

LEGAL DESCRIPTION: Situate in the Las Vegas Valley Water District, County of Clark, State of Nevada, described as follows:

The Northwest Quarter (NW-1/4) of Section 16, Township 21 South, Range 62 East, M.D.B. & M.;

EXCEPT therefrom the Westerly 352 feet of the Northerly 662 feet;

EXCEPT the interest in the West forty (40) feet of said land as conveyed to Clark County by Deed recorded August 1, 1951 as Document No. 373793 of Official Records, Clark County, Nevada, and

EXCEPT Lots 1 through 500 referred to in Desert Inn Estates Owners Association #1 as shown by map thereof on file in Book 21 of Plats page 9, in the Office of the County Recorder of Clark County, Nevada.

EXCEPT Lots 501 through 981, Desert Inn Estates Owners Association #2, in Book 24 of Plats, page 99 as Document No. 1062882, Book 1103 in Clark County, Nevada official records.

#### WHEN RECORDED, RETURN TO:

DESERT INN ESTATES OWNERS ASSOCIATION 5280 MUIR WOODS PARKWAY LAS VEGAS, NEVADA 89122

# FIRST AMENDMENT TO AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRCITIONS FOR DESERT INN ESTATES OWNERS ASSOCIATION

THIS FIRST AMENDMENT TO THE AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR DESERT INN ESTATES OWNERS ASSOCIATION (the "First Amendment") is made on the 10th day of September \_\_\_\_\_\_, 2008, by the Desert Inn Estates Owners Association (the "Association").

#### RECITALS

WHEREAS, on or about October 18, 1978, Nevada Savings and Loan Association, as developer and original Declarant recorded a Declarant if Conditions, Covenants and Restrictions (the "CC&Rs") with the Clark County Recorder's Office in Book No.958, Instrument No. 917526, which instrument sets forth, among other things, the use restrictions, architectural control provisions and enforcement rights related thereto of the Declarant and Owners. Such CC&Rs were amended by amendment recorded on October 25, 1989, in Book 891025 as Instrument No. 00738 with the Clark County, Nevada, Recorder's Office. By recording of this Declaration, the Association on behalf of the Membership of same, and amendment being made in accordance with governing documents of the Association, the Association hereby amends and restates said CC&Rs and the Amendment, which Property described in the CC&Rs shall hereafter be subject to all rights and obligations of this Declaration in an effort to maintain a residential manufactured home community with permanent grounds, open spaces and other common facilities for the benefit of the Owners and the community, which shall be deemed a planned community; and

WHEREAS on September 14, 1993, DESERT INN MOBILE ADULT ESTATES OWNERS ASSOCIATION, caused its name to be changed with the Secretary of State of Nevada to DESERT INN ESTATES OWNERS ASSOCIATION, a non-profit corporation, which is currently incorporated under the laws of the State of Nevada for the purpose of exercising functions herein;

WHEREAS, on January 28, 2000, an Amended and Restated Declaration of Covenants, Conditions and Restrictions (the "Declaration") was recorded, with the Clark County Recorder's Office, in Book No. 20000128, as Instrument No. 01688;

WHEREAS, the Association desires to amend the Declaration as set forth below;

WHEREAS, Article X, Section 1 of the Declaration permits the Association to amend the Declaration by an instrument signed by not less than sixty-six and two-thirds (66 2/3%) percent of the Lot Owners; and

WHEREAS, owners representing sixty-seven percent (67%) of the total voting power of the Association voted in favor of the proposed amendment;

NOW, THERFORE, the Association hereby declares that the Declaration is amended as follows:

Article IX, Section 18 of the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Desert Inn Estates Owners Association is hereby amended to read, as follows:

#### Section 18 Restriction on Leasing Lots

#### (a.) General Rule.

At no time shall more than five percent (5%) of the Owners within the Association lease or rent their Lots to any third party. A Lot may be leased only after the Board of Directors determines that the Lot is eligible for lease. A Lot is eligible for lease only if, at the time an Owner requests permission to lease, the total Lots occupied by tenants is less than five percent (5%) of the total Lots in the Properties.

#### (b.) <u>Limitation on Subleasing or Assignment of Lots</u>

No subleasing or assignment of a lease or rental agreement (the "Lease") is permitted except with the prior approval of the Board of Directors in accordance with subsection (a) above.

#### (c.) <u>Prospective Application</u>

The lease restriction set forth in subparagraph (a), above, shall only have prospective application. This restriction does not prevent an Owner that is leasing his Lot prior to the recordation of this Amendment, from leasing his Lot to new tenants after recordation of this Amendment. However, the lease restriction shall apply to:

- (1) all Owners and their Lots sold after recordation of this Amendment;
- (2) all Owners and their Lots that are not leased or rented at the time of recordation of this Amendment; and
- (3) all Owners and their Lots that were leased or rented at the time of recordation of this Amendment but become Owner Occupied after recordation of this Amendment.

For purposes hereof, "Owner Occupied" shall mean either of the following:

- (A) The Owner or any member of the Owner's family occupies the Lot for a period of at least seven days; or
- (B) Any person occupies the Lot with the consent of the Owner other than pursuant to a Lease which complies with the terms hereof.

Notwithstanding anything to the contrary herein, if an Owner sells his Lot at a time when a Lease is in effect with respect to that Lot, the Lease shall continue to its termination. However,

subject to subparagraph (a) above, the purchaser of the Lot shall not have the right to lease the Lot after the purchaser takes title to the Lot except for the remainder of the term of the Lease in place at the time the Owner acquired title to the Lot.

#### (d.) Authorization to Enter Lease.

Prior to offering a Lot for lease, the Owner must receive written notice from the Association that the Lot is eligible for lease in accordance with subsection (a) above.

#### (e.) Submission of Lease.

All Leases shall be in writing, executed by all parties to the Lease, shall provide that the Lease is subject in all respects to the terms and provisions of this Declaration and the Association's Articles and By-laws, and the rules and regulations adopted by the Board of Directors, ("Governing Documents") and any restrictions or provisions therein, as may be amended from time to time, and shall state that any failure by the tenant to comply with the terms of the Governing Documents shall constitute a default under the Lease. All Owners who entered Leases prior to the recordation of this Amendment, shall submit copies of the Lease of their Lot, within thirty (30) days after notice of recordation of this Amendment. Otherwise, copies of all tenant rental applications and Leases entered after recordation of this Amendment shall be submitted by the Owner to the Board of Directors or its managing agent, not less than five (5) days before commencement of the tenancy or the date of occupancy of the Lot by the proposed tenant, whichever occurs first. All Leases, and the tenants thereunder, shall be registered with the Association and the Association shall have the right to charge a registration fee to each Owner, in an amount determined by the Board of Directors, for each new tenant registered with the Association.

#### (f.) Hardship Exemption

Notwithstanding anything in this Amendment to the contrary, any Owner of a Lot may apply to the Board of Directors for an exemption from the lease restriction set forth in subparagraph (a) above, upon a showing of hardship. A hearing before the Board on this matter shall be consistent with the Board's standards for providing notice and a hearing, as set forth in the Governing Documents and consistent with Nevada law, as may be amended.

#### (g.) Enforcement

The Board of Directors is empowered with the right to enforce the lease restriction set forth in subparagraph (a) above. Any Owner who fails to obtain prior written authorization to offer a Lot for lease, as set forth in subparagraph (d) above, or to provide the Association with a copy of the Lease on a Lot, within the time set forth in subparagraph (e) above, shall be subject to a reasonable fine as determined by the Board and consistent with Nevada law.

Any Owner who fails to disclose the existence of a Lease on a Lot is subject to the percentage lease restriction at the time of disclosure or discovery of the Lease. Thus, if the Lease was actually executed and entered at a time when less than five percent (5%) of the Lots are leased, but not disclosed to or discovered by the Association until more than five percent (5%) of the Lots are leased, then the Owner will be in violation of the lease restrictions set forth

in subparagraph (a) above. Any Owner that leases his Lot in violation of the lease restriction set forth in subparagraph (a) above shall be subject to a reasonable fine as determined by the Board of Directors, and injunctive relief.

#### (h) <u>Liability of Owner for Tenant Conduct.</u>

It shall be the obligation of any Owner who rents or leases his Lot to provide the tenant with copies of the Association's Governing Documents. It shall also be the obligation of any Owner to assure compliance with all of the covenants, conditions and restrictions in the Governing Documents. Notwithstanding the execution of a Lease, the Owner shall be fully responsible and liable to the Association for all violations of the Governing Documents by his tenants, and without limitation, shall be responsible for payment of any assessments or fines incurred by his tenants.

#### (i.) No Transient or Hotel Purposes or Time-Share Usage.

No Owner shall lease his/her Lot for transient motel or hotel purposes. Any Lease which is either for a period of less than six (6) months or pursuant to which the lessor provides any services normally associated with a motel or hotel shall be deemed to be for transient or hotel purposes. A Lot may not be conveyed pursuant to a time-sharing plan.

#### **CERTIFICATE OF AMENDMENT**

The undersigned are hereby certified as follows:

- 1. They are the duly elected and acting President and Secretary of the Desert Inn Estates Association, a Nevada non-profit corporation (the "Association").
- 2. The foregoing First Amendment to the Amended and Restated Declaration of Covenants Conditions and Restrictions for Desert Inn Estates Association, comprising of seven (7) pages, including this and the following page, is the first amendment to the Amended and Restated Declarant of Covenants, Conditions and Restrictions for Desert Inn Estates, and has been approved in compliance with every requirement imposed by the Association's governing documents.

DATED this 2 day of SEPTEMBER, 2008.

DESERT INN ESTATES OWNERS ASSOCIATION

Its: President

By://///

Its: Secretary

STATE OF NEVADA

)ss:

COUNTY OF CLARK

On this 2 day of 2008, person 2

NOTARY PUBLIC STATE OF NEVADA County of Clark MERLIN ANN CALIMPONG Appt. No. 98-0827-1

My Appt. Expires Jan. 9 2010 a grant of the county of

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STATE OF NEVADA	)		
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COUNTY OF CLARK	)		
On this 2nd day of public, 1000	September, 2008,	, personally approved befo	re me, a notary
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Debbie Conway GWC Clark County Recorder Pgs: 7