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NOTICE: RENTALS PROHIBITED

Re: Diamond Creek Homeowner's Association – Notice of Enforcement of Community-Wide Rental Prohibition

This office serves as corporate counsel to Diamond Creek Homeowners Association (“Association”). This letter is being provided to you as a courtesy regarding the Association’s enforcement efforts regarding its prohibition on leases and rentals within the community.

Pursuant to Section 6.14(c) of the Association’s Covenants, Conditions, and Restrictions (“CC&Rs”), “[n]o more than twenty percent (20%) of the total number of Lots in the Property shall be rented or leased at any given time or used for any purpose other than as the primary residence of the Owner, as determined by the Board in its discretion.” Additionally, Section 6.14(d) requires that, “[a]ll leases shall be subject to Board approval, and prior to entering into any lease agreement, the Owner shall contact the Board to confirm that entering into the lease agreement does not violate the lease restrictions imposed by this Section 6.14.” Further, Section 6.14(f) allows the Association, “in its discretion, to require potential purchasers of Lots in the Property to execute a disclosure form stating whether they intend to reside in the Residence on the Lot or intend use of the Lot and Resident for investment and rental purposes.”

Currently, due to the number of rentals within the community, the Association is not accepting new requests or granting Board approval for any new leases or rentals and does not intend to lift this restriction until further notice. Be advised, owners are on constructive notice of the prohibition on leases/rentals via the CC&Rs and this letter serves as actual notice of same. The Association is prepared to take any appropriate measures, including litigation, against non-compliant owners to enforce compliance for the benefit of the community.

It is the Association’s desire that owners voluntarily comply with the Association’s prohibition against the lease/rental of units within the community. However, in the event you fail to comply, please remember that the Association, as a courtesy, provided you with this notice regarding the restriction and the effect of failing to comply.

Kind Regards,

The Clarkson Law Group, P.C.

/s/ Adam H. Clarkson

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