

AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS AND RESERVATION OF EASEMENTS
FOR
BELAIRE ESTATES

THIS AMENDED and RESTATED DECLARATION is made this 4th day of May 1992 by Belaire Estates, a Nevada joint venture, hereinafter referred to as "Declarant."

WHEREAS, Declarant is the owner of certain real property in the City of Las Vegas, County of Clark, State of Nevada, more particularly defined in Article I below as the "Original Property;" and

WHEREAS, Declarant intends that the Original Property shall be a Common Interest Community, as defined in N.R.S. §116.110323, and a Planned Community, as defined in N.R.S. §116.110368, upon the recordation of this Declaration as provided in N.R.S. §116.2101; and

WHEREAS the name of the Common Interest Community shall be Belaire Estates, and the; name of the Association created by this Declaration shall be Belaire Estates Property Owners Association; and

WHEREAS Declarant recorded a document entitled Supplemental Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Belaire Estates with respect to the Original Property on January 24, 1992, in Book 920124 , as Instrument No. 00689, Official Records, Clark County, Nevada (the "Original Declaration"); and

WHEREAS Declarant hereby amends and completely restates the original Declaration in order to make necessary corrections thereto to comply with Chapter 116 of the Nevada Revised Statutes; and

WHEREAS, Declarant has deemed it desirable, for the efficient preservation of the value and amenities of the Original Property and in the additional property which may be annexed thereto pursuant to the provisions of this Declaration, to create a corporation under tile laws of the State of Nevada to be the form of legal entity for the Association, to which shall be delegated and assigned the powers of owning, maintaining and administering the Common Area, administering and enforcing the covenants and restrictions, arid collecting and disbursing the assessments and charges hereinafter created. Declarant will or has caused such corporation, to be formed for the purpose of exercising such functions; and

WHEREAS, Declarant intends to develop and convey all of the original Property pursuant to a general plan and subject to certain protective covenants, conditions, restrictions, rights, reservations, easements, equitable servitudes, liens and charges, and

WHEREAS, Declarant intends to develop and convey all of the original Property pursuant to a general plan and subject to certain protective covenants, conditions, restrictions, rights, reservations, easements, equitable servitudes, liens and charges, and

WHEREAS Declarant further reserves the right to add all or any portion of the

“Annexable Property” (as defined herein) to the Common Interest Community, up to a total maximum of 81 aggregate Units; and

WHEREAS, in addition to this Declaration the Properties as hereinafter defined are subject to the Master Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Summerlin Community Association which was recorded on September 25, 1990, in Book 900925, as Instrument No. 01274, in the Official Records of Clark County, Nevada, and the Supplemental Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Summerlin Village 1 North, recorded on November 20, 1990, as instrument No. 01161 in Book 901120, Official Records, Clark County, Nevada;

NOW, THEREFORE, Declarant hereby declares that all of the Original Property (and, from the date of their respective annexation, all annexed portions of the Annexable Property) shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the following easements, restrictions, reservations, rights, covenants, conditions and equitable servitudes, all of which are for the purpose of uniformly enhancing and protecting the value, attractiveness and desirability of the Properties (as defined in Article I hereof), in furtherance of a general plan for the protection, maintenance, subdivision, improvement and sale of the Properties or any portion thereof. The covenants, conditions, restrictions, rights, reservations, easements, and equitable servitudes set forth herein shall run with and burden the Properties and shall be binding upon all persons having or acquiring any right, title or interest in the Properties, or any part thereof, their heirs, successors and assigns; shall inure to the benefit of every portion of the properties and any interest therein; and shall inure to the benefit of and be binding upon, and may be enforced by Declarant, the Association, each Owner and their respective heirs, executors and administrators, and successive owners and assigns.

I.

DEFINITIONS

Section 1.1 “Annexable Property” shall mean the real property described in Exhibit “B,” attached hereto and incorporated by this reference herein, all or any portion of which real property may from time to time be made subject to this Declaration pursuant to the provisions of Article XIV hereof. At no time shall any portion of the Annexable Property be deemed to be a part of the Common Interest Community or a part of the Properties until such portions of the Annexable Property has been duly annexed hereto pursuant to Article XIV hereof.

Section 1.2 “Articles” shall mean the Articles of Incorporation of the Association filed or to be filed in the office of the Secretary of State of the State of Nevada, as such Articles may be amended from time to time.

Section 1.3 “Assessment, Annual” shall mean the annual or supplemental charge against each Owner and his Unit, representing a portion of the Common Expenses, which are to be paid by each Owner to the Association in the manner and proportions provided herein.

Section 1.4 “Assessment, Capital Improvement” shall mean a charge against each Owner and his Unit, representing a portion of the costs to the Association for installation or construction of any Improvements on any portion of the Common Area which the Association may from time to time authorize, pursuant to the provisions of this Declaration. Such charge shall be levied among all Owners and their Units, in the same proportion as Annual Assessments.

Section 1. 5 “Assessment, Reconstruction” shall mean a charge against each Owner and his Unit, representing a portion of the cost to the Association for reconstruction of any portion of the Improvements on the Common Area pursuant to the provisions of this Declaration. Such charge shall be levied among all Owners and their Units in the, same proportion as Annual Assessments.

Section 1. 6 “Assessments, Special” shall mean a charge against a particular Owner and his Unit, directly attributable to, or reimbursable by, that Owner, equal to the cost incurred by the Association for corrective action, performed pursuant to the provisions of this Declaration, or a reasonable fine or penalty assessed by the Association, plus interest and other charges on such Special Assessments as provided for herein.

Section 1. 7 Association” shall mean Belaire Estates Property Owners Association, a Nevada nonprofit corporation, its successors and assigns. The Association is a “Sub-Association” as defined in the Master Declaration.

Section 1. 8 “Association Maintenance Funds” shall mean the accounts created for receipts and disbursements of the Association, pursuant to Article VI hereof.

Section 1. 9 “Beneficiary” shall mean a mortgagee under a mortgage or a beneficiary under a deed of trust, as the case may be, and the assignees of such mortgagee or beneficiary.

Section 1. 10 “Board” or “Board of Directors” shall mean the Board of Directors of the Association. The Board of Directors is an “Executive Board” as defined by N.R.S. §116.110345.

Section 1. 11 “Budget” shall mean a written, itemized estimate of the expenses to be incurred by the Association in performing its functions under this Declaration prepared and approved pursuant to the provisions of this Declaration.

Section 1. 12 “Bylaws” shall mean the Bylaws of the Association, as such Bylaws may be amended by the Members of the Association from time to time.

Section 1. 13 “Close of Escrow” shall mean the date on which a deed is Recorded conveying a Unit in the Properties from Declarant to a “Purchaser,” as defined in N.R.S. §116.110375.

Section 1. 14 “Common Area” shall mean all real property or interests therein owned or leased by the Association, excluding any Units. The Common Area shall include all of that real property designated as Common Area or Common Elements on the Plat.

Section 1. 15 “Common Elements” shall mean the Common Areas and any personal property owned or leased by the Association, as provided In N.R.S. § 116.110318.

Section 1. 16 “Common Expenses” shall mean those expenses for which the Association is responsible under this Declaration, including the actual and estimated costs of: maintenance, management, operation, repair and replacement of the Common Elements; unpaid Special Assessments, Reconstruction Assessments and Capital Improvement Assessments; the costs of any commonly metered utilities and other commonly metered charges for the Properties; costs of management and administration of the Association including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and other employees; the costs of all

utilities, gardening, trash pickup and other services benefiting the Common Elements; the costs of fire, casualty and liability insurance, worker's compensation insurance, and other insurance all covering the Properties; the costs of bonding the members of the management body; taxes paid by the Association; amounts paid by the Association for discharge of any lien or encumbrance levied against the Properties, or portions thereof; the costs of any other item or items incurred by the Association for any reason whatsoever in connection with the Properties, for the benefit of all of the Owners; and any other expenses for which the Association is responsible pursuant to Chapter 116 of Nevada Revised Statutes.

Section 1. 17 "Declarant" shall mean Belaire Estates, a Nevada joint venture, its successors and any Person or entity to which it shall have assigned any rights hereunder by an express written assignment.

Section 1. 18 "Declaration" shall mean this instrument as it may be amended from time to time. This Declaration is a "Supplemental Declaration" as defined in the Master Declaration.

Section 1. 19 "Deed of Trust" shall mean a mortgage or a deed of trust, as the case may be.

Section 1. 20 "Delegate" shall mean, a natural person selected by the Members owning the Units in the Properties to represent all of the Members within the Property to vote on their behalf, as provided in the Master Declaration.

Section 1. 21 "Dwelling" shall mean a building located on a Unit designed and intended for use and occupancy as a residence by a single Family.

Section 1. 22 "Family" shall mean (a). a group of natural Persons related to each other by blood or legally related to each other by marriage or adoption, or (2) a group of natural Persons not all so related, but who maintain a common household in a Dwelling on a Lot.

Section 1. 23 "FHLMC" shall mean the Federal Home Loan Mortgage Corporation (also known as The Mortgage Corporation) created by Title II of the Emergency Home Finance Act of 1970, and any successors to such corporations.

Section -1. 24 "FHA" shall mean the Federal housing Administration.

Section 1. 25 "Fiscal Year" shall mean the twelve (12) month fiscal accounting and reporting period of the Association selected by the Board from time to time.

Section 1. 26 "FNMA" shall mean the Federal National Mortgage Association, a government-sponsored private corporation established pursuant to Title VIII of the Housing and Urban Development Act of 1968, and any successors to such corporation.

Section 1. 27 "GNMA" shall mean the Government National Mortgage Association administered by the United States Department of housing and Urban Development, and any successors to such association.

Section 1. 28 "Identifying Number", pursuant to N.R.S. §116.110340, shall mean the number which identifies a Unit's Lot on the Plat.

Section 1. 29 "Improvement" shall mean any structure or appurtenance thereto of every

type and kind, including but not limited to Dwellings and other buildings, walkways, sprinkler pipes, recreational facilities, roads, driveways, parking areas, fences, screening walls, block walls, retaining walls, stairs, decks, landscaping, antennae, hedges, windbreaks, patio covers, railings, plantings, planted trees and shrubs, poles, signs, storage areas, exterior air conditioning and water-softening fixtures or equipment.

Section 1. 30 “Lot” shall mean any residential Unit as shown on the Plat.

Section 1. 31 “Manager” shall mean the Person appointed by the Association hereunder as its agent and delegated certain duties, powers or functions of the Association as further provided in this Declaration and in the Bylaws.

Section 1. 32 “Master Association” shall mean SUMMERLIN COMMUNITY ASSOCIATION, a Nevada nonprofit corporation, its successors and assigns. The rights and duties of the Master Association are set forth in the Master Declaration.

Section 1. 33 “Master Declaration” shall mean the Master Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Summerlin which was recorded on September 25, 1990, in Book 900925, as Instrument No. 01274, Official Records, Clark County, Nevada, as the same may be amended from time to time, and the Supplemental Declaration of Covenants, Conditions, and Restrictions and Reservation of Easements for Summerlin Village 1 North, recorded on November 20, 1990, as Instrument No. 01161 in Book 901120, Official Records, Clark County, Nevada, as such may be amended from time to time.

Section 1.34 “Member,” “Membership.” “Member” shall mean any Person holding a membership in the Association, as provided in this Declaration. “Membership” shall mean the property, voting and other rights and privileges of Members as provided herein, together with the correlative duties and obligations, including liability for Assessments, contained in this Declaration and the Articles and Bylaws of the Association.

Section 1. 35 “Mortgage,” “Mortgagee,” “Mortgagor.” “Mortgage” shall mean any Recorded mortgage or deed of trust or other conveyance of a Unit or other portion of the Properties to secure the performance of an obligation, which will be reconveyed upon the completion of such performance. The term “Deed of Trust” or “Trust Deed” when used herein shall be synonymous with the term “Mortgage.” The term “Mortgagee” shall mean a person or entity to whom a Mortgage is made and shall include the beneficiary of a Deed of Trust. “Mortgagor” shall mean a person or entity who mortgages his or her Unit to another (i.e., the maker of a Mortgage), and shall include the Trustor of a Deed of Trust. The term “Trustor” shall be synonymous with the Term “Mortgagor,” and the term “Beneficiary” shall be synonymous with the term “Mortgagee.”

Section 1. 36 “Notice and Hearing” shall mean written notice and a hearing before the Board, at which the Owner concerned shall have an opportunity to be heard in person, or by counsel at Owner’s expense, in the manner further provided in the Bylaws.

Section 1. 37 “Original Property” shall mean that real property described on Exhibit “A,” attached hereto and incorporated by this reference herein, which shall be the initial real property made . subject to this Declaration, immediately upon the recordation of this Declaration.

Section 1. 38 “Owner” shall mean the Person or Persons, including Declarant, holding fee simple interest of record to any Unit. The term “Owner” shall include sellers under executory

contracts of sale but shall exclude Mortgagees.

Section 1. 39 “Person” shall mean a natural individual or any other entity with the legal right to hold title to real property.

Section 1. 40 “Properties” shall mean all of the Original Property described in Exhibit “A,” attached hereto,, together with such portions of the Annexable Property, described in Exhibit “B” hereto, as may hereafter be annexed thereto pursuant to Article XIV of this Declaration.

Section 1. 41“Record,” “Recorded,” “Filed” or “Recordation” shall mean, with respect to any document, the recordation of such document in the official records of the County Recorder of Clark County, Nevada.

Section 1.42 “Rules and Regulations” shall mean the rules and regulations adopted by the Board pursuant to the Bylaws as such Rules and Regulations may be amended from time to time.

Section 1.43 “Unit” shall mean that portion of this Common Interest Community to be separately, owned by each Owner, and shall include such Owner’s Lot and all Improvements thereon. The vertical boundaries of each Unit shall be the boundaries of the Owner’s Lot. The horizontal boundaries of each Unit shall extend into the earth and the heavens, as at common law.

Section 1. 44 “VA” shall mean the U.S. Department of Veterans Affairs.

Section 1. 45 Any capitalized terms not defined herein shall have the meaning set forth in Chapter 116 of Nevada Revised Statutes.

DEFINITIONS

Article I Section 1.46 is hereby added to read as follows:

Section 1.46 Act

“Act” shall mean the Common-Interest Community Act as set forth in Chapter 116 of the Nevada Revised Statute.

DEFINITIONS

Article I Section 1.47 is hereby added to read as follows:

Section 1.47 Administrator

“Administrator” shall mean the administrator of the Real Estate Division of the Department of Business and Industry.

DEFINITIONS

Article I Section 1.48 is hereby added to read as follows:

Section 1.48 Emergency

“Emergency” shall mean any occurrence or combination of occurrences that:

- a. Could not have been reasonably foreseen;
- b. Affects the health, welfare, and safety of the units’ owners of the

Association;

- c. Requires the immediate attention of, and possible action by, the Board; and
- d. Makes it impracticable to comply with the notice, agenda, or Owner comment requirements applicable to meetings of either the Members or the Board, as the case may be.

II.

OWNERS' PROPERTY RIGHTS

Section 2.1 Owners' Easements of Enjoyment. Every Owner shall have a right and easement of ingress and egress and of enjoyment in, to and over the Common Area, and such easement shall be appurtenant to and shall pass with title to every Unit, subject to the following:

(a) The right of the Association to reasonably limit the number of guests and tenants an Owner or his tenant may authorize to use the Common Area and its facilities;

(b) The right of the Association to establish uniform Rules and Regulations pertaining to the use of the Common Area;

(c) The right of the Association in accordance with the Articles, Bylaws and this Declaration, to borrow money for the purpose of improving or adding to the Common Elements and facilities, and in aid thereof, subject to the provisions of Article XI of this Declaration, and so long as Owner's constituting a majority of the voting power of the Association (including a majority of the votes allocated to Units not owned by Declarant) have given their written assent, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money; borrowed or debts incurred, provided that the rights of such Mortgagee shall be subordinated to the rights of the Owners;

(d) Subject to the provisions of Article XII of this Declaration, and subject to the written assent described in subsection (C), above, the right of the Association to dedicate, release, alienate or transfer the Common Elements to any public agency, authority, utility or other Person for such purposes and subject to such conditions as may be agreed to by the Members;

(e) Subject to the provisions of Article XIII hereof, the right of Declarant and its sales agents, representatives and prospective Purchasers, to the nonexclusive use of the Common Area and any facilities thereon, without cost, for access, ingress, egress, use and enjoyment, in order to show and dispose of the Properties and any other residential developments in the vicinity, of the Properties until the last Close of Escrow for the sale of a Unit in the Properties or such other residential developments; provided, however, that such use shall not unreasonably interfere with the rights of enjoyment of the other Owners as provided herein;

(f) The rights and reservations of Declarant as set forth in Article XIII of this Declaration;

(g) The right of the Association (by action of the Board) to reconstruct, replace or refinish any Improvement or portion thereof upon the Common Area in accordance with the original design, finish or standard of construction of such Improvement, or of the general

Improvements within the Properties, as the case may be; and if not in accordance with such original design, finish or standard of construction only with the vote or written consent of the Owners holding seventy-five percent (75%) of the voting power of the Association and the approval of the Beneficiaries of fifty-one percent (51%) of the first Mortgages on Units in the Properties;

(h) The right of the Association to replace destroyed trees or other vegetation and to plant trees, shrubs and ground cover upon any portion of the Common Area;

(i) The right of the Association, acting through the Board, to reasonably restrict access to portions of the Common Area; and

(j) The easements reserved in Sections 2.3, 2.4, 2.6 and 15.8.

Section 2.2 Parking Restrictions. The Association, through its officers, committees and agents is hereby empowered to establish “parking,” “guest parking” and “no parking” areas within the Common Area, as well as to enforce these parking limitations by all means lawful for such enforcement on city or county streets, including the removal of any violating vehicles by those so empowered.

Section 2.3 Easements for Vehicular and Pedestrian Traffic. In addition to the general easements for use of the Common Area reserved herein, there shall be, and Declarant hereby reserves and covenants for itself and all future Owners within the Properties, nonexclusive easements appurtenant for vehicular and pedestrian traffic over any private streets and/or walkways within the Common Area, subject to the parking provisions set forth in Sections 2.2 and 9.5 hereof.

Section 2.4 Easements for Public Service Use. In addition to the foregoing easements over the Common Area, there shall be and Declarant hereby reserves and covenants for itself and all future Owners within the Properties, easements for public services of the City and County in which the Properties are located, including but not limited to, the right of the police and fire departments to enter upon any part of the Common Area for the purpose of carrying out their of official duties.

Section 2.5 Waiver of Use. No Owner may exempt himself from personal liability for assessments duly levied by the Association, nor release the Unit or other property owned by him from the liens and charges hereof, by waiver of the use and enjoyment of the Common Elements or any facilities thereon or by abandonment of his Unit or any other property in the Properties.

Section 2.6 Easements for Water and Utility Purposes. In addition to the foregoing easements over the Common Area, there shall be and Declarant hereby reserves and covenants for itself and all future Owners within the Properties, easements for public and private utility purposes, including but not limited to, the right of any public utility or mutual water district of ingress or egress over the Common Area for purposes of reading and maintaining meters, and using and maintaining fire hydrants located on the common Area.

Section 2.7 Easement Data. The recording data, required to be contained herein pursuant to the provisions of N.R.S. 116.2105 (1) (m), for any easements and licenses appurtenant to or included in this Common Interest Community or to which any portion of this Common Interest Community is or may become subject by virtue of a reservation in this Declaration, is as follows: The recording data for all easements and licenses reserved pursuant to the terms of this

Declaration is the same as the recording data for this Declaration. The recording data for any easements and licenses created by the Plat is the same as the recording data for the Plat.

Section 2.8 Taxes. Each Owner shall execute such instruments and take such action as may reasonably be specified by the Association to obtain separate real estate tax assessment of each Unit. If any taxes or assessments of any Owner may, in the opinion of the Association become a lien on the Common Area, or any part thereof, they may be paid by the Association as a Common Expense or paid by the Association and levied against such Owner as a Special Assessment.

III.

BELAIRE ESTATES PROPERTY OWNERS ASSOCIATION

Section 3.1 Organization of Association. The Association is or shall be incorporated under the name of Belaire Estates Property Owners Association, as a non-profit corporation under Nevada law.

Section 3.2 Duties and Powers. Duties and powers of the Association are those set forth in this Declaration; the Articles and Bylaws, together with its general and implied powers of a nonprofit corporation, generally to do any and all things that a corporation organized under the laws of the State of Nevada may lawfully do which are necessary or proper, in operating for the peace, health, comfort, safety and general welfare of its Members, including any applicable powers set forth in N.R.S. 116.3102, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Articles, the Bylaws, in this Declaration or in Chapter 116 of Nevada Revised Statutes. The Association shall make available for inspection by any prospective purchaser of a Unit, any Owner of a Unit, and the Beneficiaries, insurers and guarantors of the first Mortgage on any Unit, during regular business hours and upon reasonable advance notice, current copies of the Declaration, the Articles of Incorporation, the Bylaws, the Rules and Regulations and all other books, records, and financial statements of the Association.

BELAIRE ESTATES PROPERTY OWNERS ASSOCIATION

Article III Section 3.2 is hereby amended to include the following:

Section 3.2 Duties and Powers

The duties and powers of the Association are those set forth in the Act and this Declaration, the Articles and By-Laws, together with the general and implied powers of a non-profit corporation generally to do any and all things that such a corporation may lawfully do which are necessary or proper, in operating for the peace, health, comfort, safety, and general welfare of its Members. This Declaration may not impose limitations on the power of the Association to deal with the Declarant which are more restrictive than the limitations imposed on the power of the Association to deal with other persons.

Section 3.3 Membership. Every Owner of a Unit, upon purchasing such Unit, shall automatically become a Member of the Association and shall remain a Member thereof until such time as his ownership ceases, at which time his membership in the Association shall automatically cease. Memberships in the Association shall not be assignable, except to the Person to which title to the Unit has been transferred, and every membership in the Association shall be appurtenant to and may not be separated from the fee ownership of such Unit.

Ownership of such Unit shall be the sole qualification for membership in the Association.

Section 3.4 Transfer. The Association membership held by any Owner of a Unit shall not be transferred, pledged or alienated in any way, except upon the sale or encumbrance of such Owner's Unit, and then only to the purchaser or Mortgagee of such Unit. Any attempt to make a prohibited transfer is void, and will, not be reflected upon the books and records of the Association. An Owner who has sold his Unit to a contract purchaser under an agreement to purchase shall be entitled to delegate to such contract purchaser his membership rights in the Association. Such delegation shall be in writing and shall be delivered to the Board before such contract purchaser may vote. However, the, contract seller shall remain liable for all charges and assessments attributable to his Unit until, fee title to the Unit sold is transferred. If the Owner of any Unit should fail or refuse to transfer the membership registered in his name to the purchaser of such Unit upon transfer of fee title thereto, the Board of Directors shall have the right to record the transfer upon the books of the Association. Until satisfactory evidence of such transfer has been presented to the Board, the purchaser shall not be entitled to vote at meetings of the Association. The Association may levy a reasonable transfer fee against a new owner and his Unit (which fee shall be added to the Annual Assessment chargeable to such new Owner) to reimburse the Association for the administrative cost of transferring the membership to the new Owner on the records of the Association.

Section 3.5 Board of Directors. Except as otherwise provided in this Declaration, the Bylaws, or by Chapter 116 of Nevada Revised Statutes, the Board of Directors may act in all instances on behalf of the Association. Notwithstanding the foregoing, the Board of Directors may not act on behalf of the Association to amend the Declaration, to terminate the Common Interest Community or to elect members of the Board of Directors or determine their qualifications, powers and duties or terms of office, but the Board of Directors may fill vacancies in its membership for the unexpired portion of any term. Notwithstanding any provisions of this Declaration or the Bylaws to the contrary, the Units' owners, by a two-thirds vote of all persons present and entitled to vote at any meeting of the Unit's owners at which a quorum is present, may remove any member of the Board of Directors with or without cause, other than a member appointed by the Declarant. When a member of the Board of Directors is sued for liability for actions undertaken in his role as a member of the Board of Directors, the Association shall Indemnify him for his losses or claims, and undertake all costs of defense, until and unless it is proven that he acted with willful or wantoned misfeasance or with gross negligence. After such proof, the Association is no longer liable for the cost of defense, and they may recover costs already expended from the member of the Board of Directors who so acted. Members of the Board of Directors are not personally liable to the victims of crimes occurring within the Properties. Punitive damages may not be recovered against the Association, but may be recovered from persons whose activity gave rise to the damages. An officer, employee, agent or director of a corporate owner of a Unit, a trustee or designated beneficiary of a trust that owns a Unit, a partner of a partnership that owns a Unit, and a fiduciary of an estate that owns a Unit may be an officer or member of the Board of Directors. In all events where the persons serving or offering to serve as an officer or member of the Board of Directors is not the record owner, he shall file proof of authority in the records of the Association.

Section 3.6. Bylaws. The Bylaws of the Association must provide:

- (a) The number of members of the Board and the titles of the officers of the Association.
- (b) For election by the Board of a president, treasurer, secretary and any other

officers specified by the Bylaws.

(c) The qualifications, powers and duties, terms of office and manager of electing and removing members and officers of the Board and filling vacancies.

(d) Which, if any of its powers, the Board or officers may delegate to other persons or to a managing agency.

(e) Which of its officers may prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

(f) A method for amending the Bylaws.

Section 3.7 Meetings of the Association. A meeting of the Association must be held at least once each year. Special meetings of the Association may be called by the president, a majority of the Board of Directors or by owners having twenty percent (20%) of the votes in the Association. Not less than ten (10) nor more than sixty (60) days in advance of any meeting, the secretary shall cause notice to be hand delivered or sent prepaid by United States mail to the mailing address of each Unit or to any other mailing address designated in writing by any Unit's owner. The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budgetary changes and any proposal to remove an officer or member of the Board. A quorum is present throughout any meeting of the Association if persons entitled to cast twenty percent (20%) of the votes of the Association are present in person or by proxy at the beginning of the meeting. A quorum is deemed present throughout any meeting of the Board if persons entitled to cast fifty percent (50%) of the votes on that Board are present at the beginning of the meeting.

BELAIRE ESTATES PROPERTY OWNERS ASSOCIATION

Article III Section 3.8 is hereby added to read as follows:

Section 3.8 Requirements for Rules and Regulations

1. Purpose: The Rules and Regulations must be reasonably related to the purpose for which they are adopted and sufficiently explicit in their prohibition, direction, or limitation to inform a Member or other individual of any action or omission required for compliance. In addition, the Rules and Regulations must not be adopted to evade any obligation of the Association and they must be consistent with the Declaration and By-Laws. They may not arbitrarily restrict conduct or require the construction of any capital improvement by a Member that is not required by the Declaration or By-Laws.
2. Enforcement: The Rules and Regulations must be uniformly enforced under the same or similar circumstances against all Members.
3. Fines: A fine may be imposed for the violation of any Rule or Regulation if, at least 30 days before the violation, the Member and/or individual received notice of the Rule or Regulation and then, after the violation, the Member or individual received notice of the right to request a hearing and be heard regarding the alleged violation.

IV.

VOTING RIGHTS

Section 4.1 Voting. Subject to Section 4.2, below, all owners shall be entitled to cast one vote for each Unit owned.

Section 4.2 Appointment of Board. Declarant shall have the right to appoint and remove a majority of the members of the Board of Directors, subject to the following limitations

(a) Not later than sixty (60) days after conveyance of twenty five percent (25%) of the Units from Declarant to Purchasers, at least one director and not less than 25% of the total directors must be elected by Owners other than Declarant.

(b) Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units from Declarant to Purchasers, not less than one-third of the total directors must be elected by Owners other than Declarant.

(c) The power reserved to Declarant in this Section 4.2 to appoint or remove a majority of the members of the Board of Directors shall terminate on the earliest of (1) sixty (60) days after conveyance of seventy-five percent (75%) of the Units from Declarant to purchasers, (2) two years after Declarant has ceased to offer any Units for sale in the ordinary course of business, or (3) two years after any right to annex any portion of the annexable property was last exercised pursuant to Article XV hereof.

Section 4.3 Multiple Owners. When more than one Person holds such interest or interests in any Unit (“co-owner”), all such co-owners shall be Members and may attend any meetings of the Association, but only one such co-owner shall be entitled to exercise the vote to which the Unit is entitled. Such co-owners may from time to time all designate in writing one of their number to vote. Fractional votes shall not be allowed. Where no voting co-owner is designated or if such designation has been revoked, the vote for such Unit shall be exercised as the majority of the co-owners of the Unit mutually agree. No vote shall be cast for any Unit where the co-owners present in person or by proxy owning the majority interests in such Unit cannot agree to said vote or other action. The nonvoting co-owner or co-owners shall be jointly and severally responsible for all of the obligations imposed upon the jointly owned Unit and shall be entitled to all other benefits of ownership. All agreements and determinations lawfully made by the Association in accordance with the voting percentages established herein, or in the Bylaws, shall be deemed to be binding on all Owners, their successors and assigns.

Section 4.4 Proxies. Votes allocated to a Unit may be cast pursuant to a proxy executed by an owner. If a Unit is owned by more than one person, each Co-owner of the Unit may vote or register protest to the casting of votes by the other owner of the Unit through an executed proxy. A Unit’s owner may revoke a proxy given pursuant to this section only by actual notice of revocation to the person presiding over the meeting of the Association. A proxy is void if it is not dated or purports to be revokable without notice. A proxy terminates one (1) year after its date, unless it specifies a shorter term.

Section 4.5 Delegate District. The Properties shall comprise a Delegate District, as defined in the Master Declaration. The Members of the Association shall elect one (1) Delegate and one (1) alternate Delegate to the Master Association to exercise the voting powers of the Members in the manner set forth in the Master Declaration.

Section 4.6 Election of Delegates. At the time the Master Association commences a Delegate Voting System, and at each subsequent annual meeting, the Members shall elect a Delegate to represent them to the Master Association. The Delegates shall be elected by a majority of a quorum of the Members of the Association, as such is defined in the Bylaws. Such Delegates shall continue in office for one (1) year or until his successor is elected, whichever is later, unless such Delegate is removed, with or without cause, pursuant to the Master Declaration.

V.

JURISDICTION OF ASSOCIATION

The Association's obligations to maintain the Common Area shall commence on the date Annual Assessments commence on Units in the Properties. Until commencement of Annual Assessments, the Common Area shall be maintained by Declarant, at Declarant's expense. The Association, acting through the Board, shall have:

(a) The power and duty to maintain, repair and otherwise manage the Common Area and all facilities, Improvements and landscaping thereon in accordance with the provisions of Article VI and Article VIII of this Declaration.

(b) The power and duty to obtain, for the benefit of the Properties, all commonly metered water, gas and electric services, and the power but not the duty to provide for refuse collection and cable or master television service.

(c) The power and duty to grant easements, rights of way, or strips of land, where necessary, for utilities and sewer facilities over the Common Area to serve the Common Area and the Units.

(d) The power and duty to maintain such policy or policies of liability and fire insurance with respect to the Common Elements, if any, owned by the Association as provided herein in furthering the purposes of and protecting the interests of the Association and Members and as directed by this Declaration and the Bylaws of the Association.

(e) The power but not the duty to employ or contract with a professional Manager to perform all or any part of the duties and responsibilities of the Association, and the power to delegate its powers to committees, officers and employees. Any such management agreement, or any agreement providing for services by Declarant to the Association, shall be for a term not in excess of one (1) year, subject to cancellation by the Association for cause at any time upon not less than thirty (30) days' written notice, and without cause (and without penalty or the payment of a termination fee) at any time upon not less than ninety (90) days' written notice.

(f) The power but not the duty, after Notice and Hearing, to enter upon any area of a Unit, without being liable to any Owner except for damage caused by such entry, for the purpose of enforcing by peaceful means the provisions of this Declaration, or for the purpose of maintaining or repairing any such area if for any reason whatsoever the Owner thereof fails to maintain or repair any such area as required by this Declaration. The cost of such enforcement, maintenance and repair shall be a Special Assessment enforceable as set forth in this Declaration. The Owner shall pay promptly all amounts due for such work, and the costs and expenses of collection may be added, at the option of the Board of Directors, to the amounts specially assessed against such Owner. Notwithstanding the foregoing, in the event an emergency,

entrance upon a Unit by or on behalf of the Board of Directors shall be permitted without Notice and Hearing for the purpose of enforcing the provisions of the Declaration or for the purpose of maintaining or repairing any area of the Unit improperly maintained by the Owner of the Unit.

(g) The power but not the duty to reasonably limit the number of guests and tenants of the Owners using the Common Area.

(h) The power but not the duty to establish uniform Rules and Regulations for the use and enjoyment of the Common Area and/or the Common Elements, as provided in this Declaration.

(i) The power but not the duty to enter upon a Unit adjacent to the Common Area, without being liable to any Owner except for damage caused by such entry, for the purpose of repairing and maintaining the Common Area.

VI.

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 6.1 Creation of the Lien and Personal Obligation of Assessments. Declarant, for each Unit owned within the Properties, hereby covenants, and each Owner of any Unit by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association (a) Annual Assessments for Common Expenses, (b) Capital Improvement Assessments, (c) Special Assessments, and (d) Reconstruction Assessments; such assessments to be established and collected as provided in this Declaration. Except as provided in this Section 6.1, all such assessments, together with interest, costs and reasonable attorneys' fees for the collection thereof, shall be a charge on the Unit and shall be a continuing lien upon the Unit against which such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Person who was the Owner of such property at the time when the assessment became due. This personal obligation cannot be avoided by abandonment of a Unit or by an offer to waive use of the Common Area. The personal obligation for delinquent assessments shall not pass to any new Owner ("Purchaser") unless expressly assumed by the Purchaser.

COVENANT FOR MAINTENANCE

Article VI Section 6.1 is hereby amended to include the following:

Section 6.1 Creation of Lien and Personal Obligation of Assessments

1. Declarant Responsibility: Until the Association establishes an annual assessment for common expenses, the Declarant shall pay all common expenses.
2. Time Period: After an assessment has been made by the Association, assessments must be made at least annually, based on a budget adopted at least annually by the Association. The Budget must include a Budget for the daily operation of the Association and the money for the reserve required by the Act.
3. Applicability: Except for assessments under subsections 4 to 7, inclusive, all common expenses, including a reserve, must be assessed against all

the units in accordance with the allocations set forth in this Declaration pursuant to the Act.

4. Interest Rate: Any past due assessment for common expenses or installment thereof bears interest at the rate established by the Association not exceeding 18 percent per year.
5. Limited Common Elements To the extent required by this Declaration any common expense associated with the maintenance, repair, restoration, or replacement of a limited common element must be assessed against the units to which that limited common element is assigned, equally, or in any other proportion the Declaration provides. Additionally, any common expense or portion thereof benefiting fewer than all of the units must be assessed exclusively against the units benefited and the costs of insurance must be assessed in proportion to risk and the costs of utilities must be assessed in proportion to usage.
6. Judgments Against the Association: Assessments to pay a judgment against the Association may be made only against the units in the Association at the time the judgment was entered, in proportion to their liabilities for common expenses.
7. Individual Actions If any common expense is caused by the misconduct of any Member or tenant, guest, or invitee of a Member, the Association may assess that expense exclusively against the Member.
8. Reallocated Costs: If liabilities for common expenses are reallocated, assessments for common expenses and any installment thereof not yet due must be recalculated in accordance with the reallocated liabilities.

Section 6.2 Maintenance Funds of Association. The Board of Directors shall establish no fewer than two (2) separate accounts (the "Association Maintenance Funds") into which shall be deposited all monies paid to the Association, and from which disbursements shall be made, as provided herein, in the performance of functions by the Association under the provisions of this Declaration. The Association Maintenance Funds may be established as trust accounts at a banking or saving institution and shall include: (1) An Operating Fund for current expenses of the Association, and (2) a Reserve Fund for replacements, painting and repairs (which would not reasonably be expected to recur on an annual or more frequent basis) of the Common Area, and (3) any other funds which the Board of Directors may establish to the extent necessary under the provisions of this Declaration. To qualify for higher returns on accounts held at banking or savings institutions the Board of Directors may co-mingle any amounts deposited into any of the Association Maintenance Funds with one another, provided that the integrity of each individual Association Maintenance Fund shall be preserved on the books of the Association by accounting for disbursements from, and deposits to, each Association Maintenance Fund separately. Nothing contained herein shall limit, preclude, or impair the establishment of additional Maintenance Funds by the Association, so long as the amounts assessed to, deposited into, and disbursed from any such Fund are earmarked for specified purposes authorized by this Declaration.

Section 6.3 Purpose of Annual Assessments. The Assessments levied by the Association shall be used exclusively to promote the common health, safety, benefit, recreation and welfare of the Owners and for the improvement and maintenance of the Common Area as provided herein. However, disbursements from the Reserve Fund shall be made by the Board of Directors only for the specific purposes specified in this Article VI. Disbursements from the Operating Fund shall be made by the Board of Directors only for such purposes as are necessary for the discharge of its responsibilities herein for the common benefit of all of the Owners, other than those purposes for which disbursements from the Reserve Fund are to be used. Nothing in this Declaration shall be construed in such a way as to permit the use of Association assessments or funds to abate any nuisance or annoyance emanating from outside the boundaries of the Properties. Annual Assessments shall be used to satisfy Common Expenses of the Association, as provided herein and in the Bylaws.

Section 6.4 Budget. The Board shall adopt a proposed annual budget at least forty five (45) days prior to the first common assessment period for each fiscal year. Within thirty (30) days after adoption of any proposed budget, the Board shall provide a summary of the budget to all Owners, and shall set a date for a meeting of the Owners to consider ratification of the budget. Said meeting shall be held not less than fourteen (14) days, nor more than thirty (30) days after mailing of the summary. Unless at that meeting the proposed budget is rejected by at least seventy-five percent (75%) of the voting power of the Association, the budget shall be deemed ratified, whether or not a quorum was present. If the proposed budget is duly rejected as aforesaid, the annual budget for the immediately preceding fiscal year shall be reinstated, as if duly approved for the fiscal year in question, and shall remain in effect until such time as a subsequent proposed budget is ratified.

Section 6.5 Limitations on Annual Assessment Increases. The Board shall not levy, for any Fiscal Year, an Annual Assessment which exceeds the "Maximum Authorized Annual Assessment" as determined pursuant to Sections 6.5(a) and 6.5(b) below, unless first approved by the vote of Members representing at least a majority of the voting power of the Association.

(a) Maximum Authorized Annual Assessment for Initial Year of Operations. Until the first day of the Fiscal year immediately following the Fiscal Year in which Annual Assessments commence, the Maximum Authorized Annual Assessment per Unit shall equal one hundred fifteen percent (115%) of the amount of Annual Assessments disclosed in the initial Budget for the Association adopted by the Board of Directors. [Example: If the amount of the Annual Assessment disclosed in the initial Budget is \$100.00 per Unit, then the Maximum Authorized Annual Assessment for the following fiscal year cannot exceed \$115.00.]

(b) Maximum Authorized Annual Assessment for Subsequent Fiscal Years. Starting with the first Fiscal Year immediately following the Fiscal Year in which Annual Assessments commence, the Maximum Authorized Annual Assessment in any Fiscal Year shall be one hundred fifteen percent (115%) of twelve times the monthly installment of the Annual Assessments levied during the last month of the preceding Fiscal Year.

(c) Supplemental Annual Assessments. If the Board, by majority vote, determines that the important and essential functions of the Association may be properly funded by an Annual Assessment in an amount less than the Maximum Authorized Annual Assessment, it may levy such lesser Annual Assessment. If the Board determines that the estimate of total charges for the current year is or will become inadequate to meet all expenses for the Properties for any reason, it shall immediately determine the approximate amount of the inadequacy. Subject to the then Maximum Authorized Annual Assessment, the Board shall have the authority to levy, at any

time by a majority vote, a supplemental Annual Assessment reflecting a revision of the total charges to be assessed against each Unit.

Section 6.6 Capital Improvement and Reconstruction Assessments. The Board of Directors of the Association may levy, in any Fiscal Year, a Capital Improvement Assessment or Reconstruction Assessment applicable to that Fiscal Year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement or other such addition upon the Common Area including fixtures and personal property related thereto; provided that any proposed Capital Improvement Assessments in any Fiscal Year which, if added to the Capital Improvement Assessments already levied during such Fiscal Year exceeds ten percent (10%) of the budgeted gross expenses of the Association for such Fiscal Year, shall require the vote or written assent of a majority of the voting power of the Association.

Section 6.7 Uniform Rate of Assessment. Except as otherwise indicated in the Budget, Annual Assessments, Capital Improvement Assessments and Reconstruction Assessments provided for in this Article VI shall be assessed equally and uniformly against all Owners and their Units. Each Owner's share of such assessments shall be a fraction, the numerator of which shall be the number of Units owned by such Owner, and the denominator of which shall be the total number of Units in the Common Interest Community. The Association may, subject to the provisions of Section 8.3 and Article X (d) hereof, levy Special Assessments against selected Owners who have caused the Association to incur special expenses due to willful or negligent acts of said Owners, their tenants, families, guest, invitees or agents. All installments of Annual Assessments shall be collected in advance on a regular basis by the Board of Directors at such frequency as the Board shall determine from time to time.

Section 6.8 Date of Commencement of Annual Assessments. The Board of Directors shall authorize and levy the amount of the Annual Assessment upon each Unit, as provided herein, by a majority vote of the Board. Annual Assessments shall commence on all Units within the Common Interest Community on the first day of the first calendar month following the first Close of Escrow for the sale of a Unit in the Common Interest Community. Annual Assessments shall commence on all Units within any portion of the Annexable Property immediately upon the annexation of such portion of the Annexable Property. The first Annual Assessment shall be adjusted according to the number of months remaining in the Fiscal Year as set forth in the Bylaws. Written notice of any change in the amount of any Annual Assessment shall be sent to every Owner subject thereto, not less than thirty (30) days prior to the effective date of such change. The due dates shall be established by the Board of Directors. A properly executed certificate of the Association as to the status of assessments against a Unit is binding upon the Association as of the date of its issuance.

From time to time the Board may determine that all excess funds remaining in the Operating Fund, over and above the amounts used for the operation. of the Properties, may be retained by the Association and used to reduce the following year's Annual Assessments. Upon dissolution of the Association, any amounts remaining in any of the funds shall be governed by N.R.S. 116.2118 (7).

Section 6.9 Exempt Property. The following property subject to this Declaration shall be exempt from the assessments herein:

(a) All portions of the Properties dedicated to and accepted by a local public authority; and

- (b) The Common Area owned by the Association in Fee.

COVENANT FOR MAINTENANCE

Article VI Section 6.10 is hereby added to read as follows:

Section 6.10 Special Assessment for Violations

- I. Sanctions: If a Member or tenant, family member, guests, or invitee of a Member violates a provision of the governing documents, the Board may, after written notice and opportunity to be heard:
 - a. Prohibit, for a reasonable time, the individual from voting on matters related to the Association and using the common elements, except for any vehicular or pedestrian ingress or egress to go to or from the unit, including any area used for parking;
 - b. Require the individual or Member to pay a fine for each failure to comply, the amount of which shall be commensurate with the severity of the violation and otherwise consistent with the Act.
2. Amount and Frequency of Fines: If a fine is imposed pursuant to subsection Ib, above, and the violation is not cured within 14 days or a longer period as may be established by the Board, the violation shall be deemed a continuing violation. If a continuing violation is established, the Board may:
 - a. Impose an additional fine for the violation for each 7-day period or portion thereof that the violation is not cured, the amount of which shall be commensurate with the severity of the violation and consistent with the Act. Any additional fine for a continuing violation may be imposed without notice and an opportunity to be heard.
3. Inconsistent Provisions If this provision is inconsistent with any other provision of the Declaration or By-Laws of the Association, this provision shall govern only those portions which shall be determined to be inconsistent.

VII.

EFFECT OF NONPAYMENT OF ASSESSMENTS: REMEDIES OF THE ASSOCIATION

Section 7.1 Effect of Non-Payment of Assessments: Remedies of the Association. Any installment of an Annual Assessment, Capital Improvement Assessment, Special Assessment or Reconstruction Assessment shall be delinquent if not paid within thirty (30) days of the due date as established by the Board of Directors of the Association. The Board shall be authorized to adopt a system pursuant to which any installment of Annual Assessments, Capital Improvement Assessments, Special Assessments, or Reconstruction Assessments not paid within thirty (30) days after the due date shall bear interest at the rate of up to ten percent (10%) per annum, commencing thirty (30) days from the due date until paid. In addition, the Board may require the delinquent Owner to pay a reasonable late charge to compensate the Association for increased bookkeeping, billing, and other administrative costs. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Unit. No

Owner may waive or otherwise escape liability for the Assessments provided for herein by nonuse of the Common Area or abandonment of his Unit. If any installment of an assessment is not paid within thirty (30) days after its due date, the Board may mail an acceleration notice to the Owner and to each first Mortgagee of a Unit which has requested a copy of the notice. The notice shall specify (1) the fact that the installment is delinquent, (2) the action required to cure the default, (3) a date, not less than thirty (30) days from the date the notice is mailed to the Owner, by which such default must be cured, and (4) that failure to cure the default on or before the date specified in the notice may result in acceleration of the balance of the installments of such assessment for the then current Fiscal Year and sale of the Unit. If the delinquent installment or installments of any assessment and any charges thereon are not paid in full on or before the date specified in the notice, the Board at its option may declare all of the unpaid balance of such assessment levied against such Owner and such Owner's Unit to be immediately due and payable without further demand and may enforce the collection of the full assessment and all charges thereon in any manner authorized by law and this Declaration.

Section 7.2 Enforcement. The Association has a lien on a Unit for any assessment levied against that Unit or fines imposed against the Unit's owner from the time the assessment or fine becomes due, together with all fees, charges, late charges, fines and interest payable thereon. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment thereof becomes due. A lien under this section is prior to all other liens and encumbrances on Unit except: (a) liens and encumbrances recorded before the recordation of the Declaration, (b) a first security interest on the Unit recorded before the date on which the assessment sought to be enforced became delinquent, and (c) liens for real estate taxes and other governmental assessments or charges against the Unit. The lien is also prior to all security interests described in subpart (b) of the preceding sentence to the extent of the assessments for common expenses based on the periodic budget adopted by the Association which would have become due in the absence of acceleration during the six (6) months immediately preceding institution of an action to enforce the lien. Recording of this Declaration constitutes record notice and protection of the lien. No further recordation of any claim of lien for assessment shall be required. A lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within three (3) years after the full amount of the assessments becomes due. None of the foregoing shall prohibit the Association from bringing an action to recover sums for which this Declaration creates a lien or prohibit an association from taking a deed in lieu of foreclosure. The judgment or decree in any action brought in connection herewith shall include costs and reasonable attorneys fees for the prevailing party. The Association, upon written request, shall furnish to a Unit's owner a statement setting forth the amount of unpaid assessments against the Unit. The statement must be in recordable form. The statement must be furnished within ten (10) business days after receipt of the request and shall be binding upon the Association, the Board of Directors and every owner.

Section 7.3 Foreclosure of Lien. The Association may foreclose its lien by sale after:

(a) The Association has cause to be recorded, with the County Recorder, a notice of delinquent assessment, which states the amount of the assessment and other sums which are due, a description of the Unit against which the lien is imposed, and the name of the record owner of the Unit;

(b) The Association or other person conducting the sale has executed and caused to be recorded, with the County Recorder, a notice of default and election to sale the Unit to satisfy the lien, which contains the same information as the notice of delinquent assessment, but must also describe the deficiency in payment and the name and address of the person authorized by the

Association to enforce the lien by sale; and

(c) The Unit's owner or successor-in-interest has failed to pay the, amount of the lien, including costs, fees and expenses incident to its enforcement, for sixty (60) days following the recording of the notice of default and election to sell.

The notice of delinquent assessment must be signed by the person designated in the Declaration or by the Association for that purpose, or if no one is designated, by the President of the Association.

The period of sixty (60) days begins on the first day following the later of (a) the day on which the notice of default is recorded, or (b) the day on which a copy of the notice of default is mailed by certified or registered mail, return receipt requested, to the Unit's owner or his successor-in-interest at his address of known, otherwise to the address of the Unit.

The Association or other person conducting the sale shall also, after the expiration of the 60 days and before selling the Unit, give notice of the time and place of the sale in the manner and for a time not less than that required by law for the sale of real property upon execution, except that a copy of the notice of sale must be mailed, on or before the date of first publication or posting, by certified or registered mail, return receipt requested, to the Unit's owner or successor in interest at his address of known, otherwise to the address of the Unit.

The foreclosure sale shall be conducted in accordance with N.R.S. § 116.31164. Notices of default and sale shall be afforded to any person who records a request for notice in the manner provided by N.R.S. § 107.090, as required by N.R.S. § 116.31168.

EFFECT OF NONPAYMENT OF ASSESSMENTS: REMEDIES OF THE ASSOCIATION

Article VII Section 7.3 is hereby amended to include the following:

Section 7.3 Foreclosure of Lien

Foreclosure Except as otherwise provided in subsection 4, the Association may foreclose its lien by sale after:

- a. The Association has mailed by certified or registered mail, return receipt requested, to the Member or his successor in interest, at his or her address if known, and at the address of the unit, a notice of delinquent assessment which states the amount of the assessments and other sums which are due in accordance with the Act, a description of the unit against which the lien is imposed, and the name of the record owner of the unit; and
- b. The Association or other person conducting the sale has executed and caused to be recorded, with the county recorder of the county in which the Association or any part of it is situated, a notice of default and election to sell the unit to satisfy the lien, which contains the same information as the notice of delinquent assessment, but must also describe the deficiency in payment and the name and address of the person authorized by the association to enforce the lien by sale; and
- c. The Owner or his successor in interest has failed to pay the amount of the lien, including costs, fees and expenses incident to its

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enforcement, for 60 days following the recording of the notice of default and election to sell.

2. Authority to Sign The notice of default and election to sell must be signed by the person designated in the Declaration or by the Association for that purpose, or if no one is designated, by the President of the Association.
3. Time Periods The period of 60 days begins on the first day following the later of:
 - a. The day on which the notice of default is recorded; or
 - b. The day on which a copy of the notice of default is mailed by certified or registered mail, return receipt requested, to the Owner or his successor in interest at his address if known, and at the address of the unit.
 - c. The Association may not foreclose a lien by sale for the assessment of a fine for a violation of the Declaration, Bylaws, Rules or Regulations of the Association, unless the violation is of a type that threatens the health, safety or welfare of the residents of the Association.
4. Super Priority A lien filed by the Association takes priority over all liens and encumbrances filed against any Lot except
 - a. Liens and encumbrances recorded before the recordation of the Declaration
 - b. A first security interest on the Lot recorded before the date that the assessment sought to be enforced became delinquent.
 - c. Liens for real estate taxes and other governmental assessments or charges against the LotThe lien is also prior to all security interests described in paragraph (b) to the extent of the assessments for common expenses based on the period budget adopted by the association pursuant to the Act which would have become due in the absence of acceleration during the six months immediately preceding institution of an action to enforce the lien.

Section 7.4 Curing of Default. Upon the timely curing of any default for which a Notice of Assessment was filed by the Association, the officers thereof shall Record an appropriate Release of Lien, upon payment by the defaulting Owner of a reasonable fee to cover the cost of preparing and Recording such release. A certificate executed and acknowledged by any two (2) members of the Board stating the indebtedness secured by the liens upon any Unit created hereunder shall be conclusive upon the Association and the Owners as to the amount of such indebtedness as of the date of the certificate, in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any Owner upon request at a reasonable fee, to be determined by the Board.

Section 7.5 Cumulative Remedies. The assessment liens and the rights to foreclosure and sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid assessments, as above provided.

Section 7.6 Mortgage Protection. Notwithstanding all other provisions hereof, except as provided in N.R.S. §116.3116(2) (pertaining to six (6) months' assessments) no lien created under this Article VII, nor any breach of this Declaration, nor the enforcement of any provision hereof shall defeat or render invalid the rights of the Beneficiary under any Recorded first Mortgage or first Deed of Trust (meaning any Mortgage or Deed of Trust with first priority over other Mortgages or Deeds of Trust) upon a Unit made in good faith and for value; provided that after such Mortgagee or some other Person obtains title to such Unit by judicial foreclosure or by means of the powers set forth in such Deed of Trust, such Unit shall remain subject to the Declaration and the payment of all installments of Assessments accruing subsequent to the date such Mortgagee or other Person obtains title.

VIII.

MAINTENANCE AND REPAIR OBLIGATIONS

Section 8.1 Maintenance Obligations of Owners. It shall be the duty of each Owner, at his sole cost and expense, subject to the provisions of this Declaration requiring Board approval, to maintain, repair, replace and restore all Improvements located on his Unit and the Unit itself in a neat, sanitary and attractive condition, except for any areas to be maintained by the Association under this Declaration or the Master Association under the Master Declaration. If any Owner shall permit any improvement, the maintenance of which is the responsibility of such Owner, to fall into disrepair or to become unsafe, unsightly or unattractive, or to otherwise violate this Declaration, the Board shall have the right to seek any remedies at law or in equity which it may have. In addition, the Board shall have the right, but not the duty, after Notice and Hearing as provided in the Bylaws, to enter upon such Owner's Unit to make such repairs or to perform such maintenance and to charge the cost thereof to the Owner. Said cost shall be a Special Assessment enforceable as set forth in this Declaration.

Section 8.2 Maintenance Obligations of Association. No improvement excavation or work which in any way alters the Common Area shall be made or done by any person other than the Association or its authorized agents after the completion of the construction or installation of the Improvements thereto by Declarant. Subject to the provisions of Sections 6.3 and 8.3 hereof, upon commencement of Annual Assessments in the Properties the Association shall provide for the maintenance, repair, and replacement of the Common Area and all Improvements thereon, in a safe, sanitary and attractive condition, and in good order and repair, and shall likewise provide for the utilities serving the Common Area. The Association shall, ensure that the landscaping on the Common Area is maintained free of weeds and disease. The Association shall not be responsible for the maintenance of any portions of the Common Area which have been dedicated to and accepted for maintenance by a state, local or municipal governmental agency or entity. All of the foregoing obligations of the Association shall be discharged when and in such manner as the Board of Directors of the Association shall determine in its judgment to be appropriate.

Section 8.3 Damage to Common Elements by Owners. The cost of any maintenance, repairs or replacements by the Association within the Common Elements arising out of or caused by the willful or negligent act of an Owner, his tenants, or their families, guests or invitees shall, after Notice and Hearing, be levied by the Board as a Special Assessment against such Owner as provided in Article X (d).

Section 8.4 Damage and Destruction Affecting Dwellings and Duty to Rebuild. If all or any portion of any Unit or Dwelling is damaged or destroyed by fire or other casualty, it shall be the duty of the Owner of such Unit to rebuild, repair or reconstruct the same: in a manner which

will restore it substantially to its appearance and condition immediately prior to the casualty or as otherwise approved by the Board. The Owner of any damaged Unit and the Board shall be obligated to proceed with all due diligence hereunder, and such Owner shall cause reconstruction to commence within six (6) months after the damage occurs and to be completed within eighteen (18) months after damage occurs, unless prevented by causes beyond his reasonable control. A transferee of title to the Unit which is damaged shall commence and complete reconstruction in the respective periods which would have remained for the performance of such obligations if the Owner of the Unit at the time of the damage still held title to the Unit. However, in no event shall such transferee of title be required to commence or complete such reconstruction in less than ninety (90) days from the date such transferee acquired title to the Unit.

Section 8.5 Walls. Any block or masonry walls constructed by Declarant on a Lot shall be maintained by the Owner of that Lot at the Owner's expense. Any such wall constructed upon a property line separating two Lots shall be maintained by the adjacent Owners at the Owners' expense, which shall be shared equally. No Owner shall be entitled to contribution from the adjacent Owner for any painting, stucco or other Improvement which only affect his side of the wall.. If an Owner fails to maintain such a wall in accordance with the foregoing, the Association may perform such maintenance, and the cost thereof shall be assessed to the Owner as a Special Assessment.

IX.

USE RESTRICTIONS

All real property within the Properties shall be held, used and enjoyed subject to the following limitations and restrictions and the rights of Declarant in Article XIII hereof:

Section 9.1 Single Family Residence. Each Unit shall be used as a residence for a single Family and for no other purpose.

Section 9.2 Business or Commercial Activity. No part of the Properties shall ever be used or caused to be used or allowed or authorized to be used in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storage, vending or other such nonresidential purposes; except Declarant, its successors and assigns, may exercise the reserved rights described in Article XIII hereof. The provisions of this Section 9.2 shall not preclude professional and administrative occupations without external evidence thereof, for so long as such occupation are conducted in conformance with all applicable governmental ordinances and are merely incidental to the use of the Dwelling as a residential home.

Section 9.3 Nuisances. No noxious or offensive activities (including but not limited to the repair of motor vehicles) shall be carried on upon the Properties. No horns, whistles, bells or other sound devices, except security devices used exclusively to protect the security of a Dwelling and its contents, shall be placed or used on the Properties or on any public street abutting the Properties. Noisy or smokey vehicles, large power equipment and large power tools (excluding lawn mowers and other equipment utilized in connection with ordinary landscape maintenance), off road motor vehicles or items which may unreasonably interfere with television or radio reception of any Owner in the Properties, and objects which create or emit loud noises or noxious odors shall not be located, used or paced on any portion of the Properties, or on any public street abutting the Properties, or exposed to the view of other Owners without the prior written approval of the Board. The Board of Directors of the Association shall have the right to determine if any noise, odor, or activity producing such noise or odor constitutes a nuisance. No Owner shall permit or cause anything to be done or kept on the Properties, or on any public street

abutting the Properties, which may increase the rate of insurance in the Properties, or result in the cancellation of such insurance, or which will obstruct or interfere with the rights of other Owners, nor commit or permit any nuisance thereon or violate any law. Each Owner shall comply with all of the requirements of the local or state health authorities and with all other governmental authorities with respect to the occupancy and use of a Dwelling. Each Owner shall be accountable to the Association and other Owners for the conduct and behavior of children and other family members or persons residing in or visiting his Unit; and any damage to the Common Area, personal property of the Association or property of another Owner, caused by such children or other family members, shall be repaired at the sole expense of the Owner of the Unit where such children or other family members or persons are residing or visiting.

Section 9.4 Signs. Subject to the reserved rights of Declarant contained in Article XIII hereof, no sign, poster, display, billboard or other advertising device of any kind shall be displayed to the public view on any portion of the Properties, or on any public street abutting the Properties, without the prior written consent of the Board, except (a) one (1) sign for each Unit, not larger than eighteen (18) inches by thirty (30) inches, advertising the Unit for sale or rent, or (b) traffic and other signs installed by Declarant as part of the original construction of the Properties. All signs or billboards and the conditions promulgated for the regulation thereof shall conform to the regulations of all applicable governmental ordinances.

Section 9.5 Parking and Vehicular Restrictions. No Person shall park, store or keep anywhere on the Properties, any inoperable vehicle or any large commercial-type vehicle (other than a pickup truck or van used for daily transportation of residents of or visitors to the Properties) including, but not limited to, any dump truck, cement mixer truck, oil or gas truck or delivery truck, any recreational vehicle, camper unit, house car or motor home, any bus, trailer, trailer coach, camp trailer, boat, aircraft, mobile home, or any other similar vehicle or any vehicular equipment, mobile or otherwise deemed to be a nuisance by the Board, except wholly within the Owner's garage and only with the garage door closed. No Person shall conduct repairs or restorations of any motor vehicle, boat, trailer, aircraft or other vehicle upon any portion Of the Properties or on any street abutting the Properties. However, such repair and restoration shall be permitted within an Owner's garage when the garage door is closed, provided that such activity may be prohibited entirely if the Board determines in its reasonable discretion, that such activity constitutes a nuisance. Vehicles owned, operated or within the control of any Owner or of a resident of such Owner's Dwelling shall be parked in the garage of such Owner to the extent of the space available therein. Notwithstanding the foregoing, these restrictions shall not be interpreted in such a manner so as to permit any activity which would be contrary to any ordinance of the City or County in which the Properties are located.

Section 9.6 Animal Restrictions. No animals, reptiles, poultry, fish, or fowl or insects of any kind ("animals") shall be raised, bred or kept on any Unit, except that a reasonable number of dogs, cats or other household pets may be kept provided that they are not kept, bred or maintained for any commercial purpose, nor in unreasonable quantities nor in violation of any applicable local ordinance or any other provision of the Restrictions, and such limitations as may be set forth in the Rules and Regulations. As used in this Declaration "unreasonable quantities" shall ordinarily mean more than two (2) pets per household; provided, however, that the Board of Directors may determine that a reasonable number in any instance may be more or less. The Association, acting through the Board of Directors, shall have the right to prohibit maintenance of any animal maintained in any Unit which constitutes, in the opinion Of: the Board, a nuisance to other Owners of Units in the Properties. Animals belonging to Owners, occupants or their licensees, tenants or invitees within the Properties must be either kept within an enclosure, an enclosed yard or on a leash or other restraint being held by a person capable of controlling the

animal. Furthermore, to the extent permitted by law, any Owner, shall be liable to each and all remaining Owners, their families, guests, tenants and invitees, for any unreasonable noise or damage to person or property caused by any animals brought or kept upon the Properties by an Owner or by members of his Family, his tenants or his guests; and it shall be the absolute duty and responsibility of each such Owner to clean up after such animals which have used any portion of the Common Area or streets abutting the Properties. - -

Section 9.7 Trash. No rubbish, trash or garbage or other waste material shall be kept or permitted upon any Unit, the Common Area or any public street abutting or visible from the Properties, except in sanitary containers located in appropriate areas screened and concealed from view, and no odor shall be permitted to arise therefrom so as to render the Properties, or any portion thereof, unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to its occupants. Such container shall be exposed to the view of neighboring Units only when set out for a reasonable period of time (not to exceed twelve (12) hours before and after scheduled trash collection hours). There shall be no exterior fires whatsoever except barbecue fires contained within receptacles therefor and fire pits in enclosed areas and designed in such a manner that they do not create a fire hazard. No clothing or household fabrics shall be hung, dried, or aired on or over any Unit in such a way as to be visible from any other Unit, and no lumber, grass, shrub or tree clippings or plant waste, metals, bulk material, scrap, refuse or trash shall be kept, stored or allowed to accumulate on any portion of the Properties except within an enclosed structure or if appropriately screened from view. No plants or seeds infected with noxious insects or plant diseases shall be brought upon, grown or maintained upon the Properties.

Section 9.8 Temporary Buildings. No outbuilding, basement, tent, shack, shed or other temporary building or Improvement of any kind shall be placed upon any portion of the Properties either temporarily or permanently, except as may be approved by the ARC during the initial construction of a Dwelling. No garage, carport, trailer, camper, motor home, recreational vehicle or other vehicle shall be used as a residence in the Properties, either temporarily or permanently.

Section 9.9 Common Area Facilities. Nothing shall be altered or constructed in or removed from the Common Area without the prior written consent of the Board of Directors.

Section 9.10 Outside Installations. No radio station or shortwave operators of any kind shall operate from any Unit or Dwelling unless approved by the Board. No exterior radio antenna, "C.B." antenna, television antenna, or other antenna of any type shall be erected or maintained in the Properties. However, a master antenna or antennae or cable television antenna or antennae may, but need not, be provided by Declarant for the use of all Owners, and Declarant may grant easements for such purposes.

Section 9.11 Drilling. No oil drilling, oil, gas or mineral development operations, oil refining, geothermal exploration or development, quarrying or mining operations of any kind shall be permitted upon or in any Unit or the Common Area, nor shall oil wells, tanks, tunnels or mineral excavations or shafts be permitted upon the surface of any Unit or within five hundred feet (500') below the surface of the Properties. No derrick or other structure designed for use in boring for water, oil, geothermal heat or natural gas shall be erected, maintained or permitted upon any Unit.

Section 9.12 Further Subdivision. No Owner shall further partition or subdivide his Unit, including without limitation any division of his Unit into time-share estates or time-share

uses; provided, however, that this provision shall not be construed to limit the right of an Owner (1) to rent or lease his entire Unit by means of a written lease or rental agreement subject to the restrictions of this Declaration, so long as the Unit is not leased for transient or hotel purposes; (2) to sell his Unit; or (3) to transfer or sell any Unit to more than one person to be held by them as tenants-in-common, joint tenants, tenants by the entirety or as community property. The terms of any such lease or rental agreement shall be made expressly subject to this Declaration, and the Bylaws of the Association. Any failure by the lessee of such Unit to comply with the terms of this Declaration, the Bylaws of the Association or the Rules and Regulations shall constitute a default under the lease or rental agreement. No two or more Units in the Property may be combined in any manner whether to create a larger Unit or otherwise, and no owner may permanently remove any block wall or other intervening partition between Units.

Section 9.13 Drainage. There shall be no interference with or alteration of the established drainage pattern over any Unit within the Properties, unless and adequate alternative provision is made for proper drainage. For the purposes hereof, "established drainage pattern" is defined as the drainage which exists at the time that such Unit is conveyed to a purchaser from Declarant, and shall include drainage from the Units in the Properties onto the Common Area.

Section 9.14 Water Supply Systems. No individual water supply, sewage disposal system, or water softener system shall be permitted on any Unit in the Properties unless such system is designed, located, constructed and equipped in accordance with the requirements, standards and recommendations of any water district serving the Properties, the Health Department for the county in which the Properties are located, the Board, and all other applicable governmental authorities.

Section 9.15 Landscaping. Within ninety (90) days after the Close of Escrow for the sale of a Unit, the Owner of such Unit shall install landscaping on the front yard of such Unit in accordance with plans and specifications approved by the ARC in accordance with Article VIII hereof. The Board may adopt Rules and Regulations proposed to regulate landscaping permitted or required on the Properties. If an Owner fails to install and maintain landscaping in conformance with such Rules and Regulations within the time limit set forth above, or shall allow his landscaping to deteriorate to a dangerous, unsafe, unsightly, or unattractive condition, the Board, upon thirty (30) day written notice to such Owner shall have the right to either seek any immediate remedy at law or in equity which it may have to correct such condition and, after Notice and Hearing, to enter upon such Owner's Unit for the purpose of doing so, and such Owner shall promptly reimburse the Association for the cost thereof. Such cost shall be a Special Assessment enforceable in the manner as set forth in this Declaration.

X.

DAMAGE TO OR CONDEMNATION OF COMMON AREA

Section 10.1 Damage or Destruction. Damage to or destruction of all or any portion of the Common Area, and condemnation of all or any portion of the Common Area shall be handled in the following matter:

(a) Any portion of this Common Interest Community for which insurance is required by this Declaration or by Chapter 116 of Nevada Revised Statutes, which is damaged or destroyed, must be repaired or replaced promptly by the Association unless: (a) the Common Interest Community is terminated, in which case the provisions of N.R.S. § 116.2118, 116.21183 and 116.21185 apply; (b) repair or replacement would be illegal under any state or local statute or

ordinance governing health or safety; or (C) 80% of the Units' owners, including every owner of a Unit that will not be rebuilt, vote not to rebuild. The cost of repair or replacement in excess of insurance proceeds and reserves is a common expense. If the entire Common Interest Community is not repaired or replaced, the proceeds attributable to the damaged Common Elements must be used to restore the damaged area to a condition compatible with the remainder of the Common Interest Community; (a) the proceeds attributable to Units that are not rebuilt must be distributed to the owners of those Units; and (b) the remainder of the proceeds must be distributed to all the Unit owners or lien holders, as their interests may appear, in proportion to the liabilities of all the Units for Common Expenses. If the Unit's owners vote not to rebuild any Unit, that Unit's allocated interests are automatically reallocated upon the vote as if the Unit had been condemned, and the Association promptly shall prepare, execute and record an amendment to this Declaration reflecting the reallocations.

(b) Each Member shall be liable to the Association for any damage to the Common Area not fully reimbursed to the Association by insurance proceeds which may be sustained by reason of the negligence or willful misconduct of said Member or the Persons deriving their right and easement of use and enjoyment of the Common Area from said Member, or of his respective Family and guests, both minor and adult. The Association reserves the right, acting through the Board, after Notice and hearing, to (1) determine whether any claim shall be made upon the insurance maintained by the Association and (2) levy against such Member a Special Assessment equal to any deductible paid and the increase, if any, in the insurance premium directly attributable to the damage caused by such Member or the Persons for whom such Member may be liable as described herein. In the case of joint ownership of a Unit, the liability of the owners thereof shall be joint and several, except to the extent that the Association has previously contracted in writing with such joint owners to the contrary. After Notice and Hearing, the cost of correcting such damage, to the extent not reimbursed to the Association, by insurance, shall be a Special Assessment against such Member.

Section 10.2 Condemnation. If part of the Common Elements is acquired by eminent domain, the portion of the award attributable to the Common Elements taken must be paid to the Association.

Section 10.3 Condemnation Involving a Unit. For purposes of N.R.S. § 116.1107(2)(a), if part of a Unit is required by eminent domain, the award shall compensate the Unit's owner for the reduction in value of the Unit's interest in the Common Elements. The basis for such reduction shall be the extent to which the occupants of the Unit are impaired from enjoying the Common Elements. In cases where the Unit may still be used as a Dwelling, it shall be presumed that such reduction is zero (0).

XI.

INSURANCE

Section 11.1 Casualty Insurance. The Board shall cause to be obtained and maintained fire and casualty insurance with extended coverage for loss or damage to all insurable Improvements and fixtures originally installed by Declarant or installed by the Association on the Common Area or Common Elements for the full insurance replacement cost thereof without deduction for depreciation or coinsurance, and may obtain insurance against such other hazards and casualties as the Association may deem desirable. The Association may also insure any other property whether real or personal, owned by the Association, against loss or damage by fire and such other hazards as the Association may deem desirable, with the Association as the owner and

beneficiary of such insurance. The insurance coverage with respect to the Common Area shall be written in the name of, and the proceeds thereof shall be payable to the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association are Common Expenses included in the Annual Assessments levied by the Association.

Section 11.2 Insurance Obligations of Owners. Each Owner shall insure the Improvements on his Unit, including the entire Dwelling, against loss or damage by fire or by any other casualty. All such insurance shall be in an amount as near as practicable to the full replacement value of the Dwelling and appurtenant Improvements, without deduction for depreciation or coinsurance. All such policies shall contain a provision that the same shall not be canceled or terminated except upon at least thirty (30) days' written notice to the Association. Each Owner shall notify the Association of the existence or nonexistence of an assignment of such insurance maintained by said Owner upon the sale of his Unit. The Association may, but is not obligated to, cure an Owner's failure to comply with this section by purchasing the insurance on behalf of the Owner, who shall then be required to reimburse the Association for its cost of obtaining the insurance. Such cost shall constitute a Special Assessment against the Owner.

It is the responsibility of each Owner to provide insurance on his personal property and upon all other property and improvements within his Dwelling for which the Association has not purchased insurance in accordance with Section 11.1 hereof. It shall also be the responsibility of each Owner to carry public liability insurance in the amount such Owner deems desirable to cover his individual liability for damage to person or property occurring inside his Dwelling or elsewhere upon his Unit. Such policies shall not adversely affect or diminish any liability under any insurance obtained by or on behalf of the Association, and duplicate copies of such other policies shall be deposited with the Board upon the Board's request. If any loss intended to be covered by insurance carried by or on behalf of the Association shall occur and the proceeds payable thereunder shall be reduced by reason of insurance carried by any Owner, such Owner shall assign the proceeds of such insurance carried by him to the Association, to the extent of such reduction, for application by the Board to the same purposes as the reduced proceeds are to be applied.

Section 11.3 Waiver of Subrogation. All policies of physical damage insurance maintained by the Association shall provide, if reasonably possible, for waiver of: (1) any defense based on coinsurance; (2) any right of setoff, counterclaim, apportionment, proration or contribution by reason of other insurance not carried by the Association; (3) any invalidity, other adverse effect or defense on account of any breach of warranty or condition caused by the Association, any Owner or any tenant of any Owner, or arising from any act, neglect, or omission of any named insured or the respective agents, contractors and employees of any insured; (4) any rights of the insurer to repair, rebuild or replace, and, in the event any Improvement is not repaired, rebuilt or replaced following loss, any right to pay under the insurance an amount less than the replacement value of the Improvements insured; or (5) notice of the assignment of any Owner of its interest in the insurance by virtue of a conveyance of any Unit. As to each policy of insurance maintained by the Association which will not be voided or impaired thereby, the Association hereby waives and releases all claims against the Board, the Owners, the Manager, Declarant, and the agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by such persons, but only to the extent that insurance proceeds are received in compensation for such loss.

Section 11.4 Liability and Other Insurance. The Association shall have the power and

duty to and shall obtain comprehensive public liability insurance, including medical payments and malicious mischief, in such limits as it shall deem desirable (but in no event less than \$1,000,000.00 covering all claims for personal injury and property damage arising out of a single occurrence), insuring against liability for bodily injury, death and property damage arising from the activities of the Association or with respect to property maintained or required to be maintained by the Association including, if obtainable, a cross-liability endorsement insuring each insured against liability to each other insured. The Association may also obtain, through the Board, Worker's Compensation insurance and other liability insurance as it may deem desirable, insuring each Unit Owner and the Association, Board of Directors and Manager, from liability in connection with the Common Area, the premiums for which are a Common Expense included in the Annual Assessment levied against the Owners. All, insurance policies shall be reviewed at least annually by the Board of Directors and the limits increased in its discretion. The Board may also obtain such errors and omissions insurance, indemnity bonds, fidelity bonds and other insurance as it deems advisable, insuring the Board, the officers of the Association and the Manager against any liability for any act or omission in carrying out their obligations hereunder, or resulting from their membership on the Board or on any committee thereof. However, fidelity bond coverage which names the Association as an obligee must be obtained by or on behalf of the Association for any person or entity handling funds of the Association, including but not limited to, officers, directors, trustees, employees and agents of the Association and employees of the Manager of the Association, whether or not such Persons are compensated for their services, in an amount not less than that estimated maximum of funds, including reserve funds, in the custody of the Association or the Manager, as the case may be, at a given time during the term of each bond. however, in no event may the aggregate amount of such bonds be less than the sum equal to one-fourth (1/4) of the Annual Assessments on all Units in the Properties, plus reserve funds. In addition, the Association shall continuously maintain in effect such casualty, flood and liability insurance and fidelity bond coverage meeting the requirements for planned unit developments established by FHA, VA, FNMA, GNMA and FHLMC, so long as any of which is a Mortgagee or an Owner of a Unit in the Properties, except to the extent such coverage is not available or has been waived in writing by FHA, VA, FNMA, GNMA and FHLMC, as applicable.

Section 11.5 , Notice of Expiration Requirements. If available, each of the policies of insurance maintained by the Association shall contain a provision that said policy shall not be canceled, terminated, materially modified or allowed to expire by its terms, without thirty (30) days' prior written notice to the Board and Declarant and to each Owner and Beneficiary, insurer and guarantor of a first Mortgage who has filed a written request with the carrier for such notice, and every other Person in interest who requests such notice of the insurer. All insurance policies carried by the Association pursuant to this Article XII, to the extent reasonably available, must provide that (a) each Unit's owner is an insured person under the policy with respect to liability arising out of his interest in the Common Elements or membership in the Association; (b) the insurer waives the right to subrogation under the policy against any Unit's owner or member of his household, (c) no act or omission by any Unit's owner or member of his household will void the policy or be a condition to recovery under the policy; and (d) if, at the time of a loss under the policy there is other insurance in the name of the Unit's owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

XII.

MORTGAGEE PROTECTION CLAUSE

In order to induce FHA, VA, FHLMC, GNMA and FNMA and any other governmental

agency or other entity to participate in the financing of the sale of Units within the Properties, the following provisions are added hereto (and to the extent these added provisions conflict with any other provisions of the Declaration, these added provisions shall control):

(a) Each Beneficiary, insurer and guarantor of a first Mortgage encumbering any Unit, at its written request, is entitled to written notification from the Association of any default by the Mortgagor of such Unit in the performance of such Mortgagor's obligations under this Declaration, the Articles of Incorporation or the Bylaws, which default is not cured within thirty (30) days after the Association learns of such default. For purposes of this Declaration, "first Mortgage" shall mean a Mortgage with first priority over other Mortgages or Deeds of Trust on a Unit, and "first Mortgagee" shall mean the Beneficiary of a first Mortgage.

(b) Each Owner, including every first Mortgagee of a Mortgage encumbering any Unit which obtains title to such Unit pursuant to the remedies provided in such Mortgage, or by foreclosure of such Mortgage, or by deed or assignment in lieu of foreclosure, shall be exempt from any "right of first refusal" created or purported to be created by this Declaration, the Articles, the Bylaws, or the Rules and Regulations.

(c) Except as provided in N.R.S. § 116.3116(2), each Beneficiary of a first Mortgage encumbering any Unit which obtains title to such Unit or by foreclosure of such Mortgage, shall take title to such Unit free and clear of any claims of unpaid assessments or charges against such Unit which accrued prior to the acquisition of title to such Unit by the Mortgagee.

(d) Unless at least sixty-seven percent (67%) of First Mortgagees (based upon one (1) vote for each first Mortgage owned) or sixty-seven percent (67%) of the Owners (other than Declarant) have given their prior written approval, neither the Association nor the Owners shall:

(1) subject to Nevada nonprofit corporation law to the contrary, by act or omission seek to abandon, partition, alienate, subdivide, release, hypothecate, encumber, sell or transfer the Common Area and the Improvements thereon which are owned by the Association;

[The granting of easements for public utilities or for other public purposes consistent with the intended use of such property by the Association as provided in this Declaration shall not be deemed a transfer within the meaning of this clause.]

(2) Change the method of determining the obligations, assessments, dues or other charges which may be levied against a Unit Owner, or the method of allocating distributions of hazard insurance proceeds or condemnation awards;

(3) by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design of the exterior appearance of the Dwelling and other Improvements on the Units, the maintenance of the exterior walls or common fences and driveways, or the upkeep of lawns and plantings in the Properties;

(4) fail to maintain Fire and Extended Coverage on insurable Common Area on a current replacement cost basis in an amount as near as possible to one hundred percent (100%) of the insurance value (based on current replacement cost);

(5) except as provided by Chapter 116 of N.R.S., use hazard insurance proceeds for losses to any Common Area property for other than the repair, replacement or

reconstruction of such property; or

(6) amend those provisions of this Declaration or the Articles of Incorporation or Bylaws of the Association which provide for rights or remedies of first Mortgagees.

(e) Beneficiaries, insurers and guarantors of first Mortgages, upon written request, shall have the right to (1) examine the books and records of the Association during normal business hours, (2) require from the Association the submission of an annual audited financial statement (without expense to the Beneficiary, insurer or guarantor requesting such statement) and other financial data, (3) receive written notice of all meetings of the Members, and (4) designate in writing a representative to attend all such meetings.

(f) All Beneficiaries, insurers and guarantors of first Mortgages, who have filed a written request for such notice with the Board shall be given thirty (30) days' written notice prior to (1) any abandonment or termination of the Association, (2) the effective date of any proposed, material amendment to this Declaration or the Articles of Incorporation or Bylaws of the Association, and (3) the effective date of any termination of any agreement for professional management of the Properties following a decision of the Owners to assume self-management of the Properties. Such first Mortgagees shall be given immediate notice (1) following any damage to the Common Area whenever the cost of reconstruction exceeds Ten Thousand Dollars (\$10,000.00) and (2) when the Board learns of any threatened condemnation proceeding or proposed acquisition of any portion of the Properties.

(g) First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Area property and may pay any overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for Common Area property, and First Mortgagees. Making such payments shall be owed immediate reimbursement therefor from the Association.

(h) The Reserve Fund described in Article VI of this Declaration must be funded by regular scheduled monthly, quarterly, semiannual or annual payments rather than by large extraordinary Assessments.

(i) The Board shall secure and cause to be maintained in force at all times a fidelity bond for any Person handling funds of the Association, including, but not limited to, employees of any professional Manager.

(j) When professional management has been previously required by a Beneficiary, insurer or guarantor of a first Mortgage, any decision to establish selfmanagement by the Association shall require the approval of sixty-seven percent (67%) of the voting power of the Association and the Beneficiaries of fifty-one percent (51%) of the first Mortgages of Units in the Properties.

In addition to the foregoing, the Board of Directors may enter into such contracts or agreements on behalf of the Association as are required in order to satisfy the guidelines of FHA, VA, FHLMC, FNMA or GNMA or any similar entity, so as to allow for the purchase, insurance or guaranty, as the case may be, by such entities of first Mortgages encumbering Units. Each Owner hereby agrees that it will benefit the Association and the membership of the Association, as a class of potential Mortgage borrowers and potential sellers of their Units, if such agencies approve the Properties as a qualifying subdivision under their respective policies, rules and regulations, as adopted from time to time. Mortgagees are hereby authorized to furnish

information to the Board concerning the status of any Mortgage encumbering a Unit.

XIII.

SPECIAL DECLARANT'S RIGHTS

Section 13.1 Special Declarant's Rights. Pursuant to N.R.S. §116.2105(1), Declarant reserves the following special Declarant's rights, on the terms and conditions and subject to the expiration deadlines set forth below:

Section 13.2 Right to Complete Improvements and Construction Easement. Declarant reserves, for a period of sixty (60) months after the date of Recordation of this Declaration, the right to complete the construction of the Improvements on the Properties and an easement over the Properties for such purpose. Any damage to any Unit or the Common Elements caused by Declarant or its agents in the use or exercise of said right and/or easement shall be repaired by and at the expense of Declarant.

Section 13.3 Exercise of Development Rights. Declarant reserves the right to annex the Annexable Property to the Common Interest Community, pursuant to the provisions of Article XIV hereof, for as long as Declarant owns any portion of the Annexable Property.

Section 13.4 Offices, Model homes and Promotional Signs. The Declarant may maintain offices for sales and management and models on Units 12, 13, 14, 15 in Block 3, as shown on the Plat, and signs on the Common Area in the locations shown on the Plat, for so long as Declarant is the Owner of a Unit.

Section 13.5 Appoint and Remove Directors. Declarant reserves the right to appoint and remove a majority of the Board as set forth in Section 4.2 hereof, for the period set forth therein.

Section 13.6 Developmental Rights Within Common Interest Community. Declarant does not reserve any developmental rights, as the same are defined by N.R.S. §116.11034, over the Original Property or any of the annexable property after the same has been duly annexed to the Common Interest Community.

XIV.

ANNEXATION

Section 14.1 Annexation of Property. Declarant may, but shall not be required to, at any time, or from time to time, add to the Properties covered by this Declaration all or any portion of the property described in Exhibit "B" hereto (the "Annexable Property") then owned by Declarant by recording an Annexation Amendment ("Annexation Amendment") with respect to the real property to be annexed ("Annexed Property").

Upon the recording of an Annexation Amendment covering any portion of the Annexable Property and containing the provisions set forth herein, the covenants, conditions and restrictions contained in this Declaration shall apply to the Annexed Property in the same manner

as if it were originally covered in this Declaration and originally constituted a portion of the Properties; and thereafter, the rights, privileges, duties and liabilities of the parties to this Declaration with respect to the Annexed Property shall be the same as with respect to the Original Property and the rights, obligations, privileges, duties and liabilities of the Owners and occupants of Units within the Annexed Property shall be the same as those of the Owners and Occupants of Units Originally affected by this Declaration.

Section 14.2 Annexation Amendment. Each Annexation Amendment shall conform to the provisions of N.R.S. § 116.2110, and shall include:

(a) A reference to this Declaration, which reference shall state the date of recordation, hereof and the instrument number and other relevant recording data of the Clark County Recorder's Office;

(b) a statement that the provisions of this Declaration shall apply to the Annexed Property as set forth therein; and

(c) an exact description of the Annexed Property.

(d) assignment of an Identifying Number to each new Unit created; and

(e) a reallocation of the allocated interests among all Units; and

(f) a description of any Common Elements created by the annexation of the Annexed Property.

Section 14.3 Disclaimer. Portions of the annexable property may be annexed at any time by Declarant, and no assurances are made with respect to the boundaries or sequence of annexation of such portions. Annexation of a portion of the annexable property shall not necessitate annexation of any other portion of the remainder of the annexable property.

Section 14.4 Other Additions. Subject to the limitations of N.R.S. § 116.2112, and in addition to the provisions for annexation set forth above, additional real property may be annexed to the Properties by Declarant and brought within the general plan and scheme of this Declaration.

XV.

GENERAL PROVISIONS

Section 15.1 Enforcement. This Declaration, the Articles of Incorporation and the Bylaws may be enforced by the Association as follows:

(a) Breach of any of the provisions contained in the Declaration or the Bylaws and the continuation of any such breach may be enjoined, abated or remedied by appropriate legal proceedings instituted by any Owner, including Declarant so long as Declarant owns a Unit, by the Association or the successors-in-interest of the Association. Any judgment rendered in any action or proceeding pursuant hereto shall include a sum for attorneys fees in an amount as the court may deem reasonable, in favor of the prevailing party, as well as the amount of any delinquent payment, interest thereon, costs of collection and court costs. Each Owner shall have

a right of action against the Association, for any failure by the Association to comply with the provisions of this Declaration, or of the Bylaws or Articles.

(b) The result of every act or omission whereby any of the provisions contained in this Declaration or the Bylaws are violated in whole or in part is hereby declared to be and constitutes a nuisance, and every remedy allowed by law or equity against a nuisance either public or private shall be applicable against every such result and may be exercised by any Owner, by the Association or its successors-in-interest.

(c) The remedies herein provided for breach of the provisions contained in this Declaration or in the Bylaws shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

(d) The failure of the Association to enforce any of the provisions contained in this Declaration or in the Bylaws shall not constitute a waiver of the right to enforce the same thereafter.

(e) If any Owner, his family; guest, licensee, lessee or invitee violates any such provisions, the Board may impose a reasonable Special Assessment upon such Owner for each violation and may suspend the voting privileges of such Owner as further provided in the Bylaws. Such Special Assessment shall be collectible in the manner provided hereunder, but the Board shall give such Owner Notice and hearing before invoking any such Special Assessment or suspension.

Section 15.2 Severability. Invalidation of any provision of this Declaration by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 15.3 Term. The covenants and restrictions of this Declaration shall run with and bind the Properties, and shall inure to the benefit of and be enforceable by the Association or the Owner of any land subject, to this Declaration, their respective legal representatives, heirs, successive Owners and assigns, until terminated in accordance with N.R.S. § 116.2118.

Section 15.4 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan, for the development of a residential community and for the maintenance of the Common Area. The article and section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine and neuter shall each include the masculine, feminine and neuter.

Section 15.5 Amendment. Except as provided by this Declaration, and except in cases of amendments that may be executed by a Declarant or by the Association or by certain Unit owners (as enumerated in N.R.S. § 116.2117), this Declaration, including the Plat, may only be amended by the vote and agreement of owners constituting a sixty seven percent (67%) of the voting power of the Association. Notwithstanding the foregoing, termination of this Declaration and any of the following amendments, to be effective, must, be approved in writing by the Beneficiaries of sixty-seven percent (67%) of the first Mortgages on all of the Units in the Properties at the time of such amendment or termination, based upon one (1) vote for each first Mortgage owned.

(a) Any amendment which affects or purports to affect the validity or priority of Mortgages or the rights or protection granted to Beneficiaries, insurers and guarantors of first Mortgages as provided in Articles VII, XI, XII, XIII and XV hereof.

(b) Any amendment which would necessitate a Mortgagee after it has acquired a Unit through foreclosure to pay more than its proportionate share of any unpaid assessment or assessments accruing after such foreclosure.

(c) Any amendment which would or could result in a Mortgage being canceled by forfeiture, or in a Unit not being separately assessed for tax purposes.

(d) Any amendment relating to the insurance provisions as set out in Article XII hereof, or to the application of insurance proceeds as set out in Article XII hereof, or to the disposition of any money received in any taking under condemnation proceedings.

(e) Any amendment which would or could result in termination or abandonment of the Properties or subdivision of a Unit, in any manner inconsistent with the provisions of this Declaration.

(f) Any amendment which would subject any Owner to a right of first refusal or other such restriction if such Unit is proposed to be sold, transferred or otherwise conveyed.

(g) Any amendment concerning:

(h) Voting rights;

(i) Rights to use the Common Area;

(j) Reserves and responsibility for maintenance, repair and replacement of the Common Area;

(k) Leasing of Units;

(l) Establishment of self-management by the Association where professional management has been required by any Beneficiary, insurer or guarantor of a first Mortgage;

(m) Annexation or deannexation of property to or from the Properties; and

(n) Assessments, assessment liens, or the subordination of such liens. .

Notwithstanding the foregoing, if a first Mortgagee who receives a written request from the Board to approve a proposed termination, amendment or amendments to the Declaration does not deliver a negative response to the Board within thirty (30) days of the mailing of such request by the Board, such first Mortgagee shall be deemed to have approved the proposed termination, amendment or amendments. Notwithstanding anything contained in this Declaration to the contrary, nothing contained herein shall operate to allow any mortgagee or mortgagees to (a) deny or delegate control of the general administrative affairs of the Association by the owners or the Board of Directors; (b) prevent the Association or the Board from commencing, intervening in or settling any litigation or proceeding; or (c) prevent any trustee or the Association from receiving and distributing any proceeds of insurance, except pursuant to N.R.S. § 116.31133 and 116.31135.

A copy of each amendment shall be certified by at least two (2) officers of the Association, and the amendment shall be effective when a Certificate of Amendment is Recorded. The Certificate, signed and sworn to by at least two (2) officers of the Association that the requisite number of Owners have either voted for or consented in writing to any termination or amendment adopted as provided above, when Recorded, shall be conclusive evidence of that fact. The Association, shall maintain in its files the record of all such votes or written consents for a period of at least four (4) years. The certificate reflecting any termination or amendment which requires the written consent of any of the Beneficiaries of first Mortgages shall include a certification that the requisite approval of such first Mortgagees has been obtained. Until the first Close of Escrow for the sale of a Unit in the Properties, Declarant shall have the right to terminate or modify this Declaration by Recordation of a supplement hereto setting forth such termination or modification.

Section 15.6 No Public Right or Dedication. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of the Properties to the public, or for any public use.

Section 15.7 Constructive Notice and Acceptance. Every person who owns, occupies or acquires any right, title, estate or interest in or to any Unit or other portion of the Properties does hereby consent and agree, and shall be conclusively deemed to have consented and agreed, to every limitation, restriction, easement, reservation, condition and covenant contained herein, whether or not any reference to these restrictions is contained in the instrument by which such person acquired an interest in the Properties, or any portion thereof.

Section 15.8 Reservation of Easements. Declarant hereby reserves for the benefit of each Owner and his Unit reciprocal, nonexclusive easements over the adjoining Unit or Units for the control, maintenance and repair of the utilities serving such Owner's Unit. Declarant expressly reserves for the benefit of all of the real property in the Properties, and for the benefit of all of the Units, the Association and the Owners, reciprocal, nonexclusive easements over all Units and the Common Area, for the installation, maintenance and repair of utility services and drainage facilities, for drainage from the Units of water resulting from the normal use of adjoining Units, and for maintenance and repair of any Dwelling. In the event that any Dwelling encroaches upon the Common Area and Improvements thereon, as a result of construction or as a result of reconstruction, repair, shifting, settlement or movement of any portion of the Properties, a valid easement for minor encroachment and for the maintenance of the same shall exist so long as the minor encroachment exists. Declarant and the Owners of each Unit on which there is constructed a Dwelling along or adjacent to such Unit line shall have an easement appurtenant to such Unit over the Unit line to and over the adjacent Unit, for the purposes of accommodating any natural movement or settling of any Dwelling located on such Unit, any encroachment of any Dwelling due to minor engineering or construction variances, and any encroachment of eaves, roof overhangs and architectural features comprising parts of the original construction of any Dwelling located on such Unit.

Section 15.9 Notices. Any notice permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered three (3) business days after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to any person at the address given by such person to the Association for the purpose of service of such notice, or to the residence of such person if no address has been given to the Association. Such address may be changed from time to time by notice in writing to the Association.

Section 15.10 Priorities and Inconsistencies. If there are conflicts or inconsistencies between this Declaration and either the Articles of Incorporation or the Bylaws of the Association, the terms and provisions of this Declaration shall prevail (unless and to the extent this Declaration fails to comply with Chapter 116 of NRS).

GENERAL PROVISIONS

Article XV Section 15.10 is hereby amended to include the following:

Section 15.10 Inconsistent Provisions

In the event that any provision of the Declaration shall be inconsistent with any provision adopted pursuant to Senate Bill 451 or any subsequent provision of the Act, the provision adopted pursuant to Senate Bill 451 or the provision of the Act shall control unless stated otherwise in the provision or the Act.

Section 15.11 Coexistence of Master Declaration. The provisions of this Declaration shall supplement, but shall not supersede, the provisions of the Master Declaration. Nothing herein shall be construed as relieving any Owner or Unit within the Properties from the conditions, covenants and restrictions contained in the Master Declaration, or as limiting or preventing any rights of enforcement granted or available to the Master Association by virtue thereof.

Section 15.12 Compliance With Chapter 116 of N.R.S. It is the intent of Declarant that this Declaration shall be in all respects consistent with, and not violative of, Chapter 116 of Nevada Revised Statutes. In the event any provision of this Declaration is found to violate Chapter 116 of Nevada Revised Statutes, or any section thereof, such provision shall be severed herefrom; provided, however, that if such severance shall impair the integrity of this Declaration, said offending provision shall be automatically deemed modified to the minimum extent necessary to conform to Chapter 116 of Nevada Revised Statutes.

Section 15.12 Limited Liability. To the extent allowed by Chapter 116 of the Nevada Revised Statutes, neither Declarant, the Master Association, the Association, any member of the Board of the Master Association or the Association, any officer of the Master Association or the Association, any committee representative, nor any agent or employee of Declarant, the Association or the Master Association shall be liable to any Owner or any other person for any action or for any failure to act with respect to any matter if the action taken or failure to act was in good faith. The Association shall indemnify every present and former officer and director of the Association and every present and former committee representative against all liabilities incurred as a result of holding such office, to the full extent permitted by law.

Section 15.13 Business of Declarant. Except to the extent expressly provided herein or as required by Chapter 116 of the Nevada Revised Statutes, no provision of this Declaration shall be applicable to limit or prohibit any act of Declarant, its agents or representatives in connection with or incidental to Declarant's improvement and/or development of the Properties, so long as any Unit therein owned by Declarant remains unsold.

GENERAL PROVISIONS

Article XV Section 15.14 is hereby added to read as follows:

Section 15.14 Commencement of Civil Actions

1. Ability to Commence Association may commence a civil action only upon a vote or written agreement of the Members of units to which at least a majority of the votes of the Members of the Association are allocated unless the civil action is commenced:
 - a. To enforce the payment of an Assessment;
 - b. To enforce the Declaration, By-Laws or Rules and Regulations of the Association;
 - c. To proceed with a counterclaim; or
 - d. To protect the health, safety and welfare of the Members of the Association.

2. Commencement Without Approval If a civil action is commenced without the required vote or agreement, the action must be ratified within 90 days after the commencement of the action by a vote or written agreement of the owners of the units to which at least a majority of votes of the Members of the Association are allocated.

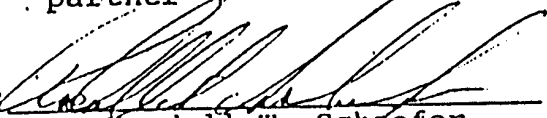
3. Notice At least 10 days before the Association commences or seeks to ratify the commencement of a civil action, the Association shall provide a written statement to all Members that includes:
 - a. A reasonable estimate of the costs of the civil action, including reasonable attorney's fees;
 - b. An explanation of the potential benefits of the civil action and the potential adverse consequences if the Association does not commence the action or if the outcome of the action is not favorable to the Association; and
 - c. All disclosures that are required to be made upon the sale of any property.

4. Objection to Commencement No person other than an Member may request the dismissal of a civil action commenced by the Association on the ground that the Association failed to comply with any provision of this section.

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

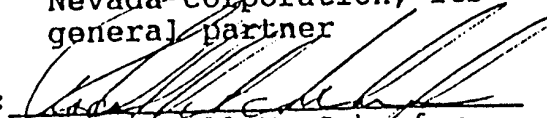
BELAIRE ESTATES, a Nevada
joint venture

By: RANELL CORP., a California
corporation, its general
partner

By: 
Randall T. Schaefer,
Vice President

And

By: R/S CONSTRUCTION CORP., a
Nevada corporation, its
general partner

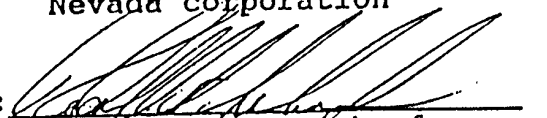
By: 
Randall T. Schaefer,
President

And

By: R/S/ DEVELOPMENT CO., a
Nevada
joint venture, its general
partner

By its general partner:

R/S CONSTRUCTION CORP., a
Nevada corporation

By: 
Randall T. Schaefer,
President

STATE OF NEVADA)
): ss.
COUNTY OF CLARK)

On this 4th day of May, 1992, personally appeared before me, the undersigned, a Notary Public, Randall T. Schaefer, personally known (or proved) to me to be the person whose name is subscribed to the above instrument who acknowledged that he executed the instrument.



NOTARY PUBLIC



NOTARY PUBLIC
STATE OF NEVADA
County of Clark
CELENE SAMS
My Appointment Expires August 9, 1994

EXHIBIT "A"

ORIGINAL PROPERTY

LEGAL DESCRIPTION

That real property located in the City of Las Vegas, Clark County, Nevada and legally described as DELAIRE ESTATES UNIT ONE, and further described as:

Lots One (1) through Eight (8) inclusive in Block One (1), Lots Twenty-One (21) through Thirty (30) inclusive in Block Two, Common Area Lot "Park" in Block Two, Lots Thirty-One through Thirty-Eight (38) inclusive in Block Two (2), and Lots One (1) through Seventeen (17) inclusive in Block Three (3) of BELAIRE ESTATES UNIT 1, as shown on map thereof on file in Book 48, Page 81 of Plats, Official Records Book number 910214 and as amended by Instrument 00931 un Book 911217, in the Office of the County Recorder of Clark County, Nevada.

EXHIBIT "B"

ANNEXABLE AREA

LEGAL DESCRIPTION

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

Any portion of Lot Ten (10) of the AMENDED PLAT OF "SUMMERLIN VILLAGE 1 NORTH" subdivision, situated in the City of Las Vegas, County of Clark, State of Nevada as shown on the Amended Plat of said subdivision on file in Book 045 of Plats, Page 0010, in the Office of the County Recorder of Clark County, Nevada, and not previously subdivided.

EXCEPTING THEREFROM all that portion lying within BELAIRE ESTATES UNIT 1, as shown by map thereof on file in book 48 of Plats, Page 81 in the Office of the County Recorder of Clark County, Nevada.

IN WITNESS WHEREOF, this First Statutorily Mandated Amendment has been executed by the Association as of the date first above written. The undersigned hereby certify that this First Statutorily Mandated Amendment has been adopted and approved in accordance with the Act.

By: [Signature]
President

By: [Signature]
Director

STATE OF NEVADA)
)ss
COUNTY OF CLARK)

On the 4 day of February, 2001, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Michael Levy known to me to be the person whose name is subscribed to the within FIRST STATUTORILY MANDATED AMENDMENT and who acknowledged to me that she/he executed the same.

[Signature]
NOTARY PUBLIC

STATE OF NEVADA)
)ss
COUNTY OF CLARK)



On the 4 day of February, 2001, before me, the undersigned, a Notary Public in and for said County and State, personally appeared David Boy known to me to be the person whose name is subscribed to the within FIRST STATUTORILY MANDATED AMENDMENT and who acknowledged to me that she/he executed the same.

[Signature]
NOTARY PUBLIC

