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DAYTON VALLEY COMMUNITY ASSOCIATION
RESOLUTION ADOPTING RULES REGARDING PROHIBITION OF COMMERCIAL USE AND OCCUPANCY

RECITALS

WHEREAS, the Dayton Valley Community Association ("Association") is authorized to enforce compliance with the provisions of the governing documents, which are for the express purpose of maintaining property values and intended for the express benefit of the present and future owners.

WHEREAS, the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for Dayton Valley Community Association ("CC&Rs"), Article IV, Section 4.1 provides for single-family residential living.

WHEREAS, Article IV, Section 4.2 states: "No residences on any Lot shall be used for any purpose other than Single Family residential use. . . No rental of any unit for commercial purposes shall be allowed." *See also* NRS 116.3102(a) and NRS 116.31065.

WHEREAS, NRS 116.340 regulates transient commercial use for planned communities.

WHEREAS, NRS 116.340(4)(b) defines "transient commercial use" or "TCU" as "the use of a unit, for remuneration, as a hostel, hotel, inn, motel, resort, vacation rental or other form of transient lodging if the term of the occupancy, possession or use of the unit is for less than 30 consecutive calendar days."

WHEREAS, NRS 116.340(1)(b) provides that TCU is only permitted if the governing documents of the Association do not prohibit such use.

WHEREAS, since the rental of a unit for commercial purposes is prohibited under the CC&Rs, TCU of a Unit is prohibited and may not be approved.

WHEREAS, in addition to confirming the prohibition of TCU, occupancy of any Unit should be regulated to ensure there are no trade, business or commercial purposes made of any Unit to avoid problems and issues.

NOW THEREFORE BE IT RESOLVED that the Board of Directors of the Association hereby adopts the following Rules Regarding Prohibition of Commercial Use and Occupancy:

RULES

1. No Unit, as defined in Article I, Section 1.43 of the CC&Rs, shall be used for TCU at any time. TCU shall mean the use of a Unit, for remuneration, as a hostel, hotel, inn, motel, resort, vacation rental or other form of transient lodging for a period of less than 30 consecutive calendar days. In accordance with Article 4, Section 4.2, rentals of units for commercial purposes are prohibited.

2. Additionally, any of the following actions by an Owner shall be deemed to violate the prohibition against TCU: (a) internet advertising of such prohibited rentals; (b)

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dissemination of printed materials advertising such prohibited rentals; (c) designation of an agent to procure and/or manage such prohibited rentals; (d) entering into an agreement for a rental of 30 days or more with a nominal penalty for vacating sooner than the expiration of the rental agreement; or (e) any other action that results in TCU of the Unit.

3. All rentals of a Unit shall be evidenced by a written instrument or agreement ("Rental Agreement") between the Owner and the Tenant for a period of more than thirty (30) consecutive days and shall provide that the Rental Agreement is subject to the provisions of the Association Governing Documents. Any attempt to avoid the requirement of the minimum rental period shall constitute a violation.

4. Prior to the occupancy of a Unit, the Owner shall provide to the Association the names and contact information of occupants and an emergency contact name and number.

5. Any Rental Agreement shall expressly provide that violations of the Association's rules and regulations and/or the CC&Rs and any amendment thereto by the Tenant or the Tenant's guests shall be considered a breach of the Rental Agreement and cause for termination of the Rental Agreement by the Owner.

6. Owners are responsible for actions of Tenants or Tenants' guests, including but not limited to, failure to adhere to the Association Governing Documents, and property damage and personal injury caused by Tenants or Tenants' guests.

7. No occupant of a Unit shall have unruly parties, loud music, illegal parking or behaviors disruptive to the neighbors. In addition to enforcement action by the Association, law enforcement may be contacted immediately upon complaints received to address the violation.

ENFORCEMENT

If any of these Rules are violated, the Board of Directors may pursue any remedies that are deemed appropriate. If the Board finds that an Owner has violated any of the Rules, the Board after providing notice and a hearing, may impose any or all of the following sanctions:

1. Assess fines in the amount of $100.00 per violation and determine that an additional violation charge of $100 for each week the violation continues is appropriate. There is no limit to continuing fines.

2. Determine if the violation constitutes an imminent threat of causing a substantial adverse effect on the health, safety, welfare of the Unit Owners or residents of the community and assess a fine commensurate with the severity of the violation.

3. Any violation fines, charges, assessments, fees, or costs shall be a lien on the real property.

4. The Association may also take all appropriate legal action, including action to obtain injunctive relief to prevent the Owner from continuing to violate any of these rules.

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5. Further, the Owner shall be responsible for paying any and all common expenses incurred as a result of the misconduct or gross negligence of the Owner who has violated any of the Rules. Such common expenses may include, but are not limited to, the Association's reasonable attorney's fees, costs, collection fees and costs, and other expenses incurred by the Association in the enforcement of these Rules and such amounts shall be part of the Lien on the Unit.

6. In addition, the Association may bring any action allowed under Nevada Law, including but not limited to commencement of a claim pursuant to Chapter 38 of Nevada Revised Statutes or a lawsuit in court. If a health, safety, welfare violation has occurred, or an abatement expense has been assessed after a hearing conducted in accordance with NRS 116.31031, a non-judicial foreclosure may be instituted.

INCORPORATION

These Rules may be incorporated into the omnibus Rules and Regulations.

ATTEST:

Sandra A Mann aka Sandy Mann 2/28/2025

Secretary Date

These Rules were delivered to all Owners at their designated address (either physical or electronic) on March, 2025.

Sandra A Mann aka Sandy Mann