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AMENDED AND RESTATED DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
OF  
DAYTON VALLEY AIRPARK ESTATES



ARTICLE I

RECITALS AND DECLARATIONS

ARTICLE II

DEFINITIONS

2.01 Aeronautical Activity ..... 2

2.02 Affiliate of Declarant ..... 3

2.03 Airpark Lots ..... 3

2.04 Airport; Airport Property ..... 3

2.05 Airport Director ..... 3

2.06 Architectural Committee Rules ..... 3

2.07 Articles ..... 3

2.08 Assessments ..... 3

2.09 Association ..... 3

2.10 Association Property ..... 3

2.11 Beneficiary ..... 3

2.12 Board ..... 3

2.13 Bylaws ..... 4

2.14 Commercial Use ..... 4

2.15 Common Area ..... 4

2.16 Declarant ..... 4

2.17 Deed of Trust ..... 4

2.18 Dayton Valley Airpark Estates ..... 4

2.19 Dayton Valley Airpark Estates Maintenance Fund ..... 4

2.20 Dayton Valley Airpark Estates Restrictions ..... 4

2.21 Dayton Valley Airpark Estates Rules ..... 4

2.22 General Common Area ..... 4

2.23 Hangar ..... 5

2.24 Hangar Pad ..... 5

2.25 Improvement ..... 5

2.26 Limited Common Area ..... 5

2.27 Lot ..... 5

2.28 Major Developer ..... 5

2.29 Manager ..... 5

2.30 Master Plan or Layout Plan ..... 5

2.31 Member ..... 6

2.32 Minimum Standards ..... 6

2.33 Mortgage ..... 6

2.34 Owner ..... 6



2.35 Person ..... 6

2.36 Plans and Specifications ..... 6

2.37 Project ..... 6

2.38 Purchaser ..... 6

2.39 Record, Recorded and Recordation ..... 6

2.40 Recreation and Open Space ..... 6

2.41 Safety Zone ..... 6

2.42 Single Family ..... 7

2.43 Single Family Residential Use ..... 7

2.44 Subdivision ..... 7

2.45 Supplemental Declaration ..... 7

2.46 Taxiway ..... 7

    A. Airpark Taxiway ..... 7

    B. Airport Taxiway ..... 7

2.47 Tie Down ..... 7

2.48 Use Agreement ..... 7

2.49 Visible from Neighboring Property ..... 7

ARTICLE III

DAYTON VALLEY AIRPARK ESTATES ASSOCIATION

3.01 Organization ..... 8

3.02 Membership ..... 8

3.03 Voting Rights ..... 8

    A. Entitlement ..... 8

        (1) Class A Members ..... 8

        (2) Class B Member ..... 8

        (3) Voting Rights of Class B Member on Increase of the Airport Assessment 8

        (4) Voting Rights for Election and Removal of Directors ..... 9

    B. Joint or Common Ownership ..... 9

    C. Proxy Voting ..... 9

    D. Cumulative Voting ..... 9

3.04 Meetings of Members ..... 9

3.05 Duties of the Association ..... 10

    A. Members ..... 10

    B. Recreation and Open Space Areas and Common Area ..... 10

    C. Repair and Maintenance of Association Property ..... 11

    D. Payment of Taxes ..... 11

    E. Insurance ..... 11

    F. Dayton Valley Airpark Estates Rules ..... 12

    G. Architectural Committee ..... 12

    H. Enforcement Hereof ..... 12

    I. Long-Term Financing ..... 12



- J. Audit ..... 12
- K. Other ..... 13
- 3.06 Powers and Authority of the Association ..... 13
  - A. Right of Entry and Enforcement ..... 13
  - B. Easements and Rights-of-Way ..... 13
  - C. Employment of Manager ..... 13
  - D. Services ..... 14
  - E. Utilities ..... 14
  - F. Other Property ..... 14
  - G. Mergers ..... 14
  - H. Dedication ..... 14
  - I. Delegation ..... 14
  - J. Construction on Association Property ..... 14
  - K. Conveyances ..... 15
  - L. Legal and Accounting Services ..... 15
  - M. Association Property Services ..... 15
  - N. Other Areas ..... 15
  - O. Recreational Facilities ..... 16
  - P. Other Services and Properties ..... 16
  - Q. Contracts ..... 16
  - R. Permits and Licenses ..... 16
  - S. Real and Personal Property ..... 16
  - T. Favorable Tax Treatment ..... 16
- 3.07 Indemnification ..... 16
  - A. Third Party Actions ..... 16
  - B. Derivative Actions ..... 17
  - C. Determination ..... 17
  - D. Payment in Advance ..... 18
  - E. Insurance ..... 18
  - F. Other Coverage ..... 18
- 3.08 Assessment Benefitting Specific Areas ..... 18
- 3.09 Diseased Trees ..... 18
- 3.10 Rules ..... 18
  - A. Rulemaking Power ..... 18
  - B. Notification of Rules ..... 19
- 3.11 Breach of Rules or Restrictions ..... 19
- 3.12 Liability of Members of Board ..... 20
- 3.13 Amendment ..... 20
- 3.14 Eldorado Lakes Master Association ..... 20

ARTICLE IV

DEVELOPMENT OF DAYTON VALLEY AIRPARK ESTATES - ANNEXATION



4.01 Subdivision and Development by Declarant ..... 20  
 4.02 Annexation ..... 21  
 4.03 (Intentionally Omitted) ..... 21  
 4.04 Lands Owned by Major Developer ..... 21

ARTICLE V

GENERAL RESTRICTIONS

5.01 Antennas ..... 21  
 5.02 Insurance Rates ..... 22  
 5.03 No Further Subdividing ..... 22  
 5.04 Signs ..... 22  
 5.05 Nuisances ..... 22  
 5.06 Repair of Building ..... 22  
 5.07 Improvements and Alterations ..... 22  
 5.08 Violation of Dayton Valley Airpark Estates Rules ..... 23  
 5.09 Drainage ..... 23  
 5.10 No Hazardous Activities ..... 23  
 5.11 No Temporary Structures ..... 23  
 5.12 No Mining and Drilling ..... 23  
 5.13 Vehicles ..... 23  
 5.14 Construction Activities ..... 24  
 5.15 Exemption of Declarant ..... 24  
 5.16 Assignment by Declarant ..... 24  
 5.17 Building Permits ..... 24  
 5.18 Easement of Airspace ..... 24  
 5.19 Fences ..... 25

ARTICLE VI

PERMITTED USES AND RESTRICTIONS - RESIDENTIAL AREAS

6.01 Residential Areas ..... 25  
 6.02 Improvements and Use ..... 25  
 6.03 Residential Use; Rentals ..... 25  
 6.04 Animals ..... 25  
 6.05 Unsightly Articles ..... 26  
 6.06 Parking Restrictions; Use of Garage ..... 26  
 6.07 Restricted Use of Recreational Vehicles, Etc ..... 26  
 6.08 Maintenance of Lawns, Plantings and Landscape ..... 26  
 6.09 Fueling of Aircraft in Residential Areas Prohibited ..... 27

ARTICLE VII



PERMITTED USES AND RESTRICTIONS - AIRPORT FACILITIES AND AIRPARK LOTS

7.01 Taxiways and Runways ..... 27

7.02 Aircraft Parking Limit Lines ..... 27

7.03 (Intentionally Omitted) ..... 28

7.04 Airfield Obstructions ..... 28

7.05 Traffic Control, Access to Airport ..... 28

7.06 Repairs ..... 28

7.07 Building Restrictions on "Airpark Lots" ..... 28

7.08 Hangars, Hangar Pads and Tie Downs. ..... 28

7.09 Fueling of Aircraft ..... 30

7.10 Easement for Safety Zones ..... 30

7.11 (Intentionally Omitted) ..... 30

7.12 Air Traffic Not a Nuisance ..... 30

ARTICLE VIII

PERMITTED USES AND RESTRICTIONS - OTHER AREAS

8.01 Common Areas and Open Space Areas ..... 30

ARTICLE IX

ASSOCIATION PROPERTY

9.01 Use ..... 31

9.02 Easement of Enjoyment ..... 31

9.03 Damages ..... 32

9.04 Damage and Destruction ..... 32

    A. Reconstruction - Minor ..... 32

    B. Reconstruction - Major ..... 32

    C. Decision Not to Reconstruct ..... 33

ARTICLE X

ARCHITECTURAL COMMITTEE

10.01 Members of Committee ..... 33

10.02 Rights of Appointment ..... 33

10.03 Review of Proposed Construction ..... 33

10.04 Architectural Committee Rules ..... 34

10.05 Meetings of the Committee ..... 35

10.06 No Waiver of Future Approvals ..... 35

10.07 Compensation of Members ..... 35

10.08 Inspection of Work ..... 35

    A. Completed Work ..... 35

    B. Work in Progress ..... 36



10.09 Nonliability of Committee Members ..... 36  
 10.10 Variances ..... 37  
 10.11 Relinquishment of Architectural Control To Subassociations ..... 37

ARTICLE XI

FUNDS AND ASSESSMENTS

11.01 Agreement to Pay ..... 37  
 11.02 Dayton Valley Airpark Estates Maintenance Fund ..... 37  
 11.03 Regular Annual Assessments ..... 38  
 11.04 Special Assessments ..... 39  
 11.05 (Intentionally Omitted) ..... 39  
 11.06 Notice of Special Assessments; Time for Payment ..... 39  
 11.07 Late Charges ..... 39  
 11.08 Unpaid Assessments as Liens ..... 39  
 11.09 Mortgage Protection ..... 40  
 11.10 Effect of Amendments on Mortgages ..... 40  
 11.11 Subordination ..... 40

ARTICLE XII

MISCELLANEOUS

12.01 Term ..... 40  
 12.02 Amendment ..... 41  
     A. Special Provisions ..... 41  
     B. By Declarant ..... 41  
     C. By Owners ..... 41  
 12.03 Notices ..... 41  
 12.04 Interpretation ..... 41  
 12.05 Enforcement and Nonwaiver ..... 41  
     A. Right of Enforcement ..... 42  
     B. Violation a Nuisance ..... 42  
     C. Violation of Law ..... 42  
     D. Remedies Cumulative ..... 42  
     E. Nonwaiver ..... 42  
 12.06 Construction ..... 42  
     A. Restrictions Severable ..... 42  
     B. Singular Includes Plural ..... 42  
     C. Captions ..... 42



**AMENDED AND RESTATED  
DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS  
OF DAYTON VALLEY AIRPARK ESTATES**

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF DAYTON VALLEY AIRPARK ESTATES is made this 16<sup>th</sup> day of NOVEMBER, 2005, by the undersigned, Dayton Valley Investors, LLC, a Nevada limited liability company, hereinafter referred to as "Declarant" and the Airpark Estates Homeowners Association, a Nevada non-profit corporation, also known as the Dayton Valley Airpark Estates Association, hereinafter referred to as the "Association".

**ARTICLE I**

**RECITALS AND DECLARATIONS**

WHEREAS, that certain Declaration of Covenants, Conditions and Restrictions of Dayton Valley Airpark Estates was recorded on December 12, 1989, in the Official Records of Lyon County, Nevada, as Document No. 129665 and re-recorded on January 10, 1991, in the Official Records of Lyon County, Nevada, as Document No. 138927 (the "Original Declaration"). The Original Declaration was amended by that certain amendment recorded on December 22, 1999, in the Official Records of Lyon County, Nevada, as Document No 242557 (the "First Amendment"). The Original Declaration was further amended by that certain Second Amendment to the Declaration of Covenants, Conditions and Restrictions of Dayton Valley Airpark Estates recorded on January 10, 2005, in the Official Records of Lyon County, Nevada, as Document No 340133 (the "Second Amendment"). The Original Declaration, as amended by the First Amendment and as further amended by the Second Amendment, is referred to herein as the "Amended Original Declaration");

WHEREAS, Declarant and the Association now intend to further amend and to restate the Amended Original Declaration to read in full as set forth in this Amended and Restated Declaration of Covenants, Conditions and Restrictions. The Amended Original Declaration, as amended and restated by this Amended and Restated Declaration of Covenants, Conditions and Restrictions, is herein referred to as the "Declaration";

WHEREAS, the Declaration affects all that real property in the County of Lyon, State of Nevada, which is more particularly described on Exhibit "A", attached hereto and incorporated herein by this reference, which describes real property which is currently subject to this Declaration, together with such other real property as shall become annexed and subject hereto as described in Article IV of this Declaration, is hereinafter referred to as "Airpark Estates" or "the Project";





WHEREAS, the Project is located in an area of unique natural beauty with unique improvements inclusive of an airstrip which is surrounded by various types of distinct land uses, Declarant and the Association desire to establish a general plan for the development and improvement of a residential airpark community that will benefit all the lands in the property, that will benefit the Declarant and the existing and future owners of the property, and that will blend harmoniously with the surrounding land uses.

NOW, THEREFORE, in furtherance of such intent, Declarant and the Association hereby declare that all of the real property referred to herein as the "Project" or "Airpark Estates", more particularly described in Exhibit "A" attached hereto, and such other real property as shall become annexed and subject hereto as described in Article IV of this Declaration is and shall henceforth be owned, held, conveyed, encumbered, leased, improved, used, occupied and enjoyed subject to the following uniform covenants, conditions, restrictions and equitable servitudes in furtherance of, and the same shall constitute a general plan for the subdivision, ownership, improvement, sale, use and occupancy of the Project, and to enhance the value, desirability and attractiveness of the Project. This Declaration shall run with the Project and all parts thereof; shall be binding upon all persons having or acquiring any interest in the Project or any part thereof; shall inure to the benefit of and be binding upon every part of the Project and every interest therein; and shall inure to the benefit of, be binding upon, and be enforceable by Declarant, its successors-in-interest, each Owner and his successors-in-interest, and the Association and its successors-in-interest. Each and all of the limitations, easements, uses, obligations, covenants, conditions and restrictions herein imposed shall be deemed to be and shall be construed as equitable servitudes, enforceable by any of the owners of any portion of the real property subject hereto against any other owner, tenant or occupant of said real property or any portion thereof. The Original Declaration, as amended by the First Amendment and the Second Amendment, is amended and restated to read in full as set forth in this Declaration.

## ARTICLE II

### DEFINITIONS

Unless the context otherwise specifies or requires, the following words and phrases when used in this Declaration shall have the meanings hereinafter specified.

2.01 Aeronautical Activity. Shall mean any activity whether or not conducted on or off the Airport Property which involves, makes possible, or is required for the operation of aircraft or which contributes to, or is required for, the safety of such operations and shall include, but not by way of limitation, all activities commonly conducted on the airport, such as transportation of freight and goods, charter operations, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, flying clubs, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other included activities, repair and maintenance of aircraft, sale of aircraft, parts, sales or maintenance of aircraft accessories, radio



communication and navigation equipment and any other activity which, because of its direct relationship to the operation of aircraft, can appropriately be regarded as an aeronautical activity.

2.02 Affiliate of Declarant. Every Owner which is controlled, controls or is under common control with (by voting power, contractual arrangement or otherwise) Declarant as allowed by Chapter 116 of the Nevada Revised Statutes.

2.03 Airpark Lots. Those Lots within the Project which adjoin the runways, taxiways, and airport facilities.

2.04 Airport; Airport Property. Shall mean the Dayton Valley Airport, located in Dayton, Nevada, consisting of a paved airstrip and certain parallel taxiways, access taxiways, turnouts and related improvements, in Dayton, Lyon County, Nevada, on that certain real property shown generally on the map attached as Exhibit "B" and described in Exhibit "C" hereto, as currently or hereafter improved.

2.05 Airport Director. Shall mean the manager of the Dayton Valley Airport and its operations.

2.06 Architectural Committee Rules. The rules adopted by the Architectural Committee pursuant to Section 10.04 hereof.

2.07 Articles. The Articles of Incorporation of the Association which have been filed in the office of the Secretary of State of the State of Nevada, as the same may from time to time be amended.

2.08 Assessments. Assessments of the Association including both regular and special assessments as set forth in Article XI hereof.

2.09 Association. Airpark Estates Homeowners Association, a Nevada non-profit corporation described in Article III, including its successors and assigns (also known as the "Dayton Valley Airpark Estates Association").

2.10 Association Property. All real and personal property now or hereafter owned by or leased to the Association.

2.11 Beneficiary. A mortgagee under a mortgage or a beneficiary under a deed of trust, as the case may be.

2.12 Board. The Board of Directors of the Association as provided in the Articles and Bylaws.



2.13 Bylaws. The Bylaws of the Association which may be adopted by the Board, as such Bylaws may be amended from time to time.

2.14 Commercial Use. Any governmental, professional, office, business, business park, eleemosynary, trade or industrial use, including any activity involving the offering of goods or services which is permitted by applicable zoning laws, ordinances and regulations.

2.15 Common Area. The area within Dayton Valley Airpark Estates that is available for the common use and enjoyment of any Member, or their lessees and invitees, including driveways, walkways, open spaces, planted and landscaped areas, and utility facilities designated on the Subdivision Map therefor as Common Area whether or not the same is owned in fee by the Association or whether by easement or equitable servitude.

2.16 Declarant. Dayton Valley Investors, LLC, a Nevada limited-liability company ("DVI"), or any other party to whom DVI (or successor Declarant) expressly transfers its rights as Declarant by written instrument recorded in the Official Records of Lyon County, Nevada. Declarant shall provide notice of this recorded instrument to the Association within thirty (30) days of such recording.

2.17 Deed of Trust. A mortgage or a deed of trust, as the case may be.

2.18 Dayton Valley Airpark Estates. All that real property described on Exhibit "A" to this Declaration. Dayton Valley Airpark Estates shall also mean such additional lands as may be annexed to Dayton Valley Airpark Estates and subjected to this Declaration by Declarant or by other Persons with Declarant's written consent pursuant to Article IV.

2.19 Dayton Valley Airpark Estates Maintenance Fund. The fund created for the receipts and disbursements of the Association, pursuant to Section 11.02 hereof.

2.20 Dayton Valley Airpark Estates Restrictions. This Declaration, together with any and all Supplemental Declarations which may be recorded pursuant to Sections 3.01 and 4.01 hereof, as this Declaration or said Supplemental Declarations may be amended from time to time, together with the Dayton Valley Airpark Estates Rules from time to time in effect, and the Articles and Bylaws of the Association from time to time in effect.

2.21 Dayton Valley Airpark Estates Rules. The rules adopted by the Board pursuant to Section 3.10 hereof, as they may be amended from time to time.

2.22 General Common Area shall mean all real and personal property which the Association now or hereafter owns or otherwise holds whether by license, easement, lease or equitable servitude for the common use, benefit and enjoyment of all Owners, including aesthetic easements.



2.23 Hangar. A fully enclosed structure, either attached or detached, constructed on a Lot as an appurtenant structure to the single family dwelling on the Lot, consisting of walls, roof and doors, designed for the parking and storage of aircraft.

2.24 Hangar Pad. A paved surface in the back yard of a Lot which has been constructed to serve as a foundation for future Hangar construction.

2.25 Improvement. Any structure and all appurtenances thereto of every type and kind, including but not limited to building, outbuilding, patio, tennis court, pool, garage, Hangar, Hanger Pad, Tie Down, shed, doghouse, mailbox, aerial, antenna, road, driveway, parking area, walk, fence, screening wall, retaining wall, stair, deck, landscaping, court, gate, statue, marker, hedge, windbreak, planting, planted tree and shrub, pole, sign, exterior air conditioning, water softener fixture or equipment, pole, pump, well, ditch, tank, reservoir, pipe, line, meter, facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, or other utilities.

2.26 Limited Common Area shall mean and refer to certain portions of the Common Area, if any, which are in the sole discretion of the Board for the exclusive use and benefit of one or more Neighborhoods. All costs associated with maintenance, repair, replacement and insurance of Limited Common Areas may be assessed against the Owners of Lots in only those Neighborhoods which are benefitted thereby as a Neighborhood Assessment, as defined herein. By way of illustration and not limitation, Limited Common Areas may include recreational facilities intended for the exclusive use of Owners within a particular Neighborhood or Neighborhoods and supported exclusively by Neighborhood Assessments. Initially, any Limited Common Areas shall be designated as such and the exclusive use thereof shall be assigned in the deed conveying the Common Area to the Association. A portion of the Common Area may be assigned as Limited Common Area of a particular Neighborhood or Neighborhoods and Limited Common Area may be reassigned upon the vote of a majority of the total Members.

2.27 Lot. Any unit or parcel of land within the Airpark which is designated on any recorded Subdivision plat, whether or not improved, for a single-family residence.

2.28 Major Developer. Any person or persons designated as such by Declarant in an instrument recorded in the real property records of the county wherein the land lies.

2.29 Manager. Manager shall mean the person, firm or corporation employed, if any, by the Association pursuant to Section 3.06 and delegated the duties, power, or functions of the Association pursuant to said section.

2.30 Master Plan or Layout Plan shall mean the conceptual scaled dimensional layout of the entire airport properties, indicating current and proposed usage for each identifiable segment as approved by Declarant as the same may be amended from time to time.



- 2.31 **Member**. Any person who is designated as a Member pursuant to Section 3.02 hereof.
- 2.32 **Minimum Standards**. The qualifications established herein, as amended.
- 2.33 **Mortgage**. Any mortgage or deed of trust given to secure the payment of a debt.
- 2.34 **Owner**. The record owner of any Lot or Commercial Site subject to this Declaration, or any record owner of any Lot, or Commercial Site that is annexed hereto pursuant to Article IV. "Owner" shall include the vendee under an Installment Contract of Sale and shall exclude the vendor thereunder and those having an interest in any property that is subject to this Declaration solely for security for the performance of an obligation.
- 2.35 **Person**. A natural individual or any other entity with the legal right to hold title to real property.
- 2.36 **Plans and Specifications**. Any and all documents designed to guide or control an Improvement, including but not limited to those indicating size, shape, configuration or materials, all site plans, excavation and grading plans, foundation plans, drainage plans, landscaping and fencing plans, elevation drawings, floor plans, specifications on all building products and construction techniques, samples of exterior colors, plans for utility services, and all other documentation or information relevant to the Improvement.
- 2.37 **Project**. The Dayton Valley Airpark Estates as generally depicted on the overall Dayton Valley Master Plan.
- 2.38 **Purchaser**. A purchaser who is unrelated to Declarant or any corporation, partnership, joint venture, or other business entity in which Declarant has an ownership interest or over which Declarant exercises contractual or other control relating to the improvement, development or sale of Property.
- 2.39 **Record, Recorded and Recordation**. With respect to any document, the recordation of such document in the office of the Clerk and Recorder of the county wherein the land lies.
- 2.40 **Recreation and Open Space**. All areas designated by Declarant and thereafter to be held for recreational purposes for the benefit of all Members; provided, however, that access to any area or facility except for neighborhood parks, may be subject to fees and other charges, or otherwise conditioned or restricted, and made available to non-Members, all on such terms and conditions as the Board may determine.
- 2.41 **Safety Zone**. The area from the centerline of aircraft taxiways within the Project from 35 to 70 feet within adjoining airpark lots, to be kept clear to allow for aircraft turning and passage as



the areas are shown on Document No. 129581, recorded December 7, 1989, Official Records, Lyon County, Nevada, and additional area as shall be annexed to the Declaration in accordance with the Declaration and Nevada law.

2.42 Single Family. One or more persons each related to the other by blood, marriage or legal adoption or a group of not more than four (4) persons not all so related, together with their domestic employees and servants who maintain a common household in a residential unit and casual guests or as defined under the provisions of the Lyon County Code.

2.43 Single Family Residential Use. The occupancy and use of a residential unit by a Single Family in conformity with the covenants, conditions and restrictions hereof, the rules and requirements imposed by applicable zoning laws and other state or local rules and regulations.

2.44 Subdivision. A parcel of land which has been shown on a final and recorded subdivision plat pursuant to NRS Chapter 278 or 278A, as amended.

2.45 Supplemental Declaration. Any declaration of covenants, conditions and restrictions which may be hereafter recorded by Declarant or by Declarant and a Major Developer.

2.46 Taxiway. Those taxiways within the Project or the Airport Property which are intended to provide access for aircraft to and from the Airport.

A. Airpark Taxiway. Any taxiway within the Project, including, without limitation, any taxiway within the Project which is located on an Airpark Lot.

B. Airport Taxiway. Any taxiway within the Airport Property, including, without limitation, any taxiway which is parallel to the Airport runway and any taxiway which provides access for aircraft to any such parallel taxiway, the Airport runway or the taxiways within the Project.

2.47 Tie Down. A paved surface constructed to serve as a parking place and tie down for aircraft, which is not a Hangar or Hangar Pad.

2.48 Use Agreement. That certain Airport Facility Use Agreement, dated as of \_\_\_\_\_, 2005, by and among Dayton Valley Airport, LLC, a Nevada limited-liability company, Dayton Valley Investors, LLC, a Nevada limited liability company, and the Association, regarding the use, maintenance, and repair of the Airport, recorded in the Official Records of Lyon County.

2.49 Visible from Neighboring Property. With respect to any given object, such object is or would be visible to a person six feet tall standing on an assumed floor elevation two feet above the surface of any neighboring property in the area involved, assuming that the property had an elevation



equal to the highest elevation of the ground surface of that portion of the area upon which the object is located.

### ARTICLE III

#### DAYTON VALLEY AIRPARK ESTATES ASSOCIATION

3.01 Organization. The Association is a non-profit Nevada membership corporation created for the purposes, charged with the duties, and invested with the powers prescribed by law or set forth in its Articles and Bylaws or in this Declaration. Neither the Articles nor Bylaws shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

3.02 Membership. Only Owners shall be Members of the Association; provided, however, that no Person shall be a Member by reason of ownership of lands used for public school or governmental or quasi-governmental purposes, or by reason of ownership of any park, public land, road, easement, right-of-way, mineral interest, mortgage or deed of trust. Each Owner shall automatically be a Member of the Association without the necessity of any further action on his part, and Association membership shall be appurtenant to and shall run with the property interest ownership of which qualifies the Owner thereof to membership. Membership may not be severed from, or in any way transferred, pledged, mortgaged or alienated except together with the title to the property interest, ownership of which qualifies the Owner thereof to membership, and then only to the transferee of title to said property interest. Any attempt to make a prohibited severance, transfer, pledge, mortgage or alienation shall be void.

#### 3.03 Voting Rights.

A. Entitlement. The right to cast votes, and the number of votes which may be cast, for election of Members to the Board of Directors of the Association and on all other matters to be voted on by the Members shall be calculated as follows:

(1) Class A Members. Class A Members shall be all Owners excepting Declarant and shall have one vote for each Lot owned.

(2) Class B Member. The Class B Member shall be Declarant and shall have one vote for each Lot owned.

(3) Voting Rights of Class B Member on Increase of the Airport Assessment. Notwithstanding any other provision of this Declaration, the Class B Member shall be entitled to one vote for each Lot owned for any vote of the Members regarding any proposal to increase the Airport Assessment provided for in Section 11.03 or any proposal for a Special Assessment to be paid to the owner of the Airport shall require approval by a majority of the Class A Members plus approval of the



Class B Members.

(4) Voting Rights for Election and Removal of Directors. At least one member and not less than twenty-five percent (25%) of the members of the Board of Directors shall be elected by Members other than Declarant and Affiliates of Declarant.

B. Joint or Common Ownership. If any property interest, ownership of which entitles the Owner thereof to vote, is held jointly or in common by more than one Person, the vote or votes to which such property interest is entitled shall also be held jointly or in common in the same manner. However, the vote or votes for such property interest shall be cast, if at all, as a unit, and neither fractional votes nor split votes shall be allowed. In the event that such joint or common Owners are unable to agree among themselves as to how their vote or votes shall be cast as a unit, they shall lose the right to cast their vote or votes on the matter in question. Any joint or common Owner shall be entitled to cast the vote or votes belonging to the joint or common Owners unless another joint or common Owner shall have delivered to the Secretary of the Association prior to the time for casting such vote, a written statement to the effect that the Owner wishing to cast the vote or votes has not been authorized to do so by the other joint or common Owner or Owners.

C. Proxy Voting. Any Owner, including Declarant, may give a revocable written proxy to a family member, a tenant, or another Owner residing in the Project authorizing the latter to cast the Owner's votes on any matter except election or removal of members of the Board. Such written proxy shall be in such form as may be prescribed by the Bylaws of the Association and Chapter 116 of the Nevada Revised Statutes.

D. Cumulative Voting. The cumulative system of voting shall not be used for any purpose.

3.04 Meetings of Members. The Association shall hold an annual regular meeting of the Members of the Association on the third Tuesday in January of each year at 6:00 p.m. at the principal office of the Association or as close to this date as may be practicable. Said annual regular meeting may be held at such other reasonable place or time (not more than thirty (30) days before or after the aforesaid date) as may be designated by notice of the Board given to the Members not less than fifteen (15) nor more than sixty (60) days prior to the date fixed for said regular meeting. Special meetings of the Members may be called at any reasonable time and place by notice by the Board or by notice by Members having ten percent (10%) of the total votes, delivered not less than ten (10) nor more than sixty (60) days prior to the date fixed for said special meeting, to all Members if given by the Board and to all other Members if given by said Members. All notices of meetings shall be addressed to each Member and shall be hand delivered, sent prepaid by United States mail to the mailing address as it appears on the books of the Association or to any other mailing address designated in writing by the Member, or, if the Association offers to send notice by electronic mail, sent by electronic mail at the request of the Member to an electronic mail address designated in writing by the Member.





The presence at any meeting, in person or by proxy, of Members entitled to vote at least twenty-five percent (25%) of the total votes outstanding shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Members present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time set for the original meeting, at which adjourned meeting the quorum requirement shall be the Members entitled to vote twenty percent (20%) of the total votes.

The Chairman of the Board of Directors, or in his absence the Vice Chairman, shall call meetings of Members to order and act as chairman of such meetings. In the absence of both of said officers, any Member entitled to vote thereafter or any proxy of any such Member may call the meeting to order, and a chairman of the meeting shall be elected. The Secretary of the Association, or in his absence the Assistant Secretary, shall act as secretary of the meeting. In the absence of both the Secretary and the Assistant Secretary, a secretary shall be selected in the manner aforesaid for selecting a chairman of the meeting.

Except as provided otherwise in the Declaration, including but not limited to Sections 3.06 E, G, H, and 11.02 below, any action may be taken at any legally convened meeting of the Members upon the affirmative vote of the Members having a majority of the total votes present at such meeting in person or by proxy.

3.05 Duties of the Association. Subject to and in accordance with the Dayton Valley Airpark Estates Restrictions, the Association shall have and perform each of the following duties for the benefit of the Members of the Association.

- A. Members. The Association shall accept all Owners as Members.
- B. Recreation and Open Space Areas and Common Area. The Association shall accept, own, operate and maintain all Recreation and Open Space areas and Common Area free and clear of all liens, if any, which may be conveyed, leased, licensed or otherwise enjoyed by it from the Declarant upon Declarant's compliance with all requirements under the Declaration and Chapter 116 of the Nevada Revised Statutes, together with all Improvements of whatever kind and for whatever purpose which may be located in said areas; and to accept, own, operate and maintain all other property easements, or rights of use whether real and personal, for which it, its Members or the Project receives any benefits whether aesthetic or tangible.

It is hereby acknowledged and specifically provided that in an effort to minimize pedestrian traffic within the first 26 lots of the project that there will be no sidewalks. The potential safety hazards created by pedestrian activity in a project of this specific character is not to be encouraged. The unannexed remaining portions of the project may or may not contain sidewalks depending on the Lyon County, Nevada, Board of County Commissioners.



C. Repair and Maintenance of Association Property. The Association shall maintain in good repair and condition all lands, Improvements, and other Association Property enjoyed by, owned by, licensed to or leased to the Association.

D. Payment of Taxes. The Association shall pay all real and personal property taxes and other taxes and assessments levied upon or with respect to any property owned by or leased to the Association, to the extent that such taxes and assessments are not levied directly upon the Members. The Association shall have all rights granted by law to contest the legality and the amount of such taxes and assessments.

E. Insurance. The Association shall obtain and maintain in effect policies of insurance adequate, in the opinion of the Board, in kind and amount. Without limiting the generality of the preceding sentence, such policies of insurance shall include:

(1) Fire and extended coverage insurance on all Improvements owned by or leased to the Association, the amount of such insurance to be not less than 90% of the aggregate full insurable value, meaning actual replacement cost exclusive of the costs of excavations, foundations and footings. Such insurance shall insure the Association and the mortgagees, as their interests may appear. As to each such policy which will not be thereby voided or impaired, the Association hereby waives and releases all claims against the Board and Declarant, and the officers, agents and employees of each thereof, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but only to the extent that insurance proceeds are received in compensation for such loss. If the foregoing exculpatory clause is held to be invalid, then the liability of the insurance company shall be primary, and the liability of the Board, Declarant and the officers, agents and employees of the Board and of Declarant shall be secondary.

(2) Bodily injury liability insurance, with limits of not less than \$500,000 per person and \$1,000,000 per occurrence and, property damage liability insurance of not less than \$100,000 per occurrence, insuring against liability for each, bodily injury or property damage arising from activities of the Association or with respect to property under its jurisdiction, including, if obtainable, a cross-liability endorsement insuring each insured against liability to each other insured. The liability insurance policies referred to above shall name as separately protected insureds Declarant, the Association, the Board and each of its Members, the Architectural Committee and each of its Members, and the Manager, and such policies may also name some or all of the respective officers, employees and agents of the foregoing.

(3) Workmen's Compensation Insurance to the extent necessary to comply with all applicable laws.

(4) Such other insurance, including indemnity and other bonds, as the Board shall deem necessary or expedient to carrying out the Association's functions.



The Association shall be deemed trustee of the interests of all Members in all insurance proceeds, and shall have full power to receive and to deal with such proceeds.

F. Dayton Valley Airpark Estates Rules. The Association shall make, establish and promulgate, and in its discretion amend or repeal and reenact, such Dayton Valley Airpark Estates Rules, not in contradiction to this Declaration, as it deems proper covering any and all aspects of its functions, including the use and occupancy of Association Property. Without limiting the generality of the foregoing sentence, such Rules may set dues and fees and prescribe the regulations governing the operation of Association Property. Each Member shall be entitled to examine such Rules at any time during normal working hours at the principal office of the Association.

G. Architectural Committee. The Association shall appoint and remove Members of the Architectural Committee as provided in Section 10.02 hereof, and insure that at all reasonable times there is available a duly constituted and appointed Architectural Committee.

H. Enforcement Hereof. The Association shall enforce, in its own behalf and in behalf of all Owners, all of the covenants, conditions and restrictions set forth in this Declaration, under an irrevocable agency (hereby granted) coupled with an interest, as beneficiary of said covenants, conditions and restrictions, and as assignee of Declarant; and to perform all other acts, whether or not anywhere expressly authorized, as may be reasonably necessary to enforce any of the provisions of the Dayton Valley Airpark Estates Restrictions or of the Architectural Committee Rules.

I. Long-Term Financing. The Association may execute mortgages and deeds of trust, both construction and permanent, for construction of facilities, including Improvements, on property owned by or leased to the Association as may be allowed by Chapter 116 of the Nevada Revised Statutes, and shall accept lands in Recreation and Open Space areas and Common Areas, whether or not improved, from Declarant free and clear of all mortgages, liens and deeds of trust. Such financing may be effected through conventional mortgages or deeds of trust, the issuance and sale of development or other bonds, or in any other form or manner as may be deemed appropriate by the Association. The mortgage, deed of trust or other security interest given to secure repayment of such debt may consist of a first lien or a second or other junior lien, as shall be deemed appropriate by the Association, on the Improvement or other facility to be constructed, together with such underlying and surrounding lands as the Association deems appropriate. The debt secured by such mortgage, deed of trust or other security instrument may be retired from revenues generated by dues, use fees, assessment of the Members of the Association, or otherwise, or any combination thereof, as may be deemed appropriate by the Association but subject to the limitations imposed by this Declaration.

J. Audit. The Association shall provide an annual review of the accounts of the Association by an audit committee appointed by the Board and composed of Members of the Association and make a copy of such review available to each Member during normal business hours at the principal office of the Association. The Association shall provide for reviews by an independent



certified public accountant as required by Chapter 116 of the Nevada Revised Statutes. Any Member may at any time and at his own expense cause an audit or inspection to be made of the books and records of the Association by a certified public accountant provided that such audit or inspection is made during normal business hours and without unnecessary interference with the operations of the Association.

K. Other. The Association shall carry out all duties of the Association set forth in the Dayton Valley Airpark Estates Restrictions, or the Articles or Bylaws of the Association.

3.06 Powers and Authority of the Association. The Association shall have all of the powers of a non-stock, non-profit cooperative corporation organized under the laws of the State of Nevada in operating for the benefit of its Members, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, Bylaws and this Declaration. It shall have the power to do any and all lawful things which may be authorized, required or permitted to be done under and by virtue of this Declaration, 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 for the peace, health, comfort, safety or general welfare of the Owners. Without in any way limiting the generality of the foregoing, the Association and the Board shall have the following power and authority, without the obligation to exercise such power and authority:

A. Right of Entry and Enforcement. The Board and its agents and representatives shall have the power and right to enter upon any Lot and the Improvements thereon without liability to any Owner, for the purpose of enforcing any of the provisions of this Declaration, or for the purpose of maintaining and repairing the Improvements located on said Lot as provided in this Declaration or, if for any reason whatsoever, the Owner thereof fails to maintain and repair any portion of a Lot as required by this Declaration to be maintained or repaired by said Owner. The Association shall also have the power and authority from time to time in its own name, on its own behalf, or on the 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 this Declaration and to enforce, by mandatory injunction or otherwise, all of the provisions of this Declaration. The costs of any such action or suit, including reasonable attorneys' fees, shall be paid to the prevailing party as part of its judgment.

B. Easements and Rights-of-Way. The Association shall have the power to grant and convey to any third party, easements, licenses for use and rights-of-way, in, on, over or under any Common Area conveyed or otherwise transferred to the Association or under its jurisdiction, upon the affirmative vote or written consent of the Board of Directors as ratified by the voting Members at the next annual meeting.

C. Employment of Manager. The Board shall have the power to employ by written agreement the services of a manager or other employee, or a professional manager or management company, subject to the direction and control of said Board, to manage and carry out the affairs of the



Association and, to the extent consistent with the laws of the State of Nevada and upon such conditions as are otherwise deemed advisable by the Board, to delegate to the manager any of its powers; provided, however, that any contract with such professional manager or management company, and the compensation to be paid, for a term greater than three (3) years must be approved by at least fifty-one percent (51%) of the Members of the Association. In no event shall any management agreement be for a term greater than five (5) years and said agreement shall provide for termination for cause on a minimum of ninety (90) days written notice.

D. Services. The Board shall have the power to provide for and engage the services of others for the maintenance, protection and preservation of Association Property and the Common Areas, including grounds keepers, painters, plumbers and such other maintenance personnel, as the nature and character of such common area may require, and including any such necessary personnel as the nature and character of any recreational facilities within such Association Property or Common Area may require; provided, however, that no contract for such services shall be for a duration of more than one (1) year, except with the approval of a majority of the Members of the Association, and in no event for a term greater than three (3) years. Said contract shall provide for termination for cause on a maximum of ninety (90) days written notice.

E. Utilities. The Board shall have the power to contract, use and pay for utility services to the Association Property and Common Area and their facilities.

F. Other Property. The Board shall have the power to acquire and hold, as trustee for the benefit of its Members, tangible and intangible personal property and to dispose of the same by sale or otherwise.

G. Mergers. The Association shall have the power, to the extent permitted by law, to participate in mergers and consolidations with other non-profit corporations organized for the same purposes as the Association, provided that any such merger or consolidation shall have the approval by affirmative vote or written consent of the Board of Directors as ratified by a majority of the Members at the next succeeding annual meeting.

H. Dedication. The Association shall have the power to dedicate any of its property to an appropriate public authority for public use, provided that any such dedication shall have the approval of a majority of the Class A members and a majority of the Class B members, and such dedication is subject to the existing easements and rights of use of all of the Members of the Association.

I. Delegation. The Board may delegate any of its powers to any such committees, officers or employees as it deems necessary and proper.

J. Construction on Association Property. The Association shall have the power to construct new Improvements or additions to Association Property, or demolish existing Association



Property or Improvements, subject to the approval of the Architectural Committee as is required in this Declaration.

K. Conveyances. To grant and convey to any person real property and interests therein, including fee title, leasehold estates, easements, rights of way, mortgages and deeds of trust, out of, in, on, over or under any Association Property for the purpose of constructing, erecting, operating or maintaining thereon, therein or thereunder:

- (1) Parks, parkways, or other recreational facilities;
- (2) Roads, streets, walks, driveways, trails, and paths;
- (3) Taxiways, runways, and all airport facilities;
- (4) Lines, cables, wires, conduits, pipelines or other devices for utility purposes;
- (5) Sewers, water systems, storm water drainage systems, sprinkler systems, and pipelines; and
- (6) Any similar public, quasi-public, or private improvements or facilities.

Nothing above contained, however, shall be construed to permit use or occupancy of any land, Improvement or other facility in a way which would violate applicable zoning or use and occupancy restrictions imposed thereon by other provisions of this Declaration.

L. Legal and Accounting Services. To retain and pay for legal and accounting services necessary or proper in the operation of the Association, the operation and management of its Property, the enforcement of the Dayton Valley Airpark Estates Restrictions, or in the performance of any other duty, right, power or authority of the Association.

M. Association Property Services. To pay for water, sewer, garbage removal, electricity, telephone, gas, snow removal, landscaping, gardening, and all other utilities, services and maintenance for property owned by or leased to the Association.

N. Other Areas. To maintain and repair easements, roads, roadways, rights of way, parks, parkways, median strips, sidewalks (if any), paths, trails, ponds, lakes, entry details, guardhouses, taxiways, runways, and other areas of the Project whether owned by or leased to the Association, and to contribute toward the cost of operation and maintenance of private roads and any other Improvements or other facilities owned by Subassociations in the Project but used in part by Persons who are Members of the Association but not Members of the Subassociation, subject to an agreement reached between the Association and the Subassociation. The Association is not obligated to come to



any agreement and is not obligated to contribute to any Subassociation.

O. Recreational Facilities. To own and operate any and all types of facilities for both active and passive recreation, both on and off the Project, including, but not limited to: tennis courts and related facilities; swimming pools; picnic areas; parks and playgrounds; and other similar and dissimilar recreational facilities.

P. Other Services and Properties. To obtain and pay for any other property and services, and to pay any other taxes or assessments which the Association or the Board is required to secure or to pay for pursuant to applicable law, the terms of the Dayton Valley Airpark Estates Restrictions, this Declaration, or the Articles or Bylaws of the Association.

Q. Contracts. To enter into contracts with Declarant and with Major Developers, and other Persons on such terms and provisions as the Board shall determine, to operate and maintain any Common Area or recreational or other facility or area, or to provide any service or perform any function on behalf of Declarant, Major Developer or other Person. As to any such contract into which the Association may enter with another association, the Association may make, establish and promulgate, and in its discretion may amend or repeal and reenact, rules of the kind described in Section 3.10 with respect to another association's property.

R. Permits and Licenses. To obtain and hold any and all types of permits and licenses, and to operate a bar, lounge and/or restaurants.

S. Real and Personal Property. To acquire and own and to dispose of all manner of real and personal property, whether by grant, lease, gift or otherwise.

T. Favorable Tax Treatment. If it shall ever be ruled or held that favorable tax treatment under the Internal Revenue Code is unavailable to the Association because of one or more rights, powers, duties, obligations or functions given to the Association by the Declaration, the Association may create a subsidiary or other association to perform the rights, powers, duties, obligations or functions which prevent the obtaining of the favorable tax treatment; or, alternatively, the Association may retain the rights, powers, duties, obligations and functions which prevent the obtaining of the favorable tax treatment and transfer some or all of its other rights, powers, duties, obligations and functions to such subsidiary or other association.

### 3.07 Indemnification.

A. Third Party Actions. The Association may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that he or she is or was a director, officer, committee member,



volunteer, employee, servant or agent of the Association against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith or in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, or, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

B. Derivative Actions. The Association may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a director, officer, committee member, volunteer, employee, servant or agent of the Association, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action, proceeding or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association unless and only to the extent that the court in which such action, proceeding or suit was brought shall determine upon application that, despite the adjudication of liability and in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

C. Determination. Any indemnification which the Association has elected to provide under paragraph A or B of this Section 3.07 (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the officer, director, committee member, volunteer, employee, servant or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in paragraph A or B of this Section 3.07. Such determination shall be made (a) by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable, or even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion; provided, however, that if a director, officer, committee member, volunteer, employee, servant or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in paragraph A or B of this Section 3.07, or in defense of any claim, issue or matter therein, then, to the extent that the Association has elected to provide indemnification, he shall automatically be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith without the necessity of any such determination that he has met the applicable standard of conduct set forth in paragraph A or B of this Section 3.07.





D. Payment in Advance. Expenses incurred in defending a civil or criminal action, suit or proceeding may, in the discretion of the Board, be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board as provided in paragraph C of this Section 3.07 upon receipt of an undertaking by or on behalf of the director, officer, committee member, volunteer, employee, servant or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Section 3.07.

E. Insurance. The Board may purchase and maintain insurance on behalf of any person who is or was a director, officer, committee member, volunteer, employee, servant, or agent of the Association, against any liability asserted against him or incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability hereunder or otherwise.

F. Other Coverage. The indemnification provided by this Section 3.07 shall not be deemed exclusive of any other rights to which anyone seeking indemnification may be entitled under this Declaration, agreement, vote of the Members, vote of disinterested directors, Nevada law, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and may continue as to a person who has ceased to be a director, officer, committee member, volunteer, employee, servant or agent and may inure to the benefit of the heirs and personal representatives of such a person.

3.08 Assessment Benefitting Specific Areas. The Association shall also have authority to levy assessments against specific local areas and Improvements to be expended for the benefit of the properties so assessed. The assessments levied under this Section 3.08 shall be levied in proportion to the benefits conferred or to be conferred, as determined by the Board, and therefore the amount levied against each parcel of land or Improvement need not be equal. Any such assessments shall constitute a lien on the properties so assessed and such liens shall be enforced in the same manner and to the same extent as is provided in Article XI of this Declaration for regular and special Assessments.

3.09 Diseased Trees. The Association may enter upon any part of the Project at any time to inspect for, prevent and control diseased trees and other plant life and insect infestation of trees and other plant life. If any diseased or insect infested trees or other plant life are found, the Association may spray, remove diseased trees and other plant life, and take such other remedial measures as it deems expedient. The cost thereof applicable to privately owned property may be levied by the Association as a specific assessment against such property pursuant to Section 3.08 hereof.

### 3.10 Rules.

A. Rulemaking Power. The Board may, from time to time and subject to the provisions of this Declaration, propose, enact and amend rules and regulations to be known as the "Dayton Valley Airpark Estates Rules". Any rules which relate to the management, operation and control of the



Association or the Common Area, common facilities or interests shall become effective and binding on all Owners only after adoption by the Board. Such rules may concern, but need not be limited to: matters pertaining to use of the Common Area and Recreation and Open Space; signs; collection and disposal of refuse; minimum standards of maintenance of property; parking and traffic restrictions; limitations on 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; and any other subject or matter within the jurisdiction of the Association as provided in this Declaration. Said rules may restrict and govern the use of Common Area by any Members, by the family of such Member or by any invitee, licensee or lessee of such Member. Declarant has retained the right, to establish rules relating to the use of that portion of the Common Area and Recreation and Open Space owned by it, and the Association may incorporate such rules in its Rules. The right of an Owner or the Board to enforce the Dayton Valley Airpark Estates Rules is limited to those Owners that are subject to this Declaration.

B. Notification of Rules. A copy of the Rules, as they may be from time to time adopted, amended or repealed, shall be mailed or otherwise delivered to each Member and may be recorded. The recordation of said Rules shall have the same force and effect as if they were set forth in and were a part of this Declaration. No Rules may be adopted which materially detriment the rights, preferences, or privileges of any Owner as specifically set forth herein. It is not necessary to record the rules and if the Rules are not recorded, they still shall be fully enforceable to the extent that such Rules do not materially adversely affect any of the rights of any party under this Declaration.

3.11 Breach of Rules or Restrictions. In the event of a breach of any Rule or of any of the Restrictions contained in this Declaration by an Owner, his family, guests, employees, invitees, licensees or tenants, the Board, for and on behalf of itself and all other Owners, shall enforce the obligations of each Owner to obey such Rules or Restrictions in any manner provided by law or in equity, including, but not limited to, appropriate hiring of legal counsel, the pursuing of legal action, or suspension of the Owner's right to use the facilities of the Common Area or suspension of the Owner's voting rights, provided, however, such suspension may not be for a period in excess of thirty (30) days, after notice and hearing as herein provided, for an infraction of such Rules. In addition to the other remedies herein set forth, including without limitation, assessing the cost of repair of any damage resulting from an infraction of the Rules, the Board, by majority vote, may levy a fine against such Owner, after appropriate notice and hearing as herein provided, in an amount not to exceed an amount equal to six (6) months of the assessments made under Section 11.03 for each such violation and the payment of such fine may be enforced in the same manner as set forth in Section 11.08 hereof. Prior to imposing any penalty provided herein for breach of any rules enacted hereunder or of the Restrictions contained in this Declaration, the Board shall send written notice to the Owner specifying the nature of the infraction and shall provide an opportunity to the Owner for a hearing before the Board regarding such infraction and the penalty to be imposed. In the event that the Board determines that said infraction has occurred and that a penalty shall be imposed, after a reasonable opportunity for a hearing has been provided, the determination of the Board shall be final. In the event legal counsel is retained or legal action is instituted by the Board pursuant to this paragraph, any settlement prior to judgment or any judgment rendered in



any such action shall include costs of collection, court costs, and reasonable attorneys' fees.

3.12 Liability of Members of Board. No Member of the Board shall be personally liable to any of the other Board Members, to the Members or to any other person, including Declarant, for any error or omission of the Association, its representatives and employees, or the Architectural Committee, provided that such Board Member has, upon the basis of such information as may be possessed by him, acted in good faith.

3.13 Amendment. The provisions of Sections 3.01, 3.02 and 3.03 shall not be amended without the vote or written consent of a majority of all of the total votes of the Association. The provisions of Section 3.03A(3) may not be deleted or amended without approval of a majority of the Class A Members.

3.14 Eldorado Lakes Master Association. The Eldorado Lakes Master Association does not exist and has been permanently revoked by the Secretary of State of the State of Nevada. The Eldorado Lakes Master Association shall have no relationship of any kind with the Association and the Association shall not have any obligations of any kind with respect to any such entity previously referred to as Eldorado Lakes Master Association.

#### ARTICLE IV

#### DEVELOPMENT OF DAYTON VALLEY AIRPARK ESTATES - ANNEXATION

4.01 Subdivision and Development by Declarant. Declarant intends to phase the Project into several phases, to develop some of the said areas and, at Declarant's option, to dedicate some of the said areas as Common Areas, Recreation and Open Space, or for other purposes for the benefit of the developed areas, in accordance with the overall Master Plan. It is contemplated that the Project will be developed pursuant to such Project master plan, as it may from time to time be amended or modified, as a unified planned development district in which the development of, and restrictions upon, each portion thereof will benefit each other portion and the whole thereof. As each area is developed or dedicated, Declarant, or if the area is owned by a Major Developer, Declarant and such Major Developer, may record one or more Supplemental Declarations with respect thereto which will refer to the Declaration and designate the use classification, and which may supplement the Declaration with such additional covenants, conditions and restrictions as Declarant or Declarant and such Major Developer may deem appropriate for that area. Such Supplemental Declaration may, but need not, provide for the establishment of a Subassociation to be comprised of Owners within the area subject thereto. Any Supplemental Declaration may provide its own procedure for the amendment of any provisions thereof, as, for example, by a specified vote of only the Owners of some of the property within the area subject thereto. All lands, Improvements and uses in each area to be developed shall be subject to both this Declaration and the Supplemental Declaration, if any, for that area.



4.02 Annexation. Declarant, and other Persons with Declarant's written consent, may at any time and from time to time add to the lands which are subject to this Declaration. Except as provided in paragraph D of this Section 4.02, upon the recording of a Notice of Addition of Land containing the provisions set forth below in this Section 4.02 (which Notice may be contained within any Supplemental Declaration affecting such land), the covenants, conditions and restrictions contained in this Declaration shall apply to the added land in the same manner as if it had been originally subject to this Declaration; and thereafter, except as provided in paragraph D of this Section 4.02, the rights, privileges, duties and liabilities of the Persons subject to this Declaration shall be the same with respect to the added land as with respect to the lands originally covered by this Declaration.

The Notice of Addition of Land referred to hereinabove shall contain the following provisions:

- A. A reference to this Declaration, which reference shall state the date of recordation hereof and the book and page numbers wherein this Declaration is recorded;
- B. A statement that the provisions of this Declaration shall apply to the added land as set forth herein;
- C. An adequate legal description of the added land; and
- D. Declarant's written consent if the added land is not then owned by Declarant. As part of such written consent Declarant may agree with the Person who owns such land as to the terms and conditions upon which Declarant will exercise its rights and duties, as Declarant under this Declaration, with respect to such added land. Such terms and conditions may provide for joint exercise, as to such added land, of Declarant's said rights and duties.

4.03 (Intentionally Omitted).

4.04 Lands Owned by Major Developer. If an area has been sold to a Major Developer, any Supplemental Declaration with respect thereto shall be executed by both Declarant and such Major Developer.

**ARTICLE V**

**GENERAL RESTRICTIONS**

All real property within the Project shall be owned, held, conveyed, encumbered, leased, used, occupied and enjoyed subject to the following limitations and restrictions:

5.01 Antennas. Except for any which may, at Declarant's option, be erected by Declarant or Declarant's designated representative, no exterior radio or television antenna or aerial shall be erected or



maintained in the Project without the prior written approval of the Architectural Committee.

5.02 Insurance Rates. Nothing shall be done or kept in the Project which will increase the rate of insurance on any Association Property without the approval of the Board, nor shall anything be done or kept in the Project which would result in the cancellation of insurance on any Association Property or which would be in violation of any law.

5.03 No Further Subdividing. No Lot, Common Area, or Commercial Site shall be further divided or subdivided, nor may any easement or other interest therein less than the whole be conveyed by the Owner thereof (including any Subassociation) without the prior written approval of the Architectural Committee; provided, however, that when Declarant is the Owner thereof, Declarant may further divide and subdivide any Lot, Common Area, or Commercial Site and convey any easement or other interest less than the whole, all without the approval of the Architectural Committee; and provided, further, that nothing herein shall be deemed to require the approval of the Architectural Committee for the transfer or sale of any Lot or Commercial Site, including Improvements thereon, to more than one person to be held by them as tenants in common or joint tenants, or for the granting of any mortgage or deed of trust.

5.04 Signs. No sign of any kind shall be displayed to the public view without the approval of the Architectural Committee except such signs as may be required by legal proceedings. No flashing or moving signs shall be permitted on the Project. All signage shall be of an architectural style in harmony with the overall Project.

5.05 Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate upon any property within the Project and no odors shall be permitted to arise therefrom so as to render any such property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property or to its occupants. No noise or other nuisance shall be permitted to exist or operate upon any such property so as to be offensive or detrimental to any other property or to its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes) shall be located, used or placed on any such property without the prior written approval of the Board.

5.06 Repair of Building. No Improvement hereafter constructed upon any land within the Project shall be permitted to fall into disrepair, and each such Improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished by the Owner (including any Subassociation) thereof.

5.07 Improvements and Alterations. There shall be no construction other than repairs pursuant to Section 5.06 above, excavation, alteration which in any way alters the exterior appearance of any Improvement, or removal of any Improvement without the prior approval of the Architectural Committee.



5.08 Violation of Dayton Valley Airpark Estates Rules. There shall be no violation of the Dayton Valley Airpark Estates Rules once adopted by the Board and made available to the Persons affected thereby. If any Owner or his family or any guest, licensee, lessee or invitee of such Owner or his family violates the Dayton Valley Airpark Estates Rules, the Board may invoke any one or more of the following remedies, (a) impose a special charge upon such Owner of not more than Fifty Dollars (\$50.00) for each violation; (b) suspend the right of such Owner and his family, guests, licensees, lessees and invitees to use Association Property under such conditions as the Board may specify, for a period not to exceed thirty (30) days for each violation; (c) cause the violation to be cured and charge the cost thereof to such Owner; and (d) obtain injunctive relief against the continuance of such violation. Before invoking any such remedy, the Board shall give such Owner Notice and Hearing except that the Board may suspend the right of any Owner and his family, guests, licensees, lessees and invitees without Notice and Hearing for any period during which any Assessment owed by such Owner is past due and unpaid. Any assessment or charge imposed under this Section 5.08 which remains unpaid for a period of ten (10) days or more shall become a lien upon the Owner's land upon its inclusion in a recorded notice thereof and may be collected as provided in Article XI below for the collection of other Assessments.

5.09 Drainage. There shall be no interference with the established drainage patterns over any property within the Project, except by Declarant, unless adequate provision is made for proper drainage and approved by the Architectural Committee.

5.10 No Hazardous Activities. No activities shall be conducted on any property and no Improvements constructed on any property which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any property, and no flammable materials of any type may be stored or kept in any non-endorsed area within the Project.

5.11 No Temporary Structures. No tent or shack or other temporary building, Improvement or structure shall be placed upon any property, except that temporary structures necessary for storage of tools and equipment and for office space for architects, builders, and foremen during actual construction may be maintained with the prior approval of Declarant or Architectural Committee, such approval to include the nature, size and location of such structure.

5.12 No Mining and Drilling. No property shall be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing water, oil, gas or other hydrocarbons, minerals of any kind, rocks, stones, sand, gravel, aggregate or earth, except that Declarant or the Association may, by appropriate written permit, grant, license or easement, allow the drilling of wells and the installation of infiltration galleries for the extraction of water; and except that Declarant or the Association may, by appropriate written permit, grant, license or easement, allow any of the foregoing activities to the extent permitted by applicable zoning.

5.13 Vehicles. The use of all vehicles, including but not limited to airplanes, helicopters,



gliders, trucks, automobiles, graders, tractors, recreational vehicles, bicycles, motorcycles and motor scooters shall be subject to the Dayton Valley Airpark Estates Rules, which may prohibit or limit the use thereof within specified parts of Dayton Valley Airpark Estates, and which may also provide parking regulations and adopt other rules regulating the same.

5.14 Construction Activities. This Declaration shall not be construed so as to unreasonably interfere with or prevent normal construction activities during the construction or Improvements by any Owner (including Declarant) upon property within the Project; provided that when completed such Improvements shall in all ways conform to this Declaration. Specifically, no such construction activities shall be deemed to constitute a nuisance or a violation of this Declaration by reason of noise, dust, presence of vehicles or construction machinery, posting of signs or similar activities; provided that such construction is pursued to *completion with reasonable diligence*, is in compliance with applicable federal, state and local laws and ordinances and any rules and regulations adopted pursuant thereto, and conforms to usual construction practices in the area. In the event of any dispute, a temporary waiver of the applicable provision, including but not limited to any provision prohibiting temporary structures, may be granted by the Architectural Committee, provided that such waiver shall be only for the reasonable period of such construction. Such waiver may, but need not, be recorded or in recordable form.

5.15 Exemption of Declarant. Notwithstanding anything in this Declaration to the contrary, neither Declarant nor any of Declarant's activities shall in any way be subject to the control of or under the jurisdiction of the Architectural Committee. Without in any way limiting the generality of the preceding sentence, this Declaration shall not prevent or limit the right of Declarant to excavate and grade, to construct and alter drainage patterns and facilities, to construct any and all other types of Improvements, to maintain model homes and construction, sales and leasing offices and similar facilities, and to post signs incidental to construction, sales and leasing, all anywhere on the Project. Each Affiliate of Declarant shall have the same rights under this Section 5.15 as Declarant has under this Section 5.15.

5.16 Assignment by Declarant. Any other provision of this Declaration to the contrary notwithstanding, Declarant may assign in whole or in part any of its privileges, exemptions, rights and duties under this Declaration to any other Person and may permit the participation in whole or in part by any other Person in any of its privileges, exemptions, rights and duties hereunder. Without in any way limiting the generality of the preceding sentence, Declarant may exempt any other Person from the control and jurisdiction of the Architectural Committee.

5.17 Building Permits. Building permits for any structures on property which is the subject of this Declaration, shall only be issued in accordance with the Lyon County Code.

5.18 Easement of Airspace. Declarant hereby reserves an easement in favor of the Association of all rights to the airspace over thirty-five (35) feet above the ground level in the residential airpark lots.



5.19 Fences. No Lot shall be required to have any fencing. If the Owner of a Lot desires to have a fence on the Lot, the Owner shall be required to cause the fence to conform to the standards for fencing which are approved by the Architectural Committee. Any fencing along any Lot adjacent to the Airport shall be four (4) feet in height, shall consist of black wrought iron and shall otherwise conform to the standards which are approved by the Architectural Committee for such fencing. Before an Owner of a Lot installs any fencing on the Lot, the Owner must obtain the approval of the Architectural Committee.

## ARTICLE VI

### PERMITTED USES AND RESTRICTIONS - RESIDENTIAL AREAS

6.01 Residential Areas. All property within any residential area (excluding any Recreation and Open Space in such residential area) shall be improved and used solely for residential use; except that any Common Area in such residential area may be improved and used for active and passive recreational purposes for the primary benefit of the Owners and occupants of Lots in such residential area; and except that, as to any specific area, Declarant (or the Board if delegated by Declarant) may, in its sole and absolute discretion, permit other Improvements and uses consistent with the zoning then in effect for such specific area by so providing in a Supplemental Declaration recorded with respect to such specific area. Any Supplemental Declaration recorded for a residential area shall designate such area to be a single-family residential area, and may further designate such residential use for that area to be attached or detached single-family residences or any combination thereof in the case of a single-family residential area.

6.02 Improvements and Use. Except as provided in Section 6.01 hereof, no Lot shall be improved or used except by a dwelling or structure designed to accommodate no more than a Single Family plus a garage, Hangar, Hanger Pad or Tie Down, fencing and such other Improvements as are necessary or customarily incident to a Single-Family residence; provided, however, that separate guest houses, and servants' quarters may be erected on any Lot if permitted by the applicable zoning.

6.03 Residential Use; Rentals. No residence on any Lot shall be used for any purpose other than Single-Family Residential Use. However, nothing in this Declaration shall prevent the rental of property within a residential area by the Owner thereof for residential purposes, on either a short or long-term basis subject to all the provisions of this Declaration provided, however, (1) that the Owner shall notify the Association that the unit is being rented and (2) that the Owner shall inform the tenant of the Dayton Valley Airpark Estates Restrictions, the Dayton Valley Airpark Estates Rules and the Airport Rules and Regulations. No commune, co-operative, time share or similar type living arrangement shall be permitted anywhere in the Project.

6.04 Animals. No kennel or other facility for raising or boarding dogs or other animals for commercial purposes shall be kept on any Lot. No animals of any kind shall be raised, bred or kept on





any Lot except dogs, cats or other ordinary household pets. No poultry may be kept on any Lot.

6.05 Unsightly Articles. No unsightly article shall be permitted to remain on any Lot so as to be Visible from Neighboring Property or public or private thoroughfares. Without limiting the generality of the foregoing, trailers, motor homes, recreational vehicles, graders, trucks other than pickups, boats, tractors, campers, wagons, buses, motorcycles, motor scooters, and garden and maintenance equipment shall be kept at all times, except when in actual use, in an enclosed structure or screened so as not to be Visible from Neighboring Property and no repair or maintenance work shall be done on any of the foregoing, or on any automobile, other than minor emergency repairs, except so as not to be Visible from Neighboring Property. Refuse, garbage and trash shall be kept at all times in a covered container and any such container shall be kept within an area so as not to be Visible from Neighboring Property. All owners must subscribe to a garbage collection service when the same is available to the Project. Service areas, storage areas, and compost piles shall be appropriately screened from view; no lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials or scrap or refuse or trash shall be kept, stored or allowed to accumulate on any property except within an enclosed structure or kept so as not to be Visible from Neighboring Property; liquid propane gas, oil and other exterior tanks shall be kept within an enclosed structure or appropriately screened from view.

6.06 Parking Restrictions; Use of Garage. Unless otherwise permitted by this paragraph or by the Board, no automobile or motorcycle shall be parked or left within the Project other than within a garage, carport, or parking stall or space approved by the Board. A maximum of two (2) automobiles (including pickup trucks) per Airpark Lot may be parked outside on a paved surface if such vehicles are appropriately licensed, operational and driven on a regular basis. No Owner shall use any Common Area designated as "guest parking" for any purpose other than for parking of guests' vehicles. No boat, trailer, recreational vehicle, camper, truck other than a pickup, or commercial vehicle shall be parked or left within Area A of the Project other than in an enclosed structure or screened by a fence or wall six (6) feet in height or in a parking area designated by the Board for the parking and storage of such vehicles and on such terms as the Board may designate, including the charging of fees. No boat, trailer, recreational vehicle, camper, truck other than a pickup, or commercial vehicle shall be parked or left within any area of the Project except Area A other than in an enclosed structure or screened by a fence or wall so as not to be Visible from Neighboring Property or in a parking area designated by the Board for the parking and storage of such vehicles and on such terms as the Board may designate, including the charging of fees. However, parking by commercial vehicles for the purpose of making deliveries shall be permitted in accordance with the Rules and Regulations. Any garages or airplane hangars shall be used for parking automobiles, airplanes or other vehicles, only, and shall not be converted for living, recreational activities or commercial purposes.

6.07 Restricted Use of Recreational Vehicles, Etc. No boat, truck, trailer, camper, recreational vehicle, or tent shall be used as a living area while parked or located on the Project.

6.08 Maintenance of Lawns, Plantings and Landscape. Each Owner shall keep all shrubs,



trees, grass, plantings and other landscaping on his Lot (including, without limitation, the portions of his Lot which are subject to any aircraft taxiway easement) neatly trimmed, properly cultivated and free from trash, weeds and other unsightly material. No trees, fencing or walls shall be permitted within the portions of any Lot which are subject to any aircraft taxiway easement. No bark, wood chips, light gravel or other landscaping materials shall be permitted within the portions of any Lot subject to any aircraft taxiway easement which may be blown by ambient or aircraft generated wind and cause a safety hazard by reason of aircraft being operated in the area, as determined by the Architectural Committee. No shrubs or other landscaping shall be permitted within the portions of a Lot which are subject to any aircraft taxiway easement which are more than one (1) foot in height, or such lower height that the Architectural Committee determines that such shrubs and other landscaping should be limited to in order to promote the safe operation of aircraft by reason of the topography of the Lot and/or of the adjoining aircraft taxiway. The Owner of each Lot shall keep all shrubs and other landscaping within any aircraft taxiway easement on the Lot trimmed so that such shrubs and other landscaping are not more than the height permitted by the foregoing provisions of this paragraph.

6.09 Fueling of Aircraft in Residential Areas Prohibited. Fueling of aircraft in any portion of the residential area airpark lots or except as provided in 7.09 below is expressly prohibited. Storage of aircraft fuel in any portion of the Project is expressly prohibited, except this restriction shall not apply to Declarant or to the Association or to a designated agent engaged by the Declarant or the Association to provide aircraft fuel services to the Project.

## ARTICLE VII

### PERMITTED USES AND RESTRICTIONS - AIRPORT FACILITIES AND AIRPARK

#### LOTS

7.01 Taxiways and Runways. Owners' use of the Airport taxiways and runways will be strictly governed by the Use Agreement, and the applicable federal regulations governing air traffic. Owners' use of the Airpark taxiways will be strictly governed by this Declaration, the Dayton Valley Airpark Estates Rules and Regulations and the applicable federal regulations governing air traffic. All Airpark taxiways must be kept clear of obstructions. Unauthorized obstructions of the Airpark taxiways, including unattended aircraft, vehicles, animals and children, shall not be permitted. Airpark taxiways may not be used for parking or maintenance of aircraft or other vehicles, including washing or fueling operations.

7.02 Aircraft Parking Limit Lines. Unattended vehicles, including aircraft, automobiles, trucks, trailers, or other vehicles shall not be permitted to remain within 354 feet of the Airport runway centerline, within 64 feet of an Airport parallel taxiway centerline, within 54 feet of a runway access taxiway centerline, or within 35 feet of an Airpark taxiway centerline.



7.03 (Intentionally Omitted).

7.04 Airfield Obstructions. Natural or man-made-obstructions in violation of Federal Aviation Administration Standards shall not be allowed within the limits of the Project area. The generation of smoke or dust or other conditions which may cause a hazard to the airpark operations shall not be permitted in the Project area.

7.05 Traffic Control, Access to Airport. Traffic control and access to the airport shall be governed by the Use Agreement and the Rules and Regulations as the same may be amended from time to time by the Board and the Association.

7.06 Repairs. . No owner, occupant, or guest shall disassemble for overhaul or repair major increments of any vehicle or aircraft or its power plant on any Lot except within Hangars or garages. This restriction is not intended to preclude minor repairs or tune-up performed by an owner, occupant, or guest upon his own automobile or aircraft, but is intended to prohibit major repairs involving disassembly of parts which may remain for several days in unenclosed spaces such as drives, taxiways, Hangar Pads or Tie Downs. No repairs of any kind shall be performed commercially on automobiles or aircraft. No fuel, oil or equipment, parts, tools or other items for the repair, maintenance or use in connection with the operation of any vehicle or aircraft may be stored in an unenclosed area on any Lot.

7.07 Building Restrictions on "Airpark Lots". No buildings other than one detached single family private residence, a private garage for automobiles, or Hangar for the use of the occupants of such residence, and other usual and appropriate outbuildings, strictly incidental and appurtenant to a private residence shall be erected or maintained on any lot or plot in the Project, except the exceptions listed below.

7.08 Hangars, Hangar Pads and Tie Downs.

A. Subject to the provisions of this Section 7.08, (i) all Owners of Airpark Lots shall construct a Hangar on such Airpark Lot, which shall conform to the architecture of the single family dwelling on such Airpark Lot and be an integral part and portion thereof, and (ii) an aircraft shall not be parked or tied down on an Airpark Lot except within the confines of an approved Hangar.

B. All Hangar Pads and Tie Downs shall have appropriate facilities for tying down aircraft that are parked thereon to prevent such aircraft from damaging other property by being blown about by winds.

C. The design and location of Hangars, Hangar Pads and Tie Downs constructed by Declarant or any of Declarant's Affiliates within Dayton Valley Airpark Estates are not subject to the control or approval of the Architectural Committee provided for under this Declaration.



D. Declarant or any of Declarant's Affiliates may construct a residence with a Hangar Pad with appropriate utilities on any Airpark Lot within the area of the Dayton Valley Airpark Estates which is identified on Exhibit "B" hereto as the area where Hangars are not required for five (5) years after construction of homes ("Area A").

E. If Declarant or one of Declarant's Affiliates constructs a residence without a Hangar on any Airpark Lot within Area A, then, notwithstanding the foregoing provisions of subparagraph (a) of this Section 7.08, for a period not to exceed five (5) years following the date that Airpark Lot is first sold by Declarant or any Affiliate of Declarant, the Owner of such Airpark Lot may keep aircraft at such Airpark Lot without keeping such aircraft within a Hangar, provided that he keeps the aircraft on an approved Hangar Pad for the aircraft kept at such Airpark Lot. If the Owner does not complete construction of a Hangar within five (5) years following the date that the Airpark Lot is first sold, then, in addition to any other remedies that the Association may have with respect thereto, either at law or equity, the Owner of the Lot may not park any aircraft on such Airpark Lot until a Hangar is constructed on such Airpark Lot and a Certificate of Occupancy is issued for the use of such Hangar.

F. If Declarant or one or more of Declarant's Affiliates constructs a residence on an Airpark Lot within Area A with a Hangar Pad and provides to the purchaser of such Airpark Lot plans for a Hangar approved by Declarant or any Declarant Affiliate for such Airpark Lot, neither the design of such Hangar nor the location thereof on such Airpark Lot shall be subject to the control or approval of the Architectural Committee at the time that such Hangar is constructed if and to the extent that such Hangar is constructed substantially in accordance with the plans which are provided by Declarant or an Affiliate of Declarant with respect to such Airpark Lot at the time of its sale of such Airpark Lot. If Declarant or one or more of Declarant's Affiliates provides to the purchaser of such Lot plans for a Hangar approved by Declarant or any Declarant Affiliate for such Lot, such plans shall also be provided to the Architectural Committee.

I. Notwithstanding the foregoing provisions of this Section 7.08, an Owner of an Airpark Lot may use a paved area on the Lot, which is not within any easement for any aircraft taxiway, as a Tie Down for use as a temporary place to park and tie down an aircraft, such as for the temporary parking of a guest's aircraft or for the temporary parking of aircraft normally parked within a Hangar on the Lot to accommodate the cleaning, painting or repair of the interior of the Hangar or the use of the Hangar for parties, provided that the location of and improvements for such Tie Down are approved by the Architectural Committee and the use of such Tie Down complies with the Architectural Committee Rules and such other rules and regulations as may be adopted by the Association. In no case shall an aircraft be parked or tied down on a Tie Down on an Airpark Lot for more than fourteen (14) days within any ninety (90) day period.

J. Notwithstanding the foregoing provisions of this Section 7.08 or any other provision of this Declaration, the Owner of Parcel B, as set forth on that certain Subdivision Map for Airpark Estates Unit 4A, recorded in the Official Records of Lyon County, Nevada, on July 28, 2004 as Document



Number 326923, may develop and use said Parcel B for the parking of aircraft, without constructing Hangars or Hangar Pads thereon for such use, and such Owner may cause Tie Downs to be constructed on such Parcel B to serve as parking places and tie downs for aircraft provided such Tie Downs shall have appropriate facilities for tying down aircraft that are parked thereon to prevent such aircraft from damaging other property by being blown about by winds.

7.09 Fueling of Aircraft. Aircraft shall only be fueled in those areas of the airport facility as designated in the Dayton Valley Airpark Rules and Regulations as they may change from time to time.

7.10 Easement for Safety Zones. Declarant hereby reserves an easement over, under and across the rear 35 to 70 feet on those lots which adjoin aircraft taxiways, as the easement area is shown on the recorded map for Dayton Valley Airpark Estates, recorded as Document No. 129581, Official Records, Lyon County, Nevada, and additional area as may be annexed in accordance with the Declaration and Nevada law. This easement shall extend from the centerline of the aircraft taxiways to 35 to 39.5 feet, in varying distances, within the airpark lots which adjoin the aircraft taxiways.

7.11 (Intentionally Omitted).

7.12 Air Traffic Not a Nuisance. The operation of aircraft within the Project in accordance with this Declaration shall not be deemed a nuisance by any Owner. The Project is located adjacent to the Airport and the normal operation of the Airport will generate low flying air traffic over the Project, which shall not be deemed a nuisance by any Owner.

## **ARTICLE VIII**

### **PERMITTED USES AND RESTRICTIONS - OTHER AREAS**

8.01 Common Areas and Open Space Areas. Any other provision of this Declaration to the contrary notwithstanding, no land within any Common Area and Open Space area may be improved by any Improvement, used or occupied except in such manner as shall have been approved by Declarant in its sole and absolute discretion. Such required approval shall extend to the nature and type of use, occupancy, and Improvement, and may be given by recorded Supplemental Declaration. Declarant may delegate its right to grant such approvals to the Board. No approval shall be granted which would be in contravention of the zoning then in effect for the area in question.

## **ARTICLE IX**

### **ASSOCIATION PROPERTY**

9.01 Use. Each Member of the Association who resides in Dayton Valley Airpark Estates and the members of his family who reside with him, and each lessee of a Lot shall be entitled to use the



Property of the Association, subject to:

A. The provisions of the Dayton Valley Airpark Estates Restrictions, and each person who uses any Property of the Association, in using the same, shall be deemed to have agreed to comply therewith;

B. The right of the Association to charge reasonable dues and use and other fees for those facilities or amenities for which fees are normally charged or assessed;

C. The right of the Association to suspend the rights to the use of any Property of the Association by any Member or lessee and their respective families, guests and invitees for any period during which any Assessment against the Member's property remains past due and unpaid; and, after Notice and Hearing by the Board, the right of the Association to invoke any remedy set forth above in Section 5.08 for any other infraction of the Dayton Valley Airpark Estates Restrictions;

D. The right of the Association to require that security deposits be made and deposited with the Association to secure all sums, and to guarantee performance of all duties, due and owing or to become due and owing to the Association;

E. The right of the Association to allow the general public, or certain segments thereof, to use any Association Property, and in the discretion of the Board, to charge use or other fees therefor subject to subparagraph B above provided that the Association may not charge fees for access to public-type parks and sport fields;

F. Such rights to use Association Property as may have been granted by the Association to others; and

G. Such covenants, conditions, and restrictions as may have been imposed by the Association or prior owners on Association Property.

9.02 Easement of Enjoyment. Every Member of the Association shall have a right and easement of enjoyment in and to the Common Area, subject to this Declaration as it may be amended from time to time and to any restrictions or limitations contained in any deed conveying such property to the Association. Any Owner may delegate his or her right of enjoyment to the members of his or her family, tenants, members and social invitees, as applicable, subject to reasonable regulation by the Board and in accordance with procedures it may adopt. An Owner who leases his or her Unit shall be deemed to have delegated all such rights to the Unit's lessee.

Access to the airport facilities within or adjacent to the Properties is strictly subject to the rules and procedures established by the respective owners of the airport facilities. No Owner or occupant gains any right to enter or to use those facilities by virtue of ownership or occupancy of a Lot or Unit.



9.03 Damages. Each Member and lessee described above in Section 9.02 shall be liable to the Association for any damage to Property of the Association which may be sustained by reason of the negligent or intentional misconduct of such person or of his family, guests or invitees. If the property, the ownership or leasing of which entitles the Owner or lessee thereof to use Association Property, is owned or leased jointly or in common, the liability of all such joint or common Owners or lessees shall be joint and several. The amount of such damage may be assessed against such person's real and personal property on or within the Project, including the leasehold estate of any lessee, and may be collected as provided in Article XI below for the collection of Assessments.

9.04 Damage and Destruction. In the case of destruction of or damage to Association Property by fire or other casualty:

A. Reconstruction - Minor. If the insurance proceeds do not exceed the sum of \$100,000 and the cost of repairing or rebuilding does not exceed the amount of the available insurance proceeds by more than \$25,000, such insurance proceeds shall be paid to the Association, which thereupon shall contract to repair or rebuild the Association Property so damaged; and if the insurance proceeds are insufficient to pay all of the costs of repairing or rebuilding the damage, the Association may levy a special Assessment to make good any deficiency.

B. Reconstruction - Major. If the insurance proceeds exceed \$100,000 or the cost of repairing or rebuilding exceeds the available insurance proceeds by more than \$25,000, then:

(1) The insurance proceeds shall be paid to such bank or trust company as may be designated by the Board, to be held in separate trust for the benefit of the Members, as their respective interests shall appear. The Association is authorized to enter, on behalf of the Members, into an agreement with such insurance trustee relating to its powers, duties and compensation, on such terms as the Board may approve consistent herewith.

(2) The Association shall obtain firm bids from two or more responsible contractors to repair and rebuild any or all portions of the Association Property and shall call a special meeting of the Members to consider such bids. At such special meeting, the Members may by three-fourths of the vote cast at such meeting elect to reject such bids and thus not to rebuild. Failure to thus reject such bids shall be deemed acceptance of such bid as may be selected by the Board. If a bid is accepted, the Association may levy special Assessments on the Members to make up the deficiency between the total insurance proceeds and the contract price of repairing or rebuilding the Association Property and such Assessments and all insurance proceeds shall be paid to said insurance trustee to be used for such rebuilding. Such Assessments may be made due on such dates as the Association may designate, and the Association may borrow money to pay the aforesaid deficiency and may secure such borrowing by an assignment of its right to collect such Assessments, by a pledge or mortgage on any personal property owned by the Association or held by it in trust for the Members, or by a mortgage or deed of trust on the facility to be rebuilt or on any other real property owned by the Association. If the Members elect



not to rebuild, the proceeds, after payment for demolition of damaged structures and cleanup of the premises, shall be retained by the Association for use in performing its functions under the Dayton Valley Airpark Estates Restrictions.

C. Decision Not to Reconstruct. If the Board determines not to rebuild any Property so destroyed or damaged, or to build facilities substantially different from those which were destroyed or damaged, it shall call a special meeting of the Members to consider such decision. If the Members, by three-fourths of the votes cast at such meeting, elect to ratify such decision, the Board shall act accordingly; but if the Members do not by such percentage elect to ratify such decision, the Board shall proceed to repair or rebuild the damaged or destroyed facility pursuant to paragraph A or B, as the case may be, of this Section 9.04.

## ARTICLE X

### ARCHITECTURAL COMMITTEE

10.01 Members of Committee. There shall be an Architectural Committee which shall consist of three Members or five Members. There shall also be two alternate Members, either of whom may be designated by the Committee to act as substitute on the Committee in the event of absence or disability of any Member. Each Member of the Committee shall hold office until such time as he has resigned or has been removed or his successor has been appointed, as provided herein. Members of the Committee may be removed at any time without cause.

10.02 Rights of Appointment. The Board shall have the right to appoint and remove all Members of the Architectural Committee, including alternates.

10.03 Review of Proposed Construction. Whenever in this Declaration or in any Supplemental Declaration the approval of the Architectural Committee is required, it shall have the right to consider all of the Plans and Specifications for the Improvement or proposal in question and all other facts which in its sole discretion are relevant. Except as provided in Sections 5.15 and 5.16 above, prior to commencement of any construction of any Improvement in the Project, the Plans and Specifications therefor shall be submitted to the Architectural Committee, and construction thereof may not commence unless and until the Committee has approved such Plans and Specifications in writing. The Committee shall consider and act upon any and all Plans and Specifications submitted for its approval pursuant to this Declaration, and perform such other duties assigned to it by this Declaration, or as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with Plans and Specifications approved by the Committee. The Committee shall approve Plans and Specifications submitted for its approval only if it deems that the construction, alterations, or additions contemplated thereby in the locations indicated will not be detrimental to the surrounding area or the Project as a whole, and that the appearance of any structure affected thereby will be in harmony with the surrounding structures. The Committee may condition its approval of Plans and Specifications





on such changes therein as it deems appropriate, and may require submission of additional Plans and Specifications or other information prior to approving or disapproving the material submitted. The Committee may also issue rules or *guidelines regarding anything relevant to its functions, including but not limited to minimum standards and procedures for the submission of Plans and Specifications for approval.* Such rules shall be known as the Architectural Committee Rules. The Committee may require a reasonable fee to accompany each application for approval. The Committee may *require such detail in Plans and Specifications submitted for its review and such other information as it deems proper, including without limitation, environmental impact statements.* Until receipt by the Committee of all required Plans and Specifications and other information, the Committee may postpone review of anything submitted for approval.

**10.04 Architectural Committee Rules.** The Architectural Committee shall from time to time and in its sole discretion adopt, amend and repeal by unanimous vote rules and regulations to be known as “Architectural Committee Rules” interpreting and implementing the provisions of this Declaration and setting forth fees to be charged and procedures and design and construction criteria to be followed in submitting proposals to the Committee. The Architectural Committee Rules shall comply with all applicable federal, state and local laws, regulations and ordinances. A copy of the Architectural Committee Rules as they may from time to time be adopted, amended or repealed, certified by any Member of the Architectural Committee, shall be maintained at the office of the Association and shall be available for inspection and copying by any Member at any reasonable time during the business hours of the Association. The following minimum standards and restrictions shall apply to any construction work performed on the Property:

A. No more than one (1) residential unit of not less than 2,000 square feet plus a minimum two- (2-) car garage shall be constructed on any Lot; however, if the size of the Lot permits, a single detached guest house for guests or domestic employees shall be considered as part of the same residential unit, but the main residential unit on such Lot shall still be required to contain not less than 2,000 square feet (exclusive of any square footage of the detached guest house).

B. All Improvements shall be site-built and shall be constructed in full compliance with all applicable zoning laws, building codes and other laws, ordinances and regulations applicable to the construction, use and occupancy of Improvements.

C. The placement of the Improvements on a Lot, the type of roofs, exterior materials and building shapes shall be established in such manner as to be determined reasonable in the sole discretion of the Architectural Committee.

D. All homes shall have a Hangar in accordance with Section 7.08 hereof. Included within the responsibilities and duties of the Architectural Committee will be the determination of siting for Hangar, Hangar Pad and Tie Down locations to minimize “prop wash” influence of aircraft on taxiways and adjoining properties. Subject to Section 5.15, the Architectural Committee shall have the authority



to establish minimum and maximum size requirements for Hangars.

10.05 Meetings of the Committee. The Committee shall meet from time to time as necessary to perform its duties hereunder, but such meetings shall be held at least annually on or about the first Tuesday in April of each year. The Committee may from time to time by resolution unanimously adopted in writing, designate one of its Members to take any action or perform any duties for and on behalf of the Committee, except (1) the adoption, amendment and repeal of the Architectural Committee Rules pursuant to Section 10.04 and (2) the granting of variances pursuant to Section 10.10. In the absence of such designation, the vote of a majority of all of the Members of the Committee, or the written consent of a majority of all of the Members of the Committee taken without a meeting, shall constitute an act of the Committee.

10.06 No Waiver of Future Approvals. The approval or consent of the Committee to any Plans or Specifications for any work done or proposed or in connection with any other matter requiring the approval or consent of the Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any Plans or Specifications or other matter whatsoever subsequently or additionally submitted for approval or consent by the same or a different Person.

10.07 Compensation of Members. The Members of the Committee shall be entitled to reasonable compensation from the Association for services rendered, together with reimbursement for expenses incurred by them in the performance of their duties hereunder. Such compensation shall be determined by Declarant while it has the right to approve or disapprove the Members of the Committee pursuant to Section 10.02 above and thereafter such compensation shall be determined by the Board.

10.08 Inspection of Work.

A. Completed Work. Inspection of completed work and correction of defects therein shall proceed as follows:

- (1) Upon the completion of any Improvement for which approved Plans or Specifications are required under this Declaration, the Owner shall give written notice of completion to the Committee.
- (2) Within such reasonable time as the Committee may set in its Rules but not to exceed fifteen (15) days thereafter, the Committee or its duly authorized representative may inspect such Improvement. If the Committee finds that such work was not done in strict compliance with all approved Plans and Specifications submitted or required to be submitted for its prior approval, it shall notify the Owner in writing of such noncompliance within such period, specifying in reasonable detail the particulars of noncompliance, and shall require the Owner to remedy the same.
- (3) If upon the expiration of thirty (30) days from the date of such notification the



Owner shall have failed to remedy such noncompliance, the Committee shall notify the Board in writing of such failure. Upon Notice and Hearing the Board shall issue a ruling determining whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If noncompliance exists, the Owner shall 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's ruling within such period, the Board, at its option, may either remove the noncomplying Improvement or remedy the noncompliance, 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 Special Assessment against such Owner and the Improvement in question and the land upon which the same is situated for reimbursement and the same shall constitute a lien upon such land and Improvement and be enforced as in this Declaration provided.

(4) If for any reason after receipt of said written notice of completion from the Owner, the Committee fails to notify the Owner of any noncompliance within the period provided above in subparagraph (2) of Section 10.08A the Improvement shall be deemed to be in accordance with said approved Plans and Specifications.

B. Work in Progress. The Committee may inspect all work in progress and give notice of noncompliance as provided above in subparagraph (2) of Section 10.08A. If the Owner denies that such noncompliance exists, the procedures set out in subparagraph (3) of Section 10.08A shall be followed, except that no further work shall be done, pending resolution of the dispute, which would hamper correction of the noncompliance if the Board should find that such noncompliance exists.

10.09 Nonliability of Committee Members. Neither the Committee nor any Member thereof nor the Board nor any Member thereof shall be liable to the Association or to any Owner or to any other Person for any loss, damage or injury arising out of or in any way connected with the performance of the Committee's or the Board's respective duties under this Declaration unless due to the willful misconduct or bad faith of the Committee or its Members or the Board or its Members, as the case may be. Except insofar as its duties may be extended with respect to a particular area by a Supplemental Declaration filed by Declarant or by Declarant and a Major Developer, as the case may be, the Committee shall review and approve or disapprove all Plans and Specifications submitted to it for any proposed Improvement, including the construction, alteration or addition thereof or thereto, solely on the basis of aesthetic considerations and the overall benefit or detriment which would result to the surrounding area and Dayton Valley Airpark Estates generally. The Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features, but shall not be responsible for reviewing, nor shall its approval of any Plans or Specifications be deemed approval thereof from the standpoint of structural safety, engineering soundness, or conformance with building or other codes.

10.10 Variances. The Committee may authorize variances from compliance with any of the architectural provisions of this Declaration or any Supplemental Declaration, including restrictions upon



height, bulk, size, shape, floor area, land area, placement of structures, set-backs, building envelopes, colors, materials, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations may, in its sole and absolute discretion, warrant. Such variances must be evidenced in writing and must be signed by at least a majority of all of the Members of the Committee. If such a variance is granted, no violation of the covenants, conditions or restrictions contained in this Declaration or any Supplemental Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration, the Architectural Committee Rules or any Supplemental Declaration for any purpose except as to the particular property and particular provision and in the particular instance covered by the variance.

10.11 Relinquishment of Architectural Control To Subassociations. The Board may relinquish to any Subassociation established pursuant to a Supplemental Declaration under Sections 3.01 and 4.01 above the right to appoint its own architectural committee for the area which is subject to such Supplemental Declaration. No such relinquishment shall be effective, however, without the written acceptance of the Subassociation. If such relinquishment is made, then the architectural committee of such Subassociation shall have all rights, powers, functions, duties and obligations with respect to the area subject to the Supplemental Declaration as are granted to the Architectural Committee by this Article X or by any other sections of this Declaration and the Subassociation shall have all rights, powers, functions, duties and obligations with respect to such Subassociation architectural committee as are granted to the Association with respect to the Architectural Committee by this Article X or by any other sections of this Declaration.

## ARTICLE XI

### FUNDS AND ASSESSMENTS

11.01 Agreement to Pay. Each Owner, by his acceptance of a deed, for each Lot or Commercial Site owned, covenants and agrees to pay to the Association such regular and special assessments as are established, made and collected, as provided in this Declaration. For any assessment period in which there is a subsidy agreement between the Association and Declarant, Declarant's obligations to pay regular and special assessments shall be deemed discharged if Declarant is not in default under such agreement. Any Lot subject to this Declaration which is owned by Declarant or any Affiliate of Declarant shall be subject to such regular and special assessments as are established, made and collected, as provided in this Declaration, on the same basis as Lots subject to this Declaration which are not owned by Declarant or any Affiliate of Declarant.

11.02 Dayton Valley Airpark Estates Maintenance Fund. The Board shall establish a fund (the "Dayton Valley Airpark Estates Maintenance Fund") into which shall be deposited all moneys paid to the Association and from which disbursements shall be made in performing the functions of the Association under the Dayton Valley Airpark Estates Restrictions. The funds of the Association must be



used solely for purposes related to the areas and Improvements owned by or leased to the Association, or subject by the Dayton Valley Airpark Estates Restrictions to maintenance or operation by the Association, including maintenance and repair of all private roads and taxiways within the Project, or otherwise for purposes authorized by the Dayton Valley Airpark Estates Restrictions as they may from time to time be amended. Nothing contained herein shall limit, preclude or impair the establishment of other maintenance funds by any Subassociation pursuant to any Supplemental Declaration.

11.03 Regular Annual Assessments. Prior to the beginning of each fiscal year, the Board shall estimate the expenses to be incurred by the Association during such year in performing its functions under the Dayton Valley Airpark Estates Restrictions, including a reasonable provision for contingencies and appropriate replacement reserves, less any expected income and any surplus from the prior year's fund. Uniform and equal Assessments sufficient to pay such estimated net charges shall then be levied and collected as provided in this Article XI. A portion of the annual assessment shall relate to charges created pursuant to the Use Agreement for the Airport runway and taxiways. If the sums collected prove inadequate for any reason, including nonpayment of any individual Assessment, the Association may at any time and from time to time levy further Assessments in the same manner as aforesaid. All such regular Assessments shall be due and payable to the Association 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. The Regular Annual Assessment which shall be levied and collected on each Lot for payment to the owner of the Airport in accordance with the Use Agreement to reimburse the owner of the Airport for costs incurred by the owner of the Airport for repair and maintenance of the Airport, insurance with respect to the Airport and real property taxes with respect to the Airport (the "Airport Assessment") shall be set as of January 1, 2006 at the rate of Sixty Five Dollars (\$65.00) per calendar month per Lot, subject to further adjustment as provided in this Section 11.03. The owner of the Airport shall have the right to require the Association to increase the amount of the Airport Assessment for each Lot on January 1, 2007 and each January 1 of each year thereafter in accordance with the percentage increase, if any, in the Consumer Price Index-Urban Wage Earners and Clerical Workers (West Urban Region, All Items; Base: 1982-84=100, Not Seasonally Adjusted) ("Index"), as published by the United States Department of Labor, Bureau of Labor Statistics ("Bureau") plus two percent (2%) of the amount of the Airport Assessment in effect prior to such increase; provided, however, that, in no event may the owner of the Airport require the Association to increase the amount of the Airport Assessment per Lot for any year pursuant to the provisions of this sentence by more than six percent (6%) over the amount of the Airport Assessment per Lot in effect immediately for the prior year. For these purposes, the percentage increase, if any, in the Index shall be determined by comparing the Index for September of the year preceding the applicable January 1 adjustment date with the Index for the next preceding September. (For example, the percentage increase, if any, in the Index shall be determined for the purpose of the adjustment, if any, which may be made as of January 1, 2007 by dividing the Index for September, 2006 by the Index for September, 2005.) By November first of each calendar year, the owner of the Airport shall give the Association advance written notice of any such required increase in the amount of the Airport Assessment. Should said Bureau discontinue the publication of such Index, or publish the same less frequently, or vary the method of calculation of same,



or alter the same in some other manner, then the owner of the Airport and the Association shall reasonably agree upon a substitute Index or substitute procedure which reasonably reflects and monitors consumer prices. The amount of the Airport Assessment levied and collected on each Lot pursuant to the foregoing provisions of this Section 11.03 shall not be reduced (i) without the express written approval of the owner of the Airport (which approval may be withheld by the owner of the Airport in its sole and absolute discretion), so long as the Airport is owned by any party other than the Association, or (ii) without the express written approval of the Declarant (which approval may be withheld by Declarant in its sole and absolute discretion), so long as Declarant or any Affiliate of Declarant owns any real property which is subject to the Declaration.

11.04 Special Assessments. In addition to the regular annual Assessments provided for above in Section 11.03, the Board shall levy special Assessments, upon the property and in the manner set forth in this Article XI, whenever in the Board's opinion such special Assessments are necessary to enable the Board to carry out the mandatory functions of the Association under the Dayton Valley Airpark Estates Restrictions, and the Board may levy such Special Assessments whenever in the Board's opinion such Special Assessments are necessary to enable the Board to carry out the optional functions of the Association under the Dayton Valley Airpark Estates Restrictions.

11.05 (Intentionally Omitted).

11.06 Notice of Special Assessments; Time for Payment. The Association may in its discretion, give written notice of special assessments to each Owner, which notice shall specify the amount of the special assessment and the date or dates of payment of the same. No payment shall be due fewer than thirty (30) days after such written notice has been given. Failure of the Association to give notice of the special assessment shall not affect the liability of the Owner of any Private Lot for such special assessment, but the date when payment shall become due in such a case shall be deferred to a date thirty (30) days after such notice shall have been given.

11.07 Late Charges. If any Assessment, whether regular or special, is not paid within fifteen (15) days after it is due, the Owner may be required by the Board to pay a late charge at such rate as the Board may designate from time to time.

11.08 Unpaid Assessments as Liens. The amount of any delinquent Assessment, whether regular or special, assessed against any property and any late payment charge attributable thereto, plus interest on such Assessment and charge at a rate of ten percent (10%) per annum simple interest (or such higher rate as the Board may designate from time to time), and the costs of collecting the same, including reasonable attorneys' fees, shall be a lien upon such Lot and the Improvements thereon and the land upon which the same is located, or Commercial Site and the Improvements thereon, as the case may be. Such lien shall be prior to any declaration of homestead. Such lien may be foreclosed in the same manner as is provided in the laws of Nevada for the foreclosure of mortgages on real property. A certificate executed and acknowledged by any two Members of the Board stating the indebtedness



secured by such lien shall be conclusive upon the Association as to the amount of such indebtedness as of the date of the certificate, in favor of all Persons who rely thereon in good faith, and such certificate shall be furnished to any Owner upon request at a reasonable fee, not to exceed Ten Dollars (\$10.00).

11.09 Mortgage Protection. Notwithstanding any other provision of the Dayton Valley Airpark Estates Restrictions, no lien created under this Article XI or under any other Article of this Declaration, nor any lien arising by reason of any breach of the Dayton Valley Airpark Estates Restrictions, nor the enforcement of any provision of this Declaration or of any Supplemental Declaration shall defeat or render invalid the rights of the Beneficiary under any recorded Mortgage or Deed of Trust of first and senior priority now or hereafter upon a Lot or Commercial Site made in good faith and for value. However, after the foreclosure of any such first Mortgage or Deed of Trust or after any conveyance in lieu of foreclosure, such Lot or Commercial Site shall remain subject to the Dayton Valley Airpark Estates Restrictions and shall be liable for all regular Assessments and all special Assessments levied subsequent to completion of such foreclosure or delivery of such conveyance in lieu of foreclosure, and to all installments of all regular and special Assessments levied prior to completion of such foreclosure or delivery of such conveyance but falling due after such completion or such delivery.

11.10 Effect of Amendments on Mortgages. Notwithstanding the provisions of Section 12.02 below, no amendment of Section 11.08 of this Declaration shall affect the rights of any Beneficiary whose Mortgage or Deed of Trust has the first and senior priority as provided in Section 11.08 and who does not join in the execution thereof, provided that his Mortgage or Deed of Trust is recorded in the real property records of Lyon County prior to the recordation of such amendment; provided, however, that after foreclosure or conveyance in lieu of foreclosure the property which was subject to such Mortgage or Deed of Trust shall be subject to such amendment.

11.11 Subordination. By subordination agreement executed by the Association, the benefits of Section 11.08 and 11.09 above, may in the sole and absolute discretion of the Board, be extended to beneficiaries not otherwise entitled thereto.

## ARTICLE XII

### MISCELLANEOUS

12.01 Term. This Declaration, including all of the covenants, conditions and restrictions hereof, shall run until December 31, 2040, unless amended as herein provided. After December 31, 2040, this Declaration, including all such covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years each, unless amended or extinguished by a written instrument executed by at least eighty percent (80%) of the Owners in Dayton Valley Airpark Estates and recorded in the Lyon County real property records.

12.02 Amendment.



A. Special Provisions. No amendment of this Section 12.02 shall be effective unless adopted by a majority of the total number of votes entitled to be cast pursuant to Section 3.03A above at the time of the proposed amendment. No amendment of this Declaration shall be effective until executed and recorded in the real property records of Lyon County, Nevada, in the manner hereinafter provided. Notwithstanding any other provision of this Section 12.02, any time that Declarant or any Affiliate of Declarant (i) is an Owner of any real property which is subject to the Declaration and/or (ii) is the owner of any of the real property which is described in Exhibit "D" attached hereto, this Declaration may not be amended unless Declarant also approves such amendment.

B. By Declarant. Except as provided in Section 12.02A, this Declaration may be amended by only Declarant as provided in NRS 116.2117, subsection 6 of NRS 116.2109 (recording new or amended plats upon exercising any developmental right), and NRS 116.211 (developmental rights including adding to the land subject to the Declaration). No amendment by Declarant shall be effective until there has been recorded in the real property records of Lyon County, Nevada, an instrument executed and acknowledged by Declarant and setting forth the amendment.

C. By Owners. Except as provided in Sections 12.02A and 12.02B, this Declaration may be amended by the recording in the county real property records of an instrument executed and acknowledged by the president and secretary of the Board, setting forth the amendment and certifying that such amendment has been approved by Owners entitled to cast at least 51% of the number of votes entitled to be cast pursuant to Section 3.03A. Any Owner may indicate his approval of such proposed amendment either by consenting thereto in writing or by affirmative vote at a duly convened regular or special meeting of the Association.

12.03 Notices. Any notice permitted or required to be given by the Declaration shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered on the third day (other than a Sunday or a legal holiday) after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to the Person at the address given by such Person to the Association for the purpose of service of notices, or to the residence of such Person if no address has been given to the Association. Such address may be changed from time to time by notice in writing given by such Person to the Association.

12.04 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate their purposes of creating a uniform plan for the development and operation of Dayton Valley Airpark Estates and of promoting and effectuating the fundamental concepts of Dayton Valley Airpark Estates as set forth in the Article I of this Declaration. This Declaration shall be construed and governed under the laws of the State of Nevada.

12.05 Enforcement and Nonwaiver.

A. Right of Enforcement. Except as otherwise provided herein, any Owner at his own





expense and the Board shall have the right to enforce all of the provisions of the Dayton Valley Airpark Estates Restrictions against any property within Dayton Valley Airpark Estates and the Owners thereof. Such right of enforcement shall include both damages for and injunctive relief against the breach of any such provision. The right of any Owner to so enforce such provisions shall be equally applicable without regard to whether the land (or other interest) of the Owner seeking such enforcement or the land (or other interest) whereon or with respect to which a violation of such provision is alleged is initially set forth on Exhibit "A" or is hereafter subjected to this Declaration pursuant to Section 4.02 above.

B. Violation a Nuisance. Every act or omission whereby any provision of the Dayton Valley Airpark Estates Restrictions is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated by any Owner at his own expense, by Declarant, or by the Board, whether or not the relief sought is for negative or affirmative action. However, only Declarant, the Board and the duly authorized agents of either of them may enforce by self-help any of the provisions of the Dayton Valley Airpark Estates Restrictions, and then only if such self-help is preceded by reasonable notice to the Owner in question and is not violative of any local, state or federal law or regulation.

C. Violation of Law. Any violation of any federal, state or local law, ordinance or regulation pertaining to the ownership, occupancy or use of any property within Dayton Valley Airpark Estates is hereby declared to be a violation of the Dayton Valley Airpark Estates Restrictions and subject to all of the enforcement procedures set forth in said Restrictions.

D. Remedies Cumulative. Each remedy provided by the Dayton Valley Airpark Estates Restrictions is cumulative and not exclusive.

E. Nonwaiver. The failure to enforce any provision of the Dayton Valley Airpark Estates Restrictions at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provision of said Restrictions.

#### 12.06 Construction.

A. Restrictions Severable. Each of the provisions of the Dayton Valley Airpark Estates Restrictions shall be deemed independent and severable, and the invalidity or partial invalidity of any of any provision or portion thereof shall not affect the validity or enforceability of any other provision.

B. 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.


C. Captions. All Captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise affect that which is set forth in any of the paragraphs, Sections or Articles hereof.

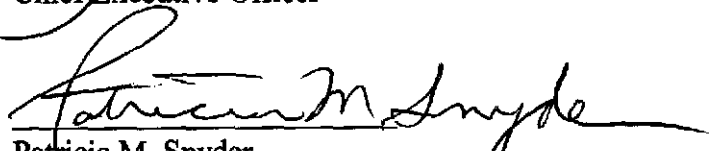


IN WITNESS WHEREOF, Declarant and the Association have executed this Declaration the day and year first above written.

Declarant: **DAYTON VALLEY INVESTORS, LLC**, a Nevada limited liability company

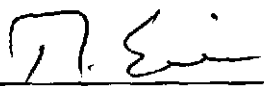
By: Wade Dayton, LLC, a Nevada limited liability company  
Its: Manager

By:   
Joe Wade  
Its: Chief Executive Officer

By:   
Patricia M. Snyder  
Its: President

By: Lakemont Dayton, LLC, a Nevada limited liability company  
Its: Manager

By: Lakemont Homes Nevada, Inc., a Nevada corporation  
Its: Manager

By:   
Tom Evancie  
Its: Vice President

(Signatures continued on following page)



368807

11/23/2005  
051 of 57

Association:

AIRPARK ESTATES HOMEOWNERS ASSOCIATION, A  
NEVADA NON-PROFIT CORPORATION (ALSO  
KNOWN AS THE "DAYTON VALLEY AIRPARK  
ESTATES ASSOCIATION")

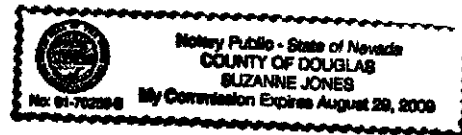
By: Sandra J. Duncan  
Sandra J. Duncan  
Its: President

By: Judith B. Riley  
Judith B. Riley  
Its: Secretary

State of Nevada  
County of CARSON

This instrument was acknowledged before me on 11/18/05  
by SANDRA J. DUNCAN & JUDITH B. RILEY

[Signature]  
(Signature of notarial officer)

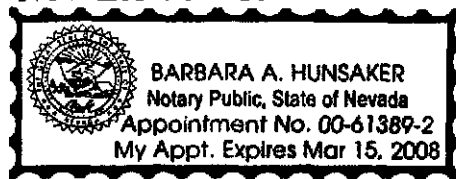




STATE OF NEVADA            )  
  ):ss.  
COUNTY OF WASHOE        )

On this 17<sup>th</sup> day of Nov., 2005, personally appeared before me, a Notary Public, JOE WADE, personally known (or proved) to me to be the Chief Executive Officer of Wade Dayton, LLC, a Nevada limited-liability company, whose name is subscribed to the foregoing document, and who acknowledged to me that he executed the foregoing document in his capacity as Chief Executive Officer of Wade Dayton, LLC.

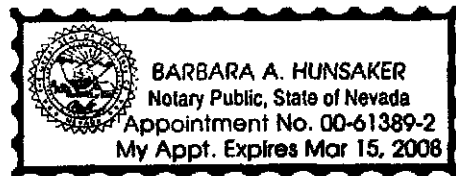
Barbara A Hunsaker  
NOTARY PUBLIC



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

On this 17<sup>th</sup> day of Nov., 2005, personally appeared before me, a Notary Public, PATRICIA M. SNYDER, personally known (or proved) to me to be the President of Wade Dayton, LLC, a Nevada limited-liability company, whose name is subscribed to the foregoing document, and who acknowledged to me that she executed the foregoing document in her capacity as President of Wade Dayton, LLC.

Barbara A Hunsaker  
NOTARY PUBLIC



STATE OF CALIFORNIA        )  
  ):ss.  
COUNTY OF SACRAMENTO)

On this \_\_\_\_\_ day of \_\_\_\_\_, 2005, personally appeared before me, a Notary Public, TOM EVANCIE, personally known (or proved) to me to be the President of Lakemont Homes Nevada, Inc., a Nevada corporation, whose name is subscribed to the foregoing document, and who acknowledged to me that he executed the foregoing document in his capacity as President of Lakemont Homes Nevada, Inc.

\_\_\_\_\_  
NOTARY PUBLIC



**CALIFORNIA ALL PURPOSE ACKNOWLEDGEMENT**

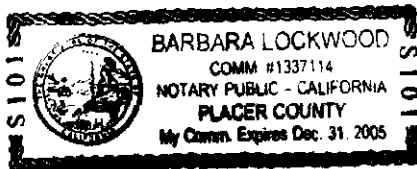
State of California

County of Placer

On November 16, 2005 before me, Barbara Lockwood, Notary Public  
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared Thomas G Evancie  
NAME(S) OF SIGNER(S)

personally known to me - OR -



proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument by the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Barbara Lockwood  
SIGNATURE OF NOTARY

-----OPTIONAL-----

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER		DESCRIPTION OF ATTACHED DOCUMENT
<input type="checkbox"/>	INDIVIDUAL	Amended & Restated Declaration of Covenants, Conditions & Restrictions of Dayton Valley Airpark Estates
<input type="checkbox"/>	CORPORATE OFFICER	
	TITLE(S)	TITLE OR TYPE OF DOCUMENT
<input type="checkbox"/>	PARTNER(S) <input type="checkbox"/> LIMITED	NUMBER OF PAGES
	<input type="checkbox"/> GENERAL	
<input type="checkbox"/>	ATTORNEY-IN-FACT	DATE OF DOCUMENT
<input type="checkbox"/>	TRUSTEE(S)	
<input type="checkbox"/>	GUARDIAN/CONSERVATOR	
<input type="checkbox"/>	OTHER: _____	

SIGNER IS REPRESENTING:  
Name of Person(s) or ENTITY(IES)

SIGNER(S) OTHER THAN NAMED ABOVE



## EXHIBIT "A"

LEGAL DESCRIPTION OF LANDS SUBJECT TO THE DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS OF DAYTON VALLEY AIRPARK ESTATES

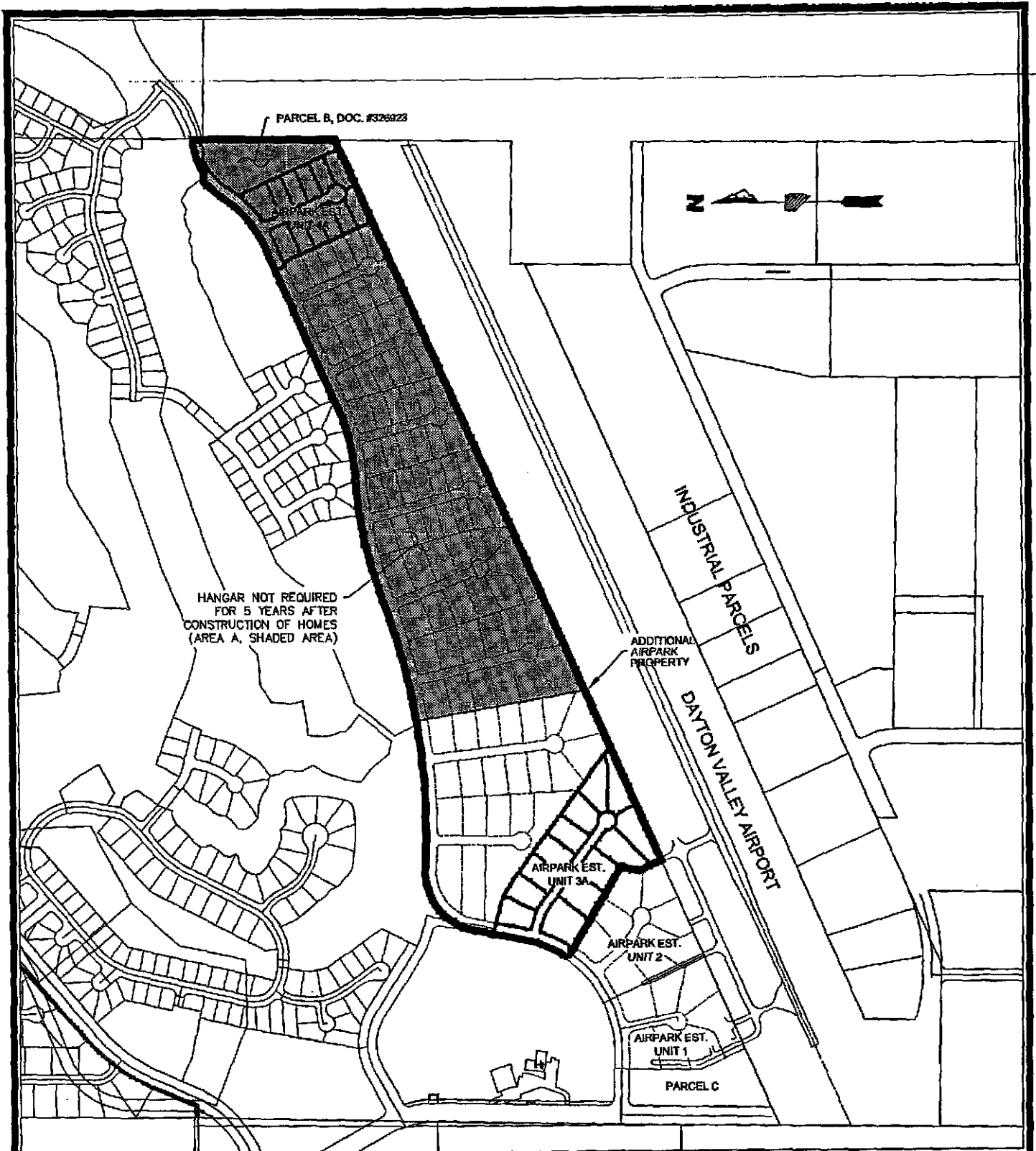
All those certain lots, parcels, and real property located in Lyon County, Nevada, and more particularly described as:

Lots 1, 2, 3, 4, 5, 6, and 7, as set forth on that certain Subdivision Map for ELDORADO AIRPARK ESTATES UNIT 1, recorded in the official records of Lyon County, Nevada, on December 7, 1989 as Document Number 129581, as amended by that certain Certificate of Amendment recorded in the official records of Lyon County, Nevada, on August 10, 1990 as Document Number 135108;

Lots 8, 9, 10, 11, 12, 13, 14, and 15, inclusive, as set forth on that certain Subdivision Map for DAYTON VALLEY AIRPARK ESTATES UNIT 2, recorded in the official records of Lyon County, Nevada, on July 5, 1990 as Document Number 134315.



Exhibit "B"



**AIRPARK ESTATES  
DISPLAY MAP**

1" = 700'

Copyright SUMMIT ENG 2004

N:\DWGS\WADE\dayton\AIRPARK\air-display.DWG ~ 8:22 AM \* 14-SEP-2004



SHEET  
1

OF  
1



## EXHIBIT "C"

## LEGAL DESCRIPTION OF THE AIRPORT PROPERTY

All that certain real property located in Lyon County, Nevada, and more particularly described as:

## PARCEL ONE:

Being a portion of Section 19, Township 16 North, Range 22 East, M.D.B. & M., described as follows:

Parcel 4A-1 as shown on that certain Amended Map of a Boundary Line Adjustment for John Lawrence (Nevada) Inc., filed in the Office of the Lyon County Recorder's Office November 26, 1990 as File No. 137734, and Amended by Certificate of Amendment Recorded January 25, 1991 as Document No. 139244.

Assessor's Parcel No. 16-363-21



**EXHIBIT "D"****DESCRIPTION OF ADDITIONAL AIRPARK PROPERTY**

A portion of the Northwest 1/4 of Section 19, Township 16 North, Range 22 East, M.D.B. & M., described as follows:

Parcel 3A, as shown on the Boundary Line Adjustment Map, filed in the Office of the Lyon County Recorder on May 24, 1989, File No. 124613.

**EXCEPTING THEREFROM** all that portion lying within the bounds of Dayton Valley Airpark Estates Unit 1, as recorded in Document No. 129581, in the Office of the Lyon County Recorder on December 7, 1989, and all that portion lying within the bounds of Dayton Valley Airpark Estates Unit 2, as recorded in Document No. 134315, in the Office of the Lyon County Recorder on July 5, 1990, Official Records.

**ASSESSOR'S PARCEL NO.16-363-25**

Requested By  
STEWART TITLE CARSON

Lyon County - NV

Mary C. Milligan - Recorder

Page 1 of 5 Fee: \$43.00

Recorded By: KR RPTT:

APN: 16-363-21

When Recorded Mail To:

Sandra J. Duncan  
Airpark Estates Homeowners Association  
P.O. Box 237  
Dayton, NV 89403-0237



**NOTICE OF ADDITION OF LAND AND DECLARATION OF ANNEXATION  
PURSUANT TO THE AMENDED AND RESTATED DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS OF  
DAYTON VALLEY AIRPARK ESTATES**

This Notice of Addition of Land and Declaration of Annexation of Annexation pursuant to the Amended and Restated Declaration of Covenants, Conditions and Restrictions of Dayton Valley Airpark Estates ("Notice of Addition of Land and Declaration of Annexation") is made this 16<sup>th</sup> day of November, 2005, by Dayton Valley Investors, LLC, a Nevada limited liability company ("DVI"), with reference to the following facts:

WHEREAS, John Lawrence (Nevada) Inc., a Nevada corporation ("Lawrence") caused that certain Declaration of Covenants, Conditions and Restrictions of Dayton Valley Airpark Estates to be recorded on December 12, 1989, in the Official Records of Lyon County, Nevada, as Document No. 129665 and re-recorded on January 10, 1991, in the Official Records of Lyon County, Nevada, as Document No. 138927 (the "Original Declaration").

WHEREAS, Lawrence caused the Original Declaration to be amended by that certain amendment recorded on December 22, 1999, in the Official Records of Lyon County, Nevada, as Document No 242557 (the "First Amendment").

WHEREAS, the Airpark Estates Homeowners Association, a Nevada non-profit corporation (also known as the "Dayton Valley Airpark Estates Association") (the "Association") caused the Original Declaration to be further amended by that certain Second Amendment to the Declaration of Covenants, Conditions and Restrictions of Dayton Valley Airpark Estates recorded on January 10, 2005, in the Official Records of Lyon County, Nevada, as Document No 340133 (the "Second Amendment"). The Original Declaration, as amended by the First Amendment and as further amended by the Second Amendment, is referred to herein as the "Amended Original Declaration").

WHEREAS, DVI, as the successor-in-interest to Lawrence as the Declarant under the Amended Original Declaration, and the Association caused the Amended Original Declaration to be amended and restated by that certain Amended and Restated Declaration of Covenants, Conditions and Restrictions of Dayton Valley Airpark Estates, recorded on November 23 2005, in the Official Records of Lyon County,



Nevada, as Document No 368807 (the "Declaration").

WHEREAS, DVI is the successor-in-interest to Lawrence as the Declarant under the Declaration;

WHEREAS, DVI is the owner of the land commonly known as Lots 1 through 13, inclusive, as set forth on that certain Subdivision Map for AIRPARK ESTATES UNIT 3A, recorded in the Official Records of Lyon County, Nevada, on July 28, 2004 as Document Number 326922 ("Unit 3A").

WHEREAS, DVI is the owner of the land commonly known as Lots 110 through 121, inclusive, as set forth on that certain Subdivision Map for AIRPARK ESTATES UNIT 4A, recorded in the Official Records of Lyon County, Nevada, on July 28, 2004 as Document Number 326923 ("Unit 4A").

WHEREAS, the Declaration provides in Article 4.02 thereof that the Declarant under the Declaration may annex additional property by the recondition of a Notice of Addition of Land containing, among other things, a description of the land to be annexed.

WHEREAS, it is the desire and the intention of DVI, as the Declarant under the Declaration, that Unit 3A and Unit 4A be annexed and become part of the "Project" as such term is defined in the Declaration.

NOW, THEREFORE, pursuant to Article 4.02 of the Declaration, DVI, as the Declarant under the Declaration, hereby declares that Unit 3A and Unit 4A shall be and are hereby annexed to and made subject to the Declaration and shall be and hereby is subject to the jurisdiction of the Airpark Estates Homeowners Association, a Nevada non-profit corporation (also known as the "Dayton Valley Airpark Estates Association") (the "Association"), and shall be held, sold, leased, transferred and conveyed subject to the terms, provisions, covenants, conditions, restrictions and easements of the Declaration as it may be

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hereinafter amended and supplemented. The burdens and benefits of said Declaration shall run with Unit 3A and Unit 4A and every portion thereof and interest therein.

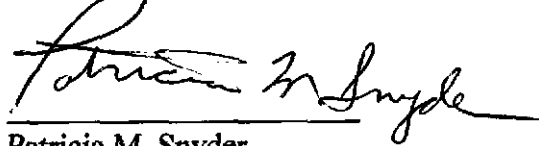
IN WITNESS WHEREOF, the DVI, as the Declarant under the Declaration, has executed this Notice of Addition of Land and Declaration of Annexation as of the day and year first written above.

DAYTON VALLEY INVESTORS, LLC, a Nevada limited-liability company

By: Wade Dayton, LLC, a Nevada limited-liability company

Its: Manager

By:   
Joe Wade  
Its: Chief Executive Officer

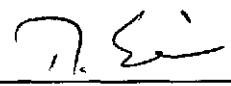
By:   
Patricia M. Snyder  
Its: President

By: Lakemont Dayton, LLC, a Nevada limited-liability company

Its: Manager

By: Lakemont Homes Nevada, Inc., a Nevada corporation

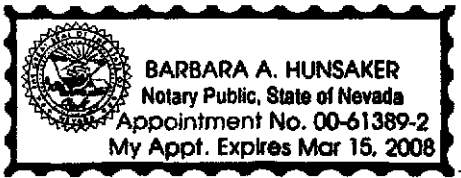
Its: Managing Member

By:   
Tom Evancie  
Its: Vice President



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

This instrument was acknowledged before me on November 17, 2005, by Joe Wade, as Manager of Wade Dayton, LLC, a Nevada limited liability company, as Manager of Dayton Valley Investors, LLC, a Nevada limited liability company.

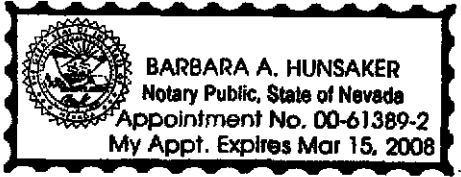


Barbara A Hunsaker  
Notary Public

My Commission Expires: 3/15/08

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

This instrument was acknowledged before me on November 17, 2005, by Patricia M. Snyder, as Manager of Wade Dayton, LLC, a Nevada limited liability company, as Manager of Dayton Valley Investors, LLC, a Nevada limited liability company.



Barbara A Hunsaker  
Notary Public

My Commission Expires: 3/15/08

STATE OF CALIFORNIA    )  
  ):ss.  
COUNTY OF SACRAMENTO)

This instrument was acknowledged before me on \_\_\_\_\_, 2005, by Tom Evancie, as Nevada Division Vice President of Lakemont Homes Nevada, Inc., a Nevada corporation, Manager of Lakemont Dayton, LLC, a Nevada limited liability company, as Manager of Dayton Valley Investors, LLC, a Nevada limited liability company.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_



**CALIFORNIA ALL PURPOSE ACKNOWLEDGEMENT**

State of California

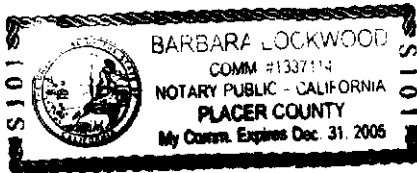
County of Placer

On November 16, 2005 before me, Barbara Lockwood, Notary Public  
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared Thomas G Evancie  
NAME(S) OF SIGNER(S)

personally known to me - OR -

proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument by the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

*Barbara Lockwood*

SIGNATURE OF NOTARY

-----OPTIONAL-----

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER		DESCRIPTION OF ATTACHED DOCUMENT
<input type="checkbox"/>	INDIVIDUAL	Notice of Addition of Land & Declaration of Annexation Pursuant to the Amended & Restated Declaration of Covenants, Conditions & Restrictions of Dayton Valley Airpark Estates TITLE OR TYPE OF DOCUMENT
<input type="checkbox"/>	CORPORATE OFFICER	
	TITLE(S)	
<input type="checkbox"/>	PARTNER(S)	NUMBER OF PAGES
	<input type="checkbox"/> LIMITED <input type="checkbox"/> GENERAL	
<input type="checkbox"/>	ATTORNEY-IN-FACT	DATE OF DOCUMENT
<input type="checkbox"/>	TRUSTEE(S)	
<input type="checkbox"/>	GUARDIAN/CONSERVATOR	
<input type="checkbox"/>	OTHER: _____	

SIGNER IS REPRESENTING:  
Name of Person(s) or ENTITY(IES)

SIGNER(S) OTHER THAN NAMED ABOVE



WHEN RECORDED RETURN TO:  
Dayton Valley Airport, LLC  
5525 Kietzke Lane, Suite 102  
Reno, Nevada 89511  
Attn: Joe Wade

APN 16-363-21

**AIRPORT FACILITY USE AGREEMENT**

(Dayton Valley Airpark Estates)

**THIS AIRPORT FACILITY USE AGREEMENT** ("Agreement") is made as of November 16, 2005, by and among **DAYTON VALLEY AIRPORT, LLC**, a Nevada limited-liability company ("DVA"), **DAYTON VALLEY INVESTORS, LLC**, a Nevada limited-liability company ("DVI") and **AIRPARK ESTATES HOMEOWNERS ASSOCIATION**, a Nevada non-profit corporation (also known as the "Dayton Valley Airpark Estates Association") (the "Association").

**RECITALS:**

A. John Lawrence (Nevada) Inc., a Nevada corporation ("Lawrence") developed the Dayton Valley Airport, consisting of a paved airstrip and certain parallel taxiways, access taxiways, turnouts and related improvements, in Dayton, Lyon County, Nevada, on that certain real property shown generally on the map attached as Exhibit "A" and described in Exhibit "B" hereto (such real property, as currently or hereafter improved, being hereinafter referred to as the "Airport"). DVA is the current owner of the Airport.

B. Lawrence also developed the first two phases of a residential airpark on the northerly side of the Airport, consisting of fifteen (15) single family residential lots, shown generally on the map attached as Exhibit "A" hereto as Airpark Estates Units 1 and 2 and described in Exhibit "C" attached hereto, with taxiways providing access for aircraft to and from the Airport and such lots ("Airpark Estates Units 1 and 2").

C. In connection with its development of Airpark Estates Unit 1, Lawrence, as the Declarant, on December 12, 1989, caused to be recorded with respect to Airpark Estates Unit 1 that certain Declaration of Covenants, Conditions and Restrictions of Dayton Valley Airpark Estates in the Official Records of Lyon County, Nevada, as Document No. 129665, and on January 10, 1991 caused said Declaration to be re-recorded in the Official Records of Lyon County, Nevada, as Document No. 138927 (the "Original Declaration"). The Association was established pursuant to the Original Declaration. On January 10, 1991, Lawrence, as the Declarant under the Original Declaration, caused



to be recorded with respect to Airpark Estates Unit 2 that certain Declaration of Annexation of Airpark Estates Unit 2 to the Declaration of Covenants, Conditions and Restrictions of Dayton Valley Airpark Estates to be recorded in the Official Records of Lyon County, Nevada as Document No. 138928. The Original Declaration has been amended by that certain amendment recorded on December 22, 1999, in the Official Records of Lyon County, Nevada, as Document No 242557 (the "First Amendment"). The Original Declaration was further amended by that certain Second Amendment to the Declaration of Covenants, Conditions and Restrictions of Dayton Valley Airpark Estates recorded on January 10, 2005, in the Official Records of Lyon County, Nevada, as Document No 340133 (the "Second Amendment"). The Original Declaration, as amended by the First Amendment and as further amended by the Second Amendment, is referred to herein as the "Amended Original Declaration". The Amended Original Declaration was amended and restated by that certain Amended and Restated Declaration of Covenants, Conditions and Restrictions of Dayton Valley Airpark Estates, dated as of the date hereof, and is being recorded in the Official Records of Lyon County, Nevada (the Amended Original Declaration as so amended and restated by said Amended and Restated Declaration of Covenants, Conditions and Restrictions of Dayton Valley Airpark Estates is hereinafter referred to herein as the "Declaration"). DVI is the successor to Lawrence as the Declarant under the Declaration.

D. DVI is the owner of the real property located in Dayton, Lyon County, Nevada which is shown generally on the map attached as Exhibit "A" hereto as the Additional Airpark Property and described in Exhibit "D" attached hereto, consisting of approximately 83.33 acres along the northerly side of the Airport and adjoining the easterly boundary of Airpark Estates Unit 2 (the "Additional Airpark Property"). DVI has obtained approval from Lyon County of a tentative subdivision map for the subdivision of the Additional Airpark Property into 121 single family residential airpark lots. DVI, as the successor to Lawrence as the Declarant under the Declaration, has the right, but not the obligation, to annex all or any portion of the Additional Airpark Property to the Declaration. DVI is planning to develop the Additional Airpark Property in several separate development phases and to annex each phase to the Declaration following the subdivision of the phase in accordance with the approved tentative subdivision map. DVI has subdivided and annexed to the Declaration the portion of the Additional Airpark Property which is shown on the map attached as Exhibit "A" as Airpark Estates Unit 3A and described in Exhibit "E" attached hereto, consisting of 13 lots, and the portion of the Additional Airpark Property which is shown on the map attached as Exhibit "A" as Airpark Estates Unit 4A and described in Exhibit "F" attached hereto, consisting of 12 lots.

E. As used in this Agreement:

(i) The term "Airpark" or "Airpark Property" shall mean and refer to all of the real property that is subject to the Declaration, as amended, either currently or hereafter annexed thereto in the manner provided in the Declaration;

(ii) The term "Lot" shall mean and refer to each subdivided lot within the Airpark which is subject to the Declaration, including, without limitation, any of the Lots which were





subject to the Declaration as of the date of this Agreement or hereafter annexed to the Declaration pursuant to the provisions thereof;

(iii) The term "Owner" shall mean and refer to the owner of a Lot, as such term is defined in the Declaration; and

(iv) The term "Member" shall mean and refer to the members of the Association as defined in the Declaration.

F. Lawrence and the Association entered into that certain Airport Facility Use Agreement, dated April 2, 1991, recorded on May 30, 1991, in the Official Records of Lyon County, Nevada, as Document No. 141820 (the "1991 Airport Facility Use Agreement"), which, among other things, granted to the Association the right to have its Members use the Airport in accordance with that agreement and the Airport Rules and Regulations.

G. The parties hereto now desire to enter into this Agreement, as a novation and replacement of the 1991 Airport Facility Use Agreement, to provide for the maintenance, repair and use of the Airport, as hereinafter set forth.

**NOW, THEREFORE**, in consideration of the foregoing and the mutual covenants and agreements hereinafter set forth, the parties hereto hereby agree as follows:

### AGREEMENT

1. Novation and Replacement of the 1991 Airport Facility Use Agreement. This Agreement is a novation and replacement of the 1991 Airport Facility Use Agreement, in its entirety.
2. Non-Exclusive Easement to Use the Airport Facilities. DVA hereby grants to the Association the non-exclusive easement to have its Members and their guests and invitees use and enjoy the airstrip, parallel taxiways, access taxiways, turnouts and related improvements now or hereafter located on or within the Airport (collectively, the "Airport Facilities") for general aviation purposes, including the taking off, landing and taxiing of aircraft, in a safe manner in accordance with the Airport Rules and Regulations. Further, DVA also hereby grants to the Association the non-exclusive easement to have its members ingress and egress to and from all the Airport Facilities and their property which is subject to the Declaration, in a safe manner in accordance with the Airport Rules and Regulations. As used herein, the term Airport Facilities does not include aircraft tie downs located within the Airport, and the rights granted by this Paragraph 2 to use the Airport Facilities do not include any right to use such aircraft tie downs. However, the owner of the Airport may, but shall not be obligated to, allow the Association and its Members to use aircraft tie downs located within the Airport from time to time, on such terms as the owner of the Airport may specify, subject to termination of such use by the owner of the Airport.



3. Airport Rules and Regulations.

a. Use of Airport Governed By. The use of the Airport Facilities pursuant to the easements provided for in Paragraph 2 hereto shall be governed by all rules and regulations for the Airport established by the owner of the Airport, as such rules and regulations are changed from time to time by the owner of the Airport (the "Airport Rules and Regulations"), as well as all applicable local and state law and Federal Aviation Administration regulations.

b. Owner of Airport to Consult and Confer Regarding Airport Rules and Regulations. The Association, from time to time, may form a committee, comprised of up to five (5) Members of the Association, to consult and confer with the owner of the Airport regarding the adoption of rules and regulations for the Airport or amendment thereof or other matters regarding the Airport (the "Association's Airport Rules Committee"). If at any time the owner of the Airport wishes to adopt any rules and regulations for the Airport or any amendment thereto, prior to adopting such rules and regulations or amendments thereto, the owner of the Airport shall offer to consult and confer with the Association's Airport Rules Committee, or the President of the Association if there is then no Association's Airport Rules Committee, regarding such rules and regulations or amendments and the owner of the Airport shall consider any comments or suggestions that such Committee (or the Association President in the absence of there being any such Committee) may make regarding such rules and regulations or amendments. However, the owner of the Airport shall have no obligation to change any such rules or regulations or amendments thereto in consideration of any such comments or suggestions and the owner of the Airport shall have the right to adopt any such rules and regulations or amendments thereto as the owner of the Airport shall determine, in its sole and absolute discretion, provided that the use of the easements to use the Airport Facilities by Members of the Association is not unreasonably restricted or impaired thereby.

4. Character of Easements.

a. Non-Exclusive. The easements provided for in Paragraph 2 hereof are non-exclusive. The Association acknowledges that owners or occupants of the Airport or other properties may have similar rights to utilize the Airport Facilities. The owner of the Airport reserves the right to grant others rights in and to the use of the Airport Facilities, including, without limitation, the owner of the Dayton Valley golf course, the owner of any hotel or casino developed in the general area and their respective tenants, guests, invitees, employees and consultants. The owner of the Airport further reserves the right to retain the exclusive use of the portions of the Airport which are not within the Airport Facilities and to grant rights to other parties to use of the portions of the Airport which are not within the Airport Facilities, provided that the use of the easements to use the Airport Facilities which are provided for in Paragraph 2 hereto are not unreasonably restricted or impaired thereby.

b. Limited to the Easement Area. Nothing contained herein shall be deemed or



construed to grant to the Association or any Member any rights in or to any portion of the Airport or the facilities thereof other than the easements which are expressly provided for in Paragraph 2 hereof.

c. Limited in Use. The easements provided for in Paragraph 2 hereof shall be specifically limited to use by the Association and its Members.

d. No Parking or Loading. No parking, stopping, loading or unloading of aircraft shall be permitted within the areas of the Airport that easements are provided for in Paragraph 2 hereof, other than the temporary stoppage of aircraft as reasonably necessary as the result of aircraft traffic conditions, safety considerations or unavoidable circumstances or use of any areas within the Airport which are provided for such purposes, such as facilities for the parking or tie down of aircraft, subject to the restrictions on the use of such areas as are provided for in this Agreement or the Airport Rules and Regulations.

e. Subject to Existing Conditions. The easements provided for in Paragraph 2 hereof are subject to all easements, covenants, conditions, restrictions, reservations, rights and right-of-way of record, apparent or known.

5. Repair and Maintenance of Airport by DVA

a. Repairs of Airstrip Specified in Exhibit "G".

(1) Subject to the provisions of Paragraph 6 hereof, within one hundred eighty (180) days following the date of this Agreement, DVA, at DVA's cost, shall make the repairs to the Airport's airstrip and taxiways and the Airpark's existing taxiways which are described in Exhibit "G" attached hereto. DVA shall be entitled to disburse funds received by DVA from the Association and/or other parties to reimburse DVA for the costs incurred by DVA in making the repairs to the Airport's airstrip and taxiway which are described in Exhibit "G" attached hereto (estimated at \$730,773.00), together with interest thereon at the rate of eight percent (8%) per annum. Such reimbursements may be made by DVA from time to time, as and when determined by DVA, in its sole discretion, provided that such reimbursements shall be made by DVA only after reserving funds which DVA reasonably considers will be sufficient to pay the budgeted costs to be incurred by DVA in maintaining and repairing the Airport Facilities in accordance with this Agreement (other than DVA's costs to make the repairs to the Airport Facilities as described in Exhibit "G" attached hereto) and paying insurance premiums and/or real property taxes with respect to the Airport. DVA shall not be required to return any such disbursements if it is later determined that such funds, or any portion thereof, are needed to pay the actual costs of future maintenance and repairs of the Airport Facilities, insurance premiums and/or real property taxes with respect to the Airport.

(2) DVA estimates that DVA will incur approximately \$13,750 in making the repairs to the Airpark's taxiways which DVA is required to make pursuant to subparagraph 5a(1).



The Association shall reimburse DVA for the actual costs incurred by DVA in making these repairs, up to a maximum amount of \$17,600. The Association shall reimburse DVA for these costs within thirty (30) days after DVA provides the Association with a written request for such reimbursement together with reasonable evidence that these costs have been incurred by DVA. The Association's obligations under the foregoing provisions of this subparagraph 5a(2) to make such reimbursements shall not be subject to the limitations set forth in Paragraph 9 hereof on the amount of the Airport Assessment that the Association may be required to levy on each Lot, and the Association shall levy Special Assessments pursuant to the Declaration if and to the extent necessary for the Association to make timely payment of any such reimbursement.

(3) Except as provided above in this subparagraph 5a, neither the Association nor any of its Members shall be obligated to reimburse DVA for any portion of the costs incurred by DVA in making the repairs which DVA is required to make pursuant to this Paragraph 5a.

b. Construction, Repair and Maintenance of Reserved Facilities within the Airport. The owner of the Airport also shall construct, maintain and repair, at its cost, all areas within the Airport which are, from time to time, designated or reserved by the owner of the Airport in accordance with this Agreement for the exclusive use of one or more parties, such as facilities for the parking or tie down of aircraft and the taxiway approaches thereto and not for use by the Owners of Lots within the Airpark.

c. Additional Repairs and Ongoing Maintenance by DVA. Following the repair of the Airport's airstrip and taxiways in accordance with Paragraph 5a hereof and subject to the provisions of Paragraph 10 hereof, the owner of the Airport shall perform future maintenance and repairs of the Airport Facilities, including, without limitation, any painting of the surfaces thereof (for striping, identification markings or other purposes), any lighting which may be installed for the Airport, safety devices and other structures which may be installed to facilitate or promote safety in the use of the Airport for the taking off and landing of aircraft or for ingress and egress to and from such Airport Facilities and the lands adjoining the Airport, whether ordinary or extraordinary, capital or expense in nature, major or minor. For the purposes of this Paragraph 5c, upon the completion of the repairs to the Airport's airstrip and taxiways which are described in Exhibit "G" attached hereto, it is agreed that the Airport's airstrip and taxiways shall be deemed to be in a good condition of maintenance and repair at that time. Attached hereto as Exhibit "H" is a budget and schedule which sets forth the best estimate of the parties hereto with respect to each calendar year covered thereby of (i) the ongoing repairs and maintenance to be made to the Airport Facilities each year, (ii) the costs of such repairs and maintenance, (iii) the costs of liability insurance and real property taxes to be incurred with respect to the Airport each year and (iv) the schedule of disbursements to repay to DVA the costs incurred by DVA in making the repairs to the Airport's airstrip and taxiways which are described in Exhibit "G" attached hereto, together with interest thereon at the rate of eight percent (8%) per annum. It is understood and agreed that these costs are only the best estimates of the parties regarding these costs, based on current market conditions. The information set forth in Exhibit "H" will be subject to change



based on unanticipated circumstances, the rate of inflation, changes in market conditions and other factors beyond the control of the parties hereto, and, accordingly, DVA and DVI will revise Exhibit "H" as and when DVA and DVI consider it to be appropriate to do so based on their best estimate at the time they are revising this budget of the then current information regarding the matters set forth therein. On an annual basis the owner of the Airport shall provide to the Association an unaudited report which accounts for all funds collected, expended and held under this Agreement along with any revisions to Exhibit "H".

6. Force Majeure. The time for performance of any obligation to maintain or make repairs to the Airport Facilities shall be excused and extended for so long as the performance of such obligation is prevented, delayed, retarded or hindered by (a) fire or explosion; (b) earthquake, flood, action of the elements, or any other act of God; (c) war, invasion, insurrection, riot, mob violence, sabotage or malicious mischief; (d) inability to procure or general shortage of labor, equipment, facilities, materials, or supplies in the open market or failure of transportation; (e) strike, lockout or other action of any labor union; (f) condemnation, requisition, law, order of government or civil or military authority; or (g) any other cause, whether similar or dissimilar to the foregoing, not within the reasonable control of the party unable to perform.

7. Insurance.

a. Insurance to be Maintained by the Owner of the Airport. The owner of the Airport shall carry or cause to be carried property damage and liability insurance for damages or injury occurring to the Airport or on the Airport in amounts of at least \$1,000,000, subject to the provisions of Paragraph 10 hereof and such insurance being available for premiums and other terms which the owner of the Airport considers to be acceptable. Such insurance policy shall be stated to be primary and noncontributing with any other insurance which may be carried by the owner of the Airport or any other party. The owner of the Airport shall deliver a copy of such policy of insurance to the Association. The owner of the Airport shall not have any obligation to fund any portion of such insurance premiums with the Airport owner's funds or to incur any indebtedness to pay any portion of the costs of such insurance premiums with respect to the Airport.

b. Insurance to be Maintained by the Association. The Association shall carry or cause to be carried property damage and liability insurance for damages or injury occurring to or on the taxiways within the Project or other Common Area (as such terms are defined in the Declaration) in amounts of at least \$1,000,000, subject to such insurance being available for reasonably acceptable premiums and other terms. The Association is free to choose any agent or carrier it wishes, so as to prevent any conflict with its interests and those of the owners of the Airport. Such insurance policy shall be stated to be primary and noncontributing with any other insurance which may be carried by the owner of the Airport or any other party. The Association shall deliver a copy of such policy of insurance to the owner of the Airport.



8. Real Property Taxes and Assessments. The owner of the Airport shall pay the real property taxes with respect to the Airport, subject to the provisions of Paragraph 10 hereof. The owner of the Airport shall not have any obligation to fund any portion of such real property taxes with the Airport owner's funds or to incur any indebtedness to pay any portion of such real property taxes.

9. Payments by the Association for Maintenance and Repair of the Airport, Real Property Taxes and Insurance. The Association shall levy regular monthly assessments among the Members in accordance with the Declaration to provide funding for the payment by the owner of the Airport to pay the costs incurred by the owner of the Airport in maintaining, repairing, reconstructing or replacing the Airport Facilities and other costs and expenditures in owning and operating an airport of the nature of this Airport which the owner of the Airport believes should be incurred, the insurance premiums and real property taxes with respect to the Airport and the reimbursement of DVA for the costs incurred by DVA in making the repairs to the Airport Facilities which are described in Exhibit "G" attached hereto (the "Airport Assessments"). The owner of the Airport shall have the right to use Airport Assessments to make any additional capital improvements to the Airport Facilities, other than to extend the Airport's parallel taxiways (but the owner of the Airport shall have the right to use Airport Assessments to pay the costs incurred by the owner of the Airport in maintaining, repairing, reconstructing or replacing such extended parallel taxiways after the owner of the Airport has paid the costs of the initial construction of such extensions with funds other than the Airport Assessments) and to pay other costs and expenditures in owning and operating an airport of the nature of this Airport which the owner of the Airport believes should be incurred. Commencing January 1, 2006, the amount of the Airport Assessment which shall be levied by the Association shall be in the amount equal to Sixty Five Dollars (\$65.00), subject to further adjustment as hereinafter provided (the "Minimum Airport Assessment"). The Association may, but shall not be obligated to, levy Airport Assessments in amounts in excess of the Minimum Airport Assessment. The owner of the Airport shall have the right to require the Association to increase the amount of the Airport Assessment for each Lot on January 1, 2007 and each January 1 of each year thereafter in accordance with the percentage increase, if any, in the Consumer Price Index-Urban Wage Earners and Clerical Workers (West Urban Region, All Items; Base: 1982-84=100, Not Seasonally Adjusted) ("Index"), as published by the United States Department of Labor, Bureau of Labor Statistics ("Bureau") plus two percent (2%) of the amount of the Airport Assessment in effect prior to such increase; provided, however, that, in no event may the owner of the Airport require the Association to increase the amount of the Airport Assessment per Lot for any year pursuant to the provisions of this sentence by more than six percent (6%) over the amount of the Airport Assessment per Lot in effect immediately for the prior year. For these purposes, the percentage increase, if any, in the Index shall be determined by comparing the Index for September of the year preceding the applicable January 1 adjustment date with the Index for the next preceding September. (For example, the percentage increase, if any, in the Index shall be determined for the purpose of the adjustment, if any, which may be made as of January 1, 2007 by dividing the Index for September, 2006 by the Index for September, 2005. By November first of each calendar year, the owner of the Airport shall give the Association advance written notice of any such required increase in the amount of the Airport Assessment. If the owner of the Airport determines that the Minimum Airport Assessment currently in



effect together with the funds being paid by other parties to pay the costs covered by the current budget established pursuant to Paragraph 5c hereof are in excess of the amount necessary, the owner of the Airport shall have the right, in its sole and absolute discretion, to reduce the amount of the Minimum Airport Assessment. On the first day of each calendar month during the term of this Agreement, the Association will pay to the owner of the Airport the amount equal to the Airport Assessments collected by the Association for each Lot which is then subject to the Declaration for the previous calendar month.

In the event Declarant or any Affiliate of Declarant is in arrears on paying Assessments to the Association with respect to any Lots owned by Declarant or any Affiliate of Declarant as required under Section 11.01 of the Declaration, the Association shall not be required to pay the Airport Assessment for those Lots to the owner of the Airport until such delinquency is cured.

10. Insufficient Funds. If at any time or times the owner of the Airport does not receive sufficient funds from the Association and/or other parties which, together with capitalized reserves, will be sufficient to pay all of the costs of maintaining, repairing, reconstructing or replacing the Airport Facilities and other costs and expenditures in owning and operating an airport of the nature of this Airport which the owner of the Airport believes should be incurred, insurance premiums, real property taxes with respect to the Airport and reimburse DVA for the costs incurred by DVA in making the repairs to the Airport's airstrip and taxiway which are described in Exhibit "G" attached hereto, and interest thereon, in accordance with the schedule set forth on the currently approved budget, the owner of the Airport shall have the right, in its sole and absolute discretion, to determine how to apply the funds that the owner of the Airport does receive from the Association and/or other parties to pay such costs and reimbursements; provided, however, that in the event of such insufficiency of such funds to cover such amounts, DVA will not disburse such funds to reimburse DVA for the costs incurred by DVA in making the repairs to the Airport's airstrip and taxiway which are described in Exhibit "G" attached hereto, or interest thereon, in excess of the amounts scheduled therefor in the current approved budget established pursuant to Paragraph 5c hereof. The owner of the Airport shall not have any obligation to fund any portion of such costs with the Airport owner's funds or to incur any indebtedness to pay any portion of such costs.

11. Enforcement Rights.

a. Each party hereto may enforce the provisions hereof (i) by a suit at law for damages for any compensable breach of or noncompliance with any of the terms hereof or for declaratory relief to determine the enforceability of any such terms, (ii) by an action in equity or otherwise for specific performance to enforce compliance with the terms hereof or for any injunction to enjoin the continuance of any breach or violation thereof, or (iii) through any other right or remedy to which such party may be entitled at law or equity.

b. If the Owner of any Lot fails to timely pay to the Association any Airport



Assessment, the owner of the Airport shall have the right to suspend the rights under this Agreement of such Owner and its guests and invitees to use and enjoy the Airport Facilities until such Airport Assessment has been paid.

c. The rights and remedies established hereunder shall be deemed to be cumulative; and no one of such rights and remedies shall be exclusive of any other right or remedy which either party hereto might otherwise have by virtue of the terms hereof or under law. The exercise of any particular right or remedy shall not impair the right to exercise any other right or remedy.

12. Interest. If either party hereto shall fail to pay any amount due pursuant to the provisions hereof on or before the time specified herein, then the party to whom such amount is due shall be entitled to collect interest at a rate equal to the sum of (i) the prime or reference rate per annum from time to time announced by Bank of America, San Francisco, California, as its prime or reference rate per annum plus (ii) six percent (6%) per annum, not to exceed the maximum rate allowed by law, from such due date (which due date shall be the date specified herein, but if not specified herein shall be 30 days after written demand therefor) until full payment is made, as well as the costs of collection of such amounts, including court costs and reasonable attorneys' fees.

13. No Rights in Public. Nothing herein contained shall be deemed to be a gift or dedication of any portion of the Airport to or for the general public or for any public purpose whatsoever, it being the intention that this Agreement shall be strictly limited to and for the purposes herein expressed. The provisions of this Agreement are for the exclusive benefit of the parties hereto, the Association's Members and their successors and assigns, and not for the benefit of any other party, and this Agreement shall not be deemed to have conferred any rights upon any such other party.

14. Notices. All notices or other communications provided for herein shall be in writing and shall be personally served or delivered by United States mail deposited in Nevada, registered or certified, return receipt requested, first-class postage prepaid, addressed to the address set forth below for the intended recipient:

If to DVA: Dayton Valley Airport, LLC  
5525 Kietzke  
Suite 102  
Reno, NV 89511  
Attention: Joe Wade

If to DVI: Dayton Valley Investors, LLC  
5525 Kietzke  
Suite 102  
Reno, NV 89511  
Attention: Joe Wade





If to the Association:            Airpark Estates Homeowners Association  
   P. O. Box 237  
   Dayton, Nevada 89403-0237  
   Attention: Sandy Duncan

Either party hereto may by notice to the other party hereto designate an address for notices which shall then be the last known address for purposes hereof. Any notice given as provided in this Paragraph shall be deemed to have been received, if personally served, as of the date and time of service or if deposited in the mail as provided above, 72 hours after deposit in the mail.

15.    Term. This Agreement shall continue for a term equal to the term of the Declaration, as the term of the Declaration is, from time to time, extended. The termination of this Agreement will not terminate any of the easements granted by Paragraph 2 hereof.

16.    Sale of the Airport.

a.        Release of Seller Upon Assumption of Obligations by Buyer. If the owner of the Airport ("Seller") sells the Airport to another party ("Buyer"), including but not limited to the Association, the obligations of the Seller under this Agreement to maintain, repair, reconstruct or replace any of the Airport Facilities or to incur any cost in connection therewith or to incur any other costs and expenditures in owning and operating the Airport shall terminate upon the recordation of the deed transferring title to the Airport to such Buyer. Promptly following the recordation of the deed transferring title to the Airport to such Buyer, Seller shall transfer all funds to the Buyer that Seller held and collected pursuant to paragraph 9 of this Agreement and Seller shall provide to the Buyer and to the Association an unaudited report which accounts for all funds collected, expended and held under this Agreement for a minimum of the last three (3) years prior to conveyance and a certificate, signed by Seller and addressed to the Buyer, by which Seller represents and warrants to Buyer that to the best knowledge and belief of the Seller, this report accurately reflects the financial condition of the accounts presented by the report. The Buyer shall be obligated to assume all obligations of the Seller under this Agreement.

b.        Association's Right of First Negotiation for Purchase of the Airport. If DVA desires to sell the Airport, before selling the Airport to any other party, DVA first shall give the Association written notice thereof and for a period of sixty (60) days thereafter Association shall have the exclusive right to negotiate with DVA regarding the terms and conditions of Association's purchase of the Airport. Any such purchase and sale transaction would be subject to DVA and Association mutually agreeing to all of the terms and conditions of such transaction, each acting in its sole and absolute discretion. In the event that DVA and Association do not enter into a written agreement within such sixty (60) day period by which DVA and Association agree to the terms and conditions of such purchase and sale transaction, DVA shall have no further obligation to negotiate with Association with regard to any such transaction and DVA shall have the right thereafter to sell the Airport to any other party(ies) on any terms and conditions agreed upon by DVA and such other party(ies) subject to the obligations and duties of this Agreement and this



Agreement shall remain in full force and effect. If the Association purchases the Airport pursuant to this Paragraph 16b, upon the recordation of the deed by which DVA conveys title to the Airport to the Association pursuant to such purchase transaction, the Association shall be deemed to assume all obligations of DVA under this Agreement and any and all obligations of DVA under this Agreement shall be terminated.

c. Ownership of the Airport. DVA and any successor-in-interest to DVA as the owner of the Airport shall have the right, but not the obligation, at any time, in its discretion, to convey its title to the Airport to the Association, by quitclaim deed, subject to all rights, rights of way, easements, reservations and other matters of record or apparent, except that DVA and any successor-in-interest to DVA shall not have the right to convey its title to the Airport to the Association subject to any encumbrances of either consensual or non-consensual liens or deeds of trust or mortgages or the like other than the loan to reimburse DVA for costs incurred by DVA in making the repairs to the Airport's airstrip and taxiway which are described in Exhibit "G" attached hereto and any mortgage or deed of trust or other security instrument securing a loan obtained and used to pay for any of the costs that the owner of the Airport is authorized by this Agreement to apply the Airport Assessments toward the payment thereof. If DVA or any such successor-in-interest to DVA as the owner of the Airport elects to convey all or any portion of the Airport to the Association, the Association shall accept such conveyance, subject to all rights, rights of way, easements, reservations and other matters of record or apparent and the existing rules and regulations adopted by the transferring owner regarding the use and operation of the Airport, except for any encumbrances of either consensual or non-consensual liens or deeds of trust or mortgages or the like other than the loan to reimburse DVA for cost incurred by DVA in making the repairs to the Airport's airstrip and taxiway which are described in Exhibit "G" attached hereto and any mortgage or deed of trust or other security instrument securing a loan obtained and used to pay for any of the costs that the owner of the Airport is authorized by this Agreement to apply the Airport Assessments toward the payment thereof. If DVA or any successor-in-interest to DVA as the owner of the Airport conveys title to the Airport to the Association, the existing rules and regulations adopted by the transferring owner regarding the use and operation of the Airport shall not be modified, amended or terminated without the express prior written approval of (i) DVI so long as DVI or any affiliate of DVI owns any of the real property which is subject to the Declaration or any of the Additional Airpark Property and (ii) except as otherwise provided in the following sentence, any other party to whom the owner of the Airport has granted rights in and to the use of the Airport Facilities, including, without limitation, the owner of the Dayton Valley golf course, the owner of any hotel or casino developed in the general area and their respective tenants, guests, invitees, employees and consultants. Notwithstanding the provisions of the immediately preceding sentence, the existing rules and regulations adopted by the transferring owner regarding the use and operation of the Airport may be modified or amended without the express prior written approval of any party referred to in clause "(ii)" of the immediately preceding sentence (exclusive of DVI so long as DVI or any affiliate of DVI owns any of the real property which is subject to the Declaration or any of the Additional Airpark Property), provided that such modification or amendment does not unreasonably or materially restrict or change the rights granted to such parties by the owner of the Airport in and to the use the Airport Facilities. If DVA or any successor-in-interest to DVA as the owner of the Airport conveys title to the Airport to the



Association, the obligations of the owner of the Airport under this Agreement to to maintain, repair, reconstruct or replace any of the Airport Facilities or to incur any cost in connection therewith or to incur any other costs and expenditures in owning and operating the Airport shall terminate upon the recordation of the deed transferring title to the Airport to the Association. Promptly following the recordation of the deed transferring title to the Airport to the Association, the owner of the Airport shall transfer all funds to the Association that the owner of the Airport held and collected pursuant to Paragraph 9 of this Agreement; and the owner of the Airport shall provide to the Association an unaudited report which accounts for all funds collected, expended and held under this Agreement for a minimum of the last three (3) years prior to conveyance, and a certificate, signed by the owner of the Airport and addressed to the Association, by which the owner of the Airport represents and warrants to the Association that to the best knowledge and belief of the owner of the Airport, this report is accurately reflects the financial condition of the accounts presented by the report.

17. Industrial Lands along Southerly Side of Airport. In connection with its sale of any of its industrial parcels fronting along the southerly side of the Airport, DVI shall require that the buyer of such industrial parcel enter into an agreement with the owner of the Airport to provide for the participation by the buyer of such industrial parcel (during its ownership of such industrial parcel) and the successors-in-ownership of such industrial parcel (during their ownership of such industrial parcel) in the payment of the costs incurred by the owner of the Airport in maintaining, repairing, reconstructing or replacing the Airport Facilities and other costs and expenditures in owning and operating an airport of the nature of this Airport and the insurance premiums and real property taxes with respect to the Airport at the rate of Thirteen Dollars (\$13.00) per annum per lineal foot along the common property line of such industrial parcel and the Airport, commencing with the issuance of a certificate of occupancy by Lyon County or other applicable governmental entity of any building constructed on such parcel or with the construction and use of a tie-down area and runway access taxiway whichever comes earlier, subject to increases in such rate on the same terms and at the same times as the Airport Assessments provided for in Paragraph 9 hereof for the Members of the Association.

18. Additional Airpark Property. If and when any of the Additional Airpark Property, other than Parcel B set forth on that certain Subdivision Map for AIRPARK ESTATES UNIT 4A, recorded in the Official Records of Lyon County, Nevada, on July 28, 2004 as Document Number 326923, is developed with aircraft access to the Airport Facilities and such portions of the Additional Airpark Property (other than said Parcel B) are not annexed to the Declaration, the party developing such portions of the Additional Airpark Property (other than said Parcel B) shall be required to enter into an agreement with the owner of the Airport to provide for the participation by the owner of each subdivided lot within such portions of the Additional Airpark Property (other than said Parcel B) and the successors in ownership of each such lot in the payment of the costs incurred by the owner of the Airport in maintaining, repairing, reconstructing or replacing the Airport Facilities and other costs and expenditures in owning and operating an airport of the nature of this Airport, the insurance premiums and real property taxes with respect to the Airport at the same rate as the Owner of each Airpark Lot which is subject to this Declaration is required to pay pursuant to the provisions of this Agreement and under the same terms and conditions as in



Paragraph 9 above.

19. Miscellaneous.

a. Entire Agreement. This Agreement (including all Exhibits attached hereto) is the final expression of, and contains the entire agreement between, the parties with respect to the subject matter hereof and supersedes all prior understandings with respect thereto. This Agreement may not be modified, changed, supplemented, superseded, canceled or terminated, nor may any obligations hereunder be waived, except by written instrument signed by the party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein. The parties do not intend to confer any benefit hereunder on any person, firm or corporation other than the parties hereto and lawful assignees. This Agreement shall not be amended, modified, terminated, or superceded in any respect without approval of DVI, DVA and a vote of at least two-thirds (2/3) of the Owners entitled to vote exclusive of the Declarant or any Affiliate of or successor-in-interest to the Declarant. No new agreement covering the subject matter of this Agreement nor any modifications to this Agreement shall be effective until approved by at least two-thirds (2/3) of the Owners entitled to vote exclusive of the Declarant or any Affiliate of or successor-in-interest to the Declarant and executed and recorded in the official records of Lyon County, Nevada.

b. Partial Invalidity. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

c. No Waiver. No waiver of any default hereunder shall be implied from any omission by any party hereto to take any action in respect to such default, if such default continues or is repeated. No express waiver of any default shall affect any default or cover any period of time other than the default and period of time specified in such express waiver. A waiver of any default in the performance of any provisions contained herein shall not be deemed to be a waiver of any subsequent default in the performance of the same provision or any other provision contained herein. The consent or approval of any party hereto to or of any act or request requiring consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent similar acts or requests.

d. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

e. Attorneys' Fees. If a party hereto shall institute any action or proceeding relating to the provisions hereof or any default or alleged default hereunder, then the unsuccessful party hereto in such action or proceeding shall reimburse the successful party hereto for the reasonable costs (including court costs and attorneys' fees) incurred therein by such successful party hereto.







which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the day and year first above written.

**DAYTON VALLEY AIRPORT, LLC**, a Nevada limited liability company


By: Wade Dayton, LLC, a Nevada limited liability company  
Its: Manager

By:   
Joe Wade  
Its: Chief Executive Officer

By:   
Patricia M. Snyder  
Its: President

By: Lakemont Dayton, LLC, a Nevada limited liability company  
Its: Manager

By: Lakemont Homes Nevada, Inc., a Nevada corporation  
Its: Manager

By:   
Tom Evancie  
Its: Vice President

(Signatures continued on following page)



368809

11/23/2005  
017 of 30

**DAYTON VALLEY INVESTORS, LLC, a Nevada limited liability company**

By: Wade Dayton, LLC, a Nevada limited liability company  
Its: Manager

By: Joe Wade  
Joe Wade  
Its: Chief Executive Officer

By: Patricia M. Snyder  
Patricia M. Snyder  
Its: President

By: Lakemont Dayton, LLC, a Nevada limited liability company  
Its: Manager

By: Lakemont Homes Nevada, Inc., a Nevada corporation  
Its: Manager

By: T. Evancie  
Tom Evancie  
Its: Vice President

**AIRPARK ESTATES HOMEOWNERS ASSOCIATION, a Nevada non-profit corporation (also known as the "Dayton Valley Airpark Estates Association")**

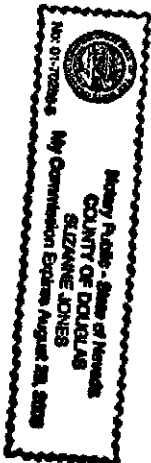
By: Sandra J. Duncan  
Sandra J. Duncan  
Its: President

By: Judith B. Riley  
Judith B. Riley  
Its: Secretary

State of Nevada  
County of Clark

This instrument was acknowledged before me on 11/14/05  
by SANDRA J. DUNCAN and JUDITH B. RILEY

[Signature]  
(Signature of notarial officer)





# CALIFORNIA ALL PURPOSE ACKNOWLEDGEMENT

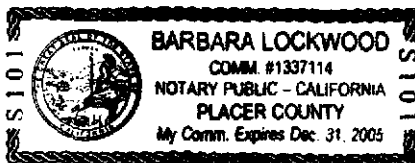
State of California

County of Placer

On November 16, 2005 before me, Barbara Lockwood, Notary Public  
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared Thomas G Evancie  
NAME(S) OF SIGNER(S)

personally known to me - OR -



proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument by the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Barbara Lockwood  
SIGNATURE OF NOTARY

-----OPTIONAL-----

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER		DESCRIPTION OF ATTACHED DOCUMENT
<input type="checkbox"/> INDIVIDUAL		Airport Facility Use Agreement
<input type="checkbox"/> CORPORATE OFFICER		Dayton Valley Airport, LLC
	TITLE(S)	TITLE OR TYPE OF DOCUMENT
<input type="checkbox"/> PARTNER(S)	<input type="checkbox"/> LIMITED	
<input type="checkbox"/> ATTORNEY-IN-FACT	<input type="checkbox"/> GENERAL	
<input type="checkbox"/> TRUSTEE(S)		NUMBER OF PAGES
<input type="checkbox"/> GUARDIAN/CONSERVATOR		
<input type="checkbox"/> OTHER: _____		DATE OF DOCUMENT

SIGNER IS REPRESENTING:  
Name of Person(s) or ENTITY(IES)

SIGNER(S) OTHER THAN NAMED ABOVE

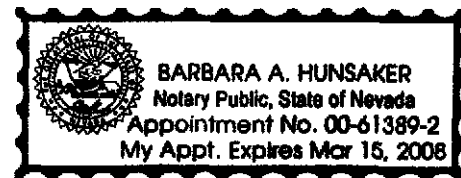




STATE OF NEVADA            )  
  ):ss.  
COUNTY OF WASHOE        )

On this 17<sup>th</sup> day of Nov., 2005, personally appeared before me, a Notary Public, JOE WADE, personally known (or proved) to me to be the Chief Executive Officer of Wade Dayton, LLC, a Nevada limited-liability company, whose name is subscribed to the foregoing document, and who acknowledged to me that he executed the foregoing document in his capacity as Chief Executive Officer of Wade Dayton, LLC.

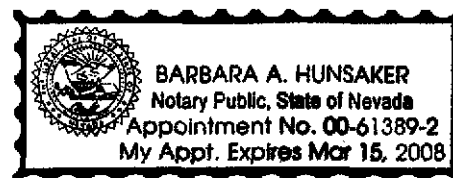
*Barbara A. Hunsaker*  
NOTARY PUBLIC



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

On this 17<sup>th</sup> day of Nov., 2005, personally appeared before me, a Notary Public, PATRICIA M. SNYDER, personally known (or proved) to me to be the President of Wade Dayton, LLC, a Nevada limited-liability company, whose name is subscribed to the foregoing document, and who acknowledged to me that she executed the foregoing document in her capacity as President of Wade Dayton, LLC.

*Barbara A. Hunsaker*  
NOTARY PUBLIC



STATE OF CALIFORNIA        )  
  ):ss.  
COUNTY OF SACRAMENTO)

On this \_\_\_\_\_ day of \_\_\_\_\_, 2005, personally appeared before me, a Notary Public, TOM EVANCIE, personally known (or proved) to me to be the Vice President of Lakemont Homes Nevada, Inc., a Nevada corporation, whose name is subscribed to the foregoing document, and who acknowledged to me that he executed the foregoing document in his capacity as Vice President of Lakemont Homes Nevada, Inc.

\_\_\_\_\_  
NOTARY PUBLIC

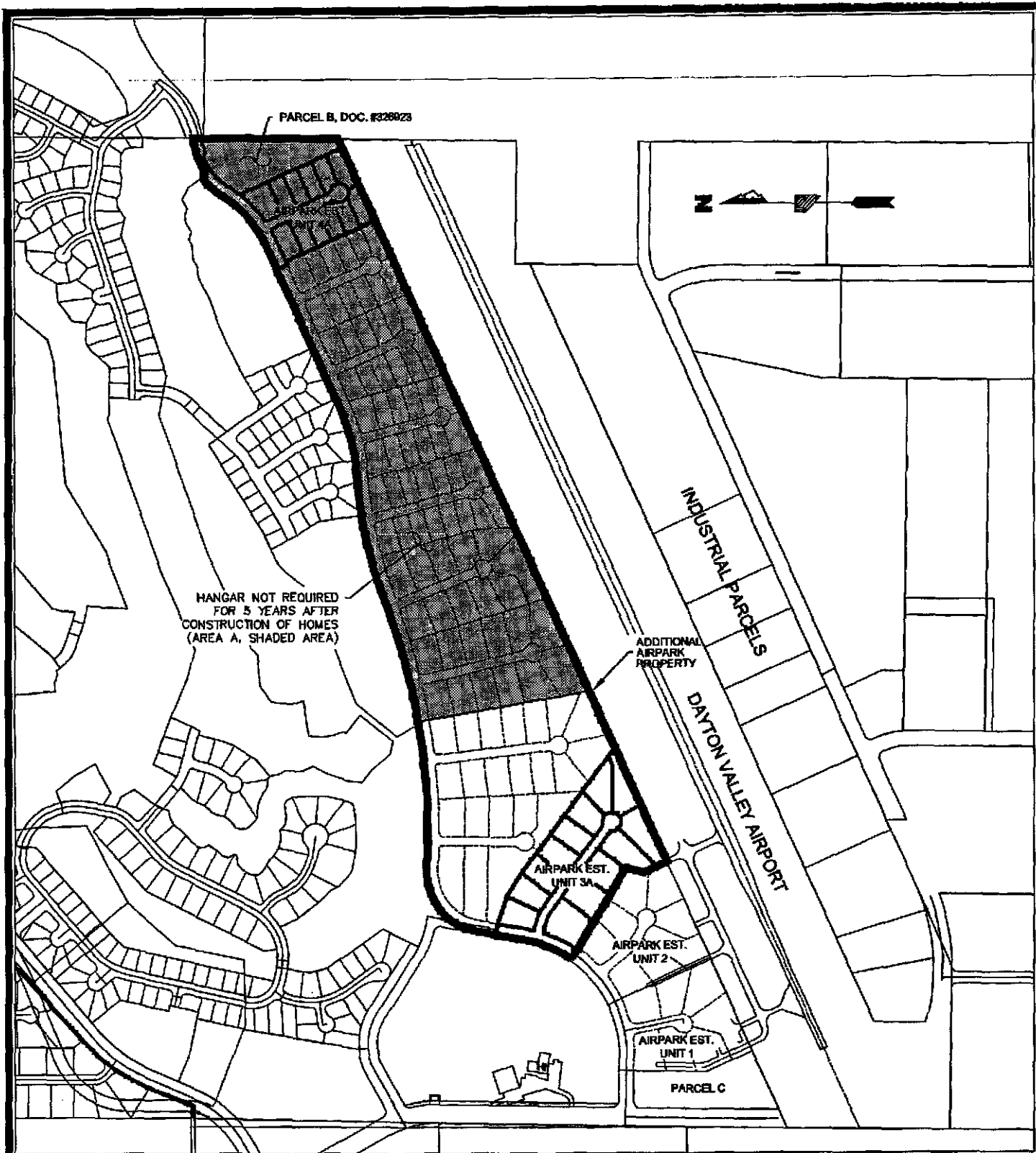


## SCHEDULE OF EXHIBITS

- Exhibit "A" Map
- Exhibit "B" Description of the Airport
- Exhibit "C" Description of Airpark Estates Units 1 and 2
- Exhibit "D" Description of Additional Airpark Property
- Exhibit "E" Description of Airpark Estates Unit 3A
- Exhibit "F" Description of Airpark Estates Unit 4A
- Exhibit "G" Specifications for Repair of Airstrip
- Exhibit "H" Dayton Valley Airport: Anticipated Schedule and Budget



Exhibit "A"



**AIRPARK ESTATES  
DISPLAY MAP**

1" = 700'

Copyright SUMMIT ENG 2004



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## EXHIBIT "B"

## LEGAL DESCRIPTION OF THE DAYTON VALLEY AIRPORT

All that certain real property located in Lyon County, Nevada, and more particularly described as:

## PARCEL ONE:

Being a portion of Section 19, Township 16 North, Range 22 East, M.D.B. & M., described as follows:

Parcel 4A-1 as shown on that certain Amended Map of a Boundary Line Adjustment for John Lawrence (Nevada) Inc., filed in the Office of the Lyon County Recorder's Office November 26, 1990 as File No. 137734, and Amended by Certificate of Amendment Recorded January 25, 1991 as Document No. 139244.

Assessor's Parcel No. 16-363-21



## EXHIBIT "C"

## LEGAL DESCRIPTION OF AIRPARK ESTATES UNITS 1 AND 2

(The Lands Which Are Currently Subject to the Declaration of Covenants, Conditions and Restrictions  
of Dayton Valley Airpark Estates)

## LEGAL DESCRIPTION OF AIRPARK ESTATES UNIT 1:

All that certain real property located in Lyon County, Nevada, and more particularly described as:

Lots 1, 2, 3, 4, 5, 6, and 7, as set forth on that certain Subdivision Map for ELDORADO AIRPARK ESTATES UNIT 1, recorded in the official records of Lyon County, Nevada, on December 7, 1989 as Document Number 129581, as amended by that certain Certificate of Amendment recorded in the official records of Lyon County, Nevada, on August 10, 1990 as Document Number 135108

## LEGAL DESCRIPTION OF AIRPARK ESTATES UNIT 2:

All that certain real property located in Lyon County, Nevada, and more particularly described as:

Lots 8, 9, 10, 11, 12, 13, 14, and 15, inclusive, as set forth on that certain Subdivision Map for DAYTON VALLEY AIRPARK ESTATES UNIT 2, recorded in the official records of Lyon County, Nevada, on July 5, 1990 as Document Number 134315.

**EXHIBIT "D"****DESCRIPTION OF ADDITIONAL AIRPARK PROPERTY**

A portion of the Northwest 1/4 of Section 19, Township 16 North, Range 22 East, M.D.B. & M., described as follows:

Parcel 3A, as shown on the Boundary Line Adjustment Map, filed in the Office of the Lyon County Recorder on May 24, 1989, File No. 124613.

EXCEPTING THEREFROM all that portion lying within the bounds of Dayton Valley Airpark Estates Unit 1, as recorded in Document No. 129581, in the Office of the Lyon County Recorder on December 7, 1989, and all that portion lying within the bounds of Dayton Valley Airpark Estates Unit 2, as recorded in Document No. 134315, in the Office of the Lyon County Recorder on July 5, 1990, Official Records.

ASSESSOR'S PARCEL NO.16-363-25

**EXHIBIT "E"****DESCRIPTION OF AIRPARK ESTATES UNIT 3A**

Lots 1 through 13, inclusive, as set forth on that certain Subdivision Map for AIRPARK ESTATES UNIT 3A, recorded in the Official Records of Lyon County, Nevada, on July 28, 2004 as Document Number 326922.



368809

11/23/2005  
026 of 30

**EXHIBIT "F"**

**DESCRIPTION OF AIRPARK ESTATES UNIT 4A**

**Lots 110 through 121, inclusive, as set forth on that certain Subdivision Map for AIRPARK ESTATES UNIT 4A, recorded in the Official Records of Lyon County, Nevada, on July 28, 2004 as Document Number 326923.**



**EXHIBIT "G"****SPECIFICATIONS FOR REPAIR OF AIRSTRIP AND TAXIWAYS**

The following work will be performed on the airstrip and all taxiways within the Airport other than the taxiway leading to the property owned by TG Holdings and the newly constructed taxiways leading to Airpark Estates 3A and 4A and the existing taxiways within the Airpark :

**Airport Airstrip**

1. Pulverize existing asphalt, compact 6" of base subgrade to 95% dry density prior to placement of asphalt.
2. Install 3" of Type III Asphalt, (AC-20, 4% voids, 50 blow), as per Standard Specifications for Public Works Construction adopted by Lyon County.
3. Asphalt shall be compacted to a minimum of 96% dry density.
4. Restripe per existing layout.

**Airport Taxiways**

1. Pulverize existing asphalt, re-compact 6" of base subgrade to 95% dry density prior to replacement of asphalt.
2. Install 3" of Type III Asphalt, (AC-20, 4% voids, 50 blow), as per Standard Specifications for Public Works Construction adopted by Lyon County.
3. Asphalt shall be compacted to a minimum of 96% dry density.

**Existing Airpark Taxiways**

1. Remove a one foot strip of asphalt at large cracks, re-compact existing sub-base material, and replace with 3" of hot mix asphalt.
2. Install Type I Slurry Seal to existing asphalt.







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