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FIRST AMENDED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
CEDAR POINT VILLAGE OF LOS PRADOS

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FOR
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THIS FIRST AMENDED DECLARATION, made on the date hereinafter set forth by U. S. HOME CORPORATION, a Delaware corporation, hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Clark County, Nevada, which is more particularly described on Exhibit A attached hereto and by this reference made a part hereof ("the Properties"); and

WHEREAS, the overall Development Plan of Cedar Point Village shall consist of 79 units in 2 phases, consisting of the following:

37 units in Phase I (Lots 26 through 32, inclusive, of Block 1; Lots 18 through 37, inclusive, of Block 2; and Lots 1 through 10, inclusive, of Block 3.)

42 units in Phase II (Lots 1 through 25, inclusive, of Block 1, and Lots 1 through 17, inclusive of Block 2.),

and the development of each phase will be consistent with the overall Development Plan submitted to and approved by the Veterans Administration; and

WHEREAS, the homes in Cedar Point Village shall be single

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story structures of Spanish contemporary design with attached garages consisting of two units connected by zero lot line common walls, from 1,344 to 1,560 air conditioned square feet on homesites of 40' x 100' M.O.L..

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved subject to the following easements, restrictions, covenants and conditions, which shall run with the land and be binding on all parties having or acquiring any right, title or interest in the above-described properties or any part thereof, and shall be for the benefit of each owner of any portion of the properties, or any interest therein, their heirs, successors and assigns, and shall inure to the benefit of and be binding upon each successor in interest or the owners thereof.

ARTICLE I

DEFINITIONS

Section 1. "Articles" shall mean and refer to the Articles of Incorporation of the Association, including any and all amendments or modifications thereto.

Section 2. "Association" shall mean and refer to CEDAR POINT COMMUNITY ASSOCIATION, INC., its successors and assigns.

Section 3. "Board of Directors" shall mean and refer to the Association's Board of Directors.

Section 4. "Bylaws" shall mean and refer to the Bylaws of the Association, including any and all amendments or modifications

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thereto.

Section 5. "Common Area" shall mean such portions of the Properties that are otherwise described in the Master Declaration of Covenants, Conditions and Restrictions of Los Prados, as amended.

Section 6. "Declarant" shall mean and refer to U.S. Home Corporation, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of Development. It shall not include any person or party unless such purchaser is specifically assigned by a separate recorded instrument some or all of the rights held by U.S. Home Corporation as Declarant under this First Amended Declaration, with regard to the conveyed property.

Section 7. "Lawn Area" shall mean and refer to the lawn or grassed portions of the front, side and back yard areas of any Lot which is part of the properties.

Section 8. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivisions map of the Properties, with the exception of the Common Areas.

Section 9. "Master Association" shall mean and refer to LOS PRADOS COMMUNITY ASSOCIATION, INC., a Nevada not for profit corporation, its successors and assigns.

Section 10. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely

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as security for the performance of an obligation. The term "Owner" shall include Vista Hills, Inc.

Section 11. "Parcel" shall mean and refer to any part of the Properties other than the Common Area, Lots, streets and roadways, and land owned by a governmental body or agency or public utility company, whether or not such Parcel is developed or undeveloped, and without regard to the use or proposed use of such Parcel. Any Parcel, or part thereof, however, for which a subdivision plat has been filed of record shall, as to such portion, cease being a Parcel, or part thereof, and shall become Lots.

Section 12. "Properties" shall mean and refer to that certain real property described on attached Exhibit A and such additions thereto as may hereafter be brought within the jurisdiction of the Association and made subject to this First Amended Declaration.

Section 13. Interpretation. Unless the context otherwise requires, the use herein of the singular shall include the plural and vice versa; the use of one gender shall include all genders; and the use of the term "including" shall mean "including without limitation." The headings used herein are for indexing purposes only, and shall not be used as a means of interpreting or construing the substantive provisions hereof.

ARTICLE II

MASTER ASSOCIATION AND MASTER RESTRICTIONS

Section 1. Membership. Each Owner of a Lot

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automatically becomes a member of the LOS PRADOS COMMUNITY ASSOCIATION, INC. ("Master Association"), which is the Master Association governing all residents of the LOS PRADOS development. Such membership is in addition to the Owner's automatic membership in the Association, as provided in Article III of this First Amended Declaration. As a member of the Master Association, each Owner shall be subject to its Articles of Incorporation, Bylaws and rules and regulations in effect from time to time.

Section 2. Master Restrictions. In addition to this First Amended Declaration, each Lot is subject to the terms and conditions of the Declaration of Covenants, Conditions and Restrictions of LOS PRADOS, recorded on May 29, 1986 as Instrument No. 00737, Book 860529, Official Records, Office of the County Recorder, Clark County, Nevada (together with all other amendments thereof now or hereafter made, called the "Master Restrictions"). Pursuant to the Master Restrictions, assessments are due and charges are levied by the Master Association, payment of which is secured by a lien on each Owner's Lot. Other provisions of the Master Restrictions pertain to land use, recreational facilities, architectural control and other matters. By acceptance of a deed or otherwise acquiring title to a lot, the Owner thereof agrees to abide by the provisions of the Master Restrictions and to uphold his responsibilities and obligations as a member of the Master Association, including the payment of such assessments, dues and charges as shall be levied thereby.

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ARTICLE III

PURPOSE

Section 1. Maintenance and Repair of Lawn Area. The Declarant, in order to insure that the land for which it is responsible hereunder will continue to be maintained in a manner that will contribute to the comfort and enjoyment of the Owners and provide for other matters of concern to them, has organized the Association. The sole purpose of the Association shall be to maintain and repair the Lawn Area. By way of example and not limitation, each Owner is to be solely responsible for maintaining and repairing any sprinkler system installed on his Lot. The Association shall take such other action as the Association is authorized to take with regard to the Properties pursuant to its Articles of Incorporation and Bylaws, or this First Amended Declaration, and with regard to any other areas as designated by the Board of Directors.

Section 2. Provision of Maintenance and Repair. The Declarant shall have the right and power to: (a) hire the Los Prados Community Association, among others, for purposes of maintaining and repairing the Lawn Area; and (b) delegate to the manager of the clubhouse facilities of Los Prados the right and power to hire a maintenance and repair service for such purpose. In all events, such manager shall be in charge of the administering of such maintenance and repair and shall, among other things, collect the monthly fees to be paid by each Lot Owner and pay for the maintenance and repair work to be done.

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Section 3. Age restriction. The Properties, also known as Cedar Point Village, has been created as an adult community. At least one (1) permanent resident of each Lot shall be fifty (50) years of age. For purposes of this paragraph, anyone who resides at the Lot for more than six (6) months in a calendar year shall be deemed a permanent resident. Each buyer of a Unit, including specifically anyone who is a Veteran of the Armed Forces of the United States of America, shall sign an acknowledgment that he has read and understands this section and agrees to abide by its terms.

Section 4. VA Approval. As long as there is a Class B Membership, the following actions will require the prior approval of the Veterans Administration: (a) annexation or de-annexation of additional property as long as Veterans Administration financing will be offered for Lots located within such property; provided, however, Declarant will provide the Veterans Administration or other governmental entity with copies of all recorded Declarations of Annexation as required by Article XI, Section 2, Paragraph A herein; (b) dedication, mortgage or conveyance of the Common Areas; and (c) amendment of this First Amended Declaration. A draft of the amendment should be submitted to the Veterans Administration for its approval prior to recordation.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section 1. Each Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any

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Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership.

Class A. Class A members shall be Owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant and shall be entitled to nine (9) votes for each Class B Lot owned which is neither leased, nor rented, nor otherwise occupied as a dwelling unit, and thirty-six (36) votes per acre for each Class B Parcel owned and designated for Single-Family Residential Use. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (b) on December 31, 1995, or
- (c) when Declarant waives in writing its right to Class B membership.

Notwithstanding the foregoing, if at any time or times subsequent to any conversion, additional land is added by the Declarant hereof, such additional land shall automatically be and become

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Class B Lots and Parcels, as appropriate. In addition, if following such addition of land the total votes allocable to all Lots and Parcels then owned by the Declarant (calculated as if all such Lots or Parcels are Class B, whether or not they are) shall exceed the remaining total votes outstanding in the remaining Class A membership (i.e., excluding the Declarant), then any Class A Lots or Parcels owned by the Declarant shall automatically be reconverted to Class B. Any such reconversion shall not occur, however, if either occurrence (b) or (c) above shall have taken place.

ARTICLE V

COVENANT FOR MAINTENANCE AND REPAIR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements and unexpected operating costs, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was

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the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to successors in title unless expressly assumed by them. The assessments of which payment is required under this Section 1 shall be in addition to those established and imposed under the Declaration of Covenants, Conditions and Restrictions for Los Prados.

Section 2. Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for the maintenance and repair of the Lawn Area and administration costs.

Section 3. Lawn Maintenance and Repair. The Association shall maintain and repair the Lawn Area of each Lot on which a completed dwelling exists, but shall not maintain or repair any shrubs or plantings planted thereon, whether provided by the Declarant or otherwise. Such maintenance and repair shall include mowing, edging, and fertilizing, as appropriate, and any other lawn maintenance service which may be deemed advisable from time to time by the Association. No other or further landscaping, shrubs, plantings or lawn ornaments may be added by the Owner of a Lot without the prior written approval of the Architectural Control Committee. In the event such approval is granted, the Owner of the Lot shall maintain the landscaping, shrubs, plantings and lawn ornaments so permitted, and the Association shall have no responsibility with regard thereto. In the event that any such landscaping, shrubs, plantings or lawn ornaments upon a Lot shall die or be destroyed, the Association shall have no obligation to

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repair or replace the same.

In the event that the need for maintenance or repair of a Lawn Area is caused through the willful or negligent acts of its Owner, or through the willful or negligent acts of the family, guests or invitees of the Owner of such Lot, the cost of such maintenance or repair shall be added to and become part of the assessment to which such Lot is subject.

Section 4. Special Assessment for Capital Improvements.

In addition to the annual assessment authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any maintenance or repair of any Lawn Area or other Association obligations.

Section 5. Notice and Quorum for Any action Authorized Under Section 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 4 of this Article V shall be sent to all members not less than ten (10) days nor more than ninety (90) days in advance of the meeting. At such meeting, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

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Section 6. Uniform Rate of Assessment. With the exception of the Declarant's assessment as described in Section 7 below, both annual and special assessments must be fixed at a uniform rate for all Lots of the same size and shall be collected on a monthly basis.

Section 7. Declarant's Assessment. The rate set for the Lots or Parcels owned by the Declarant in a phase which do not have a completed residence upon them shall be fixed at one-quarter (1/4) of the assessment rate for the Class A Lots or Parcels of that size in that phase, provided that the financial stability of the Association will not be jeopardized, and further provided, however, the Declarant shall be responsible for paying the difference between the Association's expenses of operation otherwise to be funded by annual assessment and the amount received from Owners, other than the Declarant, in payment of the annual assessments levied against their respective Class A Lots or Parcels. Declarant shall be assessed only for Lots and Parcels that are encumbered by this First Amended Declaration. Upon transfer of title of a Lot or Parcel owned by the Declarant, the Lot or Parcel shall be assessed in the amount established for Lots or Parcels of that size owned by Owners other than Declarant, prorated as of and commencing with the month following the date of transfer of title. Notwithstanding the foregoing, any Lots or Parcels from which the Declarant derives any rental income, or holds an interest as mortgagee or contract seller, shall be assessed at the same amount as Lots or Parcels of that size owned by Owners other than the Declarant, prorated as of

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and commencing with the month following the execution of the rental agreement or mortgage, or the contract purchaser's entry into possession, as the case may be.

Section 8. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the first conveyance of a Lot to an Owner. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of issuance.

Section 9. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum or Ten Dollars (\$10.00), whichever is greater. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or

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otherwise escape liability for the assessment provided for herein by abandonment of his Lot.

Section 10. Subordination of the Lien to Mortgages.

The lien of the assessment provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 11. Maximum Annual Assessment. Until January 1

of the year immediately following the conveyance of the first Lot in the Properties by Declarant, the maximum annual assessment for this Association shall be Six Hundred Dollars (\$600.00) per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot by Declarant, the maximum annual assessment may be increased by the Board of Directors of the Association effective January 1 each year in conformance with the rise, if any, of the wholesale Consumer Price Index (published by the Department of Labor, Washington, D.C.) for the eleven month period ending November 30 of the immediately preceding year or twenty percent (20%), whichever is greater.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot by Declarant, the maximum

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annual assessment may be increased above the amount set forth in paragraph (a) above, provided that any such increase shall have the vote or written assent of sixty-seven percent (67%) of each Class of members who are voting in person or by proxy at a meeting duly called for this purpose. The Board of Directors of the Association may, after consideration of the current maintenance costs and the financial requirements of the Association, fix the annual actual assessment at an amount less than the maximum.

(c) The Association shall maintain an adequate reserve fund out of the annual assessment for the maintenance and repair of the Lawn Area.

ARTICLE VI

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Architectural Control Committee of the Master Association. In the event the Committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

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ARTICLE VII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or thereafter imposed by the provisions of this First Amended Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. If a person or party is found in the proceedings to be in violation of, or attempting to violate, the provisions of this First Amended Declaration, he shall bear all expenses of the litigation, including Court costs and reasonable attorney's fees, for all trial and appellate proceedings incurred by the party enforcing the provisions of this agreement. Declarant shall not be

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First Amended Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This First Amended Declaration may be amended during the first thirty (30) year period by an instrument approved in writing: (a) by Declarant alone, prior to recordation of the sale of any Lot or Parcel in the Properties; or thereafter, (b) by not less than ninety percent (90%) of the votes of the membership (for such thirty (30) year period) and by seventy-five percent (75%) thereafter. Such amendment or revocation shall be effective when duly recorded; provided, however, that any amendment or revocation must comply with the statutes of Nevada and the resolutions and ordinances of the City of Las Vegas, Nevada, or of any successor governmental entity having jurisdiction over the Properties in existence at the time such amendments become effective. Notwithstanding anything herein to the contrary, for so long as the Declarant owns any Lot or Parcel in the Properties, any amendment of this First Amended Declaration must be approved in writing by the Declarant.

Section 4. Exception. Anything in this First Amended Declaration to the contrary notwithstanding, if any amendment to this First Amended Declaration is required at any time by an institutional mortgagee, such as a bank, savings and loan association, insurance company, insurers of first mortgages similar to the Federal National Mortgage Association or any governmental agency, such amendment shall be effective upon recording of such amendment, as executed by the Declarant, in the Public Records of

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Clark County Nevada, without the necessity of the approval or joinder of any other Owners or the Association. No such amendment may adversely affect the lien or priority of any institutional first mortgagee recorded prior to the amendment.

Section 5. Models. Notwithstanding anything contained in this First Amended Declaration to the contrary, the Declarant retains the right to utilize Lots for models and to conduct sales activities on the Properties commencing when Lots are first sold or offered for sale to the public for as long a period of time as Declarant deems necessary. Declarant retains the right to maintain any model centers separate and apart from any maintenance of the Properties as a whole.

ARTICLE VIII

PARTY WALLS

Section 1. General Rules of Law Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use. Each Owner shall have a nonexclusive easement over and across the adjacent party's property as may be reasonably necessary to

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maintain and repair the party wall.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the costs of restoration thereof in proportion to such use, without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provisions of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribute Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE IX

USE RESTRICTIONS

Section 1. Residential Use. No Lot shall be used for

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any purpose other than as and for duplex unit, single-family residence(s) or dwelling(s).

Section 2. Animals. No horses, cattle, sheep, goats, pigs, rabbits, poultry or other animals of any description shall be kept or maintained on any Lot or Parcel, except that Owners may keep dogs, cats, fish or other domestic animals which are bona fide household pets so long as such pets are not kept for commercial purposes, do not make objectional noises or otherwise constitute a nuisance or inconvenience to any of the residents of adjacent property, and are kept in compliance with all existing applicable local ordinances. If a bona fide household pet is kept or maintained on any Lot or Parcel, such pet shall not be allowed to occupy or move over any part of the Properties other than the enclosed or fenced-in portion of such Lot or Parcel, unless such pet is on a leash and accompanied by its owner, a member of his/her family or person having custody of such pet.

Section 3. Restrictions of Parking and Storage. Except as expressly provided in the Master Restrictions, no portion of the Properties, including, but not limited to Lots and Parcels, roadways, streets and Association owned private streets, drives or parking areas, unless specifically designated by the Master Association or the Association therefor, shall be used as a parking, storage, display, repair or accommodation area for any type of house trailer, camping trailer, boat trailer, hauling trailer, running gear, boat or accessories thereto, commercially used truck or a truck larger in size than a 1/2-ton pick up, self-

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contained motorized vehicle, or any type of a van or recreational vehicle holding greater than seven (7) passengers, except as a temporary expedience for loading, delivery or emergency. The same shall be stored, parked or maintained wholly and only within the garage area of a Lot. There shall not be any overnight parking of any of the foregoing between the hours of 10:00 p.m. and 4:00 a.m. on any portion of the Properties, except automobiles may be parked in both the garage area or paved driveway portion of a Lot. This restriction, however, shall not restrict trucks or other commercial vehicles within the Properties which are necessary for the construction of residential dwellings or the maintenance of the Common Area or Lots.

Section 4. Fences. No fences other than those initially installed by Declarant and no walls or hedges shall be permitted anywhere within the Properties except as approved in writing by the Board, which approval may be arbitrarily withheld.

Section 5. Garbage and Trash. All garbage cans and similar receptacles and other garbage containers shall be kept inside the garage at all times except during the day of garbage collection.

Section 6. Antennas. No exterior radio, television, satellite dish or any other electrical antennas or aerials or earth stations or any similar devices may be erected or maintained anywhere upon any portion of the Properties or any Lot, except such as are approved in writing by the Board of Directors of the Association.

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Section 7. Maintenance. Following the conveyance of a Lot by the Declarant, each Owner thereof shall be obligated to maintain the Lot and all improvements thereon in good condition and repair, except for such maintenance as is the responsibility of the Association pursuant to this First Amended Declaration. If the Owner shall fail to do so, either the Declarant or the Association, after giving such Owner at least ten (10) days' written notice, shall be authorized to undertake such maintenance at the Owners's expense. Entry upon an Owner's Lot for such purpose shall not constitute a trespass. If such maintenance is undertaken by the Association, the charge thereof shall be secured by a lien on the Lot and added to and become a part of the Lot assessment installment next due and payable by the Owner.

Section 8. Clothes-Drying Activity. Clothes hanging devices exterior to a residence shall be prohibited.

ARTICLE X

EASEMENTS

Section 1. Each Lot and the Common Area shall be subject to existing easements for public utilities' purposes (including, but not limited to, fire and police protection, garbage and trash removal, water and sewage system, electric and gas service, cable television, telephone and irrigation wells and pumps, if applicable), and the utilities and applicable governmental agencies having jurisdiction thereover and their employees and agents shall have the right of access to any Lot or the Common Area in furtherance of such easements.

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Section 2. The Declarant reserves the right, for itself, its designee (so long as Declarant or said designee owns a Lot) and for the Board of Directors of the Association, to grant and/or reserve such additional easements, including, but not limited to, irrigation, wells and pump, cable television, electric, gas, water, telephone or other utility easement in any portion of the property as the Declarant, its designee or the said Board of Directors shall deem necessary or desirable for the proper operation and maintenance of the property, or any portion thereof, or for the general health or welfare of the Lot Owners, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Lots for permitted purpose.

Section 3. For so long as Declarant owns any Lots on the Properties, Declarant retains for itself, its successors in interest, agents, employees and assigns a non-exclusive easement for ingress and egress over and across all streets, roadways, driveways and walkways that may from time to time exist on the property.

Section 4. All of the Properties and all of the Lots shall be and are singularly and collectively subject to easements for encroachments which now or hereafter exist or come into being, caused by settlement or movement of the building or other improvements on the properties, or caused by minor inaccuracies in construction or reconstruction of the building or such improvements upon the Properties or Lots, or encroachments caused by the

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intentional or unintentional placement of utility meters and related devices, all of which encroachments shall be permitted to remain undisturbed, and such easements shall and do exist and shall continue as valid easements so long as such encroachments exist. A valid easement for the maintenance of such encroachments is herein created so long as such encroachments stand or otherwise continue in place.

Section 5. The Declarant hereby reserves the right and easement to construct, place and install on all Lots from time to time such irrigation and sprinkler lines and heads, control panels and related facilities and equipment (the foregoing being collectively referred to hereafter as the "Irrigation Facilities") for the purpose of providing irrigation to such Lots or to other Lots and Common Areas within the Properties or the Los Prados project. The declarant shall also have and does hereby reserve the right of access to any such Irrigation Facilities and any Lot or Common Area on which they have been placed in order to repair, maintain or replace such Irrigation Facilities and to repair or correct any damage which, in Declarant's view, has been done to such Lots by, for example, over-watering or under-watering, including the right to turn on and off any water being supplied to such Lots. If installation occurs after Declarant has sold the Lot to its initial purchaser, it shall be undertaken so as not to interfere with the dwelling or the improvements on such Lot. Nothing contained in this Section 5, however, shall obligate the Declarant to install Irrigation Facilities on any specific Lot or

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Lots, to repair, maintain or replace such Irrigation Facilities or to correct any damage done to such Lots. By recorded instrument, the Declarant shall have the right to waive or relinquish its easement rights in whole or in part, and shall also have the right to assign them to the Association. In addition, the Declarant hereby grants to the Association an easement as to each Lot to construct, place and install additional Irrigation Facilities, provided that if such installation occurs after the Lot has a dwelling constructed thereon, it shall be undertaken so as not to interfere with the dwelling or other improvements on such Lot; and provided further that the Association shall not install any Irrigation Facilities on Lots owned by the Declarant without the Declarant's consent. The Declarant further grants to the Association an easement as to each Lot for the maintenance, repair and replacement of any and all Irrigation Facilities now or hereafter constructed, placed or installed on such Lot by either the Declarant or the Association pursuant to the authority of this section. By recorded instrument, the Association shall have the right to waive or relinquish its easement rights in whole or in part by action of its Board of Directors.

ARTICLE XI

ADDITIONAL PROPERTY

Section 1.

A. Additions to the Properties. Additional land may be brought within the jurisdiction and control of the Association in the manner specified below in Section 2 of

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this Article and made subject to all the terms of this First Amended Declaration as if part of the Properties initially included within the terms hereof, provided such is done within five (5) years from the date this instrument is recorded. Notwithstanding the foregoing, however, under no circumstances shall the Declarant be required to make such additions, and until such time as additions are made to the Properties in the manner hereinafter set forth, no other real property owned by the Declarant or any other person or party whomsoever, other than the Properties, shall in any way be affected by or become subject to the Declaration. All additional land which, pursuant to this Article, is brought within the jurisdiction and control of the Association and made subject to the Declaration shall thereupon and thereafter be included within the term "Properties" as used in this First Amended Declaration. Notwithstanding anything contained in this Section 1, the Declarant neither commits to, nor warrants or represents that any such additional development shall occur.

B. General Land Plan. The present general plan of development shall not bind the Declarant to make any such additions or adhere to the general plan of development. Such general plan of development may be amended or modified by the Declarant, in whole or in part, at any time, or discontinued. As used herein, the term "General

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Land Plan" shall mean such general plan of development, together with any amendments or modifications thereof hereafter made.

Section 2. Procedure for Making Additions to the Properties. Additions to the Properties may be made and thereby become subject to this First Amended Declaration by, and only by, one of the following procedures:

A. Additions in Accordance with a General Land Plan.

The Declarant may annex all or part of the Property described on Exhibit "B" attached hereto and make a part hereof by this reference by the filing of record a Declaration of Annexation with respect to any portion of the additional land as described on Exhibit C attached hereto, extending the scheme of the Covenants, Conditions and Restrictions of this First Amended Declaration to such land, except as hereinafter provided in Section 3(c) hereof.

B. Mergers. Upon a merger or consolidation of the Association within another not for profit corporation as provided in its Articles, its property (whether real or personal or mixed), rights and obligations may, by operation of law, be transferred to the surviving or consolidated corporation or, alternatively, the property, rights and obligations of the other not for profit corporation may, by operation of law, be added to the property, rights and obligations of the Association as

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the surviving corporation pursuant to a merger. The surviving or consolidated corporation may administer the covenants and restrictions established by the Declaration within the Properties, together with the covenants and restrictions established upon any other land, as one scheme. No such merger or consolidation, however, shall affect any revocation, change or addition to the covenants established by this First Amended Declaration with the Properties.

Section 3. General Provisions Regarding Additions to the Properties.

A. The additions authorized under Section 2(A) of this Article shall be made by the Declarant filing of record a Declaration of Annexation with respect to the additional land extending the scheme of the Covenants, Conditions and Restrictions of this First Amended Declaration to such land, except as hereinafter provided in Section 3(C). Such Declaration of Annexation need only be executed by the Declarant and shall not require the joinder or consent of the Association or its members. Such Declaration of Annexation may contain such complementary additions and modifications of the Covenants, Conditions, and Restrictions contained in this First Amended Declaration as may be necessary to reflect the different character, if any, of the added land or permitted use thereof. In no event, however, shall such

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Declaration of Annexation revoke, modify or add to the Covenants, Conditions or Restrictions established by this First Amended Declaration as such affect the land described on attached Exhibit A.

B. Regardless of which of the foregoing methods is used to add additional land to that subject to the terms and provisions of this First Amended Declaration, no addition shall revoke or diminish the rights of the Owners of the Properties to the utilization of the Common Area as established hereunder except to grant to the Owners of the land being added to the Properties the right to use the Common Area according to the terms and conditions as established hereunder, and the right to vote and be assessed as hereinafter provided.

C. Nothing contained in this Article XI shall obligate the Declarant to make additions to the Properties.

D. Prior to any Annexation under this Section, the Veterans Administration must determine that the Annexation is in accord with the overall General Plan previously approved by the Veterans Administration and so advise Declarant.

Section 4. Voting Rights of the Declarant as to Additions to the Properties. The Declarant shall have no voting rights as to the land added to the Properties or any portion thereof until such land or portion thereof is actually added to the Properties in accordance with the provisions of this Article. Upon such land or

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portion thereof being added to the Properties, the Declarant shall have the Class B voting rights as to the Lots or Parcels thereof as previously provided by this First Amended Declaration.

Section 5. Assessment Obligation of the Declarant as to Additions to the Properties. The Declarant shall have no assessment obligation as to the land or any portion thereof added to the Properties until such land or portion thereof is actually added to the properties in accordance with the provisions of this Article. At such time, the Declarant shall have, but only as to such of the additional land as is added, the assessment obligation hereinafter set forth. As to such added land, the Declarant shall be assessed to one-quarter (1/4) of the assessment rate for the Class B Lots or Parcel which it owns in such land, upon the same terms and conditions as contained in Article V of this First Amended Declaration.

Section 6. Voting rights of Owners other than the Declarant as to Additions to the Properties. Any Lots added to the Properties which are owned by Owners other than the Declarant, or its Assignees by separate written document, shall be entitled to voting rights identical to those granted by this First Amended Declaration to other Owners of Class A Lots.

Section 7. Assessment Obligation of Owners other than the Declarant as to Additions to the Properties. Any Lots added to the Properties which are owned by Owners other than the Declarant, or its assignees by separate written document, shall be subject to assessments, annual, special and otherwise, in accordance with the

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terms and provisions of the Declaration in the same manner as all Owners of Class A Lots within the Properties.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereto set its hand and seal this 8th day of September 1992.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF

U.S. HOME CORPORATION
a Delaware Corporation

Tony Gunter
TONY GUNTER

By: President
Its

Joe Weathersby
JOE WEATHERSBY

Attest: Vice President
Its

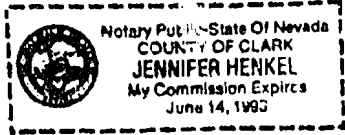
STATE OF NEVADA)
COUNTY OF CLARK) ss.

This 8th day of September, 1992, before the undersigned, a Notary Public in and for the State and County aforesaid, duly authorized to take acknowledgements, personally appeared Tony Gunter and Joe Weathersby, respectively, of U.S. Home Corporation, known to me, and they acknowledged before me that they executed, sealed and delivered the foregoing First Amended Declaration of Covenants, Conditions and Restrictions for the uses and purposes therein expressed, as such officers, by authority and on behalf of said Corporation, as the free act and deed of said Corporation.

IN WITNESS THEREOF, I have hereunto set my hand and official

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seal at the City of Las Vegas, in said County and State this 8th
day of September, 1992



Jennifer Henkel Whitley
Notary Public