

FIRST STATUTORILY AMENDED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR THE CONDOMINIUM DEVELOPMENT OF
LAS BRISAS APARTMENT HOMES IN
CLARK COUNTY, NEVADA

ARTICLE I

DESCRIPTION OF LAND AND IMPROVEMENTS

Section 1.01 Project:

The real property subject to said covenants, conditions and restrictions is located in the County of Clark, State of Nevada, and is more particularly described in Exhibit "A" attached hereto.

The hereinabove described real property consists of approximately 1.78 acres abutting on Vegas Valley Drive on the South and 710 feet easterly of Maryland Parkway on the West. Construction is completed upon said land of 48 individual condominiums, each with a dwelling space, hereinafter designated as "unit", numbered 1 through 48, all as shown on a diagrammatic map attached to and made part of the Certificate being recorded concurrently herewith, and a common area consisting of the entire project, except there from said units 1 through 48, inclusive, to be owned as tenants in common by the owners of said units 1 through 48, inclusive, subject to the terms and conditions hereof. Said 48 condominiums shall be offered for sale to the public and the grant deeds or contracts of sale conveying or creating said interest in said project to the individual purchasers of said condominiums shall expressly incorporate by reference and be made subject to this Declaration of Covenants, Conditions and Restrictions.

Section 1.02 Ownership:

Each of the units granted 1 through 48 shall consist of fee simple interests to the interior surface of the perimeter walls, floors, ceilings, windows and doors of the unit shown on the diagrammatic map hereinabove referred to, and the air space so encompassed. All other parts and portions of said project shall be owned by the owners of said units as tenants in common with the owner or owners of each one bedroom unit receiving an undivided 1.92% interest for each one bedroom unit owned and the owner or owners of each two-bedroom unit receiving an undivided 2.41% interest for each two bedroom unit owned. Units 3 through 6, 11 through 14, 17 through 24, 27 through 30, 35 through 38 and 41 through 48 are one bedroom units. Units 1, 2, 7, 8, 9, 10, 15, 16, 25, 26, 31, 32, 33, 34, 39 and 40 are two bedroom units.

No mobile home, trailer of any kind, truck, camper, permanent tent or similar structure, or boat, shall be constructed, reconstructed or repaired, nor shall any motor vehicle be constructed, reconstructed or repaired, upon any property or street (public or private) within any common area in such a manner as will be Visible From Neighboring Property; provided, however that the provisions of this Paragraph shall not apply to emergency vehicle repairs.

G. Nuisances:

No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any units or common area, and no odors shall be permitted to arise there from, so as to render any such property or any portion thereof unsanitary; unsightly, offensive or detrimental to any other property in the vicinity thereof or to its occupants. No nuisance shall be permitted to exist or operate upon any such property so as to be offensive or detrimental to any other property in the vicinity thereof or to its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on any such property.

H. Repair of Units:

No unit shall be permitted to fall into disrepair by the OWNER, and each such unit shall at all times be kept in good condition and repair and adequately painted or otherwise finished by the OWNER. The OWNER shall keep in good order and repair the air conditioner, range, oven, dishwasher and garbage disposal for his unit.

Trash Containers and Collection:

No garbage or trash shall be placed or kept on any property within common areas except in covered containers of a type, size and style which are approved by the BOARD.

J. Clothes Drying Facilities:

Outside clothesline or other outside facilities for drying or airing clothes shall not be erected, placed or maintained on any property within common areas unless they are erected, placed and maintained exclusively by the Association.

K. Right of Way:

During reasonable hours, any member of the BOARD, or any authorized representative of any of them, shall have the right to enter upon and inspect any unit for the purpose of ascertaining whether or not the provisions of the DECLARATION have been or are being complied with, and such persons shall not be deemed guilty of trespass by reason of such entry.

L. Machinery and Equipment:

No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any unit except such machinery or equipment as is usual and customary in Clark County, Nevada, in connection with the use, maintenance or construction of a private resident or appurtenant structure.

M. Diseases and Insects:

No OWNER shall permit any thing or condition to exist upon any property within a unit, which shall induce, breed or harbor infectious plant diseases or noxious insects.

N. Restriction on Further Subdivision:

No unit shall be further subdivided, and no portion less than all of any such unit, nor any easement or other interest therein, shall be conveyed by any OWNER without the prior written approval of the ARCHITECTURAL COMMITTEE.

O. Signs:

No signs whatsoever (including but not limited to commercial political and similar signs) which are Visible From Neighboring Property shall be erected or maintained on any unit, building or common area except:

- (1) Such signs as may be required by law;
- (2) A residential identification sign of a combined total face area of seventy-two (72) square inches or less;
- (3) During the time of construction of any improvement, one (1) job identification sign not larger than eighteen (18) by twenty-four (24) inches in height and width and having a face area not larger than three (3) square feet; and
- (4) A “for sale” or “for rent” sign, of a reasonable type, size and appearance, which is similar to other signs customarily used in Clark County, Nevada, to

advertise individual parcels of residential reap property.

- P. Nothing will be placed on any common area or balcony without the prior written approval of the ASSOCIATION.

Section 2.03 Units:

Construction and Alteration of Improvements:

A. Application for Approval of Improvements:

Any OWNER, proposing to make any improvement of any kind whatever which, under Section 3.02 hereof, requires the prior written approval of the Board of Directors, shall apply for approval by delivering a written application describing the nature of the proposed improvement together with the following documents and information, in such number of copies as maybe required:

- (1) Floor plans of the affected property showing the location of existing and proposed improvements;
- (2) Drawings showing all elevations;
- (3) The OWNER's proposed construction schedule.

The Association may require that every written application for approval in connection with any proposed improvement be accompanied by an inspection fee to be paid to the Association in an amount not to exceed \$100.00.

B. Basis for Approval of Improvements:

The Board of Directors shall grant the requested approval only if The Board determines, in its sole and absolute discretion, that:

- (1) The OWNER shall have strictly complied with the provisions of Paragraph A of this Section;
- (2) The proposed improvement conforms to the DECLARATION particularly to the requirements and restrictions of this Section, and to the Association Rules in effect at the time the application for approval was submitted; and
- (3) The proposed improvement is compatible with the standards of PROJECT and the purposes of the PROJECT Restrictions as to quality of workmanship and materials.

C. Form of Approval:

All approvals given under the foregoing Paragraph B shall be in writing; provided, however, that any such application for approval that has not been rejected within thirty (30) days from the date of submission thereof to the Board of Directors shall be deemed approved. One set of plans as finally approved shall be retained by the Association as a permanent record.

D. Proceeding with Work:

Upon receipt of approval from the Board of Directors pursuant to Paragraph B or C of this Section, the OWNER shall, as soon as practicable, satisfy all terms and conditions thereof, and diligently proceed with the commencement and completion of all construction, refinishing, alterations pursuant to said approval, provided, however, such commencement shall occur, in all cases, within one (1) year from the date of such approval. If the OWNER shall fail to comply strictly with this Paragraph, any approval given pursuant to Paragraphs B or C of this Section shall be deemed revoked unless the Board of Directors, upon written request of the OWNER made prior to the expiration of said one (1) year period, extends the time for such commencement. No such extension shall be granted except upon a finding by the Board of Directors, in its sole and absolute discretion, that there has been no change in the circumstances under which the original approval was granted.

E. Failure to Complete Work:

The OWNER shall in any event complete the construction, reconstruction, refinishing or alteration of any such improvement within six (6) months after commencing construction thereof except and for so long as such completion is rendered objectively impossible or would result in great hardship to the OWNER due to labor disputes, fires, national emergencies, natural calamities or other supervening forces beyond the reasonable control of the OWNER or his agents. If the OWNER fails to comply strictly with this paragraph, the ASSOCIATION shall proceed in accordance with the provisions of the following Paragraph F as though the failure to complete the improvement constituted a non-compliance with approved plans.

F. Inspection of Work:

Inspection of work and correction of defects therein shall proceed as follows:

- (1) Upon the completion of any construction or reconstruction or

the alteration or refinishing of the interior of any improvement, or upon the completion of any other work for which approved plans are required under this ARTICLE II, the OWNER shall give written notice of completion to the Board of Directors.

(2) Within sixty (60) days thereafter, the Board of Directors, or its duly authorized representative, may inspect such improvement to determine whether it was constructed, reconstructed, altered or refinished in substantial compliance with the approved plans. If the Board of Directors finds that such construction, reconstruction, alteration, or refinishing was not done in substantial compliance with the approved plans, it shall notify the OWNER in writing of such non-compliance within such sixty (60) days period, specifying the particulars of non-compliance, and shall require the OWNER to remedy such non-compliance.

(3) If upon the expiration of thirty (30) days from the date of such notification, the OWNER shall have failed to remedy such non-compliance, the BOARD shall then set a date on which a hearing shall be held before it regarding the alleged non-compliance. The hearing date shall be not more than thirty (30) days nor less than fifteen (15) days after notice of non-compliance has been determined.. Written notice of the hearing date shall be given at least ten (10) days in advance thereof by the ASSOCIATION to the OWNER and, in the discretion of the BOARD, to any other interested party.

(4) At the hearing the OWNER and, in the BOARD's discretion, any other interested person, may present information relevant to the question of the alleged non-compliance. After considering all such information, the BOARD shall determine whether there is a non-compliance and if so, the nature thereof and the estimated cost of correcting or removing the same.

If a non-compliance exists, the BOARD shall announce its ruling at the conclusion of the hearing and, promptly thereafter, shall direct the OWNER in writing to remedy or remove the same within a period of not more than forty-five (45) days from the date of announcement of the BOARD ruling. If the OWNER does not comply with the BOARD ruling within such period or within any extension of such period as the BOARD in its discretion, may grant, the BOARD, at its option, may either remove the non-complying improvement or remedy the non-compliance, and the OWNER shall reimburse the ASSOCIATION, upon demand, for

all expenses incurred in connection therewith. If such expenses are not promptly repaid by the OWNER to the ASSOCIATION, the BOARD shall levy a reimbursement assessment against such OWNER pursuant to Section 4.05 hereof.

(5) If for any reason the Board of Directors fails to notify the OWNER of any non-compliance within sixty (60) days after receipt of said written notice of completion from the OWNER, the improvement shall be deemed to be in accordance with said approved plans.

Section 2.04 Common Areas:

Permitted Uses, Construction and Alteration of Improvements:

A. The ASSOCIATION shall have a right and easement over, under, upon and across the COMMON AREAS for the purpose of constructing, planting and maintaining grass, flowers, shrubs, trees and irrigation and other landscaping appurtenances, fences and retaining and other walls, recreational facilities, utility transmission facilities (including television cables), sidewalks, paths and steps, directional signs, lighting facilities and any other appurtenances permissible by law and not prohibited by existing easements.

B. The right and easement to the COMMON AREAS shall be held, maintained and used by the ASSOCIATION to meet the recreational interests of OWNERS, or to enhance their enjoyment of the natural environment of PROJECT and for no other purposes. No improvement, excavation or work which in any way alters any Common Area from its natural or existing state on the date such Area was transferred to or otherwise came under the jurisdiction of the ASSOCIATION, shall be made or done except upon strict compliance with, and within the restrictions and limitations of, the following provisions of this Section.

C. Limitation on Construction:

No person other than the ASSOCIATION or its duly authorized agents shall construct, reconstruct, refinish, alter or maintain any improvement upon, or shall make or create any excavation or fill upon, or shall change the natural or existing drainage of, or shall destroy or remove any tree, shrub, or other vegetation from any Common Area.

D. Maintenance by ASSOCIATION:

The Association may, at any time, as to any Common Area:

(1) Reconstruct, replace or refinish any improvement or portion

thereof upon any such Area (to the extent that such work is not done by a governmental entity, if any, responsible for the maintenance and upkeep of such Area), in accordance with the original design, finish or standard of construction of such improvement when the ASSOCIATION acquired jurisdiction over such Area;

(2) Construct, reconstruct, replace or refinish any road improvement or surface upon any portion of such Area used as a road, driveway or parking area;

(3) Replace injured or diseased trees, shrubs or other vegetation in any such Area, and plant trees, shrubs and other vegetation to the extent that the ASSOCIATION deems necessary for the conservation of water and soil or for aesthetic purposes; and

(4) Place and maintain upon any such Area such signs as the ASSOCIATION may deem appropriate for the proper identification, use and regulation thereof.

E OWNER's Easements of Enjoyment:

Every OWNER shall have a right and easement of enjoyment in and to the Common Areas, except as to balconies as set out in Paragraph F hereof, and such easement shall be appurtenant to and shall pass with the title to every condominium, subject to the following provisions:

(1) The right of the ASSOCIATION to limit the number of guests of OWNERS.

(2) The right of the ASSOCIATION to establish uniform rules and regulations pertaining to the use of the Common Areas, including, but not limited to private streets and the recreational facilities thereof.

(3) The right of the ASSOCIATION, in accordance with its Articles and BYLAWS, to borrow money for the purpose of improving the Common Areas and facilities and in aid thereof, to mortgage said property, provided that the rights of such mortgages shall be subordinate to the rights of the OWNERS.

(4) The right of the ASSOCIATION to suspend the voting rights

and right to use of any recreational facilities by an OWNER for any period during which any assessment against his Dwelling Unit remains unpaid and delinquent; and for a period not to exceed thirty (30) days for any single infraction of the rules and regulations of the ASSOCIATION; provided that any suspension of such voting rights or right to use any recreational facilities, except for failure to pay assessments, shall be made only by the ASSOCIATION or a duly appointed committee thereof, after notice and hearing given and held in accordance with the BYLAWS. of the ASSOCIATION.

(5) The right of the ASSOCIATION to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument signed by Members entitled to cast two-thirds (2/3) of the votes of the OWNERS has been recorded, agreeing to such dedication or transfer, and unless written notice of the proposed action is sent to every OWNER not less than thirty (30) nor more than sixty (60) days in advance of such proposed dedication or transfer.

F. There are patios and/or balconies located within the common area that are attached to or are adjoining each unit. Said patios or balconies shall be for the exclusive use of the OWNERS of the units to which they adjoin or are attached.

G. Delegation of Use:

Any OWNER MAY DELEGATE, in accordance with the BYLAWS., his right of enjoyment to the Common Areas and facilities to the members of his family, his tenants or contract purchasers who reside on the property.

H. Waiver of Use:

No OWNER may exempt himself from personal liability for assessments duly levied by the ASSOCIATION, nor release the Unit owned by him from the liens and charges hereof, by waiver of the use and enjoyment of the Common Areas and the facilities thereon or by abandonment of his Unit.

I. Parking Spaces:

Each one bedroom Unit shall have the exclusive use of one parking space and each two bedroom Unit shall have the exclusive use of two parking spaces. The BOARD shall assign these parking spaces at the time the OWNER signs the management agreement. These spaces may be reassigned at any time in accordance with the above formula at the discretion of the BOARD.

ARTICLE III

ARCHITECTURAL COMMITTEE

Section 3.01 Organization, Power of Appointment and Removal of Members:

There shall be an ARCHITECTURAL COMMITTEE, organized as follows:

Committee Composition:

The ARCHITECTURAL COMMITTEE shall consist of three (3) regular members and two (2) alternate members. None of such members shall be required to be an architect or to meet any other particular qualifications for membership.

Alternate Members:

In the event of the absence or disability of one or two regular members of said COMMITTEE, the remaining regular member or members, even though less than a quorum, may designate either or both of the alternate members to act as substitutes for the absent or disabled regular member or members for the duration of such absence or disability.

Initial Members:

The following persons are hereby designated as the initial members of the ARCHITECTURAL COMMITTEE:

Office	No.	1-
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Regular Member		
Office	No.	2-
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Regular Member		
Office	No.	3-
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Regular Member		
Office	No.	4-
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Alternate Member		
Office	No.	5-
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Alternate Member		

Terms of Office:

The term of each ARCHITECTURAL COMMITTEE member appointed shall be for a period of three (3) years and until the appointment of his successor.

Any new member appointed to replace a member who has resigned or been removed shall serve such member's unexpired term. Members who have resigned, been removed or whose terms have expired may be reappointed.

Appointment and Removal:

The right to appoint and remove the regular and alternate members of the COMMITTEE, shall be vested solely in the BOARD acting on behalf of the ASSOCIATION; provided, however, that no regular or alternate member may be removed from the ARCHITECTURAL COMMITTEE by the BOARD except by the vote or written consent of four-fifths (4/5) of all of the members of the BOARD. Exercise of the right of appointment and removal, as set forth herein, shall be evidenced by the resolution identifying each new regular or alternate member appointed to the COMMITTEE and each regular or alternate member replaced or removed there from.

Resignations:

Any regular or alternate member of the ARCHITECTURAL COMMITTEE may at any time resign from the COMMITTEE by giving written notice thereof to the BOARD, which then has the right to appoint COMMITTEE members.

Vacancies:

Vacancies on the ARCHITECTURAL COMMITTEE, however caused, shall be filled by the BOARD, which then has the power to appoint COMMITTEE members. A vacancy or vacancies on the ARCHITECTURAL COMMITTEE shall be deemed to exist in case of the death, resignation or removal of any regular alternate member.

Section 3.02 Duties:

It shall be the duty of the ARCHITECTURAL COMMITTEE to consider and act upon any and all proposals or plans submitted to it pursuant to the terms hereof, to adopt ARCHITECTURAL COMMITTEE RULES, to perform other duties delegated to it by the BOARD, and to carry out all other duties imposed upon it by the PROJECT RESTRICTIONS.

Section 3.03 Meetings and Compensation:

The ARCHITECTURAL COMMITTEE shall meet from time to time as necessary to perform its duties hereunder. Subject to the provisions of Paragraph B of Section 3.01 hereof, the vote or written consent of any two (2) regular members, at a meeting or otherwise, shall constitute the act of the COMMITTEE unless the unanimous decision of the COMMITTEE is required by any other provision of the PROJECT RESTRICTIONS. The COMMITTEE shall keep and maintain a written record of all actions taken by it at such meetings or otherwise.

Members of the ARCHITECTURAL COMMITTEE shall receive from the ASSOCIATION such compensation for services rendered as may be fixed by the BOARD; provided, however, that no BOARD member who is also a member of the ARCHITECTURAL COMMITTEE shall participate in determining such compensation. All members shall also be entitled to reimbursement from the ASSOCIATION for all reasonable expenses incurred by them in the performance of any ARCHITECTURAL COMMITTEE functions.

Section 3.04 ARCHITECTURAL COMMITTEE RULES:

The ARCHITECTURAL COMMITTEE may, from time to time and in its sole and absolute discretion, adopt, amend and repeal, by unanimous vote or written consent, rules and regulations, to be known as "ARCHITECTURAL COMMITTEE RULES". Said RULES shall interpret and implement the PROJECT RESTRICTIONS by setting forth the standards and procedures for ARCHITECTURAL COMMITTEE review and the guidelines for architectural design, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features which are recommended for use in PROJECT.

Section 3.05 Waiver:

The approval by the ARCHITECTURAL COMMITTEE of any plans, drawings or specifications for any work done or proposed, or for any other matter requiring the approval of the ARCHITECTURAL COMMITTEE under the PROJECT RESTRICTIONS, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval.

Section 3.06 Estoppel Certificate:

Within thirty (30) days after written demand is delivered to the ARCHITECTURAL COMMITTEE by any OWNER, and upon payment to the ASSOCIATION of a reasonable fee (as fixed from time to time by the BOARD), the ARCHITECTURAL COMMITTEE shall record an estoppel certificate, executed by any two (2) of its regular members, certifying (with respect to the property of said OWNER) that as of the date thereof either (a) all improvements made and other work done upon or within said property comply with the PROJECT RESTRICTIONS, or (b) such improvements or work do not so comply, in which event the certificate shall also identify the non-complying improvements or work and set forth with particularity the nature of such non-compliance. Any purchaser from the OWNER, or from anyone deriving any interest in said property through him, shall be entitled to rely on said certificate with respect to the matters therein set forth, such matters being conclusive as between the ASSOCIATION, and all OWNERS and such persons deriving any interest through them.

Section 3.07 Liability:

Neither the ARCHITECTURAL COMMITTEE nor any member thereof shall be liable to the ASSOCIATION, any OWNER, or to any other party, for any damage, loss or prejudice suffered or claimed on account of (a) the approval or disapproval of any plans, drawings or specifications, whether or not defective, (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications, (c) the development of any property within PROJECT, or (d) the execution and filing of an estoppel certificate pursuant to Section 3.06 hereof, whether or not the facts therein are correct; provided, however, that with respect to the liability of a member, such member has acted in good faith on the basis of such information as may be possessed by him. Without in any way limiting the generality of any of the foregoing provisions of this Section, the ARCHITECTURAL COMMITTEE, or any member thereof, may, but

is not required to, consult with or hear the views of the ASSOCIATION or any OWNER with respect to any plans, drawings, specifications, or any other proposal submitted to the ARCHITECTURAL COMMITTEE.

ARTICLE IV

PROJECT COMMUNITY ASSOCIATION

Section 4.01 Organization and Membership:

The ASSOCIATION:

The ASSOCIATION is a nonprofit Nevada corporation charged with the duties and invested with the powers prescribed by law and set forth in the ARTICLES, BYLAWS., and PROJECT RESTRICTIONS. Neither the ARTICLES nor BYLAWS. shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with the PROJECT RESTRICTIONS.

B. Successor Association:

In the event that the ASSOCIATION as a corporate entity is dissolved, a nonprofit, unincorporated association shall forth with and without further action or notice be formed and succeed to all the rights and duties of the ASSOCIATION. The affairs of said unincorporated association shall be governed by the applicable laws of the State of Nevada and, to the extent not inconsistent therewith, by the ARTICLES and BYLAWS. as if they were created for the purpose of governing the affairs of an unincorporated association.

Section 4.02 Membership:

Qualifications:

Each OWNER of a Unit within PROJECT, by virtue of being such an OWNER and for so long as he is such an OWNER, shall become a Member of the ASSOCIATION, and in the event of its succeeding thereto pursuant to Paragraph B of Section 4.01 hereof, upon the execution by such an OWNER of a membership agreement, substantially in the form of EXHIBIT D attached hereto and incorporated herein by this reference, and the delivery thereof to the ASSOCIATION, together with such proof of ownership of such Unit as may be prescribed in the BYLAWS..

B. Member's Rights and Duties:

Upon becoming a Member of the ASSOCIATION in accordance with Paragraph A of this Section 4.02, the rights, duties, privileges, immunities, and liabilities of an OWNER of a Unit within PROJECT, as a Member of the ASSOCIATION, and of any succeeding unincorporated association, shall be those set forth in, and shall be exercised and imposed in accordance with, the PROJECT RESTRICTIONS, the ARTICLES, the BYLAWS., the PROJECT RULES and the ARCHITECTURAL COMMITTEE RULES.

C. Transfer of membership:

The ASSOCIATION membership of each OWNER of a Unit within PROJECT shall be appurtenant to said Unit, and shall not be transferred, pledged or alienated in any way except upon the transfer of equitable or legal title to said Unit, and then only to the transferee of equitable or legal title to said Unit, any attempt to make a prohibited transfer shall be void. Any transfer of equitable or legal title to said Unit shall operate to transfer said membership to the new OWNER thereof if, contemporaneously therewith, such new OWNER executes and delivers to the ASSOCIATION a new membership agreement, substantially in the form of EXHIBIT D attached hereto, whereby such new OWNER assumes his transferor's duties and liabilities hereunder and agrees to be bound by the provisions hereof.

D. Rights upon Dissolution:

In the event of the dissolution of the ASSOCIATION and the formation of an unincorporated association, as provided in Paragraph B of Section 4.01 hereof, each member of such unincorporated association shall have an underlying beneficial interest in all of the ASSOCIATION'S property transferred to or for the account or benefit of said unincorporated association, such interest being in direct proportion to the number of Units within PROJECT owned by such Member; provided, however, that there shall be no judicial partition of such property, or any part thereof, nor shall any such Member or other person acquiring any interest in said property, or any part thereof, seek judicial partition, the right to do so being hereby expressly waived.

Section 4.03 Voting:

- A. The ASSOCIATION shall have one class of voting membership:

Members shall be all OWNERS of Units and shall be entitled to one (1) vote for each Unit owned. When more than one (1) person holds an interest in any Unit, all such persons shall be members. The vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Unit.

- B. Joint Owner Disputes:

The vote for each such Unit must be cast as a unit, and fractional votes shall not be allowed. In the event that joint OWNERS are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any OWNER casts a vote representing a certain Unit, it will thereafter be conclusively presumed for all purposes that they were acting with the authority and consent of all other OWNERS of the same Unit.

- C. Cumulative Voting:

In any election of the members of the BOARD, every OWNER entitled to vote at such an election shall have the right to cumulate his votes and give one (1) candidate, or divide among any number of the candidates, a number of votes equal to the number of Units owned by the OWNER multiplied by the number of DIRECTORS to be elected. The candidates receiving the highest number of votes, up to the number of the BOARD members to be elected, shall be deemed elected.

- D. Transfer of Voting Right:

Subject to the provisions of Paragraph C of Section 4.02 hereof, the right to vote may not be severed or separated from the Unit ownership to which it is appurtenant, and any sale, transfer or conveyance of such Unit to a new OWNER or OWNERS shall operate to transfer the appurtenant vote without the requirement of any express reference thereto.

Section 4.04 Duties of the ASSOCIATION:

The ASSOCIATION shall have the obligation, subject to and in accordance with the PROJECT RESTRICTIONS, to perform each of the following duties for the benefit of the OWNERS of Units within PROJECT and for the maintenance and improvement of PROJECT.

A. Common Areas:

To accept, and exercise jurisdiction over, (1) all Common Areas, and (2) all easements for operation and maintenance purposes over any and all Units and Common Areas within PROJECT.

B. Title to Property upon Dissolution:

To convey, immediately prior to the final winding up and dissolution of the ASSOCIATION as a corporate entity, all property vested in it to any independent corporate trustee authorized to do business in Nevada, to hold such property in trust for the benefit of the unincorporated association formed pursuant to Paragraph B of Section 4.01 hereof, and for the benefit of the ASSOCIATION Members pursuant to the terms hereof and the ARTICLES and BYLAWS..

C. Operation of Common Areas:

To operate and maintain, or provide for the operation and maintenance of all Common Areas Within PROJECT in which it owns an easement for operation and maintenance purposes; and to keep all improvements of whatever kind and for whatever purpose from time to time located thereon in good order and repair with the exception of glass, air conditioning unit, range, oven, dishwasher and garbage disposal.

D. Exterior Maintenance:

To provide exterior maintenance upon each Unit which is subject to assessment hereunder, as follows: Paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, and other exterior improvements. Such exterior maintenance shall not include glass surfaces and air conditioning units, which shall be the responsibility of the individual owners.

In the event that the need for maintenance or repair is caused through the willful or negligent act of the OWNER, his family, or guests, or invitees, the cost of such maintenance or repairs shall be

added to and become a part of the assessment to which such Unit is subject.

E. Entry for Maintenance Purposes:

To enter upon and maintain, or provide for the maintenance of any structure or improvement on any Unit which is not maintained by the OWNER responsible therefore in accordance with the requirements of the PROJECT RESTRICTIONS.

F. Payment of Taxes:

To pay all real property taxes and assessments levied upon any property conveyed, leased or otherwise transferred to the ASSOCIATION, to the extent not assessed to the OWNERS thereof, such taxes and assessments may be contested or compromised by the ASSOCIATION; provided, however, that they are paid or a bond insuring the payment is posted prior to the sale or other disposition of any property to satisfy the payment of such taxes.

G. Public Service:

To contract for or provide (to the extent adequate services are not provided by a public authority) police and fire protection, refuse disposal, street light maintenance of a public or quasi-public nature as may be deemed necessary or desirable for the effectuation of the purposes of the PROJECT RESTRICTIONS. In connection with the provision of such facilities and services, the ASSOCIATION may contract with or delegate its duties to any public authority, governmental body or special district.

H. Insurance:

To obtain and maintain in force the following policies of insurance:

(1) Fire and extended coverage insurance on all improvements, buildings and structures in the project, the amount of such insurance to be not less than ninety percent (90%) of the aggregate full insurable value, meaning actual replacement value exclusive of the cost of excavations, foundations and footings.

(2) Bodily injury liability insurance, with limits of not less than

\$200,000 per person and \$1,000,000 per occurrence, and property damage liability insurance with a deductible of not more than \$5000.00 and a limit of not less than \$500,000 per accident, insuring against liability for bodily injury, death and property damage arising from the activities of the ASSOCIATION or with respect to property under its jurisdiction; Unit owner responsible for deductible amount.

(3) Such faithful performance and fidelity bonds as are required to insure the ASSOCIATION against any loss from malfeasance or dishonesty of any employee or other person charged with the management or possession of any ASSOCIATION funds or other property; and

(4) Such other insurance, including indemnity and other bonds, as the BOARD shall deem necessary or expedient to carry out the ASSOCIATION functions as set forth in the PROJECT RESTRICTIONS, the ARTICLES and the BYLAWS.

The liability insurance referred to above shall name as separately, the ASSOCIATION, the BOARD, the ARCHITECTURAL COMMITTEE, and their representatives, members and employees, and the ASSOCIATION Members (as a class), with respect to any liability arising out of the maintenance or use of any Common Areas or Recreational facilities, if any, under the jurisdiction of the ASSOCIATION. Such policy or policies shall protect each of the insured as if each were separately insured under separate policies; provided, however, that such policy or policies shall not require the insurers to pay any amount in excess of the maximum limits stated therein.

Every policy of insurance obtained by the ASSOCIATION, whether or not required to be obtained pursuant to the provisions of the PROJECT RESTRICTIONS, shall expressly waive any and all right of subrogation against all ASSOCIATION Members.

No Unit OWNER shall insure against loss by fire or other casualty affecting his unit ownership unless said insurance policy bears a loss payable endorsement providing for payment in accordance with these restrictions of any proceeds, payable there under. The procurement of such insurance by an OWNER shall in no way relieve said OWNER of his share of assessments to pay the premiums on policies provided by the ASSOCIATION. Nothing

herein contained shall preclude any individual OWNER from carrying such public liability insurance, as he may deem desirable to cover his individual liability for damage to persons or property occurring on said premises, whether inside his individual unit or elsewhere.

The Association's insurance policy must conform to the requirements of NRS 116.31133 stating 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 its 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, unless acting within the scope of his authority on behalf of the association, 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 a unit's owner covering the same risk covered by the policy, the association's policy provides primary insurance.

Any loss covered by the property policy under subsections 1 and 2 of NRS 116.3113 must be adjusted with the association, but the proceeds for that loss are payable to any trustee designated for that purpose, or otherwise to the association, and not to any holder of a security interest. The trustee or the association shall hold any proceeds in trust for the association, units' owners and lien holders as their interests may appear. Subject to the provisions of NRS 116.31135, the proceeds must be disbursed first for the repair or restoration of the damaged property, and the association, units' owners, and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored, or the common-interest community is terminated.

Rule Making:

To make, establish, promulgate, amend and repeal the PROJECT RULES as provided in Section 4.06 hereof.

J. Architectural Committees:

To appoint and remove members of the ARCHITECTURAL

COMMITTEE as provided in Section 3.01 hereof, and to insure that at all reasonable times there is available a duly constituted and appointed ARCHITECTURAL COMMITTEE.

K. Enforcement of Restrictions and Rules:

To perform such other acts, whether or not expressly authorized by the PROJECT RESTRICTIONS, as may be reasonably necessary to enforce any of the provisions of the PROJECT RESTRICTIONS, the PROJECT RULES and the ARCHITECTURAL COMMITTEE RULES, including without limitation, the acts described in Paragraph B of Section 4.05 hereof.

L. Other:

To carry out the duties of the ASSOCIATION set forth in the PROJECT RESTRICTIONS, the ARTICLES and the BYLAWS..

M. Sewer Service Fees:

To pay all charges by Clark County Sanitation District No. 1 for sewer service fees in connection with Lot A of Las Brisas Apartment Homes.

Section 4.05 Powers and Authority of the ASSOCIATION:

The ASSOCIATION shall have all of the powers of a nonprofit corporation organized under the Nevada Revised Statutes 81.410 to 81.540 and 116.3102 of the State of Nevada, subject only to such limitations upon the exercise of such powers as are expressly set forth in the ARTICLES, the BYLAWS. or the PROJECT RESTRICTIONS. It shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the ASSOCIATION under and by virtue of the PROJECT RESTRICTIONS, the ARTICLES and the BYLAWS, and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the ASSOCIATION, or for the peace, health, comfort, safety or general welfare of its Members. Without in any way limiting the generality of any of the foregoing provisions, the ASSOCIATION shall have the power and authority at any time:

A.

Assessments:

To levy assessments on the OWNERS of Units within PROJECT and to enforce payment of such assessments in accordance with the provisions of ARTICLE V hereof.

B. Right of Entry and Enforcement:

To enter upon any Unit without liability to any OWNER, for the purpose of enforcing any of the provisions of the PROJECT RESTRICTIONS, or for the purpose of maintaining or repairing any such areas if for any reason whatsoever the OWNER thereof fails to maintain or repair such AREA as required by said RESTRICTIONS. The ASSOCIATION shall also have the power and authority from time to time in its own name, on its own behalf or on behalf of any OWNER or OWNERS who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of the PROJECT RESTRICTIONS and to enforce, by mandatory injunction or otherwise, all of the provisions of said RESTRICTIONS.

C. Easements and Rights of Way:

To grant and convey to any third party easements, rights of way, in, on, over or under any Common Area under its jurisdiction for the purpose of constructing, erecting, operating or maintaining thereon, therein and there under:

- (1) Roads, streets, walks, driveways, parkways and park areas;
- (2) Underground wires and conduits or other devices for the transmission of electricity for lighting, heating, power, telephone, television, and other purposes;
- (3) Public sewers; storm water drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes and
- (4) Any similar public or quasi-public improvements or facilities.

D. Employment of Agents:

To employ the services of any person or corporation as MANAGER, and other employees, to manage and conduct the business of the ASSOCIATION, and to the extent not inconsistent with the laws of the State of Nevada and upon such conditions as are otherwise deemed advisable by the ASSOCIATION, to delegate to the MANAGER any of its powers.

Section 4.06 The PROJECT RULES:

A. Rulemaking Power:

The BOARD may, from time to time and subject to the provisions of the PROJECT RESTRICTIONS, adopt, amend and repeal rules and regulations known as the "PROJECT RULES", governing, among other things, use of any Common Areas under the jurisdiction of the ASSOCIATION. Said RULES may restrict and govern the use of Common Areas by any OWNER, by the family of such OWNER, or by any invitee, licensee or lessee of such OWNER; provided, however, that with respect to use of such Areas, the RULES may not discriminate among OWNERS. Said RULES may also include parking restrictions and limitations, limitations upon vehicular travel, restrictions on the type or types of vehicles which may be permitted to use such Common Areas, and restrictions on the maintenance of landscaping or other improvements on any property which obstruct the vision of motorists or which create a hazard for vehicular or pedestrian traffic.

B. Recordation of Rules:

A copy of the said RULES, as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each OWNER, and may be RECORDED. Upon such RECORDATION, said RULES shall have the same force and effect as if they were set forth in and were a part of the PROJECT RESTRICTIONS.

Section 4.07 Liability of Board Members and Manager:

No member of the BOARD, or the MANAGER, shall be personally liable to any OWNER, or to any other party, for any damage, loss or prejudice suffered or claimed on account of any act or omission of the ASSOCIATION, the BOARD, the MANAGER, or any other representatives or employees of the ASSOCIATION; or the ARCHITECTURAL COMMITTEE, provided that such BOARD member, or the MANAGER, has, upon the basis of such information as may be possessed by him, acted in good faith.

Section 4.08 Amendment:

The provisions of Sections 4.01 and 4.02 and 4.03 hereof shall not be amended without the vote or written consent of the OWNERS of not less than eighty percent (80%) of the Units then within PROJECT.

ARTICLE V

FUNDS AND ASSESSMENTS

Section 5.01 Operating Fund:

The BOARD shall establish an Operating Fund for the ASSOCIATION into which shall be deposited all monies paid to the ASSOCIATION, and from which disbursements shall be made in performing the functions of the ASSOCIATION under the PROJECT RESTRICTIONS.

Section 5.02 Operation and Maintenance Assessments:

Regular Assessments:

At least thirty (30) days prior to the commencement of each fiscal year, the BOARD shall prepare and adopt a budget for the ASSOCIATION reflecting the gross estimate of the expenses to be incurred by the ASSOCIATION during such fiscal year in performing its functions under the PROJECT RESTRICTIONS (including a reasonable provision for contingencies and replacements). There shall be subtracted from such gross estimate of expenses and amount equal to the anticipated balance (exclusive of any reserves which the BOARD may establish) in the Operating

Fund at the start of such fiscal year, which is attributable to regular and special assessments for the preceding fiscal year. The net estimate of expenses so determined shall be assessed to all OWNERS of Units then within PROJECT by dividing said estimated expenses into two amounts; one shall consist of 38.56% of the estimated expenses and the other shall consist of 61.44% of the estimated expenses, and the amount consisting of 38.56% of the estimated expenses shall be divided by the number of two bedroom Units within PROJECT which consists of 16 two bedroom Units and assessing the resulting amount to the OWNER of each such two bedroom Units and the amount consisting of 61.44% of the estimated expenses shall be divided by the number of one bedroom units within PROJECT which consists of 32 one bedroom Units and assessing the resulting amount to the OWNER of each such one bedroom Unit. All monthly assessments may be rounded up or down to the nearest even dollar amount to facilitate accounting.

B. Special Assessments:

If, at any time during any fiscal year, the regular assessment proves inadequate for any reason, including nonpayment of any OWNER's share thereof, the BOARD may levy a special assessment in the amount of such actual or estimated inadequacy, which amount shall be assessed to the OWNERS of all Units then within PROJECT in the manner set forth in the foregoing Paragraph A.

C. Purpose of Assessments:

The assessments levied by the ASSOCIATION, shall be used exclusively for the purposes of performing the functions of the ASSOCIATION under the PROJECT RESTRICTIONS and for no other purpose.

D. Notice of Assessments:

Written notice of the amount of an assessment, regular or special, shall be sent to every OWNER and the due date for the payment of same shall be set forth in said notice.

E. Special Assessments for Capital Improvements:

The ASSOCIATION may levy in any calendar year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of any roof on a Unit, any improvement upon the Common Area or of all or a portion of a sidewalk or off-street parking area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of fifty-one percent (51%) of the votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting, setting forth the purpose of the meeting. Said amount shall be assessed to the OWNERS of all Units then within PROJECT in the manner set forth in the foregoing Paragraph A.

F. Payment of Assessments:

All assessments shall be due and payable to the ASSOCIATION by the assessed OWNERS during the fiscal year in equal monthly installments, on or before the first day of each month, or in such other manner as the BOARD may designate in its sole and absolute discretion.

G. Obligations of OWNERS:

No OWNER of any Unit within PROJECT may avoid any of the duties or liabilities imposed on him by the PROJECT RESTRICTIONS through non-use of any Common Area or Recreational facilities within PROJECT or by abandonment of such a Unit. Upon the RECORDATION of the transfer of title to such a Unit to a new OWNER, the transferring OWNER shall not be liable for any assessments levied with respect to such Unit after the date of RECORDATION of such a transfer, and he shall not thereafter enjoy any of the rights, privileges or immunities of the OWNER of such Unit under the PROJECT RESTRICTIONS; provided, however, the RECORDATION of such a transfer shall not relieve the transferring OWNER of the obligation to pay any and all assessments levied with respect to such Unit prior to the date of such RECORDATION.

Section 5.03 Reimbursement Assessments:

The BOARD shall levy a reimbursement assessment against any OWNER of a Unit within PROJECT as a result of whose failure to comply with the PROJECT RESTRICTIONS, the PROJECT RULES or the ARCHITECTURAL COMMITTEE RULES, monies were expended from the Operating Fund by the ASSOCIATION in performing its functions under the PROJECT RESTRICTIONS. Such an assessment shall be for the purpose of reimbursing the ASSOCIATION, shall be limited to the amount so expended, and shall be due and payable to the ASSOCIATION when levied. Assessments levied under this Section shall not be subject to the provisions of Paragraphs A or F of Section 5.02 hereof.

Section 5.04 Enforcement of Assessments:

Each assessment levied hereunder shall be a separate, distinct and personal debt and obligation of the OWNER or OWNERS against whom the same is assessed. In the event of a delinquency in payment of any such assessment, and in addition to any other remedies herein or by law provided, the BOARD may enforce each such obligation, on behalf of the ASSOCIATION, by either or both of the following procedures:

A. Enforcement by Suit:

The BOARD may cause an action at law to be commenced and maintained in the name of the ASSOCIATION in any court of competent jurisdiction, including, but not limited to, an action in a small claims court, to enforce each such assessment obligation. Any judgment rendered in any such action shall include the amount of the delinquency, together with interest thereon at the rate of seven percent (7%) per annum from the date of delinquency, court costs, and reasonable attorneys' fees in such amount as the court may adjudge against the delinquent OWNER.

B. Enforcement by Lien:

There is hereby created a claim of lien, with power of sale, on each and every Unit within PROJECT to secure payment to the ASSOCIATION of any and all assessments levied against any and all OWNERS of such Units under the PROJECT RESTRICTIONS, together with interest thereon at the rate of seven percent (7%) per annum from the date of delinquency, and all costs of collection which may be paid or incurred by the ASSOCIATION in connection therewith, including reasonable attorneys' fees.

At any time within ninety (90) days after the occurrence of any default in the payment of any such assessment, the BOARD may make a written demand for payment to the defaulting OWNER on behalf of the ASSOCIATION. Said demand shall state the date and amount of the delinquency. Each default shall constitute a separate basis for a claim of lien or a lien, but any number of defaults may be included within a single claim of lien. If such delinquency is not paid within ten (10) days after delivery of such demand, the BOARD may elect to file such a claim of lien on behalf of the ASSOCIATION against the Unit of the defaulting OWNERS. Such a claim of lien shall be executed and acknowledged by any office of the ASSOCIATION, or the MANAGER, and shall contain substantially the following information:

- (1) The name of the defaulting OWNER;
- (2) The legal description and street address of the Unit against which claim of lien is made;
- (3) The total amount claimed to be due and owing for the amount of the delinquency, interest thereon, collection costs, and reasonable attorneys' fees (with any proper offset allowed);
- (4) That the claim of lien is made by the ASSOCIATION pursuant to the PROJECT RESTRICTIONS; and
- (5) That a lien is claimed against said Unit in an amount equal to the amount of the stated delinquency, interest thereon, collection costs and reasonable attorneys' fees.

Upon RECORDATION of a duly executed original or copy of such a claim of lien, the lien claimed therein shall immediately attach and become effective in favor of the ASSOCIATION, subject only to the limitations hereinafter set forth. Such a lien shall have priority over all liens created subsequent to the RECORDATION

of the claim of lien thereof, except only liens for real property taxes on any Unit assessments on any Unit in favor of any municipal or other governmental assessing unit, and the lien of those Trust Deeds and Contract of Sale which are specifically described in Paragraph A of Section 5.05 hereof. Any such lien may be foreclosed by appropriate action in court or in the manner provided by law for the foreclosure of a trust deed with power of sale.

In the even such foreclosure is by action in court, court costs, expenses of sale, and reasonable attorneys' fees shall be allowed to the extent permitted by law, in addition to all other amounts secured by said lien. In the event the foreclosure is in the manner provided by law for foreclosure of a trust deed, under power of sale, the ASSOCIATION shall be entitled to bid-in the Unit at the foreclosure sale, and to hold, lease, mortgage and convey the same; otherwise, the ASSOCIATION shall be entitled to receive, out of the proceeds of the sale, all amounts secured by said lien, together with all expenses of collection and sale, and reasonable attorneys' fees.

C. Assessment Certificate:

A certificate executed under penalty of perjury by any two (2) members of the BOARD and acknowledged shall be conclusive upon the ASSOCIATION and the OWNERS in favor of any and all persons who rely thereon in good faith as to the matters therein contained, and any OWNER shall be entitled to such a certificate setting forth the amount of any due and unpaid assessments with respect to his Unit (or the fact that all assessments due are paid if such is the case) within ten (10) days after demand therefore and upon payment of a reasonable fee, not to exceed Ten Dollars (\$10.00), which may be fixed by the BOARD.

D. Amendments:

No amendment of this Section 5.04 shall be effective without the unanimous written consent of the OWNER's of all Units then within PROJECT and their respective mortgagees or beneficiaries.

Section 5.05 Subordination to Certain Trust Deeds:

A. Subordination:

None of the liens created hereunder upon any Unit, and no breach of any of the provisions of the PROJECT RESTRICTIONS, nor the enforcement of any of the provisions of Section 2.02 hereof, shall defeat or render invalid the lien of any holder_of any indebtedness, or contract vendor, or the renewal, extension or refinancing thereof, made in good faith and for value, and secured by any RECORDED Trust Deed or contract of sale upon such Unit in favor of or for the benefit of any institutional lender (meaning any bank, insurance company, savings and loan association, or building and loan association), and the liens created hereby upon any Unit shall be subject and subordinate thereto provided that, immediately after any power of sale or court foreclosure of any such Trust Deed or contract of sale by sale of such Unit, the PROJECT RESTRICTIONS shall be binding upon and effective against any OWNER whose title is derived through such a trustee's sale or court foreclosure, and a new claim of lien, with power of sale, shall automatically be created on such Unit under Paragraph B of Section 5.04 hereof, without further action on the part of the ASSOCIATION, to secure payment of any and all assessments levied hereunder, after the date of such trustee's sale or court foreclosure.

B. Amendment:

No amendment to Paragraph A of Section 5.05 hereof shall affect, in any way, the rights of the holder of any such Trust Deed or contract of sale RECORDED prior to RECORDATION of such amendment who does not join in the execution thereof.

ARTICLE VI

EASEMENTS

Section 6.01 Utilities

The rights and duties of the OWNERS of Units within PROJECT with respect to sanitary sewer and water, electricity, gas and telephone and Cable Television lines and drainage facilities shall be governed by the following:

A. Wherever sanitary sewer house connections and/or water house connections or electricity, gas or telephone and Cable Television lines or drainage facilities are installed within

PROJECT which connections, lines or facilities, or any portion thereof, lie in, under, across or upon the Common Areas or the units or others than the OWNER of a Unit served by said connections, lines or facilities shall have the right, and are hereby granted an easement to the full extent necessary therefore, to enter upon the Common Areas or Units or to have utility companies enter upon the Areas within PROJECT in or upon which said connections, lines or facilities, or any portion thereof lie, to repair, replace and generally maintain said connections as and when the same may be necessary as set forth below.

B. Wherever sanitary sewer house connections and/or water house connections or electricity, gas or telephone or Cable Television lines or drainage facilities are installed within PROJECT which connections serve more than one Unit, the OWNER of each Unit served by said connections shall be entitled to the full use and enjoyment of such portions of said connections as service his Unit.

C. In the event of a dispute between OWNERS with respect to the repair or rebuilding of said connections, or with respect to the sharing of the cost thereof, then upon written request of one of such OWNERS addressed to the ASSOCIATION, the matter shall be submitted to the BOARD, who shall decide the dispute. The decision of the ASSOCIATION'S BOARD acting as arbiter may be made the basis of a judgment under the laws of the State of Nevada dealing with judgments obtained upon arbitration awards.

Section 6.02 Reservation of Easements:

Easements over PROJECT for the installation and maintenance of electric, telephone, Cable Television, water, gas, and sanitary sewer lines and drainage facilities as shown on the recorded tract map of PROJECT are hereby reserved by ASSOCIATION, together with the right to grant and transfer the same.

Section 6.03 Community Antenna Television System:

There is hereby reserved over the Units and the Common Areas the right to place on, under or across such property, transmission lines and other facilities for a Community Antenna Television System and the right to enter upon the property to service, maintain, repair, reconstruct and replace said lines or facilities; provided, however, that the exercise of such rights does not unreasonably interfere with the OWNER's reasonable use and enjoyment of his Unit.

Section 6.04 Maintenance of Exterior of Residential Dwellings:

An easement for the purpose of ingress and egress in connection with the maintenance of and for the purpose of the maintenance of the exterior of all residential dwellings within PROJECT (including exterior painting, exterior walls and roof of such Dwellings as originally constructed) is hereby reserved to ASSOCIATION over each Unit, together with the right to grant and transfer the same.

Section 6.05 Drainage Easements:

Easements over the Units and Common Areas and Recreational facilities for the purpose of drainage, the installation and maintenance of drainage facilities and ingress and egress for the purpose of such installation and maintenance are hereby reserved to ASSOCIATION, together with the right to grant and transfer the same.

ARTICLE VII

MISCELLANEOUS PROVISIONS

Section 7.01 Restrictions Against Separating Interests and Covenant Against Partition:

An OWNER's fractional interest in the Common Area and the Unit of the OWNER associated with said fractional interest may not be separated or separately sold, conveyed or encumbered.

By the acceptance of his Deed, or execution of contract of sale, each OWNER shall be deemed to covenant for himself, and for his heirs, personal representatives, successors and assigns, that he will not institute legal proceedings to effect judicial partition of his interest in the Common Area. Nothing herein shall prevent a judicial partition as between two (2) or more co-tenants who own an undivided fractional interest in the Common Area as tenants in common or as joint tenants.

Section 7.02 Right of Official of City of Las Vegas to Enter Common Areas:

ASSOCIATION hereby grants to the Police Department, Fire Department, and

other officials of the City of Las Vegas, a non-inclusive right to enter upon the Common Areas, and to use all driveways, walks, streets, parking areas, service areas and recreational facilities and other improvements located thereon for the purpose of carrying out their respective official duties.

Section 7.03 Amendment and Duration:

A. Amendment or Repeal:

Except as otherwise expressly provided in this DECLARATION, the PROJECT RESTRICTIONS may be amended or repealed at any time by complying with all of the following requirements:

- (1) The vote or written consent of a three-fifths (3/5) majority of the BOARD approving the proposed amendment or repeals; and
- (2) The RECORDATION of a certificate executed by the Secretary or an Assistant Secretary of the ASSOCIATION setting forth in full the amendment or repeal and certifying that said amendment or repeal has been approved by a three-fifths (3/5) majority of the BOARD; and
- (3) Except as otherwise provided in Section 4.08 hereof, the RECORDATION of a written instrument setting forth in full said amendment or repeal and executed by OWNERS owning not less than three-fourths (3/4) of the Units then within PROJECT.

B. Duration of RESTRICTIONS:

Subject to the provisions of Paragraph A of Section 7.03 hereof, and except as provided in Section 7.01 hereof, the PROJECT RESTRICTIONS shall continue and remain in full force and effect until January 1, 1996, with respect to all property subject thereto, the OWNERS thereof, and the ASSOCIATION.

However, unless within one (1) year prior to January 1, 2003, a written instrument directing the termination of the PROJECT RESTRICTIONS is signed by the OWNERS of not less than two-thirds (2/3) of the Units then within PROJECT and RECORDED,

the PROJECT RESTRICTIONS, as in effect immediately prior to the expiration date, shall, subject to the provisions of the foregoing Paragraph A, continue in full force and effect automatically for an additional period of ten (10) years, and thereafter for successive periods of ten (10) years unless within one (1) year prior to the expiration of any such ten (10) year period, the PROJECT RESTRICTIONS are terminated by an eighty percent (80%) vote of the then OWNERS of such number of Units.

Section 7.04 Enforcement and Non-Waiver:

A. Right of Enforcement:

Except as otherwise provided herein, the ASSOCIATION, or any OWNER or OWNERS of Units within PROJECT shall have the right to enforce any or all of the provisions of the PROJECT RESTRICTIONS upon any property within PROJECT or the OWNERS thereof.

B. Violations and Nuisances:

Every act or omission whereby any provision of the PROJECT RESTRICTIONS is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by the ASSOCIATION or any OWNER or OWNERS of Units within PROJECT. However, any other provision to the contrary notwithstanding, only the ASSOCIATION, the BOARD, or the duly authorized agents of any of them, may enforce by self-help any of the provisions of the PROJECT RESTRICTIONS.

C. Violation of Law:

Any violation of any state, municipal or local law, ordinance or regulation pertaining to the ownership, occupation or use of any property within PROJECT is hereby declared to be a violation of the PROJECT RESTRICTIONS, and subject to any or all of the enforcement procedures set forth in said RESTRICTIONS.

D. Remedies Cumulative:

Each remedy provided by the PROJECT RESTRICTIONS is cumulative and not exclusive.

E. Non-Waiver:

The failure to enforce any of the provisions of the PROJECT RESTRICTIONS at any time shall not constitute any such provision or any other provisions of said RESTRICTIONS.

Section 7.05 Delivery of Notices and Documents:

Any written notice or other document relating to or required by the PROJECT RESTRICTIONS may be delivered either personally or by mail. If by mail, it shall be deemed to have been delivered twenty-four (24) hours after a copy of same has been deposited in the United States mail, postage prepaid, addressed as follows:

If to the ASSOCIATION: Association Management Services
Attention: Kathy L. Morrill
4550 W Oakey # 111
Las Vegas, Nevada 89102

If to the ARCHITECTURAL COMMITTEE: Association Management Services
Attention: Kathy L. Morrill
4550 W Oakey # 111
Las Vegas, Nevada 89102

If to an OWNER: To the address of any Unit within Las Brisas Apartment Homes, in whole or in part, by him; and

provided, however, that any such address may be changed at any time by the party concerned by RECORDING a written notice of change of address and delivering a copy thereof to the ASSOCIATION.

Section 7.06 Construction and Severability:
Single and Plural; Titles:

A. Restrictions Construed Together:

All of the provisions of the PROJECT RESTRICTIONS shall be liberally construed together to promote and effectuate the fundamental concepts of PROJECT as set forth in the preamble of this DECLARATION.

B. Restrictions Severable:

Notwithstanding the provisions of the foregoing Paragraph A, each of the provisions of the PROJECT RESTRICTIONS shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision.

C. Singular Includes Plural:

Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

D. Captions:

All captions or titles used in the PROJECT RESTRICTIONS are intended solely for convenience of reference and shall not affect that which is set forth in any of the provisions of said RESTRICTIONS.

ARTICLE VIII

DESTRUCTION OF IMPROVEMENTS, INSURANCE AND TAXES

Section 8.01 Damage and Destruction Affecting the Common Area:

If any portion of the common area is damaged or destroyed by fire or other casualty, then

(a) If:

(1) The available insurance proceeds initially offered or paid by the insurer do not exceed the sum of Five Thousand Dollars (\$5,000.00), such insurance proceeds shall be paid to the BOARD; and

(2) The cost of repairing or rebuilding does not exceed the amount of available insurance proceeds by more than Five Thousand Dollars (\$5,000.00),

then the BOARD shall thereupon contract to repair or rebuild the damaged portions of the common areas substantially in accordance with the original plans and specifications therefore. If the insurance proceeds are

insufficient to pay all of the costs of repairing or rebuilding, the BOARD shall levy a special assessment on all OWNERS, to be determined the same as the determination of a regular assessment share under Paragraph A of Section 5.02 hereof, to make up any deficiency;

(b) If the foregoing is inapplicable, then:

(1) All insurance proceeds shall be paid to a bank or trust company to be held for the benefit of the OWNERS and their mortgagees and the holders of, or beneficiaries under their trust deeds, and vendors under their sales contract, as their interests shall appear. The BOARD is authorized on behalf of the OWNERS, to enter into an agreement, consistent with this DECLARATION, with such insurance trustee, relating to its powers, duties and compensation, as the BOARD may approve;

(2) The BOARD shall precede under 8.02 or 8.03 below.

Section 8.02 Partial Destruction:

In the event of partial destruction of the hereinabove described improvements on said property it shall be the duty of the ASSOCIATION to restore and repair the same to its former conditions (including any damaged Units, and any kitchen or bathroom fixtures initially installed therein by GRANTOR, but not including any wall, ceiling or floor decoration or coverings or other furniture, furnishings, fixtures or equipment installed by Unit OWNERS in the Units) as promptly as practicable and in a lawful and workmanlike manner. The proceeds of any insurance written pursuant to paragraph H of Section 4.04 shall be made available for such purpose and the Insurance Trustee shall distribute the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments, subject to the prior rights of beneficiaries of deeds of trust and contract vendors whose interest may be protected by said policies. In the event that the amount available from the proceeds of such insurance policies for such partial reconstruction shall be inadequate, the OWNERS of individual Units, by an affirmative vote of not less than 25 of the members entitled to vote, in person or by proxy at a duly constituted meeting, shall determine whether the BOARD shall be authorized to proceed with such partial reconstruction or not, and in the event of an affirmative vote, a special assessment of the Unit OWNERS, with each Unit ownership contributing a proportionate share to be determined the same as the determination of a regular assessment share under Paragraph A of Section 5.02 hereof, may be levied to provide the necessary funds

for such reconstruction, over and above the amount of any insurance proceeds available for such purpose. In the event of a determination by the OWNERS that the cost of such reconstruction would be so substantial that it would not be in their best interest to proceed with same, the OWNERS shall proceed as provided in Section 8.03 hereof.

Section 8.03 Total Destruction:

In the event of total destruction of the improvement on said real property, the OWNERS, by said vote as set out in Section 8.02 above, shall have the authority to determine whether said improvements shall be rebuilt, or whether said real property shall be sold. In the event of a determination to rebuild, the necessary funds shall be raised as provided in Section 8.02 hereof and the BOARD shall be authorized to have prepared the necessary plans, specifications and maps, and to execute the necessary documents to effect such reconstruction as promptly as practicable, under the guidelines set out in Section 8.02 and in a lawful and workmanlike manner.

A certificate of the resolution authorizing such reconstruction where required shall be filed with the County Recorder within six (6) months from the date of such destruction, and in the event of a failure to record such certificate within said period; it shall be conclusively presumed that the OWNERS have determined not to rebuild said improvements. In the event of a determination not to rebuild, the BOARD shall be authorized to have prepared and to file, as promptly as practicable, a corrected map converting said real property into an unimproved parcel of land, which shall be offered for sale at the highest and best price obtainable, either in its damaged condition or after damaged structures have been razed. The net proceeds of such sale and the proceeds, if any, of insurance carried by the ASSOCIATION on said premises shall be divided among the Units as the interest in the Common Area connected with each Unit bears to the whole of the Common Area and each Unit's share shall be divided among the OWNERS of each individual Unit. The balance then due on any individual Unit's contract of sale or encumbrance executed in good faith and for value shall be first paid before the distribution of any proceeds to the OWNER whose Unit are so encumbered.

For the purposes of this Agreement, "Total Destruction" means any destruction requiring more than ninety (90) days to repair or any destruction that renders all of the Units totally unusable for their intended use.

Section 8.04 Individual Units:

Restoration and repair of the damage to the interior of any individual unit shall be made by and at the individual expense of the OWNER or OWNERS hereof, and in the event of repairs under 8.01 or a determination to rebuild under Sections

8.02 and 8.03, said restoration and repairs shall be completed as promptly as practicable and in a lawful and workmanlike manner. Each OWNER may maintain fire and other casualty insurance on the interior of his Dwelling Unit as desired.

Section 8.05 Partition:

Six (6) months from the date of any partial or total destruction, if a certificate of a resolution to rebuild where required has not been filed of record as hereinabove provided, or if reconstruction has not been actually commenced within said period, the covenant against partition hereinabove provided shall terminate and be of no further force or effect.

Section 8.06 Air Space:

In the event of total or partial destruction of said improvements, and in the event of a determination not to rebuild the same, fee title to the air space contained or formerly contained within Units 1 through 48 as hereinabove described shall be deemed to merge in the interest of each OWNER of the property set out in Exhibit A attached hereto, as tenants in common with the remaining OWNERS; provided however, that if the provisions of this merger should be held to be violative of the rule against perpetuities, said provisions shall become void and be of no further effect twenty-one (21) years after the death of the survivor of the following named individuals: Ethel Kennedy, the wife of the former Attorney General of the United States, and all of their children in being at the time this DECLARATION is recorded in the Clark County Recorder's Office.

Section 8.07 Individual Taxes:

Each OWNER shall execute such instruments and take such action as may reasonably be specified by the BOARD to obtain separate real property tax assessment of each Unit and each undivided interest in the Common Area. If any taxes and/or assessments may, in the opinion of the BOARD, nevertheless be a lien on all of PROJECT, or any part of the Common Area, they shall be paid by the BOARD and shall be assessed by the BOARD to the OWNERS. Each OWNER shall be obligated to pay the taxes or assessments assessed by the County Assessor or the City against his own Dwelling Unit, personal property, or fractional interest in the Common Area. Each OWNER shall be obligated to pay an assessment by the BOARD for the portion of any taxes or assessments assessed by the County Assessor or the City against all of PROJECT or any part of the Common Area, in proportion to his interest in the Common Area, such payment to be made to the BOARD at least thirty (30) days prior to delinquency of such tax or assessment. Such BOARD assessments may be enforced as provided in Section 5.04 hereof.

ARTICLE IX

DEFINITIONS

Unless the context otherwise specified or requires, the terms defined in this ARTICLE IX shall, for all purposes of this DECLARATION, have the meanings herein specified.

ARCHITECTURAL COMMITTEE: The term “ARCHITECTURAL COMMITTEE” shall mean the committee created pursuant to ARTICLE III hereof.

ARCHITECTURAL COMMITTEE RULES: The term “ARCHITECTURAL COMMITTEE RULES” shall mean the rules adopted by the ARCHITECTURAL COMMITTEE pursuant to Section 3.04 hereof.

ARTICLES: The term “ARTICLES” shall mean the Articles of Incorporation of the ASSOCIATION which are, or shall be, filed in the Office of the Secretary of the State of Nevada substantially in the form of EXHIBIT B attached hereto and incorporated herein by this reference, as said ARTICLES may be amended from time to time.

ASSOCIATION: The term “ASSOCIATION” shall mean the LAS BRISAS APARTMENT HOMES COMMUNITY ASSOCIATION, the nonprofit Nevada corporation described in ARTICLE IV hereof, including its successors and assigns.

BENEFICIARY: The term “BENEFICIARY” shall mean a mortgagee under a mortgage and a vendor under a land sale contract as well as a beneficiary under a deed of trust.

BOARD: The term “BOARD” shall mean the Board of Directors of the ASSOCIATION.

BYLAWS.: The term “BYLAWS.” shall mean the BYLAWS. of the ASSOCIATION which have been, or shall be adopted by the BOARD substantially in the form of EXHIBIT C attached hereto and incorporated herein by this reference, as such BYLAWS. may be amended from time to time.

COMMITTEE: The term “COMMITTEE” shall mean the ARCHITECTURAL COMMITTEE.

COMMON AREA: The term “COMMON AREA” shall mean all of the property

set out in EXHIBIT A except the interior surfaces of the perimeter walls, floors, ceilings, windows and doors of the Unit shown on the diagrammatic map attached to the certificate, and the air space so encompassed.

COMMUNITY FACILITIES: The term “COMMUNITY FACILITIES” shall mean streets, roadways, drives, walks, alleys, sewers, electrical water, gas and telephone services and fixtures, television cables, dressing rooms, swimming pools and the accessory equipment to such, parks, open spaces, parkways, planted and landscaped areas, sprinkling systems, playgrounds, gates, recreation areas, places of amusement, and other facilities of like nature; all for the use and benefit of the OWNERS.

CONDOMINIUM: The term “CONDOMINIUM” shall mean the interior surfaces of the perimeter walls, floors, ceilings, windows and doors of the Units shown on the diagrammatic map attached to the certificate, and the air space so encompassed, together with an undivided interest in common in the property set out in EXHIBIT A exclusive of the Units.

CONDOMINIUM UNIT: Same as “UNIT” defined hereinafter.

DECLARATION: The term “DECLARATION” shall mean this instrument, as it may be amended, supplemented or modified from time to time.

DEED OF TRUST: The terms “DEED OF TRUST” or “TRUST DEED” shall mean a mortgage as well as deed of trust.

DWELLING SPACE: Same as “UNIT” defined hereinabove.

FILE: The terms “FILE” and “FILED” shall mean, with reference to any subdivision map, the filing of said map in the Office of the County Recorder of the County of Clark, State of Nevada.

FISCAL YEAR: The term “FISCAL YEAR” shall mean the year from July 1 of one calendar year through June 30 of the following calendar year.

GRANTOR: The term “GRANTOR” shall mean PARDEE-PHILLIPS DEVELOPMENT COMPANY, a partnership, including its successors and assigns.

IMPROVEMENT: The term “IMPROVEMENT” shall include buildings, outbuildings, garages, carports, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, hedges, windbreaks, planting, planted trees and shrubs, poles, signs, and all other structures or landscaping improvements of

every type and kind.

LAS BRISAS APARTMENT HOMES: The term “LAS BRISAS APARTMENT HOMES” shall mean the property described in EXHIBIT A attached hereto.

MANAGER: The term “MANAGER” shall mean the person or corporation appointed as such pursuant to Paragraph D of Section 4.05 hereof.

MEMBER: The term “MEMBER” shall mean any person, corporation, partnership, joint venture or other legal entity who is a member of the ASSOCIATION, or its successor unincorporated association, pursuant to Section 4.02 hereof.

MORTGAGEE: The term “MORTGAGEE” shall mean a beneficiary under or a holder of, a deed of trust and a vendor under a land sale contract as well as a mortgage.

NOTICE: The term “NOTICE” shall mean a written notice delivered pursuant to Section 7.05 hereof.

OPERATING FUND: The term “OPERATING FUND” shall mean the fund created for the receipts and disbursements of the ASSOCIATION, pursuant to Section 5.02 hereof.

OWNER: The term “OWNER” shall mean the beneficial owner of any Unit; provided that, except as otherwise expressly provided in the DECLARATION, the term “OWNER” shall not include GRANTOR. OWNER shall also include the purchaser of a Unit under an executory contract for the sale of real property. For the purposes of ARTICLE II only unless the contract otherwise requires, OWNER shall also include the family, invitees, licensees, and lessees of any OWNER, together with any other parties holding any possessory interest granted by such OWNER of any Unit.

PROJECT: The term “PROJECT” shall mean the property described in EXHIBIT A attached hereto.

PROJECT RESTRICTIONS: The term “PROJECT RESTRICTIONS” shall mean this DECLARATION.

PROJECT RULES: The term “PROJECT RULES” shall mean the rules adopted by the BOARD pursuant to Section 4.06 hereof, as they may be amended from time to time.

PUBLIC PURCHASER: The term “PUBLIC PURCHASER” shall mean any purchaser other than a corporation, partnership, joint venture or other legal entity

(1) in which GRANTOR has an over 10% ownership interest or which has such an interest in GRANTOR, or (2) over which (in this use including natural persons) GRANTOR exercises control or which exercises such control over GRANTOR, relating to the sale of real property within PROJECT. For the purpose of this definition, the term “control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of GRANTOR, whether through the ownership of voting securities, by contract, or otherwise.

RECORD: The terms “RECORD”, “RECORDED” and “RECORDATION” shall mean, with respect to any document, the recordation of said document in the Office of the County Recorder of the County of Clark, State of Nevada.

RECREATIONAL FACILITY: The term “RECREATIONAL FACILITY” shall mean the swimming pool and lounging area adjacent thereto.

SINGLE FAMILY: The term “SINGLE FAMILY” shall mean a group of one or more persons each related to the other by blood, marriage or legal adoption, or a group of not more than three (3) persons not all so related, together with their domestic servants, who maintain a common household in a dwelling.

UNIT: The term “UNIT” shall mean the interior surfaces of the perimeter walls, floors, ceilings, windows and doors of the individual dwelling spaces shown on the diagrammatic map numbered 1 through 48 and the air space so encompassed.

VISIBLE FROM NEIGHBORING PROPERTY: The term “VISIBLE FROM NEIGHBORING PROPERTY” shall mean, with respect to any given object, that such object is or would be visible to a person six feet tall, standing on any part of such neighboring property at an elevation no greater than the elevation of the first floor of the dwelling thereon.

This First Statutorily Mandated Amended Declaration has been executed by the Association this ____ day of _____, 2003. The undersigned hereby certifies that this First Statutorily Mandated Amended Declaration has been adopted and approved in accordance with the Act, that the undersigned has read the foregoing and knows the contents thereof.

By: _____
Secretary

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On this ____ day of _____, 2003, before me, the undersigned Notary Public in and for said County and State, personally appeared _____ known to me to be the person whose name is subscribed to the within FIRST STATUTORILY MANDATED AMENDED DECLARATION and acknowledged to me that _____ did so freely and voluntarily and for the purposes therein mentioned.

WITNESS my hand and official seal.

NOTARY PUBLIC

This First Statutorily Mandated Amended Declaration has been executed by the Association this _____ day of _____, 2003. The undersigned hereby certifies that this First Statutorily Mandated Amended Declaration has been adopted and approved in accordance with the Act, that the undersigned has read the foregoing and knows the contents thereof.

By: _____
Director

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On this ____ day of _____, 2003, before me, the undersigned Notary Public in and for said County and State, personally appeared _____ known to me to be the person whose name is subscribed to the within FIRST STATUTORILY MANDATED AMENDED DECLARATION and acknowledged to me that _____ did so freely and voluntarily and for the purposes therein mentioned.

WITNESS my hand and official seal.

NOTARY PUBLIC

EXHIBIT A

LEGAL DESCRIPTION

Lot A as shown on the final map of Las Brisas Apartment Homes on file in the office of the County

Recorder of Clark County, Nevada, recorded on July 7, 1972, in Book 14 of Plats at Page 69.