

**When Recorded, please mail to:**  
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**Reno, Nevada 89502**

**DECLARATION ESTABLISHING COVENANTS, CONDITIONS,  
AND RESTRICTIONS, GRANTING COMMON AREA EASEMENTS  
AND COMMON AREAS AND ESTABLISHING  
FLYING EAGLE AIR PARK RANCHES HOMEOWNERS ASSOCIATION**

**THIS DECLARATION** ("Declaration") is made this 19<sup>th</sup> day of June, 2000, by **FLYING EAGLE AIR PARK RANCHES, LLC**, ("Declarant"), with reference to the following facts and is as follows:

**RECITALS:**

A. Declarant is the owner of that certain real property situate in the County of Washoe, State of Nevada, which is described and depicted in Exhibit "A-1" and Exhibit "A-2", attached hereto and by this reference incorporated herein ("the Property").

B. Declarant intends to create a common-interest community within the Subject Property as defined in Chapter 116 of the Nevada Revised Statutes ("NRS Chapter 116") and to sell and convey the lots therein subject to the covenants, conditions, restrictions, equitable servitudes and charges set forth herein which establish a general plan of improvement for the benefit of all of the lots. The common-interest community created hereby is a planned community as defined in NRS Chapter 116. The name of the planned community is "**FLYING EAGLE AIR PARK RANCHES.**"

**DECLARATION:**

**NOW, THEREFORE,** Declarant hereby declares that the Property shall be held, conveyed, sold, encumbered, leased, rented, used, occupied, improved, or otherwise affected in any manner, subject to the declarations, limitations, easements, covenants, conditions and restrictions set forth in this Declaration, all of which are hereby declared to be in furtherance of a general plan for the development, improvement, and sale of the Property, and are further declared to be for the purpose of enhancing, maintaining and protecting the value and attractiveness thereof. All provisions hereof shall be deemed to run with the land as covenants running with the land or as equitable servitudes, or as liens, as the case may be, and shall



constitute benefits and burdens to the Declarant and its successors and assigns and to all parties hereafter acquiring or owning any interest in the Property in whatever manner such interest may be obtained.

## ARTICLE I

### DEFINITIONS

Unless the context otherwise specifies or requires, the following words and phrases when used herein shall have the meanings set forth in this Article.

1.1 "Architectural Review Board" or "ARB" means the three (3) member Board charged with the responsibility of regulating the external design, appearance, use, location and maintenance of any Living Unit or other Improvement with the Property as set forth in Article XI.

1.2 "Architectural Review Board Rules" or "ARB Rules" means the rules adopted by the Architectural Board.

1.3 "Articles" or "Articles of Incorporation" means the Articles of Incorporation of the Association, copies of which can be obtained as provided in Exhibit "B".

1.4 "Association" means the Flying Eagle Air Park Ranches Homeowners Association, a Nevada non-profit corporation.

1.5 "Association Property" means all Common Area and any real or personal property now or hereafter owned by or leased to the Association or in which the Association has a recognizable legal or equitable present or future interest.

1.6 "Beneficiary" means a beneficiary under a deed of trust or a mortgagee under a mortgage, and/or the assignee of such beneficiary or mortgagee.

1.7 "Board" or "Board of Directors" means the Board of Directors of the Association.

1.8 "Bylaws" means the Bylaws of the Association, copies of which can be obtained as provided in Exhibit "C".

1.9 "Common Area" generally means that portion of the Property which is designated as "Area For Common Use" on the Final Parcel Map and all improvements shown on Improvement Plans which are used in common by the Lot Owners and subject to administration by the Association, together with all Common Area Improvements and Association Property constructed or to be constructed thereon, or used or to be used thereon. Common Area shall include but not limited to the following:

1.9.1 "Wright Bros. Way" (also referred to in conjunction with Aerie Way as "Runways") means that certain private north/south runway/roadway depicted on the Final Parcel Map and



Improvement Plans, which is 4500' long, 30' wide pavement with 25' wide shoulders within a 120' wide access, drainage and public utility easement (PUE). Wright Bros. Way shall be subject to a Common Area Easement.

1.9.2 "Aerie Way" (also referred to in connection with Wright Bros. Way as "Runways") means that certain private east/west runway/roadway depicted on the Final Parcel Map and Improvement Plans, which is 4000' long, 20' wide pavement with 30' wide shoulders within a 120' wide access, drainage and public utility easement (PUE). Aerie Way shall be subject to a Common Area Easement.

1.9.3 "Flying Eagle Lane" (also referred to as "Taxiway") means that certain private east/west taxiway/roadway depicted on the Final Parcel Map, which is 2700' long, 20' wide pavement with 30' wide shoulders within a 120' wide access, drainage and public utility easement (PUE). Flying Eagle Lane shall be subject to a Common Area Easement.

1.9.4 "Primary Roadways" means Wright Bros. Way, Aerie Way and Flying Eagle Lane collectively.

1.9.5 "Access Areas" means any area depicted on the Final Parcel Map or Improvement Plans as "Runway", "Taxiway", "Access Road", "Access Easement", "Access Drainage Easement", "Gated Access", "Emergency Access Easement" or "Emergency Access Road", together with any PUE as depicted on the Final Parcel Map. Roadways within the Access Areas other than the Primary Roadways are referred to collectively as "Other Roadways."

1.9.6 "Southwest Access Gate" means that certain gate intended for emergency ingress and egress to and from the Property located in the southwest corner of the Property, identified as "Metal Access Road Gate" on the Improvement Plans.

1.9.7 "Main Entry Gate" means that certain gate intended for ingress and egress to and from the Property located on the eastern perimeter of the Property, including but not limited to the "Control Building" And "Entry Warning Sign." The Main Entry Gate shall have a telephone available for Invited Guests and others to call Lot Owners to gain access into the Planned Community.

1.9.7.1 "Control Building" means that certain building located near the "Main Entry Gate" which is approximately 120 square feet, the purpose of which is to (i) house safety and detection equipment and other Association Property required by the Special Use Permit or desired by the Association; and (ii) house other Association Property necessary for the health, safety and enjoyment of the Common Area and Common Area Improvements by the Unit Owners. The Control Building, the underlying land and the area within the Control Building shall be accessible only to the Association and designated agents to maintain, repair and otherwise operate the Control Building.

1.9.7.2 "Entry Warning Sign" is that certain sign located near the "Main Entry Gate" which provides notice that the Planned Community is a private community named Flying Eagle Air

Park Ranches and further provides notice that the Runways, Taxiway, and Primary Roadways are subject to concurrent use by both aircraft and ground traffic.

1.9.8 "Perimeter Fence" means the white vinyl three (3) rail fencing, approximately 4.5 feet above ground level and will be within various Access Areas, but only on the perimeter of the Property.

1.9.9 "Safety Devices" means all safety devices located within the Property, whether real, personal or a combination of the two, which is: (i) required by the Special Use Permit, (ii) identified in the Safety Operations Manual, or (iii) otherwise utilized by the Association to promote health and safety of the Owners.

1.9.10 "Common Utility Facility" shall mean all PUE's shown on the Final Parcel Map or Improvement Plans, or any PUE, utility line or utility easement developed and constructed by or on behalf of the Declarant or Association after the Final Parcel Map has been recorded. PUE's, utility lines or utility easements of any kind not shown on the Final Parcel Map and not developed or constructed by or on behalf of the Declarant or Association which serve individual Lots or Improvements on individual Lots shall not be considered a Common Utility Facility. All public utilities shall be placed underground.

1.10 "Common Area Easements" shall mean non-exclusive, perpetual and reciprocal easements over, across and through each Common Area in favor of Declarant (until Defendant's Control Termination Date), the Association and of each Lot Owner. The Common Area Easement allows the Declarant, Association and Lot Owners to use the Common Area in a manner consistent with the terms of this Declaration and other Controlling Documents.

1.11 "Common Area Improvements" shall mean Improvements within Common Area shown on the Final Parcel Map, Improvement Plans or otherwise initially constructed at the instance or direction of Declarant.

1.12 "Common Expenses" shall have the meaning set forth in paragraph 6.4.1 hereof.

1.13 "Controlling Documents" shall mean this Declaration, the Articles, the Bylaws, the Rules and Regulations, the ARB Rules, the Special Use Permit, the Safety Operations Manual and the Federal Aviation Administration Letter. In the event that the Declaration, the Articles and/or the Bylaws are inconsistent in any way, the Declaration shall control.

1.14 "Declarant" means Flying Eagle Air Park Ranches, LLC. At such time, if any, as Declarant or any successor Declarant transfers its Special Declarant's Rights to a Successor Declarant pursuant to the provisions hereof, Declarant shall mean such Successor Declarant.

1.15 "Declaration" or "this Declaration" means this instrument entitled "Declaration Establishing Covenants, Conditions, And Restrictions, Granting Common Area Easements And Common Areas And Establishing Flying Eagle Air Park Ranches Homeowners Association", and any and all amendments thereto.



- 1.16 "Deed of Trust" means a deed of trust or a mortgage encumbering any portion or all of the Property.
- 1.17 "Director" means a member of the Board of Directors of the Association.
- 1.18 "Eligible Mortgage Holder" means the holder of a First Deed of Trust which has requested notification pursuant to the provisions of paragraphs 9.5 and 13.6 hereof.
- 1.19 "Federal Aviation Administration Letter" means a letter required by the Special Use Permit addressing issues concerning the Planned Community. A copy of the Federal Aviation Administration Letter is attached hereto and incorporated herein as Exhibit "D".
- 1.20 "Final Parcel Map" "Final Map", "Map" or "Plat" means the Final Parcel Map for the Property which was recorded on 6/29/00, in the office of the County Recorder of Washoe County, Nevada as Document # 2459990, under ~~File #~~ 195 Map and by this reference incorporated herein.
- 1.21 "First Deed of Trust" means a Deed of Trust having priority over all other Deeds of Trust encumbering the same portion of the Property.
- 1.22 "Foreclosure" means a foreclosure under a Deed of Trust by judicial action or exercise of power of sale.
- 1.23 "Improvements" means all structures and works of improvement of every type and kind, including but not limited to, buildings, airplane hangers, outbuildings, garages, carports, roads, driveways, parking area, fences, screening walls, retaining walls, stairs, decks, patios, landscaping, sprinklers, hedges, windbreaks, planting, planted trees, shrubs, poles, signs, free-standing lighting fixtures, exterior air conditioning and water softener fixtures or equipment, which have been or will be constructed on the Property.
- 1.24 "Invited Guests" means Lot Owners family, friends, guests and invitees. In the event the Lot has been leased to a Lessee, it means the Lessees family, friends, guests and invitees.
- 1.25 "Lessee" means the occupant of a Living Unit situated on a Lot that is leased to the occupant pursuant to a valid lease. The Owner shall be responsible to ensure that the Lessee satisfies and complies with all terms, conditions and restrictions of this Declaration and other Controlling Documents. A Lessee shall independently be responsible to satisfy and comply with, and make sure that his Invited Guests satisfy and comply with all terms, conditions and restrictions of this Declaration and other Controlling Documents. Regardless of any term or condition in any lease agreement, the Owner shall retain and shall not transfer to a Lessee rights and obligations as an Association Member and Owner, including but not limited to the right to vote and the obligation to pay Assessments.



1.26 "Living Unit" means and refers to any structure situated upon the Properties designed and intended for use and occupancy as a residence by a single family. The Living Unit may include a Guest Home or Guest Quarters as allowed by Washoe County Code, subject to restrictions provided herein.

1.27 "Lot", referred to as "Unit" by NRS Chapter 116, means each portion of the Property which is designated as a numbered lot or parcel on the Final Parcel Map and intended for improvement with a single family residence, whether or not the Lot is so improved. The boundaries of each Lot and the number identifying the Lot are set forth on the Final Parcel Map. The maximum number of Lots or Units shall be sixteen (16).

1.28 "Manager" means the person or entity designated by the Board to manage the affairs of the Association and to perform various other duties assigned by the Board and by the provisions of this Declaration.

1.29 "Member" or "Association Member" means each person or entity including Declarant who holds a membership in the Association pursuant to the provisions of this Declaration, the Articles and the Bylaws. In the event that there is more than one person or entity holding fee simple title to a Lot, all such persons and entities shall be considered one Association Member. Given that there are a maximum of sixteen (16) Lots within the Property, there shall be a maximum of sixteen (16) memberships.

1.30 Notice of Obligation to Maintain Conditions Of Special Use Permit and of Individual Liability For the Use or Ownership of the Property, Including Common Areas. The notice required by the Special Use Permit which provides that the Association and each Owner have obligations and liability with respect to use and ownership of the Property and Common Areas pursuant to the Special Use Permit.

1.31 "Officer" means an officer of the Association.

1.32 "Owner" or "Lot Owner" means any person or entity, including Declarant, holding a fee simple interest in a Lot. The Owner shall be responsible to ensure that any Lessee of the Owner's Lot satisfies and complies with all terms, conditions and restrictions of this Declaration and other Controlling Documents. A Lessee shall independently be responsible to satisfy and comply with, and make sure that his Invited Guests satisfy and comply with all terms, conditions and restrictions of this Declaration and other Controlling Documents. Regardless of any term or condition in any lease agreement, the Owner shall retain and shall not transfer to a Lessee rights and obligations as an Association Member and Owner, including but not limited to the right to vote and the obligation to pay Assessments.

1.33 "Plan(s)" or "Improvement Plan(s)" means those items set forth in NRS 116.2109(5), including drawings of Improvements which Declarant filed with agencies which issue permits for the Project. The Improvement Plans, which include the Technical Special Provisions, may be reviewed as provided in Exhibit "E".

1.34 "Plan For Access Area Maintenance" is a plan required by the Special Use Permit outlining maintenance and responsibility for maintenance of Access Areas. The Plan For Access Area Maintenance is provided in this Declaration where it requires the Association to maintain all Access Areas and further provides that such maintenance shall be paid with Association Assessments.

1.35 "Property" or "Project" means the Property, together with all Improvements now or hereafter located thereon, and together with all easements, rights and appurtenances belonging thereto.

1.36 "Rules and Regulations" means such rules and regulations as the Board from time to time may adopt, amend and enforce pursuant to the terms of this Declaration concerning the ownership use, administration, maintenance, repair, restoration and replacement of the Common Area and Common Area Easements and for such other purposes consistent with this Declaration and other Controlling Documents.

1.37 "Safety Operations Manual" means that certain safety operations manual, disclosing the concurrent operation of aircraft and ground transportation on the Common Areas and use of the Common Area Improvements and Association Property within the Planned Community. The Safety Operations Manual prepared by Lumos & Associates Engineers on the 26<sup>th</sup> day of January, 2000 is attached hereto and incorporated herein as Exhibit "F".

1.38 "Special Declarant's Rights" means all rights reserved by Declarant for itself under this Declaration, including, but not limited to, those set forth in Article X hereof.

1.39 "Special Use Permit" means that certain special use permit issued by Washoe County as SPB6-12-99 on the 28<sup>th</sup> day of September, 1999, attached hereto and incorporated herein as Exhibit "G".

1.40 "Successor Declarant" means any and all successors-in-interest of Declarant who acquire an interest in the Property or any portion thereof, and to whom Special Declarant's Rights have been assigned by a written assignment executed by the transferor Declarant and the transferee Successor Declarant which is duly recorded in the office of the County Recorder of Washoe County, Nevada. Declarant and each Successor Declarant shall cease to be the Declarant or a Successor Declarant, respectively, at such time that it ceases to own an interest in any portion of the Property and designates a Successor Declarant for that portion of the Property.

## ARTICLE II

### COMMON AREA

2.1 No Request To Accept Offer of Dedication. Certain Access Areas shown on the Final Parcel Map are subject to offers of dedication in favor of Washoe County as required by Nevada law. The Declarant, Association and each Lot Owner hereby agree not to and shall be prohibited from ever requesting



Washoe County or any other public entity to accept the offers of dedication appearing on the Final Parcel Map or otherwise.

2.2 Ownership of Common Area. Ownership of the Common Area shall be as follows:

2.2.1 "Wright Bros. Way" shall be owned by the Owner of each Lot on which a portion of Wright Bros. Way lies, subject to a Common Area Easement.

2.2.2 "Flying Eagle Lane", shall be owned by the Owner of each Lot on which a portion of Flying Eagle Lane Drive lies, subject to a Common Area Easement.

2.2.3 "Aerie Way", shall be owned by the Owner of each Lot on which a portion of Aerie Way lies, subject to a Common Area Easement.

2.2.4 Access and Drainage Areas shall be owned by the Owner of each Lot on which a portion of the Access Areas lie, subject to a Common Area Easement.

2.2.5 Southwest Access Gate, meaning the gate itself, shall be owned, administered and maintained by the Association, subject to a Common Area Easement.

2.2.6 Main Entry Gate, meaning the gate itself, shall be owned, administered and maintained by the Association, subject to a Common Area Easement.

2.2.6.1 Control Building, including all personal property and fixtures within the building, shall be owned, administered, maintained, repaired restored and replaced by the Association. The land underlying the Control Building shall be owned by the Owner of the Lot on which the Control Building lies, subject to a Common Area Easement but shall be accessible only to the Association and designated agents to maintain, repair and otherwise operate the Control Building. The Owner of the Lot on which the Control Building lies shall allow the Control Building to be constructed, operated and maintained free of charge without payment of any kind to the Owner from the Association Declarant or other Owners, including but not limited to rent payments, lease payments, purchase payments or the like. Furthermore, the Owner of the Lot shall not demand anything of the Declarant, Association or other Owners with respect to the land underlying the Control Building which is not otherwise required by this Declaration, including but not limited to insurance, special maintenance or the like.

2.2.6.2 Entry Warning Sign shall be owned, administered and maintained by the Association.

2.2.7 Perimeter Fence shall be owned, administered and maintained by the Association.

2.2.8 Safety Devices shall be owned, administered and maintained by the Association, subject to the Owner's right to use the Safety Devices.



2.2.9 Common Utility Facilities shall be owned and administered by the Association, but shall be maintained by Sierra Pacific Power and Nevada Bell pursuant to any contract entered into between Declarant and the utility companies, subject to the Owner's right to use the Common Utility Facilities.

2.3 Encumbrances Against Common Area. Title to the Common Area is or may be subject to the following encumbrances ("Existing Encumbrances"):

2.3.1 Rights of way for any existing roads, trails, canals, streams, ditches, drain ditches, pipe, pole or transmission lines traversing said premises.

2.3.2 Easements, dedications, reservations, provisions, recitals, building set back lines, and any other matters as provided for or delineated on the Division of Land Map No. 7 referenced in the legal description of any preliminary title report for the property.

2.3.3 Easement for roadway and public utilities, and incidental purposes  
Granted to: PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT  
Recorded: July 1, 1976, in Book 986, Page 668, Document No. 415183, Official Records of WASHOE County, Nevada.

2.3.4 Any and all easements and other rights shown on the Final Parcel Map.

2.3.5 All easements and other rights and obligations created by this Declaration and other Controlling Documents.

2.3.6 Any and all other exceptions shown for any particular Lot on a current title report from a reputable title company in good standing located in Washoe County, including but not limited to deeds of trust showing Declarant as trustor. Said deeds of trust shall be released against each Lot at the time of sale to the initial Lot purchaser.

2.4 Owners' Easements of Enjoyment. Except as otherwise expressly provided elsewhere in this Declaration, each Owner shall have, and the Declarant hereby grants to each Owner, a non-exclusive, perpetual and reciprocal Common Area Easement to use and enjoy the Common Areas as defined herein and/or as shown on the Final Parcel Map for purposes described in Paragraph 2.6 and all other purposes consistent with the terms and conditions of the Controlling Documents. Although it is intended that this provision adequately creates the Owner's easements provided for herein, each Owner at the written request of the Association shall within ten (10) days of such request execute any and all documents reasonably necessary for the creation of such easements at the expense of the Association. Each such easement granted to a Owner shall be appurtenant to and pass with title to each Lot, subject to the rights and restrictions contained in this Declaration and other Controlling Documents.

2.5 Suspension of Use. The Association shall have the right to suspend the right to use any Common Area, by an Owner, Lessee or Invited Guests for any period during which (i) such use may create an unreasonable risk of health or safety to the person or persons using the Common Area; (ii) the



Owner Lessee or Invited Guest fails to reasonably comply with the terms, conditions and restrictions of this Declaration and other Controlling Documents, or (iii) any Assessment against such Owner remains unpaid for a period of thirty (30) days, by so notifying the Owner of such suspension; provided, however, that if such Owner files a written objection with the Board within ten (10) days after such suspension notice is deemed to have been received by Owner pursuant to the provisions hereof, then such Owner shall be given an opportunity to be heard by the Board. Nothing in this provision shall create any duty or obligation on the Declarant, Association or any other person to warn of circumstances during which use of the Common Area may create an unreasonable risk of health or safety.

2.6 Use of the Common Area.

2.6.1 General. Except as otherwise expressly provided in this Declaration, the Common Area shall be used for the following:

2.6.1.1 Vehicular and pedestrian access to, from, over and across the Property as designated on the Final Parcel Map or as otherwise designated by the Association from time to time.

2.6.1.2 Taking off, landing, taxiing and otherwise using, maintaining and servicing aircraft within guidelines required by the Controlling Documents.

2.6.1.3 Housing or locating Safety Devices for the enjoyment, health and safety of the Property, Declarant, Association and Lot Owners or others using Common Area within the Property or Planned Community.

2.6.1.4 Providing for a Perimeter Gate for the enjoyment, health and safety of the Property, Declarant, Association, Lot Owners or others using Common Area within the Property or Planned Community.

2.6.1.5 Placement of Common Utility Facilities serving Common Areas and Common Area Improvements thereon, and providing for utility hook up locations within the Common Easement Area to be accessed by individual Lots Owners.

2.6.1.6 No persons other than the Owners, Lessees and Invited Guests shall be allowed to in any manner use or occupy the Common Area. Any Owner may extend his rights of use and enjoyment in the Common Area to such Owner's Lessees and Invited Guests subject, however, to the provisions of the Controlling Documents. Each Owner shall notify the secretary of the Association of the names of any Lessees or Invited Guests of such Owner's Lot. All permitted rights of use and enjoyment of the Common Area, are subject to suspension as set forth in paragraph 2.5 above. Each Owner shall at all times be responsible for any and all activities of his Lessees and Invited Guests using the Common Area. No Common Area shall be altered or removed, except at the express direction of the Association.

2.6.2 Parking Restrictions. Lot Owners must park all vehicles and aircraft



within the boundaries of their Lots, but in no event within any Common Area or Common Area Easement, subject to emergency situations provided in paragraph 3.1.13. 2.7 Declarant's Common Area Easement Rights.

2.7.1 Reservation of Common Area Easements In Favor of Declarant.

Declarant hereby reserves unto itself such easements over, through and under the Common Area as defined herein and/or depicted on the Final Parcel Map or Improvement Plan, as may be reasonably necessary to discharge Declarant's obligations or exercise any Special Declarant's Rights, including but not limited to any and all development, maintenance, repair, restoration and replacement of power, telephone, and any other utility Improvement throughout the Common Area. While this provision adequately creates the Declarant's easements provided for herein, the Association and each Owner at the written request of the Declarant shall within ten (10) days of such request execute any and all documents reasonably necessary for the creation of such easements at no charge or expense to the Association or Owner. This reservation shall terminate upon Declarant's Control Termination Date. Additionally, Declarant reserves unto itself an easement over, through and under the area fifteen feet (15') wide from the perimeter boundary of Lots 1, 2, 3, 4, 8 and 9 as depicted on the Final Parcel Map. The purpose of this easement is to provide Declarant access for maintenance, repair and/or replacement of the Perimeter Fence. While this provision adequately creates the Declarant's Perimeter Fence easements provided for herein, the Association and each Owner at the written request of the Declarant shall within ten (10) days of such request execute any and all documents reasonably necessary for the creation of such easements at no charge or expense to the Association or Owner. This reservation shall terminate upon Declarant's Control Termination Date.

2.8 Rights of Association to Easements Over Common Area. At such time as the rights reserved to Declarant under subparagraph 2.7.1 have expired, the Association shall be entitled to exercise the rights reserved to Declarant under subparagraph 2.7.1

2.9 Prohibition Against Interference With Common Area. No Owner or other person, except with the written consent of Declarant and/or the Association for the benefit of the Planned Community, shall construct, erect, install or otherwise place any Improvement, fixture or other real property improvement within a Common Area or Common Area Easements. Any such Improvement, fixture or other form of real property improvement shall be deemed to unreasonably interfere with the Common Area Easements in favor of the Declarant, Association and Owners. Standard and customary underground hook ups to Common Utility Facilities by Owners for the benefit of their Lots shall not be deemed to violate this provision. In the event an Owner or other person does wrongfully construct, erect, install or otherwise place an Improvement, fixture or other real property improvement within the Common Area or Common Area Easements, the Association shall have the right to remove it without notice at the sole cost and expense of the Owner or person in violation of this provision.



**ARTICLE III**

**USE RESTRICTIONS, MAINTENANCE OBLIGATIONS,  
AND PRIVATE EASEMENTS**

3.1 Use Regulations.

3.1.1 Special Use Permit. The Planned Community is subject to the Special Use Permit.

3.1.1.1 Limitation on Planes. The Special Use Permit limits the total number of planes on the Property at any one time to eighty (80) planes. Thus, the number of airplanes allowed on each Lot is limited to a total of five (5) planes at any one time. This shall not prohibit Owners of a Lot from entering into an agreement with Owners of another Lot whereby a particular Lot is allowed to have more than five (5) planes and the other Lot is restricted to less than five (5) planes, so long as the total for both Lots does not exceed ten (10) planes. Any such agreement shall state the specific number of planes allowed on each Lot, the time period during which the agreement is effective and shall be signed by the affected Lot Owners. Within two (2) business days after the agreement is executed, it shall be delivered to and received by the Association. No such agreement shall be effective unless it is timely delivered to and received by the Association. Such an agreement will not run with the land and will not be binding upon a successor owner of a Lot subject to the agreement. A form agreement may be obtained from the Association.

3.1.1.2 Compliance With and Notice of Special Use Permit, Safety Operation Manual and Federal Aviation Administration Letter. The terms, conditions and restrictions of the Special Use Permit, Safety Operations Manual and Federal Aviation Administration Letter shall be strictly adhered to at all times. Lot Owners shall provide Lessees and Invited Guests with a current copy of the Special Use Permit, Safety Operations Manual and the Federal Aviation Administration Letter and Lessees and Invited Guests shall read the same prior to using the Common Areas. The Special Use Permit and Safety Operations Manual may be amended from time to time. The Association shall provide notice to all Lot Owners within thirty (30) days of such amendments.

3.1.1.3 Private Use Only. The Runways and Taxiway and related Common Areas and Safety Devices (i) shall operate as a private facility, for the exclusive use of the Lot Owners and Invited Guests; and (ii) shall not be operated for commercial purposes. Leasing or rental of airplane hangers or tie down spaces to non-Owners shall not be allowed.

3.1.1.4 General Aviation Service. The Runways shall be limited to providing general aviation service, comparable in function to FAA Basic Utility (BU) airport classification with an Airport Reference Code (ARC) of B-1. The Runways shall be limited in air traffic between 91 and 121 knots and aircraft up to 48 feet in wingspan. The Association shall maintain the Runways on FAA charts.



3.1.1.5 Dawn to Dusk. Flight operations shall be limited from dawn until dusk.

3.1.1.6 Flight Altitude. Aircraft shall not be less than fifty (50) feet above the ground when crossing the perimeter Property lines. The Runway pavement shall have landing threshold markings at a minimum of 1000 feet from the Property boundary.

3.1.1.7 Fuel Storage. Fuel storage for any Lot shall not exceed Uniform Fire Code amounts of ten (10) gallons per household. Fuel delivery trucks may arrive on the Property to service airplanes.

3.1.1.8 Addresses. Addresses for each Lot or Living Unit shall be plainly visible from the Primary Roadway fronting each Lot.

3.1.1.9 Access To Washoe County. The Association and Lot Owners shall provide access to Washoe County agents or employees to any airplane hangers, storage buildings and airport operational facilities including Common Areas, for the purpose of inspecting the Property to ensure compliance with all conditions of the Special Use Permit.

3.1.2 Residential Use. No Lot shall be improved or used for any purpose other than single family residential use. There shall be no more than one (1) Living Unit per Lot. No Living Unit on a Lot shall be occupied as living quarters until a final Certificate of Occupancy for such Living Unit has been issued by the appropriate governmental authority.

3.1.3 Improvements and Alterations; Architectural Control. No Improvement, construction, repair, painting, excavation, fill, removal of rocks, shrubs or natural vegetation, or other work that alters the land or the exterior appearance of any Living Unit or Improvement upon any Lot shall be made, done, or permitted to be done unless approval therefor is first obtained from the Architectural Review Board ("ARB") in accordance with this Declaration and the procedures established by the ARB, and from the appropriate governmental authority, if required.

3.1.4 Living Units/Guest Quarters. Each numbered Lot may be occupied by a Living Unit, all plans of which must first be approved by the ARB. One stick-built residential building (together with a building for Guest Home or Guest Quarters) consisting of no more than 2.5 stories in height may be built on each Lot. The primary residence portion of the Living Unit shall have a minimum of two thousand (2,000) square feet of living area. If the primary residence portion of the Living Unit is two or more stories, the minimum square footage for the ground floor shall be 1400 square feet and any additional floor shall have a minimum of 600 square feet. A stick built residential Guest Quarters not to exceed the lesser of fifty percent (50%) of the total square footage of the primary residence portion of the Living Unit or twelve hundred (1,200) square feet may also be built on each Lot. The Guest Quarters must conform in design and color scheme with the primary residence.



3.1.5 Previously Constructed Dwellings. No previously constructed dwelling, including trailer homes, mobile homes, modular homes, and prefabricated homes shall be moved onto or assembled on any Lot at any time. However, during the time of construction of the Living Unit on each Lot, the ARB may, at its sole discretion, approve the use of a mobile home to be used as a temporary residence for the Lot Owner for a period of not more than six (6) months. In the event the Living Unit is completed in less than six (6) months, said temporary residence shall be removed within 10 days of the issuance of the Certificate of Occupancy for the Living Unit.

3.1.6 Airplane Hanger, Detached Garages, Storage Buildings, Barns and All Other Out Buildings. Any airplane hanger, detached garages, storage buildings, barns and all other out buildings may be erected on each parcel so long as they conform in design, building materials and color-scheme with the Living Unit and other Improvements on each Lot and are built in compliance with the Controlling Documents, the Washoe County Development Code and other Washoe County conditions and restrictions for such buildings. All airplanes on the Property shall be stored in a detached accessory structure such as a hanger.

3.1.7 Streets, Roads and Driveways. No streets, roads, or driveways shall be opened through side Lots to serve adjoining property except as (i) specifically provided for and created by this Declaration and/or shown on the Final Parcel Map; (ii) previously provided for by plat, survey or other legally sufficient document duly recorded in the Washoe County Recorder's Office prior to this Declaration; or (iii) as approved in writing by the Board.

3.1.8 Setback Restrictions and Defensible Space. No Living Unit or Improvement shall be located nearer to a Common Area, Common Area Easement, Runway, Taxiway, Primary Roadways or Other Roadways than fifty (50) feet under any circumstances. No Living Unit or Improvement shall be located nearer to a property line than fifty (50) feet, unless waived by the ARB. A thirty (30) foot defensible space shall be maintained around any structure for fire protection.

3.1.9 Masonry. Whenever buildings erected on any Lot are constructed in whole or in part of concrete, concrete blocks, cinder blocks or other fabricated masonry block units, the entire surface of such blocks exposed above finish grade shall be veneered with brick, natural stone, stucco approved by the ARB or other material approved by the ARB.

3.1.10 Fences. Any fencing on the perimeter of any Lot and, any fencing along both sides of the Runways, Taxiway, Primary Roadways and Other Roadways, shall be built of white vinyl three (3)-rail fencing with a uniform height of approximately 4.5 feet above ground, consistent with the Perimeter Fence surrounding the Planned Community. All other fencing on each Lot shall conform in style and color with the Living Unit and Improvements erected on each Lot. Plans and specifications for all proposed fences within the Property shall be included with the submission to the ARB at the time Improvement plans are submitted to the ARB.



3.1.11 Commercial Use. Except as otherwise provided in this Declaration or approved by the Board, no part of the Property shall be used or caused, allotted, or authorized to be used in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending, or other such non-residential purpose. This provision shall not preclude home businesses as permitted by the Washoe County Code for the land use designation of the Property.

3.1.12 Appearance and Maintenance of Lot. Each Owner shall maintain his Lot and Improvements in a clean, neat, attractive and orderly condition, free of debris and shall maintain the interior of any Improvement and all fixtures, appliances and appurtenances therein or thereto in good conditions and repair and shall comply with all state, county and local health regulations applicable to residential living. Except for neatly stacked firewood, any patio or deck areas shall not be used for storage of items not to be used in such patio or deck areas, including but not limited to boxes, bicycles, and other unsightly items.

3.1.13 Parking Restrictions. Upon submitting building plans, each Owner must designate parking areas for vehicles within his Lot. Unless otherwise permitted by the Board or the ARB, no vehicle shall be parked or left within the Lot in an area other than in a parking area approved by the Board or ARB. Parking by commercial vehicles for the purpose of making deliveries shall be permitted in accordance with the Rules and Regulations.

3.1.14 Trailers, Boats, and Motor Vehicles. The Board may enact reasonable Rules and Regulations governing the storage and operation of trailers, boats, other recreational vehicles and motor vehicles within the Property. The Association shall have the right to direct the removal of such vehicles improperly parked on the Common Area or any Lot. No trailer, boat, truck, camper, recreational vehicle, or tent shall be used as a living area while located on the Property.

3.1.15 Unauthorized Vehicles. No dilapidated, inoperable or unauthorized vehicle or airplane shall be left on a Runway, Taxiway, Roadway, Other Roadway, or any other Access Area or Common Area, except that emergency vehicle or airplane repairs of minor nature may be accomplished, providing that the subject vehicle or airplane has been moved well into the shoulder of the Runway, Taxiway, Primary Roadways, Other Roadways or Access Areas and that the repairs are completed as soon as possible, but in no event to exceed twenty-four (24) hours. All dilapidated or inoperable vehicles or airplane shall be stored on the respective Owner's Lot in a manner that is not visible from an adjoining parcel and shall be subject to other parking rules contained herein. At no time shall any vehicle or airplane be parked or abandoned on or in a manner that precludes the use of the Southwest Access Gate or Main Entry Gate and/or any other Access Areas.

3.1.16 Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated, or maintained upon or adjacent to any Lot except such machinery or equipment as is usual and customary in connection with and during the use, maintenance, or construction of a Living Unit or other Lot Improvement. This paragraph shall not preclude the use and proper storage of any operable farming, agricultural or landscaping equipment used from time to time within the Lot. Such machinery and equipment shall be subject to parking restrictions for vehicles as provided herein.



3.1.17 Barbecues and Burn Barrels. There shall be no exterior fires except barbecue fires or other fires contained within receptacles designed for such purposes as permitted by the Washoe County Code.

3.1.18 Animals. No restrictions shall be placed on the Lot Owners as to the number or kind of animals raised on each Lot, so long as the Owner (i) complies with all state, county and local laws, regulations, conditions and restrictions; and (ii) the animals do not create a nuisance or violate the rights and privacy of other Lot Owners. In the event that (i) or (ii) occurs, each Owner and the Board shall have the right to require that the animals be removed from the Property, in addition to any other available remedies. Notwithstanding any other provision in this paragraph, raising pigs for commercial purposes and dairy farming are specifically prohibited. Each Owner is responsible for keeping all livestock from entering the Runways, Taxiway, Primary Roadways, Other Roadways or other Access Areas.

3.1.19 Garbage and Refuse Disposal. No Lot or any portion thereof or any Improvement thereon shall be used or maintained as a dumping ground for rubbish. There shall be no exterior trash, garbage or other refuse upon any portion of the Property, nor shall any Owner accumulate on such Owner's Lot any litter, refuse or garbage, except in sanitary receptacles provided for such purposes. All Owners shall pay for regular refuse collection service no less frequently than weekly. Every sanitary receptacle for ashes, trash, rubbish or garbage shall be kept in an orderly, clean and sanitary condition and shall be so placed and kept as not to be visible from any other Lot or neighboring property or from any Common Area, except for the minimum time period necessary for collection.

3.1.20 Diseases and Insects. No Owner shall permit any thing or condition to exist upon his Lot that shall induce, breed, or harbor infectious plant or tree diseases or noxious insects.

3.1.21 Exterior Sound Devices. No exterior speakers, or other sound devices except security devices used exclusively for security purposes shall be located, used, or placed on a Lot or Improvement without the prior written approval of the ARB.

3.1.22 Signs. No sign, placard or notice of any kind shall be placed within a Lot so as to be visible from neighboring property or within public view without the approval of the ARB, except for (i) signs posted for safety within the Common Area; , (ii) a modest "for sale" sign during the time a Lot is offered for sale; (iii) a modest election campaign sign during election campaigns not to exceed four (4) months for any particular campaign, or (iv) a sign warning of any danger or hazard on a Lot or Common Area. The ARB shall have the sole discretion to determine whether a "for sale" sign or campaign sign is "modest."

3.1.23 Mineral Development. No mineral development operations, refining, quarrying or mining operation of any kind shall be conducted upon any Lot or in any Improvement thereon, nor shall tanks, tunnels, mineral excavations or shafts be placed upon or within any Lot (whether entry is made above or below the surface) or any Improvement thereon. No derrick or other structure designed for use in boring for oil, natural gas, hydrocarbons or minerals shall be erected, maintained or permitted upon



any Lot. This paragraph shall not exclude the right of the Declarant, Association or Lot Owners to drill for and use water as needed within the Property.

3.1.24 Water. Except as needed by Declarant or the Association for development of the Planned Community or to discharge their respective duties under this Declaration or the law, no water shall at any time be taken from the Property by any Owner of any Lot or any other person, for any purpose or use outside the Property. Water sources covered by this paragraph shall include but not be limited to groundwater, water from any creek or drainage facility, natural water courses, open drainage ditches or underground pipes located within the Property.

3.1.25 Nuisances/Noxious or Offensive Activity. No odors shall be permitted to arise from a Lot or within the Property so as to render any portion of the Property unsanitary, unsightly, offensive, or detrimental to any other portion of the Property in the vicinity thereof or to its occupants. No noise or other nuisance shall be permitted to exist or operate upon any portion of any Lot within the Property so as to be offensive or detrimental to any other portion of the Property in the vicinity thereof or to its occupants, including activity which is likely to become or create a nuisance. No noxious or offensive activities shall be conducted within the Property that may be or may become an annoyance or nuisance to the residents of the Planned Community, or that in any way interferes with the quiet enjoyment of occupants of Lots.

3.1.26 Compliance With Laws; Prohibition of Certain Activities. No Owner shall permit anything to be done or kept in his Lot that violates any law, ordinance, statute, rule, or regulation of any local, county, state, or federal body. Without prior written consent from the Board, nothing shall be done or kept in any Lot or in the Common Area within or outside any Lot, or any part thereof, which may or will result in violation of the Special Use Permit, or which may or would result in the cancellation of any insurance on the Property or increase the rate of insurance on the Property or any part thereof over what the Association would pay but for such activity.

3.1.27 Drainage and Slope Control. The Owner of each Lot must not disturb or interfere with Drainage Ditches as shown on the Final Parcel Map and/or Improvement Plans. Each Lot Owner shall make provisions for the control and drainage of waters from his Lot to the nearest Drainage Ditch. It shall be the responsibility of each Owner to control said waters on his Lot so that said waters shall not flow over adjacent Lots whereby erosion, sliding or nuisance problems may result. Any damage to adjacent Improvements or Living Units resulting from failure to control such drainage shall be the



responsibility of the Lot Owner from which the damaging water flows.

3.1.28 Rules and Regulations. No Owner shall violate the Rules and Regulations as adopted and amended from time to time by the Association.

3.2 Maintenance Obligations.

3.2.1 Common Area. Maintenance of the Common Area shall be the obligation of the Declarant until substantial completion of all Common Area Improvements, which should occur on or about October 31, 2000. From and after said date the obligation to maintain the Common Area and the Improvements thereon shall be the obligation of the Association. The Association shall maintain and manage the Common Area in a first class and husbandlike manner. The Association shall maintain all Common Utility Facilities within the Common Area, unless such item of maintenance is the obligation of a utility company, or other governmental entity.

3.2.2 Lots and Improvements Thereon. Except with respect to the Common Areas, each Owner shall have the obligation to repair and maintain such Owner's Lot and the Improvements thereon, at such Owner's sole cost and expense, including, but not limited to, the following: the Living Unit and Guest Quarters and all related Improvements, all plumbing, electrical and gas lines, all private wells and septic lines, all private equipment and facilities, and all other private utility facilities within such Owner's Lot. The Association is obligated to maintain, repair or replace Common Area Improvements and Common Utility Facilities which may be under, over, upon, through or across any Lot, unless the Owner is responsible by act or omission for the injury or destruction of a Common Area Improvement or Common Utility Facility, in which case the Owner shall be responsible for its maintenance repair and/or replacement. No approval from the ARB shall be necessary for the performance of normal maintenance and repair work.

3.3 Easements

3.3.1 Utility Easements

(a) General Easements. There is hereby created a blanket easement upon, across, over, through, and under the Common Area for ingress, egress, installation, replacement, repair and maintenance of all Common Utility Facilities physically located within Common Areas and Common Area Easements in favor of Declarant, the Association and the providing utility or service company. Common Utility Facilities shall house utility and service lines and systems, including, but not limited to, power and telephones. By virtue of this easement it shall be expressly permissible for the Declarant, the Association or the providing utility or service company to install and maintain facilities and equipment on the Common Area, to excavate for such purposes and to affix and maintain wires, circuits, and conduits as provided on the Final Parcel Map and/or Improvement Plans. Notwithstanding anything to the contrary contained in this paragraph, no electrical lines, power lines or other utility service lines or facilities for such utilities may be installed or relocated within the Common Areas or Common Area Easements



except as programmed and approved by the Declarant or the Association. This easement shall in no way affect any other recorded easements on the Property. This easement shall be limited to Improvements as originally constructed.

(b) Specific Easements. Specific easements are described and depicted on the Final Parcel Map and Improvement Plans and any and all other documents of record.

3.3.2 Drainage Ditches. All natural drainage ditches ("Drainage Ditches") as shown on the Final Parcel Map and Improvement Plans shall remain unobstructed and unimproved at all times.

COPY



## ARTICLE IV

### **THE ASSOCIATION**

4.1 Formation. The Association is a nonprofit corporation formed or to be formed under the laws of the State of Nevada. Prior to the conveyance of the first Lot to an Owner other than Declarant, Declarant shall cause the Articles of Incorporation to be filed with the Secretary of State of the State of Nevada. The Association shall be charged with the duties and invested with the powers set forth in the Articles, Bylaws, and this Declaration. The Association is not authorized to have and shall not issue any capital stock.

4.2 Association Action; Board of Directors and Officers; Members' Approval. Except as to matters requiring the approval of members as set forth in the Articles, Bylaws, this Declaration, or Chapters 82 and 116 of the Nevada Revised Statutes, the affairs of the Association shall be conducted by the Board and such officers as the Board may elect or appoint in accordance with this Declaration or the Bylaws, or their amendments. The Board shall initially have three (3) Directors but the number of Directors may be modified by amendment to the Articles of Incorporation. Except for the Directors appointed by Declarant in accordance with this Declaration, the Articles and the Bylaws and the Directors of the first Board named in the Articles, the Board shall be composed of Members only. All Directors must be at least eighteen (18) years of age. The Directors of the first Board named in the Articles shall serve until the first annual meeting of the Association Members is called for the purpose of electing their successors. The first annual meeting of the Association Members shall be held not later than the earlier of (a) forty-five (45) days after the closing of the sale of the Lot which represents the fifty-first percentile interest in the total number of Lots in the Property, or (b) one (1) year after the date of the filing of the Articles of Incorporation with the Secretary of State of the State of Nevada. Such meeting shall be called, noticed and conducted in accordance with the Articles and the Bylaws. Except as otherwise provided in the Articles, Bylaws, this Declaration, or Chapters 81 or 116 of the Nevada Revised Statutes, all matters requiring the approval of Association Members shall be deemed approved if Association Members holding a majority of the total voting power assent to them by written consent as provided in the Bylaws or if approved by a majority vote of a quorum of Association Members at any regular or special meeting held in accordance with the Bylaws.

4.3 Membership.

4.3.1 Membership Qualifications. The Association Members shall be the Owners of the Lots. The Owner(s) of each Lot shall have one (1) membership in the Association. The number of memberships in the Association shall be equal to the number of Lots within the Property, which shall not exceed sixteen (16) Lots.

4.3.2 Members Rights and Duties. As used in this Declaration, the term "Member" or "Association Member" shall refer to the Owner of a Lot if there is one Owner, or collectively to all of the Owners of a Lot if there is more than one Owner. Each Member shall have the rights, duties and obligations set forth in this Declaration and other Controlling Documents as the same may from time to time be amended. The respective interests of each of the Members shall be equal.



4.3.3 Voting.

(a) There shall be one vote for each Lot which shall be cast in accordance with the desires of the majority of the Lot Owners. No Lessee of any Lot shall have the right to vote on any issue without a valid proxy from the Lot Owner(s).

(b) Appointment and Removal of Directors and Officers of Association. Subject to the provisions of subparagraph (c) of this paragraph 4.3.3, Declarant reserves the right to appoint and remove all of the Directors and all of the Officers of the Association until the earlier of the following events:

(i) Sixty (60) days after conveyance of seventy-five percent (75%) of the Lots to Owners other than Declarant (herein "Purchasers"); or

(ii) Two (2) years after Declarant has ceased to offer for sale in the ordinary course of business any Lots within the Property;

(iii) In the event and at such time as Declarant waives by written instrument the rights reserved by Declarant under this subparagraph (b), and such written waiver is recorded in the Official Records of the County Recorder of Washoe County, Nevada.

(iv) Declarant shall have the right to designate a person or persons who are entitled to exercise the rights reserved to Declarant under this subparagraph (b). The date on which the rights reserved by Declarant under this subparagraph (b) terminate is herein called "the Declarant's Control Termination Date". From and after the Declarant's Control Termination Date, the Directors and the Officers shall be elected and appointed as provided in the Articles and Bylaws.

(c) Composition of Board of Directors. Notwithstanding anything to the contrary set forth herein, not later than sixty (60) days after Declarant's conveyance of Lots equal to twenty-five percent (25%) of the total number of Lots within the Property to Owners other than Declarant, at least one member and not less than twenty-five percent (25%) of the Directors shall be elected by Owners other than the Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Lots within the Property to Owners other than Declarant, not less than thirty-three and one-third percent (33-1/3%) of the Directors shall be elected by Owners other than the Declarant. Not later than on the Declarant's Control Termination Date, the Owners shall elect a Board of at least three (3) Directors, two of who must be Owners other than Declarant.

(d) Persons Entitled to Serve on the Board. Except for the members of the Board appointed by Declarant in accordance with the Declaration, the Articles and the



Bylaws, and the members of the first Board named in the Articles, all Directors shall be Members of the Association. In all events where the person serving or offering to serve as an Officer or Director is not the record Owner, such person shall file proof of his or her authority in the records of the Association.

4.3.4 Exercise of Voting Rights. In the case of a Lot owned by two (2) or more persons or entities, the voting power shall be exercised by one person designated by the Owners. Such voting member must be designated in writing to the Board by all Owners of such Lot, and the Association may preclude the vote for any such Lot by any Owner other than such designated Owner. If there is no such designation, then such Lot shall have no vote until such designation is made. The designated Owner shall provide a current address to the Association for notice purposes, including but not limited to the modification or amendment of any Controlling Documents.

4.4. Transfer of Membership. The Association membership of the Owner(s) of a Lot shall be appurtenant to such Lot, and shall not be assigned, transferred, pledged, hypothecated, conveyed, or alienated in any way except on a transfer of title to such Lot, and then only to the transferee. Any attempt to make a prohibited transfer shall be void. Any transfer of title or interest to a Lot shall operate automatically to transfer the appurtenant membership rights in the Association to the new owner(s). Prior to any transfer of title to a Lot, either the transferring Owner or the acquiring Owner shall give notice to the Board of such transfer, including the name and address of the acquiring owner and the anticipated date of transfer. The Association shall have the right to charge a reasonable transfer fee (not to exceed the actual cost to the Association to complete the transfer) payable to the Association on the date of transfer of title to the Lot, which transfer fee shall be assessed against the Lot as a Violation Assessment if not paid when due.

## ARTICLE V

### POWERS AND DUTIES OF THE ASSOCIATION

5.1 Powers. The Association shall have all the powers of a non-profit corporation organized under the laws of the State of Nevada and the powers conferred upon it pursuant to Chapters 82 and 116 of the Nevada Revised Statutes, subject only to such limitations on the exercise of such powers as are set forth in this Declaration and other Controlling Documents. It shall have the power to do any lawful thing that may be authorized, required, or permitted to be done by the Association under this Declaration and other Controlling Documents, and to do and perform any act that may be necessary or proper for or incidental to the exercise of any of the express powers of the Association, including, without limitation, the following:

5.1.1 Assessments. The Association shall have the power to establish, fix, and levy assessments as set forth in this Declaration (herein collectively "Assessments") and to enforce payment of such Assessments in accordance with the provisions of this Declaration.

5.1.2 Right of Enforcement.

(a) General. The Association in its own name and on its own behalf, or on



behalf of the Owners of two (2) or more Lots who consent, any Member on its own behalf (as provided in paragraph 13.3.1 hereof) and Declarant on its own behalf, shall have the power and authority to commence and maintain actions for damages, or to restrain and enjoin any actual or threatened breach of any provision of this Declaration, other Controlling Documents, or any resolutions of the Board, to enforce by mandatory injunction, or otherwise, all of these provisions, and to intervene in litigation or administrative proceedings on matters affecting the Property or Planned Community. The Court in any such action may award the successful party reasonable expenses in prosecuting such action, including reasonable attorneys' fees.

(b) Suspension of Voting Rights; Fines. The Association shall have the power and authority to suspend the voting rights, or can assess monetary penalties against any Owner of a Lot for any violation of this Declaration or other Controlling Documents by the Owner, his Invited Guests or his Lessees. However, any such suspension of use privileges cannot exceed a period of thirty (30) days for any one violation; and any administrative monetary penalty cannot exceed Five Hundred Dollars (\$500.00) for any one violation absent a court order or judgment. Before invoking any such suspension or fine, the Board shall give such Owner notice and opportunity to be heard; and in the event it is determined that such violation exists, the Board may impose a Violation Assessment against such Owner in the manner provided in paragraph 6.6 hereof to collect any fine which remains unpaid for a period of ten (10) days or more.

5.1.3 Delegation of Powers; Professional Management; Other Services. The Association, acting by and through the Board, can delegate its powers, duties and responsibilities to committees of Members, employees, agents and independent contractors, including a professional Manager. The Association may obtain and pay for legal, accounting, and other services necessary and desirable in connection with the operation of the Project and the enforcement of this Declaration.

5.1.4 Personal Property. The Association may acquire and hold for the use and benefit of all the Owners tangible and intangible personal property, and may dispose of the same by sale or otherwise.

5.1.5 Rules and Regulations. The Board shall have the power to adopt, amend, and repeal the Rules and Regulations regulating the ownership, use, administration, maintenance, repair, restoration and replacement of the Common Area, including Common Area Improvements, the Common Area Easements, Association Property and for such other purposes consistent with this Declaration and other Controlling Documents. A copy of the Rules and Regulations as adopted, amended, or repealed, shall be mailed or otherwise delivered to each Association Member.

5.1.6 Other Services and Properties. The Association shall have the power to obtain or pay for, as the case may be, any other property, services, taxes, or assessments which the Association or the Board is required to secure or pay for pursuant to the terms of this Declaration or other Controlling Documents including safety and security services for the Property generally, or which, in its opinion, shall be necessary or proper for the operation of the Association, and to incur liabilities and make contracts



respecting the same.

5.2 Duties of the Association. In addition to the duties delegated to it by its Articles or the Bylaws, and without limiting their generality, the Association, acting by and through the Board, or persons or entities described in paragraph 5.1.3, has the obligation to conduct all business affairs of common interest to all Members and to perform each of the following duties:

5.2.1 Professional Management. The Association may engage the services of a professional Manager or managing agent to manage the Property.

5.2.2 Taxes and Assessments. The Association shall pay all taxes and government assessments levied against all Common Areas and Association Property or against the Association. Such taxes and assessments may be contested or compromised by the Association, provided that they are paid or that a bond insuring payment is posted before the sale or the disposition of any property to satisfy the payment of such taxes.

5.2.3 Insurance. The Association shall obtain and maintain, from reputable insurance companies, the insurance described in Article VII.

5.2.4 Enforcement of Controlling Documents. The Association shall perform such other acts, whether or not expressly authorized by this Declaration, that may be reasonably necessary to enforce and comply with any of the provisions of this Declaration or other Controlling Documents and Board resolutions.

5.2.5 Operation and Management of Common Area. The Association shall operate, maintain, repair, restore, replace and otherwise manage or provide for the operation, maintenance, repair, restoration, replacement and management of any and all Association Property, including, but not limited to, any Common Area and all its facilities, improvements, and landscaping, whether owned in common or acquired by the Association. Such operations and management shall be conducted in a first-class manner, and the Common Area shall be maintained in a good state of repair. In this connection, the Association may enter into contracts for services or materials for the benefit of the Common Area including contracts with Declarant.

5.2.6 Other. The Association shall carry out the other duties of the Association set forth in the Controlling Documents and Board resolutions, including but not limited to the following:

5.2.6.1 The Association shall be responsible for the operation, maintenance and general liability insurance of private roadway/runway/taxiway easements (identified herein as Runways, Taxiway, Primary Roadways, Other Roadways, and other Access Areas as shown on the Final Parcel Map and Improvement Plans).

5.2.6.2 The Association shall be responsible for the placement and retention of aviation easements over Lots and the right to land on roadways.



5.2.6.3 The Association shall be responsible for the installation and maintenance of airport safety systems and flight patterns to be adhered to by all pilots and vehicle operations, as well as the operation of an active warning system to prevent conflicts between aviation and vehicular/other use of paved surfaces.

5.2.6.4 The Association shall at all times provide access through the Southwest Gate and East Gate to all emergency services, including the Truckee Meadows Fire Protection District and Washoe County Sheriff's Department without delay and provide access to utility companies in a timely manner.

5.2.6.5 All items set forth in 5.2.6.1 through 5.2.6.4 above shall not be amended or deleted without the prior written approval of Washoe County and may be subject to an amendment of Special Use Permit Case No. SPB6-12-99.

5.2.6.6 The Association shall at all times enforce the provisions of the Flying Eagle Air Park Ranches "Safety Operations Manual", for matters including but not limited to air traffic, landing patterns and vehicle traffic as approved by Washoe County. The Association shall from time to time update the Safety Operations Manual as required for the continuous enforcement of safety regulations and shall provide a copy of said changes and or updates to Washoe County and Lot Owners.

5.2.6.7 The Association shall review Runway, Taxiway and Primary Roadway maintenance and safety considerations and shall at all times comply with FAA Basic Utility (BU) airport classification as a private air strip and shall upgrade or modify Rules and Regulations from time to time as deemed necessary to insure the safety of the Owners and others.

5.2.6.8 The Association shall purchase any and all equipment, materials and supplies necessary to undertake its duties imposed by this Declaration, the other Controlling Documents and Board resolutions. Declarant may sell any of such equipment materials and supplies to the Association and the Association may purchase such equipment, materials and supplies provided the purchase price is the fair market value thereof.

5.3 Limitations on Authority of Board. Except with the vote or written consent of Members of the Association holding fifty-one percent (51%) of the voting rights and a majority of the voting rights allocated to Lots now owned by Declarant, the Board shall not take any of the following actions:

5.3.1 Pay compensation to Directors or Officers for services performed in the conduct of the Association's business. However, the Board may cause a Director or an officer to be reimbursed for expenses incurred in carrying on the business of the Association.

5.4 Personal Liability. No Director, or member of any committee of the Association, or any Officer, or any Manager, or Declarant, or any agent of Declarant, shall be personally liable to any Member, or to any other party, including the Association, for any damage, loss, or prejudice suffered or claimed on



account of any act, omission, error, or negligence of any such person or entity if such person or entity has, on the basis of such information as may be possessed by him or it, acted in good faith without willful or intentional misconduct.

5.5 Meetings of Members. Meetings of Members shall be noticed and held as provided in the Articles, Bylaws, and this Declaration.

5.6 Association Books and Records and Association Property.

5.6.1 Right of Inspection. All membership registers, accounting records, and minutes of meetings of the Association Members, the Board, and committees of the Board, and all other books, documents and records of the Association, and the physical properties of the Association, shall be made available for inspection by any Member of the Association, or his, her or its duly appointed representative, or any mortgagee, at any reasonable time and for a purpose reasonably related to membership in the Association, at the office of the Association or at such other place as the Board prescribes. The right of inspection shall include the right to make copies of documents. The Board shall establish by resolution reasonable rules with respect to (a) notice to be given to the custodian of the records of the Association by the Member representative, or mortgagee desiring to make an inspection, (b) hours and days of the week when an inspection may be made, and (c) payment of the cost of reproducing copies of documents requested by a Member or by a representative or mortgagee.

5.6.2 Declarant's Obligation to Deliver Association Property and Records to Board. Within thirty (30) days after the Declarant's Control Termination Date, the Declarant shall deliver to the Association all property of the Association held by or controlled by Declarant, including:

- (a) The original or a certified copy of the Declaration, the Articles, the Bylaws and other Controlling Documents, minute books and other books and records of the Association, and any Rules and Regulations and/or ARB Rules which may have been adopted;
- (b) An accounting for money of the Association and financial statements from the date the Association received money to the Declarant's Control Termination Date. The financial statements shall fairly and accurately report the Association's financial condition prepared in accordance with generally accepted accounting principles;
- (c) The Association's money or control thereof;
- (d) All of the tangible personal property that has been represented by the Declarant to be Association Property or, all tangible personal property that is necessary for, and has been used exclusively in, the operation and enjoyment of the Common Area, and inventories of those properties, unless Declarant has disclosed in a public offering statement that such personal property will remain the property of Declarant. Such personal property will be delivered as is without any warranty of any kind, express or implied;



(e) A copy of any plans and specifications used in the construction of any completed Common Area Improvements ;

(f) All insurance policies then in force, in which the Owners, the Association, or its directors or officers are named as insured persons;

(g) Any other permits and approvals issued by governmental bodies applicable to the Common Area which are in force;

(h) Written warranties of Common Area contractors, subcontractors, suppliers and manufacturers that are still effective;

(i) A roster of Owners and mortgagees of Lots, if known, and their addresses and telephone numbers, if known, as shown on Declarant's records;

(j) Contracts of employment in which the Association is a contracting party; and

(k) Any contract for service in which the Association is a contracting party or in which the Association or the Owners have any obligation to pay a fee to the persons performing the services.



**ARTICLE VI**

**ASSESSMENTS**

6.1 Agreement to Pay. Declarant, for each Lot owned by it, and each Owner for each Lot owned by such Owner, subject to exceptions contained herein, hereby covenants and agrees to pay to the Association such Assessments as are assessed pursuant to this Declaration.

6.2 Personal Obligations. Each Assessment or installment thereof, together with any late charges, interest, collection costs, and reasonable attorneys' fees, shall be the personal obligation of the person or entity who is the Owner of the Lot at the time such Assessment (or installment) became due and payable. If more than one person or entity is the Owner of the Lot, the personal obligation to pay such Assessment (or installment) respecting such Lot shall be both joint and several. Subject to the provisions of paragraph 9.3 hereof, a purchaser of a Lot shall be jointly and severally liable with the seller for all unpaid Assessments against the Lot, up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such Assessments. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosure or waiver of the lien securing the same. No Owner may avoid or diminish such personal obligation by non-use or abandonment of his Lot.

6.3 Purpose and Amount of Assessments. The Assessments levied by the Association shall be the amount estimated to be required, and shall be used exclusively, to promote the health, safety, and welfare of the Members of the Association, for the performance of the duties of the Association as set forth in this Declaration, for the safety, ownership, operation, repair, maintenance, upkeep, restoration and replacement of the Common Area and Association Property, and for continued compliance with all terms and conditions imposed by Washoe County and any other governmental body, including but not limited to the Special Use Permit and other Controlling Documents.

6.4 Annual Assessments.

6.4.1 Definitions. As used herein, "Annual Assessment" means the amount of the Association budget ("Budget") for each fiscal year to pay the Common Expenses (defined below) as established pursuant to the provisions of this Article. As used herein, "Common Expenses" means the expenditures made by the Association in the performance of its obligations hereunder, and the financial liabilities of the Association during the applicable fiscal year, including an allocation to reserves, and shall include, but are not limited to, expenditures for the following purposes: (i) to operate, manage, maintain, repair, restore and replace the Common Area and Association Property (including but not limited to fogcoating and repaving Runways, the Taxiway, Primary Roadways and Other Roadways) and other Association Property, and to administer the operation of the Association; (ii) to provide for reasonable reserves consistent with sound business practice for the repair and replacement of Common Area and Association Property, and for such other purposes as are consistent with good business practice; (iii) to provide for the possibility that some Assessments may not be paid on a current basis; and (iv) to provide for the payment of the fee of a professional Manager. Without limiting the generality of the foregoing,



Common Expenses shall include: all charges, costs and expenses whatsoever incurred by the Association for or in connection with the Association administration, including, but not limited to, the maintenance of the Common Area; any taxes and assessments assessed against Association Property, any taxes assessed against the Association itself, insurance premiums, including fire and other casualty insurance, liability insurance, workman's compensation insurance, and other insurance obtained pursuant to this Declaration, other Controlling Documents or by Board resolution; payment of any liability of the Association whatsoever for loss or damage arising out of or in connection with the Common Area or any fire, accident, or nuisance occurring within the Common Area; the cost of repair, rebuilding and replacement of the Common Area; the cost of all utility services to the Common Area, including water, electricity, refuse removal, landscape maintenance services, and any other similar service attributable to the Common Area; the unpaid share of any Assessment levied during the previous fiscal year against any Owner who has defaulted in payment thereof to the extent that the same becomes uncollectible; accounting and legal fees, management fees, and cleaning, janitorial and lawn care fees, and other necessary expenses of upkeep, maintenance, management and operation incurred with respect to the Common Area.

6.4.2 Allocation of Annual Assessments. The Annual Assessments shall be allocated according to the following formula: Total Annual Assessments shall be allocated equally to all Lots. Accordingly, each Lot shall be assessed one-sixteenth (1/16) of the total Annual Assessment. All other assessments shall be allocated as provided herein. The Board shall have the right to require Assessments paid in accordance with NRS 116.3115(4), (5) and (6).

6.4.3 Initial Budget and Assessments. The initial Budget and Assessments for one (1) year beginning October 31, 2000 shall be as set forth in Exhibit "H". Each Lot Owner shall commence monthly payments on October 31, 2000, or the day they close escrow on their Lot, whichever occurs later. As shown on Exhibit "H", each monthly billing for Annual Assessments for the first year shall be a total of \$175.00 per month for each Lot. During the initial year, Declarant shall be responsible for actual Operational Expenses incurred by the Association over and above those assessed to Owners who have purchased a Lot. Commencing October 31, 2001, the Annual Assessment shall be determined by the Board in accordance with the provisions of this Declaration, there shall be no ceiling on Assessments for any Lot Owner, and Declarant shall be responsible only as an Owner to the extent it owns one or more Lots.

6.4.4 Procedure for Establishing Annual Assessments. Not less than ninety (90) days before the beginning of each fiscal year of the Association, the Board shall meet for the purpose of preparing the Proposed Budget of the Common Expenses (defined below) for the next succeeding fiscal year and establishing the Annual Assessment for such fiscal year. Within thirty (30) days after adoption of the Proposed Budget by the Board for such fiscal year, the Board shall provide a summary of the Budget to all Owners, and shall set a date for a meeting of the Owners to consider ratification of the Budget, which date shall be not less than fourteen (14) nor more than thirty (30) days after mailing of the summary. Unless at that meeting sixty six and two-thirds percent (66-2/3%) of all Owners vote to reject the Proposed Budget, the Budget shall be deemed ratified by the Owners, whether or not a quorum is present at such meeting. If the Proposed Budget is so rejected, the Budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent Budget proposed by the Board.



6.5 Special Assessments. If the Board determines that the estimated total amount of funds necessary to defray the Common Expenses for a given fiscal year is or will become inadequate to meet the Common Expenses for any reason, including, but not limited to, delinquencies in the payment of Assessments, or in the event the Association has insufficient reserves to perform its obligations under this Declaration, then the Board shall determine the approximate amount of such shortfall, shall provide a summary thereof to all of the Owners with the Board's recommendation for a special assessment ("Special Assessment") to meet such shortfall, and shall set a date for a meeting of the Owners which is not less than twenty-one (21) nor more than thirty (30) days after the mailing of the summary. Unless at that meeting a majority of all Owners votes to reject the proposed Special Assessment, the proposed Special Assessment shall be deemed ratified by the Owners, whether or not a quorum is present at such meeting, and shall become a Special Assessment against, and allocated equally to, the Owners of the Lots. The Board may, in its discretion, provide for payment of any Special Assessment in any number of installments or provide that it is payable in one (1) installment within such time period as the Board deems reasonable.

6.6 Violation Assessments. Subject to the provisions of paragraph 5.1.2 hereof, the Board shall levy a violation assessment against the Owners of a Lot ("Violation Assessment"): (i) to pay for the cost of curing any Violation of such Owners of this Declaration, other Controlling Documents or Board resolutions, and/or for cost and expense of any other work performed by the Association for such Owners' account, and any costs or expenses incident thereto, including but not limited to attorneys' fees and court costs, and (ii) to collect liquidated damages and fines levied by the Association pursuant to the terms of this Declaration and any and all attorneys' fees and court costs. The imposition of a Violation Assessment shall be an additional remedy, and shall not preclude the Declarant, Association, or other Owners from seeking any and all other remedies provided under the Controlling Documents or other applicable law.

6.7 Assessment Period. The Annual Assessment period shall coincide with the fiscal year of the Association, which shall commence on January 1 of each year and shall terminate on December 31 of such year. Annual Assessments shall be payable in equal monthly installments payable on the first day of each month unless the Board adopts some other basis for collection. The Annual Assessment period as to all Lots in the Property shall commence on the first day of the calendar month following the date of substantial completion of the Common Area Improvements and shall terminate on December 31 of that year. The initial Annual Assessment and all Special Assessments shall be adjusted according to the number of months remaining in the fiscal year and shall be payable in equal monthly installments unless the Board adopts some other basis for collection.

6.8 Notices of Assessments; Delinquencies. Any Assessment installment hereunder which is not paid within fifteen (15) days following the date it is due as specified in the notice of such assessment given in the manner specified in this paragraph 6.8 and in paragraph 13.6 of this Declaration shall be deemed delinquent. All delinquent Assessments shall bear interest at the rate of twelve percent (12%) per annum from the date the Assessment becomes delinquent hereunder until paid, and, in addition, a late charge of \$25.00 shall be due for each delinquent installment. The Association shall give written notice of all Assessments, except Violation Assessments to the Owners of all Improvements of the Lots, which notice shall specify the amount of the Assessment and the date or dates payment of the same is due and shall be given in the manner provided in paragraph 13.6 hereof. Notice of a Violation Assessment is required to be

given only to the Owners of the Lot against whom the Violation Assessment is made in the manner provided in paragraph 13.6 hereof. Nothing contained herein shall be construed so as to require the Association to give periodic notices of the same Assessment. One notice of an Assessment shall be sufficient to meet the requirements of this paragraph, even though the Assessment may be payable in installments. Failure of the Association to give notice of any Assessment shall not affect the liability of the Owners of the Lot for such Assessment; provided, however, that the date when payment of the first installment of such Assessment shall become due in such a case shall be deferred to a date fifteen (15) days after such notice shall have been given, and the first installment of such Assessment shall not be deemed delinquent until fifteen (15) days after such deferred due date.

6.9 Statement of Account. Upon payment of a reasonable fee, not to exceed \$25.00, and upon written request of any Owner or any mortgagee, prospective mortgagee, or prospective purchaser of a Lot, the Association shall issue a written statement setting forth the amount of the unpaid Assessments, if any, with respect to such Lot, the amount of the current periodic assessment, and the date that such assessment becomes or became due, and if there is any credit for advance payments. Such statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within ten (10) business days following receipt of the written request and fee, all unpaid assessments which became due prior to the date of making such request shall be subordinate to the lien of a mortgagee which acquired its interest subsequent to requesting such statement.

6.10 Collection of Assessments. The right to collect and enforce Assessments is vested in the Board acting for and on behalf of the Association. The Board or its authorized representative, including any Manager, can enforce the obligations of the Owners to pay Assessments provided for in this Declaration by commencement and maintenance of a suit at law or in equity; or the Board may enforce by judicial proceedings or, to the extent permitted by applicable law, through the exercise of the power of sale granted to the Board pursuant to applicable statutes and laws, and paragraph 6.12 below to enforce the lien rights created. Suit to recover a money judgment against an Owner for unpaid assessments together with all other amounts due hereunder shall be maintainable together with all other amounts due hereunder shall be maintainable without first foreclosing against the Lot which is subject to the lien or such assessment or waiving the lien rights granted hereby.

6.11 Lien for Assessments; Priority. All sums assessed to any Lot pursuant to this Declaration, and all fines imposed by the Association against the Owners of a Lot, together with interest thereon as provided herein, shall be secured by a lien on such Lot in favor of the Association from the date the Assessment or fine becomes due. If an Assessment or fine is payable in installments, the full amount of the Assessment or fine is a lien from the time the first installment thereof becomes due. Such lien shall be prior to all other liens and encumbrances on such Lot, except for: (a) valid tax and special assessment liens in favor of any governmental assessing authority; (b) liens and encumbrances recorded before the recordation of the Declaration; and (c) a First Deed of Trust recorded before the date on which the Assessment or fine sought to be enforced became delinquent. The lien created by this Declaration for unpaid Annual Assessments is also prior to a First Deed of Trust to the extent of the amount of such Annual Assessments which would have become due during the six (6) month period immediately preceding institution of an action to enforce the lien.



6.12 Enforcement of Lien.

6.12.1 Notice of Delinquent Assessment and Notice of Default. The Association may foreclose its lien by sale pursuant to NRS Chapter 116 after:

(a) The Association has caused to be recorded with the County Recorder of the County in which the Property or any part thereof is situated ("the County Recorder"), a notice of delinquent assessment (herein "Notice of Delinquent Assessment"), which states the amount of the Assessments or fines which are due together with all interest and late charges thereon in accordance with the provisions of this Declaration, a description of the Lot against which the lien is imposed, and the name of the record Owner of the Lot; and

(b) The Association or other person conducting the sale has executed and caused to be recorded with the County Recorder, a notice of default and election to sell the Lot to satisfy the lien ("Notice of Default"), which shall contain the same information as the Notice of Delinquent Assessment, but which shall also describe the deficiency in payment and the name and address of the person authorized by the Association to enforce the lien by sale; and

(c) The Owners of the Lot or their successors in interest have failed to pay the amount of the lien, including interest and late charges, and costs, fees and expenses incident to its enforcement for a period of sixty (60) days which commences on the first day following the later of:

(i) The day on which the Notice of Default is so recorded; and

(ii) The day on which a copy of the Notice of Default is mailed by certified or registered mail, return receipt requested, to the Owners of the Lot or their successors in interest at their address if known, or otherwise to the address of the Lot.

(d) Within ten (10) days after the Notice of Default is recorded, the Association or person conducting the sale shall send a copy of the Notice of Default by first class mail to:

(i) each person who has requested a Notice of Default pursuant to NRS 107.090 or 116.31168;

(ii) any holder of a recorded security interest encumbering the Lot Owner's interest who has notified the Association, 30 days before the recordation of the Notice of Default, of the security interest; and

(iii) a purchaser of the Lot, if the Lot's Owner has notified the



Association, 30 days before the recordation of the Notice of Default, that the Lot is subject of a contract of sale and the Association has been requested to furnish the certificate required by NRS 116.4109(2).

6.12.2 Notice of Sale. The Association or other person conducting the sale shall, at any time after the expiration of such sixty (60) day period and before selling the Lot, give notice of the time and place of the sale ("Notice of Sale") in the manner and for a time not less than that required by law for the sale of real property upon execution, except that a copy of the Notice of Sale must be mailed, on or before the date of first publication or posting, by certified or registered mail, return receipt requested, to (i) the Owners of the Lot or their successors in interest at their address if known, or otherwise to the address of the Lot; and (ii) by regular mail on or before the date of first publication or posting, each person entitled to receive a copy of the Notice of Default under NRS 116.1163 and the holder of a recorded security interest or the purchaser of the unit if either of them has notified the association, before the mailing of the Notice of Sale, of the existence of the security interest, lease or contract of sale, as applicable. Such sale shall be conducted in any manner permitted by law. Each Owner who is liable for payment of the Assessment shall be required to pay the costs and expenses of such foreclosure proceeding including, but not limited to, the cost of preparation of all notices (whether or not such notice has been given to the Owners at the time payment is made), reasonable attorneys' fees, and title insurance costs.

All such costs and expenses of the foreclosure shall be secured by the lien being foreclosed. Each Owner who is liable for payment of the Assessment shall be required to pay to the Association any and all Assessments against such Owner which shall become due during the period of foreclosure. The Association shall have the right and power to bid at the foreclosure sale or other legal sale and to acquire, hold, convey, encumber, use, and otherwise deal with the Improved Lot. The Association shall be entitled to bid on credit up to and including the amount secured by the lien being foreclosed.

A further notice stating the satisfaction and release of any such lien shall be executed by the Association and recorded in the Washoe County, Nevada real estate records upon payment of all sums secured by such lien.

Any encumbrancer holding a lien on a Lot may, but shall not be required to, pay any amounts secured by a lien for unpaid assessments, and upon such payment, such encumbrancer shall be subrogated to all rights of the Association with respect to such lien, including rights of priority.

6.13 Reserve and Surplus Funds. Any surplus funds of the Association remaining after payment of or provision for Common Expenses and any repayment of reserves as determined by the Board must be paid to the Owners in proportion to their liabilities for Common Expenses or credited to them to reduce their future assessments for Common Expenses. Given that the Runways, Taxiway, Primary Roadways and Other Roadways and Access Areas must be fogcoated, repaved and otherwise maintained, repaired and/or replaced from time to time, substantial funds will be reserved to have such work and materials performed and completed. No funds collected by the Association for reserves for maintenance, repairs, taxes, or any other item, except when collected specially for attorney's fees or costs, may be used or expended for attorney's fees or costs of litigation.



## ARTICLE VII

### INSURANCE

7.1 Insurance to be Obtained. The Association shall obtain and maintain in full force and effect at all times insurance coverage, provided by companies duly authorized to do business in Nevada, generally as set forth in this Article.

7.2 Casualty Insurance. The Association shall obtain a master policy of insurance equal to full replacement value (i.e., 100% of current "replacement cost" exclusive of land, foundation, excavation, and other items normally excluded from coverage) on all insurable Common Area Improvements and any other Association Property (including all building service equipment and the like and any fixtures or equipment within such Improvements or Association Property). Such insurance shall include fire and extended coverage, vandalism and malicious mischief, and such other risks and hazards against which the Association shall deem it appropriate to provide insurance protection. The Association shall comply with the above requirements by the purchase of a policy containing such coverage with "deductible" provisions as in the Association's opinion are consistent with good business practice, provided that in no event shall such deductible be in an amount greater than the lesser of \$10,000.00 or one percent (1%) of the face amount of such policy.

7.3 Liability Insurance. The Association shall purchase broad form comprehensive liability coverage in such amounts and in such forms as it deems advisable to provide adequate protection. Such coverage shall be in an amount generally required by private institutional mortgage investors for projects similar in construction, location, and use, and in no event shall be less than Three Million Dollars (\$3,000,000.00) for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage shall include, without limitation, liability for medical payments, personal injuries, operation of automobiles on behalf of the Association and activities in connection with the ownership, operation, maintenance, and other use of the Common Area and Association Property which are commonly insured against. The liability insurance shall name as separately protected insureds Declarant, the Association, the Board, and their representatives, members, and employees, as well as each individual Lot Owner and Washoe County with respect to any liability arising out of the maintenance or use of any Association Property. Every policy of insurance obtained by the Association shall contain an express waiver, if available, of any and all rights of subrogation against Declarant, the Board, and their representatives, members, and employees. After Declarant has no further interest in any portion of the Property, then the above insurance provisions regarding Declarant shall not apply.

7.4 Workmen's Compensation and Employer's Liability Insurance. The Association shall, if required by law, purchase workmen's compensation and employer's liability insurance and all other similar insurance in respect of employees of the Association in the amounts and in the forms now or hereafter required by law.

7.5 Fidelity Insurance. The Association may purchase insurance covering officers and employees of the Association and employees of any manager or managing agent, whether or not any such



persons are compensated for their services, against dishonest acts on their part, or in lieu thereof, a fidelity bond, naming the Association as obligee, written in an amount equal to at least the estimated maximum of funds, including reserves in the custody of the Association or the management agent at any given time during the term of the fidelity bond. However, the bond shall not be less than a sum equal to three (3) months aggregate assessments on all Units, plus reserve funds.

7.6 Other Insurance. The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to the Planned Community, including personal property of the Association located thereon and flood insurance. If necessary or desirable, the Association shall may obtain such casualty, flood, and liability insurance and/or a fidelity bond meeting the insurance and fidelity bond requirements for PUD projects established by FNMA and/or FHLMA, as applicable, if either or both of them are a mortgagee or Owner of a Lot except to the extent such coverage is not available or has been waived in writing by FNMA or FHLMC, as the case may be.

7.7 Premiums and Reviews. Premiums for all of the foregoing insurance carried by the Association shall be a Common Expense and shall be included in the Assessments or charges made by the Association. The Board shall review the limits of all insurance policies of the Association at least once a year and adjust the limits as the Board deems necessary or appropriate.

7.8 Form. Casualty insurance shall be carried in a form or forms naming the Declarant, the Association, the Board, and their representatives, members, and employees, as well as each individual Lot Owner and Washoe County as the insured or additional insureds. Each policy shall also provide that it cannot be canceled by either the insured or the insurance company until after thirty (30) days' written notice is first given to the Association, each Unit Owner and to each first mortgagee. All policies of insurance shall provide for a waiver of subrogation by the insurer as to claims against the Association, the Board, employees, and agents, and against each Owner and each Owner's employees, agents and guests, and shall provide that the insurance cannot be canceled, invalidated or suspended on account of the act or omission of any Lot Owner, unless acting within the scope of his authority on behalf of the Association, and shall provide that if, at the time of a loss under the policy, there is other insurance in the name of a Lot's Owner covering the same risk covered by the policy, the Associations's policy provides primary insurance.

7.9 Owner's Insurance Responsibilities. To the extent that any Owner desires insurance over and above the insurance set forth above, the Owner shall be solely responsible to obtain such insurance. Insurance desired by Owners may include but is not limited to: title insurance; homeowners' insurance; insurance on items of personal property placed in an Improvement by Owner; insurance for casualty and public liability coverage within each Lot; insurance coverage for activities of the Owner, not acting specifically on behalf of the Association, with respect to the Common Area; any other insurance desired by the Owner not specifically covered herein, including but not limited to any excess or umbrella coverage.

7.10 FNMA and FHLMC. If necessary or desirable, the Association may obtain insurance required by the Federal National Mortgage Association ("FNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), United States Department of Veterans Affairs ("VA" and the United States Department of Housing and Urban Development ("HUD") if the Project has been, or is intended to be,



qualified with such entities.

## ARTICLE VIII

### **DAMAGE, DESTRUCTION OR CONDEMNATION**

8.1 Duty and Authority to Rebuild. Any portion of the Common Area which is damaged or destroyed must be repaired or replaced promptly by the Association unless:

(a) The common-interest community created by this Declaration is terminated, in which case NRS Sections 116.2118, 116.21183 and 116.21185 and any applicable provision of this Declaration apply;

(b) Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety; or

(c) Eighty percent (80%) of the voting power of the Association vote not to rebuild.

The Association shall have the authority and the duty to repair or reconstruct all Common Area Improvements which are damaged or destroyed, which authority and duty shall be exercised in accordance with the provisions of this Article.

8.2 Estimate of Costs; Architectural Committee Approval. As soon as practicable after an event causing damage to, or destruction of, any Common Area Improvements, the Association shall obtain estimates that it deems reliable and complete of the costs of repair or reconstruction of that part of the property damaged or destroyed. No reconstruction or repair of damaged or destroyed Common Area Improvements shall commence until approval has been obtained from the ARB in accordance with its guidelines.

8.3 Funds for Reconstruction. The proceeds of any insurance collected shall be available to the Association for the purpose of repair or reconstruction of Association Property. If the proceeds of the insurance are insufficient to pay the estimated or actual cost of such repair or reconstruction, then the Board, pursuant to Article VI hereof, shall levy in advance a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair or reconstruction. The cost in excess of insurance proceeds shall be a Common Expense.

8.4 Repair or Reconstruction. Except as otherwise provided herein, as soon as practicable after receiving the estimates, the Board shall diligently pursue to complete the repair or reconstruction of the damaged or destroyed Common Area Improvements. The Association may take all necessary or appropriate action to effect repair or reconstruction. Such repair or reconstruction shall be in accordance with the original plans and specifications; provided, however, with the approval by a vote of fifty-one percent (51%) of the Members and by the ARB, the repair or reconstruction may be in accordance with different plans and specifications.



8.5 Disbursement of Funds for Repair or Reconstruction. The insurance proceeds held by the Association and the amounts received from the Assessments provided for in paragraph 8.3 constitute a fund for the payment of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for costs of repair or reconstruction shall be made from insurance proceeds; if there is a balance after payment of all costs of such repair or reconstruction, such balance shall be distributed to the Owners in proportion to the contributions by each Owner to the Association.

8.6 Decision Not to Rebuild. In the event of a determination not to rebuild, the damaged or destroyed facilities shall be cleared; and the land shall be landscaped in a manner ensuring the existence of adequate rights-of-way and legal access over and to the area. The cost of removal and landscaping shall be paid for with insurance proceeds; and the remaining proceeds shall be retained by the Association in its general or other funds or allocated or distributed as determined appropriate by the Board, provided that any such distribution of insurance proceeds shall be proportionate to the interests of all Members.

## ARTICLE IX

### **PROTECTION OF LENDERS**

9.1 Encumbrance of Parcels Permitted. Any Owner may encumber such Owner's Lot with a Deed of Trust.

9.2 Subordination. Except as provided otherwise by NRS Chapter 116 or Article VI hereof, any lien created or claimed under Article VI of this Declaration is subject and subordinate to the lien of any First Deed of Trust encumbering any Lot so long as such deed of trust is of record with the Washoe County Recorder's Office prior to the lien created under Article VI of this Declaration, unless the priority of such First Deed of Trust is expressly subordinated to such assessment lien by a written instrument duly recorded.

9.3 Non-Liability for Unpaid Assessments. Any beneficiary of a First Deed of Trust who acquires title to a Lot pursuant to the judicial or non-judicial foreclosure remedies provided in the Deed of Trust shall take the Lot free of any claims for unpaid assessments or Association charges against the encumbered Lot that accrue prior to the time such beneficiary so acquires ownership of the Lot; provided, however, after the foreclosure of any such Deed of Trust, such Lot shall remain subject to the Declaration; and the amount of all regular and special assessments, to the extent they relate to expenses incurred subsequent to such foreclosure sale, shall be assessed hereunder to the grantee or purchaser thereunder.

9.4 Breach of Covenants. A breach by an Owner of any of the provisions of this Declaration, shall not defeat or render invalid the lien of any Deed of Trust made in good faith and for value as to the Property or any portion thereof; provided, however, the provisions of this Declaration shall be binding upon the Owners whose title thereto is acquired under foreclosure, trustee's sale, or otherwise.

9.5 Notice to Eligible Mortgage Holders, Insurers and Guarantors. The holder of any First



Deed of Trust shall be entitled to become an "Eligible Mortgage Holder" pursuant to the provisions of this Declaration and any insurer or guarantor of a First Deed of Trust shall be entitled to become an "Eligible Insurer" hereunder by notifying the Association of its name, address and the address of the Lot encumbered by the First Deed of Trust which it holds or insures in the manner provided in paragraph 13.6 below. Such notification shall be deemed to be a request with respect to such Lot for written notice from the Association of: (i) any default in the payment of Assessments which remains uncured for a period of sixty (60) days; (ii) any condemnation or casualty loss that affects a material portion of the Project or the Lot; (iii) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and (iv) any proposed action described in paragraph 9.9 below. The Association shall give written notice to Eligible Mortgage Holders in accordance with the provisions of this paragraph 9.5 and in the manner prescribed in paragraph 13.6 below. Any holder of a First Deed of Trust encumbering any Lot or any portion of the Property who does not so request notice, shall not be deemed to be an Eligible Mortgage Holder under the terms of this Declaration. Unless and until notice is given to the Association as provided in this Declaration by a mortgage holder, insurer or guarantor, such mortgage holder, insurer or guarantor shall not be entitled to notice of default, nor to any right, distribution or notice pursuant to this Declaration.

9.6 Insurance Proceeds and Condemnation Awards. No provision of this Declaration or the Articles shall give an Owner, or any other party, priority over any rights of the holders of First Deeds of Trust in the case of a distribution to Owners of insurance proceeds or condemnation awards.

9.7 Appearance at Meetings. Because of its financial interest in the Project, any beneficiary of a First Deed of Trust may appear (but cannot vote) at meetings of the Association Members and the Board, and may draw attention to violations of this Declaration that have not been corrected or made the subject of remedial proceedings or Assessments.

9.8 Examination of Records. The holders of First Deeds of Trust shall have the right to examine at reasonable times the books and records of the Association and can require the submission of financial data concerning the Association, including annual audit reports and operating statements as and when furnished to the Owners. Any expense for such request shall be born by the holder of the First Deed of Trust.

9.9 Prior Approvals. Eligible Mortgage Holders have limited right, as provided in this Paragraph 9.9 to consent to certain changes to this Declaration. Such consent shall be limited to the specific items in this Paragraph 9.9. Unless at least sixty-seven percent (67%) of the Eligible Mortgage Holders have given their prior written approval (each Eligible Mortgage Holder having one vote for each Lot encumbered by it), neither the Association nor any Member shall do the following:

- (a) Change the voting rights as set forth herein with respect to any Member of the Association or any Eligible Mortgage Holder;
- (b) Change the pro-rata interest or obligations of any Lot for purposes of levying Assessments;



(c) Change the subordinate priority of the provisions of this Declaration relating to allocation of hazard insurance proceeds or condemnation awards as set forth in paragraph 9.6 hereof in relation to the holders of First Deeds of Trust;

(d) Fail to maintain the insurance required by paragraph 7.2 hereof;

(f) Take any action to terminate the legal status of the Project or the continued existence of this Declaration in the unlikely event that substantial destruction or condemnation occurs.

In the event any Eligible Mortgage Holder is notified in the manner provided in paragraph 13.6 below and at the address designated by such Eligible Mortgage Holder to the Association in the manner provided in such paragraph 13.6, of any proposed decision or action described in subparagraphs (a) through (e) inclusive, above, and fails to submit a written response within thirty (30) days after notice of such proposed decision or action, then such Eligible Mortgage Holder shall be deemed to have given its approval of such decision or action and such implied approval shall be conclusive as to all persons relying thereon in good faith.

## **ARTICLE X**

### **SPECIAL DECLARANTS AND DEVELOPMENTAL RIGHTS**

10.1 General. Declarant and any Successor Declarant may be undertaking the work of constructing Improvements to and upon the Property in accordance with the terms and provisions of this Article X. The completion of such construction and the sale or other disposition of Lots within the Property is essential to the establishment and welfare of the Planned Community. The covenants contained in this Article X are personal to Declarant and any Successor Declarant, and may only be transferred by a written assignment duly recorded from a Declarant to a Successor Declarant, or from a Successor Declarant to another Successor Declarant.

10.2 Special Declarant's Rights. In addition to any other right offered Declarant by this Declaration, Declarant hereby reserves unto itself the rights to:

10.2.1 Complete all Common Area Improvements, including but not limited to those indicated on the Final Parcel Map and Improvement Plans or as otherwise described in this Declaration.

10.2.2 Complete, maintain and sell all Lots throughout the Property.

10.2.3 Maintain locations, free of cost, for sales and marketing on any portion of the Common Area.

10.2.4 Maintain signs, free of cost, advertising the unsold Lots and Planned Community, said signs may be maintained anywhere on the Property, excluding Lots owned by Owners



other than Declarant;

10.2.5 Use easements through the Common Area and other areas within the Property for the purpose of making Common Area Improvements; and

10.2.6 Appoint or remove any Officer or any Director at any time and from time to time prior to Declarant's Control Termination Date.

Nothing in this article shall give the Declarant the right to damage any Lot or Improvement not owned by Declarant or interfere unreasonably with the Owners' use of the Common Area; and Declarant's right to so use the Property except those Lots reserved to Declarant, shall terminate upon final completion of construction of all Common Area Improvements within the Property, or upon Declarant's Control Termination Date, whichever first occurs.

## **ARTICLE XI**

### **ARCHITECTURAL REVIEW BOARD**

11.1 Organization. The Architectural Review Board ("ARB") shall be comprised of the Members of the Board of Directors and shall operate under the same organizational procedures. Meetings of the Board of Directors may include meetings of the ARB. The first ARB members shall be Chester Spiering, Lynda Spiering and Ronald J. Merrow. Each ARB member shall hold office so long as the ARB member is a Director.

11.2 Duties. It shall be the duty of the ARB to consider and act upon such proposals or plans and specifications submitted to it pursuant to the terms hereof, to adopt Architectural Review Board Rules ("ARB Rules"), to perform other duties delegated to it by the Association, and to carry out all other duties imposed upon it by this Declaration.

11.3 Meetings. The ARB shall meet from time to time as necessary to properly perform its duties hereunder. The vote or written consent of any two (2) members shall constitute an act by the ARB unless the unanimous decision of its members is otherwise required by this Declaration. The ARB may charge a filing fee to be used in whole or part to pay an architect, who may or may not be a member of the ARB, to review the submitted plans and specifications. The ARB may reimburse members for reasonable expenses incurred by them in the performance of any ARB function.

11.4 Architectural Review Board Rules. The ARB 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 Review Board 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 ARB. A copy of the ARB Rules, as they may from time to time be adopted, amended, or repealed, certified by any member of the ARB, shall be maintained by the office of the Association and shall be available for inspection and copying by any Owner 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:

11.4.1 Compliance with Laws. All Living Units, including Guest Quarters, and all other Improvements 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 the Improvements. Without limiting the general application of this paragraph to all Improvements of any kind, this paragraph shall apply to secondary structures, airplane hangers, wood stoves, fireplaces, utility facilities, septic tanks and all other Improvements.

11.4.2 Building Site. The placement of a Living Unit, including Guest Quarters, or other Improvements on a Lot and building shapes and dimensions are subject to approval by the ARB. In determining reasonableness, the ARB must take into account the need to maintain a certain level of uniformity within the Project and other aesthetic considerations, and protect against interference with the peaceful and quiet enjoyment of other Lot Owners.

11.4.3 Roofs & Exteriors. Roofing and exterior materials and colors must be consistent and compatible with other aspects of the Living Unit and Improvements and other Lot Improvements. Plans and specifications of the roofing and exterior materials and colors must be submitted and approved by the ARB with the construction drawings.

11.4 Construction Procedures. Prior to the commencement of any construction activity on any Lot, the Owner thereof or such Owner's contractor shall rope off those areas not intended for actual construction to protect the site from unnecessary damage to the existing foliage and to reduce dust and erosion. The building site must be kept clean and in an orderly condition at all times. The contractor must have approved sanitary facilities on the site as well as a garbage dumpster or other suitable device for regular disposal and removal of trash. No construction materials may be dumped or stored on Runways, Taxiway, Primary Roadways, Other Roadways, Access Areas or Common Areas. Construction work hours are limited and shall be from 7:00 a.m. to 6:00 p.m., Monday through Saturday.

11.4.1 Prehistoric or Historic Remains. A note shall be placed on all construction drawings and grading plans stating: **"NOTE** Should any prehistoric or historic remains/artifacts be discovered during site development, work shall temporarily be halted at the specific site and the State Historic Preservation Office of the Department of Museums, Library and Arts, shall be notified to record and photograph the site. The period of temporary delay shall be limited to a maximum of two (2) working days from the date of the notification. "

11.4.2 Dust Control. All land disturbing activities during construction phases, such as, but not limited to, grading, excavation, cut and fill etc., must be done with effective dust control measures consistent with Washoe County District Board of Health Regulations Governing Air Quality Management, Section 040.030. Disturbances greater than one (1) acre in size must obtain an approved dust control plan prior to beginning work.



11.5 Application for Approval of Plans and Specifications. No building, fence, wall, retaining wall, structure, improvement or ornamental addition shall be placed, erected, altered or maintained upon any Lot unless and until completed plans and specifications therefor and a plot plan showing the locations thereof shall have been first approved by the ARB as to the quality of workmanship and materials, harmony of external design with existing structures and neighborhood appearance, and as to the location with respect to topography, finish grade elevation and lot lines. In the event the proposed improvement or alteration is one for repainting, it shall only be necessary to obtain ARB approval of the color scheme prior to commencement of such work.. Any plans and specifications submitted to the ARB shall meet all of the following standards:

(a) They shall comply with each of the specific conditions, covenants and restrictions contained herein and the ARB Rules.

(b) They shall be reasonably satisfactory to the ARB as to location with respect to the Lot lines, finished design and material, the proportions, the architectural style and appropriateness.

(c) They shall be in harmony with exterior design and appearance of the other Improvements located on the Lot and within the subdivision and in the general area, with the topography and grade.

(d) While the ARB may require more stringent standards than those provided herein or as provided in the ARB Rules, as a minimum all proposed improvements, alterations, and repairs shall be in compliance with all applicable local, state and federal laws, regulations and codes but without allowance for variances for such matters as lot size, minimum set backs and height limitations. Each Lot Owner and the ARB has the right to enforce applicable zoning, set back and other similar type law or regulation the same as any covenant, condition or restriction contained herein, regardless of whether said law or regulation can generally be enforced by members of the public.

(e) Each submission to the ARB shall contain three (3) sets of the following:

trench locations.

1. Site plan, including finished contours, septic system location and utility
2. One elevation on each side of the structure.
3. Floor plan showing square footage.
4. Foundation plan.
5. Framing cross-section.
6. Complete set of specifications to include all interior and exterior building
7. The Lot Owners proposed construction schedule.
8. Any and all other information which the ARB shall reasonably require.

materials, types and colors.

(f) All such plans and drawings for Improvements and any remodeling thereafter shall be prepared by a licensed architect or licensed residential building designer, and shall be submitted in a



form reasonably satisfactory to the ARB. The ARB may require that the application for approval in connection with any Improvements be accompanied by a reasonable fee to cover the cost of review by a licensed architect of the final plans and specifications of the Improvements to be constructed. Such fees shall be payable at the time the plans and specifications are submitted to the ARB and in no event shall the fee be less than the actual cost of review. No building or other Improvement permit shall be obtained by an Owner without obtaining the prior final approval of the ARB as described herein.

11.6 Basis for Approval of Improvements. The ARB shall grant the required approval only if:

11.6.1 The Owner shall have complied with the provisions of paragraph 11.5; and

11.6.2 The ARB finds that the plans and specifications conform to this Declaration and to the Architectural Review Board Rules in effect at the time such plans were submitted to the ARB; and

11.6.3 At least two (2) of the three (3) members of the ARB in their reasonable discretion determine that the proposed Improvements would be compatible with the other property in the Project and the purposes of the Declaration.

11.7 Form of Approval. All approvals or disapprovals given under paragraphs 11.6 shall be in writing; provided, however, any request for approval which has not been rejected within thirty (30) days from the date of submission thereof to the ARB shall be deemed approved.

11.8 Diligent Completion of Work. From the time work commences, the Owner shall complete the construction, reconstruction, refinishing, or alteration of any such Improvement within one (1) year after commencing construction thereof, except and for so long as such completion is rendered impossible or would result in great hardship to the Owner due to strikes, fires, national emergencies, natural calamities, or other supervening forces beyond the control of the Owner or his agents.

11.9 Inspection of Work and Noncompliance. It is not the intent of this Declaration to impose unreasonable procedures in enforcing ARB related rules and restrictions. However, Lot Owners need assurances that their investment in this Planned Community will be protected. Accordingly, all ARB related rules and restrictions and corresponding enforcement measures must be created and enforced. Inspection of work and correction of defects therein shall proceed as follows:

11.9.1 Upon the completion of any construction or refinishing of any Improvements for which approval of the ARB is required or was obtained, and after all construction debris and materials have been removed from the site, the Owner shall give written notice thereof to the ARB.

11.9.2 Within sixty (60) days thereafter, the ARB, or its duly authorized representative, may (but shall not be obligated to) inspect such Improvement to determine whether it was completed according to the approved plans. If the ARB finds that such construction or refinishing was not done in substantial compliance with the approved plans, it shall notify the Owner in writing of such noncompliance



within such sixty (60) day period, specifying particulars of noncompliance, and shall require the Owner to remedy such noncompliance.

11.9.3 If upon the expiration of sixty (60) days from the date of such notification, the Owner shall have failed to remedy such noncompliance, the ARB shall notify the Board in writing of such failure. The Board shall then set a date on which a hearing before the Board shall be held regarding the alleged noncompliance. The hearing date shall be not more than thirty (30) days nor less than fifteen (15) days after notice of the noncompliance is given to the Board by the ARB. Notice of the hearing date shall be given at least ten (10) days in advance thereof by the Board to the Owner, the ARB, and, in the discretion of the Board, to any other interested party.

11.9.4 At the hearing, the Owner, the ARB, and, in the Board's discretion, any other interested person may present information relevant to the question of the alleged noncompliance. After considering all such information, the Board shall determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If a noncompliance exists, the Board shall require the Owner to remedy or remove the same within a period of not more than forty-five (45) days from the date of the Board's ruling. If the Owner does not comply with the Board's ruling within such period or within any extension of such period that the Board, in its discretion, may grant, then the Board, at its option, may remove the noncomplying Improvement or remedy the noncompliance, and/or fine the Owner pursuant to paragraph 5.1.2(b). Thereafter, the Owner shall reimburse the Association for all expenses incurred in connection therewith upon demand. If such expenses are not promptly repaid by the Owner to the Association, the Board shall levy a special reimbursement assessment against such Owner using the procedures set forth in paragraph 6.5 hereof.

11.9.5 If for any reason the ARB fails to notify the Owner of any noncompliance within ninety (90) days after receipt of the notice of completion from the Owner, then the Improvement shall be deemed to be constructed in accordance with the approved plans.

11.10 Non-Compliance with Article XI. In addition to the procedures set forth in paragraph 11.11, if any Owner constructs or causes to be constructed an Improvement on any Lot without the approval of the ARB as set forth in this Article, then the ARB may notify in writing such Owner of such noncompliance and demand the Owner to remove such Improvement within forty-five (45) days. If the Owner fails to comply with the demand of the ARB, then the Board shall hold a hearing upon notice to the Owner of at least five (5) days. At the hearing, the Owner, the ARB, and, in the Board's discretion, any other interested person, may present information relevant to the question of the Owner's noncompliance with the procedures set forth in this Article or the noncompliance of the Improvement. After considering all such information, the Board shall determine whether the Owner failed to comply with the procedures set forth in this Article and whether the Improvement is in noncompliance with the ARB Rules. If the Board finds that the Owner failed to comply, the Board may fine the Owner pursuant to paragraph 5.1.2(b) and may require the Owner to remove the Improvement. If the Board finds that the Improvement is in noncompliance, then the Board may require the Owner to remedy or remove the Improvement within a period of not less than forty-five (45) days of the Board's ruling. If the Owner does not comply with the Board ruling within such period or within any extension of such period as the board, in its discretion, may



grant, then the Board, at its option, may remove the noncomplying Improvement or remedy the noncompliance, and/or fine the Owner pursuant to paragraph 5.1.2(b). Thereafter, the Owner shall reimburse the Association for all expenses incurred in connection therewith upon demand. If such expenses are not promptly repaid by the Owner to the Association, the Board shall levy a special reimbursement assessment against such Owner using the procedures set forth in paragraph 6.5 hereof.

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

11.12 Estoppel Certificates. Within thirty (30) days after written demand is delivered to the ARB by any Owner, and upon payment to the Association of a reasonable fee (as fixed from time to time by the Association), the ARB shall record an estoppel certificate executed by any two of its members or alternates certifying with respect to such Owner's Lot that as of the date thereof either: (a) all Improvements made and other work done upon or within the Lot comply with the Declaration; or (b) such Improvements or work do not so comply, in which event the certificate shall also identify the noncomplying Improvements or work and set forth with particularity the basis of such noncompliance. Any purchaser from the Owner or from anyone deriving any interest in the Lot through such Owner shall be entitled to rely on the certificate with respect to the matters therein set forth, and such matters shall be conclusive as between the Association, Declarant, any Successor Declarant, and all Owners and such persons deriving any interest through them.

11.13 Liability. Provided that the ARB or a particular member of the ARB or Board has acted in good faith on the basis of the information as may be possessed by the ARB or the member, as the case may be, then neither the ARB nor any member of the ARB or Board shall be liable to the Association, to any Owner, or any other person for any damage, loss, or prejudice suffered or claimed on account of: (a) the approval or disapproval of any plans, drawings and specification, whether or not defective, with respect to the construction or performance of any work, whether or not such performance complied with approved plans, drawings, and specifications; (b) the development of any property subject to this Declaration; or (c) the execution and filing of an estoppel certificate pursuant to paragraph 11.14, and whether or not the facts therein are correct. Without limiting the generality of the foregoing, the ARB and any member of the ARB Board or Board may, but it is not required to, consult with or hear the views of the Association or any Owner with respect to any plans, drawings, specifications, or any other proposal submitted to the ARB.

## ARTICLE XII

### CONSTRUCTION OF IMPROVEMENTS

12.1 For purposes of advising the Unit Owners as required by Chapter 116 of Nevada Revised Statutes, Declarant states as follows:

12.1.1 Control Building, East Gate, Entry Warning Sign and Southwest Gate.  
MUST BE BUILT prior to Declarant's Control Termination Date.



12.1.2 Wright Bros. Way, Flying Eagle Lane, and Aerie Way. MUST BE BUILT prior to Declarant's Control Termination Date .

12.1.3 Other Roadways on Final Parcel Map. MUST BE BUILT prior to Declarant's Control Termination Date.

12.1.4 Perimeter Fence. MUST BE BUILT prior to Declarant's Control Termination Date.

12.1.5 Common Utility Facilities. MUST BE BUILT prior to Declarant's Control Termination Date.

No other Improvement must be built or constructed.

### **ARTICLE XIII**

#### **MISCELLANEOUS PROVISIONS**

13.1 Duration. The provisions of this Declaration shall continue and be effective for a period of fifty (50) years from the date of recordation hereof and shall be automatically extended for successive periods of ten (10) years each until (i) the Owners of at least eighty percent (80%) of the Lots within the Property shall execute a written instrument, which may be executed in counterparts, in recordable form, declaring that the provisions of this Declaration shall terminate, and (ii) such written instrument is recorded in the office of the Recorder of Washoe County, Nevada.

13.2 Amendment. Except as otherwise provided in NRS Chapter 116.2117 and below, this Declaration may be amended by vote or agreement of not less than sixty seven percent (67%) of the voting power of the Association. All such amendments must be in writing, and prepared, executed, recorded and certified on behalf of the Association by the President of the Association. Such amendment shall be recorded in the office of the County Recorder of Washoe County. Any substantive amendment to any of the items set forth in paragraph 9.9 of this Declaration requires, in addition to sixty-seven percent (67%) of the voting power of the Association, the written consent of sixty-seven percent (67%) of the Eligible Mortgage Holders.

In the event any Eligible Mortgage Holder is notified in the manner provided in paragraph 13.6 below and at the address designated by such Eligible Mortgage Holder to the Association in the manner provided in such paragraph 13.2, of any proposed substantive amendment to this Declaration in the nature of the amendments described in paragraph 9.9 of this Declaration, and fails to submit a written response within thirty (30) days after notice of such proposed amendment, then such Eligible Mortgage Holder shall be deemed to have given its approval of such amendment and such implied approval shall be conclusive as to all persons relying thereon in good faith. A certificate signed by the Secretary of the Association as to any Eligible Mortgage Holder's failure to so respond shall be deemed to be sufficient evidence of such



approval.

Paragraph 13.1 shall be amended only upon the written consent of the Owners of eighty percent (80%) of the Lots within the Project.

13.3 Enforcement and Waiver.

13.3.1 Owner's Right of Enforcement. In addition to the rights of enforcement granted to the Association pursuant to the provisions of paragraph 5.1.2 hereof, any Owner shall have the rights (but not the duty) to enforce any and all of the covenants, conditions and restrictions now or hereafter imposed by this Declaration upon the Owners or upon any of the Property. Nothing herein shall be construed as creating a third party beneficiary contract in favor of parties who are not Owners or Eligible Mortgage Holders.

13.3.2 Violations and Nuisance. Every act or omission whereby a covenant, condition or restriction of the Declaration is violated, in whole or in part, is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action.

13.3.3 Violation of Law. Any violation of any state, municipal, or local law, ordinance or regulation pertaining to the ownership, occupation or use of any portion of the Property is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures herein set forth.

13.3.4 Limitation of Actions. To the extent NRS 116.4113 and NRS 116.4114 do apply to sale of raw land to be used for residential use, any proceeding for breach of any obligation arising under NRS 116.4113 or NRS 116.4114 must be commenced within two (2) years from the date the cause of action accrues. Acceptance of the conveyance of a Lot or Unit shall be deemed an agreement to the two (2) year period of limitation.

13.3.5 Remedies Cumulative. Each remedy provided by the Declaration is cumulative and not exclusive and may be combined with any other remedy provided under the law.

13.3.6 Arbitration. Notwithstanding any provision in this Declaration, no action at law and no judicial proceeding to enforce, interpret or enjoin any violation by the Declarant may be brought against Declarant unless any such dispute is first submitted to arbitration in accordance with the Nevada Arbitration Statutes.

13.3.7 Nonwaiver. The failure to enforce the provisions of any covenant, condition or restriction contained in the Declaration or other Controlling Documents shall not constitute a waiver of any right to enforce any such provisions or any other provisions of the Declaration or other Controlling Documents.

13.4 Termination of Former Owner's Liability for Assessments. Upon the conveyance, sale or



other transfer of a Lot to a new Owner, the transferring Owner shall not be liable for any Assessments levied with respect to such Lot after notification of the Association of such transfer in the manner provided in paragraphs 4.4 and 13.6 hereof and the payment of a transfer fee as provided in paragraph 4.4 hereof. No person, after the termination of his status as an Owner and prior to his again becoming an Owner, shall incur any of the obligations or enjoy any of the benefits of an Owner under this Declaration.

13.5 Noncompliance or Inconsistency With NRS Chapter 116. The intent of this Declaration is to comply with NRS Chapter 116. In the event any provision contained herein fails to comply with or is inconsistent with one or more mandatory requirement of NRS 116, the provision shall be amended to comply with or become consistent with NRS 116 within thirty (30) days or as soon thereafter as is possible after discovering the noncompliance or inconsistency.

13.6 Notices. All notices hereunder to the Association or the Board shall be sent by regular mail, or registered or certified mail, return receipt requested, addressed to the Board at the address of the Manager, or to such other place as the Board may designate from time to time by notice in writing to the Owners of all of the Lots. Until the Owners are notified otherwise, all notices to the Association or to the Board shall be addressed as follows:

Chester Spiering  
Flying Eagle Air Park Ranches Homeowner's Association  
7380 Pembroke Drive  
Reno, Nevada 89502

All notices given by the Association to any Owner shall be sent by regular mail, or by registered or certified mail, return receipt requested, to such Owner's Lot address or to such other address as may be designated by such Owner from time to time, in writing, to the Board. All notices to Eligible Mortgage Holders shall be sent by registered or certified mail, return receipt requested, at the address to which such Eligible Mortgage Holder has last requested that notice be sent by notifying the Association in the manner provided in this paragraph 13.6. All notices shall be deemed to have been received within seventy-two (72) hours after the mailing thereof, except notices of change of address which shall be deemed to have been given when actually received. Notice of a new address shall be subject to the requirements herein.

13.7 Approvals. Any consent or approvals by the Board or ARB shall be in writing.

13.8 Construction and Severability; Singular and Plural; Titles.

13.8.1 Restrictions and Easements Construed Together. All of the covenants, conditions, restrictions and easements of this Declaration shall be liberally construed together to promote the purposes of this Declaration as set forth herein.

13.8.2 Restrictions and Easements Severable. The covenants, conditions, restrictions and easements contained in this Declaration shall be deemed independent and severable; and the invalidity or partial invalidity of any provision or portion hereof shall not affect the validity or

enforceability of any other provision.

13.8.3 Singular Includes Plural. The singular shall include the plural and the plural the singular unless the context requires the contrary; and the masculine, feminine, or neuter shall each include the masculine, feminine and neuter, as the context requires.

13.8.4 Captions. All captions or titles used in this Declaration are intended solely for convenience of reference and shall not affect that which is set forth in any of the provisions of any paragraph.

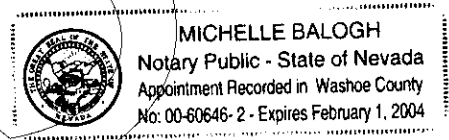
IN WITNESS WHEREOF, the undersigned has executed this Declaration as of the day and year first above written.

**FLYING EAGLE AIR RANCHES, LLC, a**  
Nevada limited liability company

By *Chester Spiering*  
Its Managing Member  
*Chester Spiering*

By *Ronald J. Merrow*  
Its Managing Member  
*Ronald J. Merrow*

STATE OF NEVADA )  
 ) ss.  
COUNTY OF WASHOE )



On June 18<sup>th</sup>, 2000, personally appeared before me, a Notary Public, Chester Spiering, personally known or proved to me to be the person whose name is subscribed to the above instrument and who acknowledged that they executed the instrument.

*Michelle Balogh*  
Notary Public

STATE OF OREGON )  
 ) ss.  
COUNTY OF LONE )

On June 20, 2000, personally appeared before me, a Notary Public, Ronald J. Merrow, personally known or proved to me to be the person whose name is subscribed to the above instrument and who acknowledged that they executed the instrument.

*Melody G. Ortloff*  
Notary Public



EXHIBIT A

TO

THE DECLARATION ESTABLISHING COVENANTS, CONDITIONS, AND  
RESTRICTIONS, GRANTING COMMON AREA EASEMENTS AND COMMON  
AREAS AND ESTABLISHING FLYING EAGLE AIR PARK RANCHES  
HOMEOWNERS ASSOCIATION:

COPY



**Legal Description**

All that real property situate in the County of Washoe , State of Nevada. described as follows:

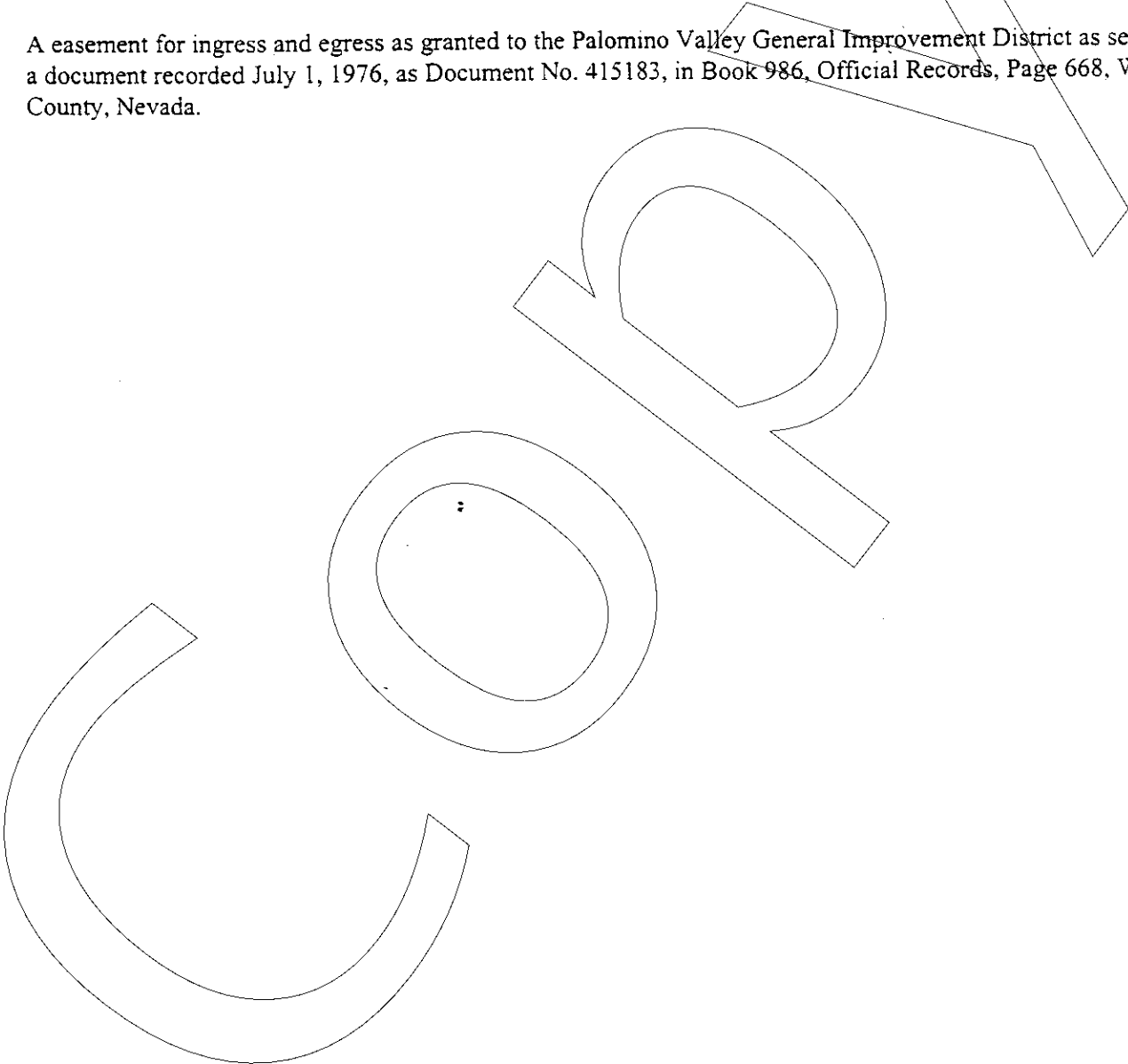
PARCEL 1:

Parcel 24-3-0-1 as shown on Record of Survey Map filed in the Office of the Washoe County Recorder, Washoe County, Nevada on June 29, 1976 under File No. 414555 and Division of Land Map filed in the office of the Washoe County Recorder, Washoe County, Nevada under File No. 414557 more particularly described as follows:

All of Section 24, Township 23 North, Range 20 East, M.D.B.&M., in the County of Washoe, State of Nevada.

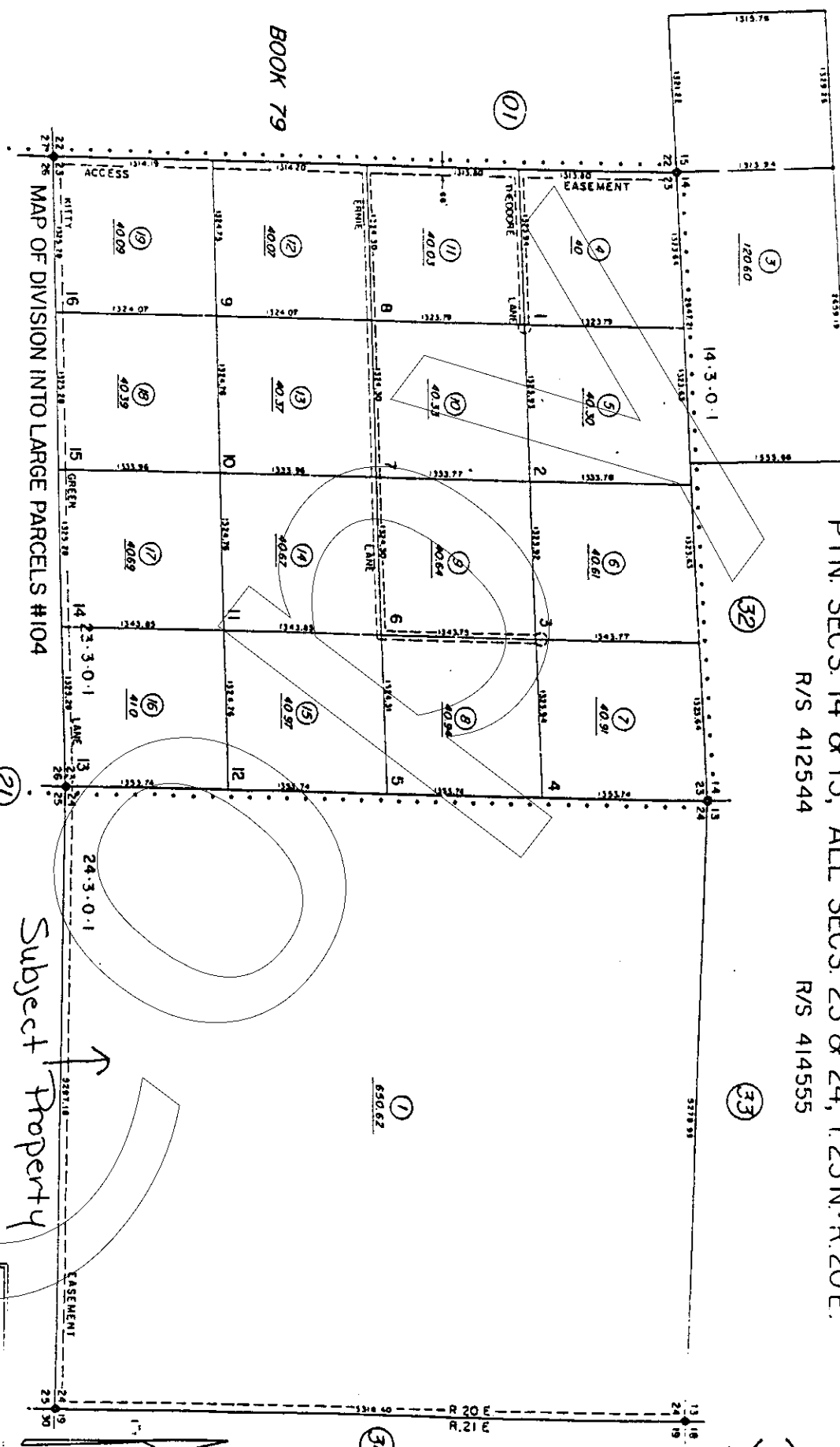
PARCEL 2:

A easement for ingress and egress as granted to the Palomino Valley General Improvement District as set forth in a document recorded July 1, 1976, as Document No. 415183, in Book 986, Official Records, Page 668, Washoe County, Nevada.



MAP OF DIVISION INTO LARGE PARCELS #7  
 O.K.A. - PALOMINO VALLEY UNIT 6

PTN. SECS. 14 & 15, ALL SECS. 23 & 24, T.23N.-R.20E.  
 R/S 412544 R/S 414555



NOTE: This Map is prepared for the use of the Washoe County Assessor for Assessment and illustrative purposes only. It does not represent a survey of the premises. No liability is assumed in the matter of the accuracy or the date of the information shown.

Subject Property

Assessor's Map County of Washoe, Nevada  
 NOTE - ASSESSOR'S BLOCK NUMBERS SHOWN IN ELLIPSES  
 ASSESSOR'S PARCEL NUMBERS SHOWN IN CIRCLES

drawn by M. CRAIG 6/76  
 checked \_\_\_\_\_  
 revised 4/78  
 superseded \_\_\_\_\_

88 fo 25  
 8802/82/98  
 2088542



EXHIBIT B

TO

THE DECLARATION ESTABLISHING COVENANTS, CONDITIONS, AND  
RESTRICTIONS, GRANTING COMMON AREA EASEMENTS AND COMMON  
AREAS AND ESTABLISHING FLYING EAGLE AIR PARK RANCHES  
HOMEOWNERS ASSOCIATION:

The Articles of Incorporation were filed with the Nevada Secretary of State on the 15<sup>th</sup>  
day of February, 2000 and a copy can be obtained at the following address:

Chester Spiering  
Flying Eagle Air Park Ranches Homeowners Association  
7380 Pembroke Dr.  
Reno, NV 89502

COPY



EXHIBIT C

TO

THE DECLARATION ESTABLISHING COVENANTS, CONDITIONS, AND  
RESTRICTIONS, GRANTING COMMON AREA EASEMENTS AND COMMON  
AREAS AND ESTABLISHING FLYING EAGLE AIR PARK RANCHES  
HOMEOWNERS ASSOCIATION:

The Bylaws were adopted on the 19th day of June, 2000, and a copy can be obtained at  
the following address:

Chester Spiering  
Flying Eagle Air Park Ranches Homeowners Association  
7380 Pembroke Dr.  
Reno, NV 89502

COPY



EXHIBIT D

TO

THE DECLARATION ESTABLISHING COVENANTS, CONDITIONS, AND  
RESTRICTIONS, GRANTING COMMON AREA EASEMENTS AND COMMON  
AREAS AND ESTABLISHING FLYING EAGLE AIR PARK RANCHES  
HOMEOWNERS ASSOCIATION:

COPY





U.S. Department  
of Transportation  
Federal Aviation  
Administration

**RECEIVED**  
JUL 16 1999  
LUMOS & ASSOCIATES

San Francisco Airports District Office  
811 Mitten Road, Room 210  
Burlingame, California 94010-1303

July 14, 1999

Mr. Charles L. Macquarie  
Vice President, Lumos & Associates  
5401 Longley Lane, # 15  
Reno, NV 89511

Dear Mr. Macquarie:

Flying Eagle Airpark Ranches; Airport Activation; 99-SFO-81-NRA.

This responds to your "Notice of Landing Proposal," FAA form 7480-1, dated June 4, 1999 requesting the activation of a new airport in Reno, NV known as Flying Eagle Airpark Ranches.

Under Aeronautical study No. 99-SFO-81-NRA, the Federal Aviation Administration (FAA) has conducted an airspace analysis. Our review from an airspace utilization standpoint indicated that the establishment of this facility will not adversely affect the safe and efficient use of airspace by aircraft. We, therefore, have no objections to the establishment of the landing area provided the following conditions are met:

1. Landing area is operated for private-use only
2. Operations are conducted during VFR conditions only
3. Approach/Departure surfaces shall maintain obstruction free 20:1 slopes.

This determination should not be construed to mean FAA approval of the physical development involved in the proposal. It is only a determination with respect to the safe and efficient use of airspace. In making this determination, the FAA has considered matters such as the effect the proposal would have on existing or contemplating traffic patterns of neighboring airports, the effects it would have on the existing airspace, proposed manmade objects (on file with the FAA) and natural objects within the affected area would have on the airport proposal. This determination in no way preempts or waives any ordinances, laws or regulations of any other government body or agency.

This determination does not indicate that the proposed airport development is environmentally acceptable in accordance with Public Law 91-190, 91-258 and/or 90-495.

This determination expires on February 14, 2001, unless it is otherwise extended, revised, or terminated, or the facility is constructed before that date.

The Federal Aviation Administration cannot prevent the construction of structures near an airport. The airport environs can only be protected

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by such means as zoning ordinances or acquisition of property rights. Such construction, however, may require notification and review by FAA in accordance with Federal Aviation Regulations, Part 77.

We are enclosing a graphic depiction of the proper vertical clearances which should be maintained between approach/departure surfaces to a landing area and highways. Please note that a 17-foot minimum clearance is required for Interstate highways. Figure #2 is incorporated herein and made a part of this airspace determination.

Also enclosed is an FAA Form 5010-5, "FAA Landing Facilities Information Requests on Airports, Heliports, Seaplane Bases, Stolports." Within thirty (30) days after this landing area becomes operational, we would appreciate you completing the form and mailing it to our office so your facility can be included in the FAA Airport Data System.

Sincerely,

*Dan Morse*

Dan Morse  
Supervisor, Safety & Standards  
Section

Enclosures

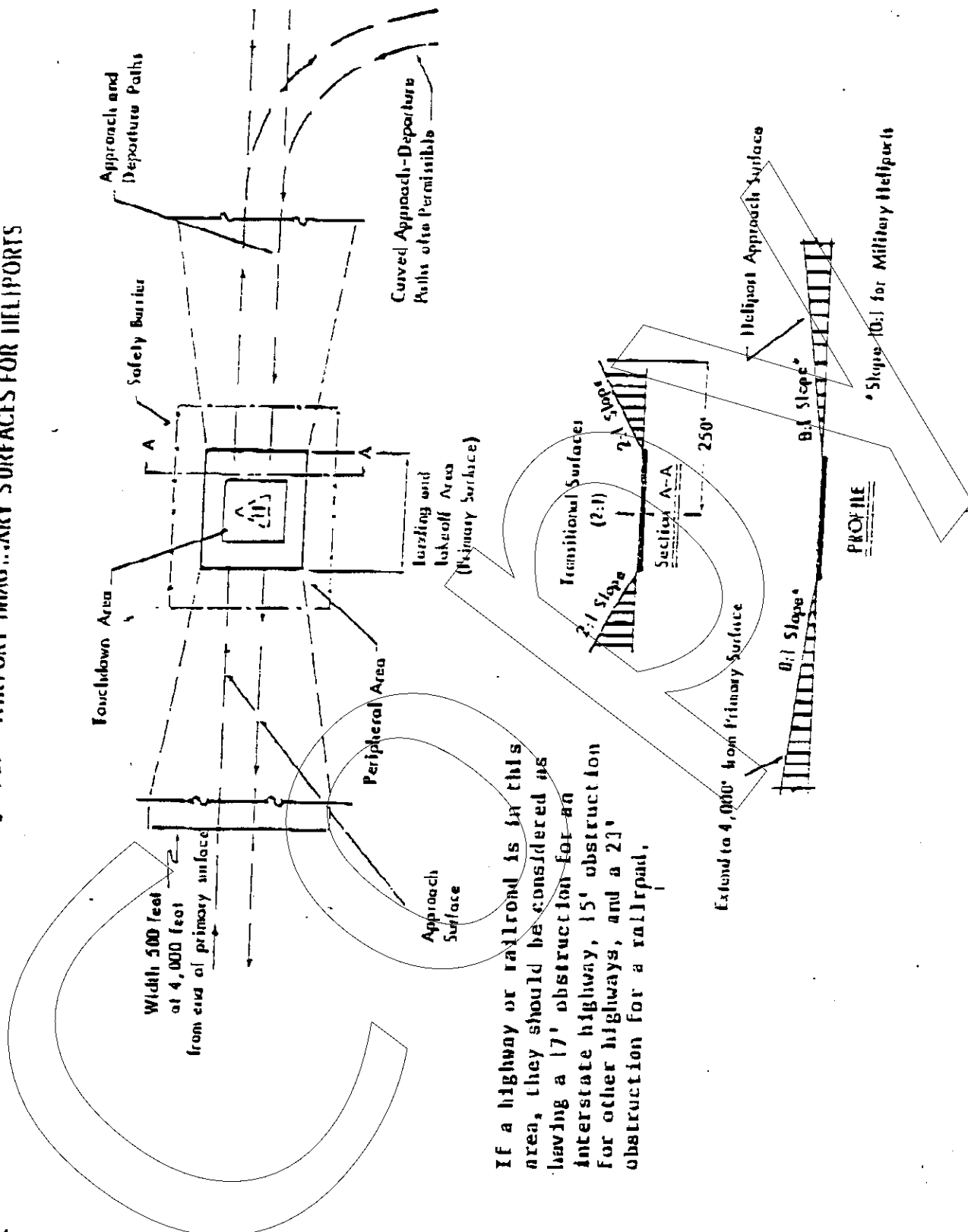
cc: Nevada Department of Transportation  
FAA, AAS-330 w/7480  
FAA, AWP-520  
FAA, AWP-600

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FIGURE 2

§ 77.29 - AIRPORT IMAGINARY SURFACES FOR HELIPORTS



If a highway or railroad is in this area, they should be considered as having a 17' obstruction for an interstate highway, 15' obstruction for other highways, and a 23' obstruction for a railroad.

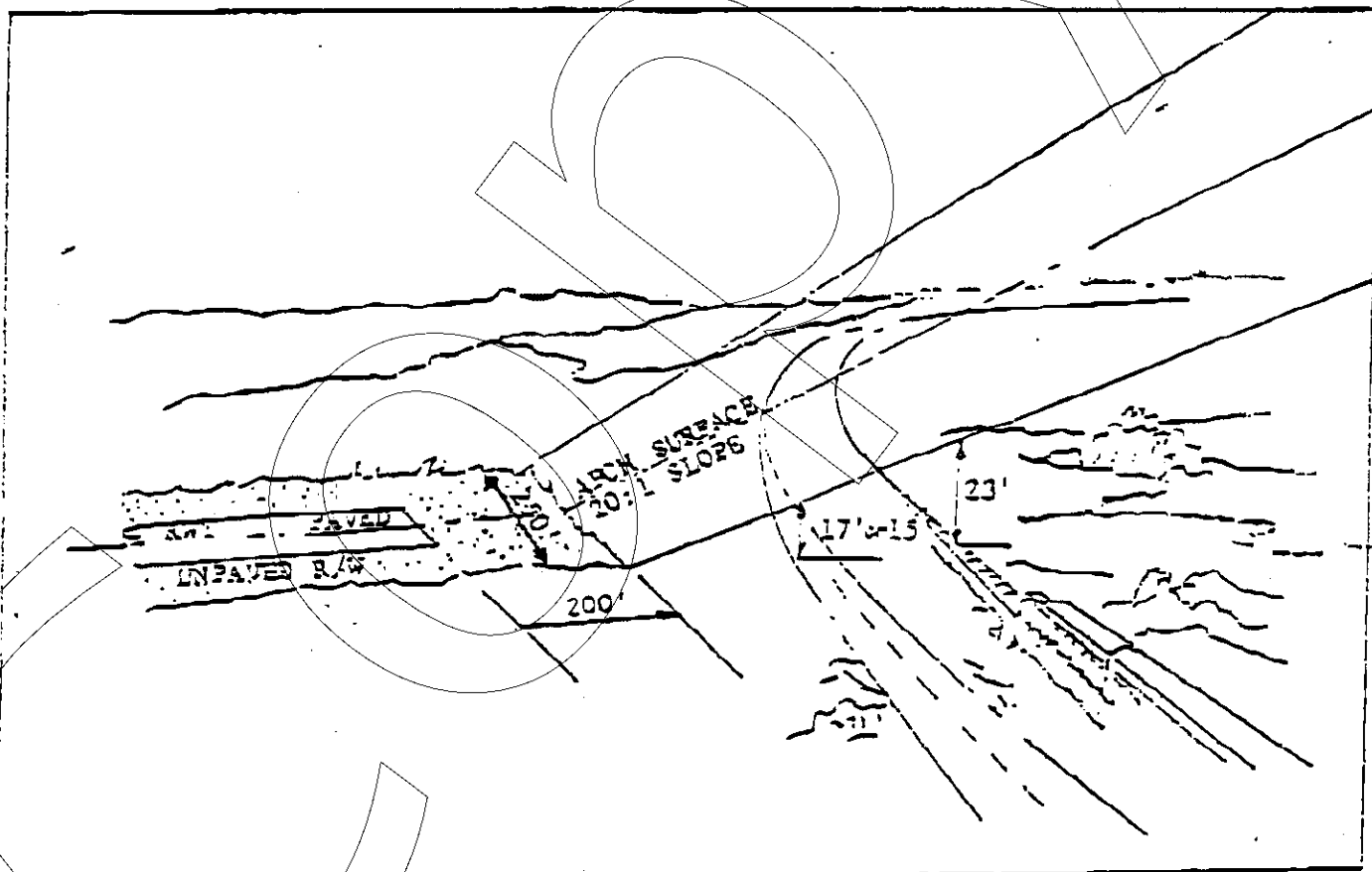
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01/10/90

WP 5000.3  
Appendix 5

FIGURE 1

Federal Aviation Regulations, Part 77.25, establishes standards for determining obstructions to air navigation. It applies to existing and proposed manmade objects, objects of natural growth, and terrain. An airport of the type you proposed should have a glide slope of 20:1. This means that starting at a point 200' outward from the threshold of each HARD SURFACE runway, an obstruction should not exceed a height of 1' for each 20' distance. FOR TURF STRIPS, THIS SLOPE BEGINS AT THE RUNWAY END. The area is 250' wide starting at the inner end and extending outward and upward at a slope of 20:1 expanding to a width of 1250' at a horizontal distance of 5000'. If a highway or railroad is in this area, they should be considered as having a 17' obstruction for an interstate highway, 15' obstruction for other highways, and a 23' obstruction for a railroad. The drawing below will depict the area concerned.



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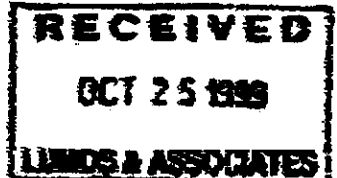
U.S. Department  
of Transportation  
Federal Aviation  
Administration

Wallops Flight Facility  
Airport Division

San Francisco ACO  
221 Mission Street, Suite 200  
San Francisco, CA 94102

October 21, 1999

Mr. Charles L. Macquarie  
Vice President, LINDS & ASSOCIATES  
3401 Longley Lane, #15  
Reno, Nevada 89511



Dear Mr. Macquarie:

... Flying Eagles Airpark; Airport Activation Reevaluation; 99-370-01-MSA

We have completed our reevaluation of the subject airport activation. This was in response to the Board of Adjustment Additional Condition #35 sent to us under the Washoe County Board of Adjustment letter dated September 17, 1999, and letters of concern sent to us regarding the existing airspace for AirSailing and Hirsch Aero airports.

We revalidate our determination of no objection dated July 14, 1999, provided the following additional conditions are resolved:

1. There needs to be created a common arrival and departure traffic plan with specific airport traffic pattern arrangements, for the three airports. Sound procedures will be established regarding arrival/departure traffic pattern flow and communication.
2. The three airports are to use a common frequency to announce arrivals and departures.

If you have any questions please contact us at (650) 876-2823.  
Sincerely,

*Don Morse*

Don Morse

cc: The Honorable Jim Gibbons, attn. Mr. Duval Grimmer  
Mr. L. Rolf Peterson, AirSailing  
Mr. Bruce Laxalt, Esq., Laxalt & Neuma, Ltd.  
Mr. Lester A. Withers, Hirsch Aero  
Nevada Department of Transportation



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EXHIBIT E

TO

THE DECLARATION ESTABLISHING COVENANTS, CONDITIONS, AND  
RESTRICTIONS, GRANTING COMMON AREA EASEMENTS AND COMMON  
AREAS AND ESTABLISHING FLYING EAGLE AIR PARK RANCHES  
HOMEOWNERS ASSOCIATION:

Improvement Plans for the Project dated March 5, 2000 and April 6, 2000,  
together with Technical Special Provisions dated March 1, 2000 have been filed with the  
Washoe County Engineering Department and copies can be obtained at the following  
addresses:

1. Lumos and Associates, Inc., Engineers  
5401 Longley Lane, Suite 15  
Reno, NV 89511
2. Chester Spiering  
Flying Eagle Air Park Ranches Homeowner's Association  
7320 Pembroke Dr.  
Reno, NV 89502



EXHIBIT F

TO

THE DECLARATION ESTABLISHING COVENANTS, CONDITIONS, AND  
RESTRICTIONS, GRANTING COMMON AREA EASEMENTS AND COMMON  
AREAS AND ESTABLISHING FLYING EAGLE AIR PARK RANCHES  
HOMEOWNERS ASSOCIATION:

COPY



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# FLYING EAGLE AIR PARK RANCHES

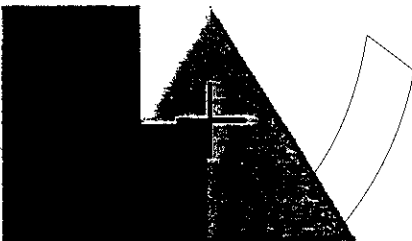
## SAFETY OPERATIONS MANUAL

Prepared For:

Flying Eagle Air Park Ranches LLC  
7380 Pembroke Drive  
Reno Nevada 89502

Prepared By:

Lumos and Associates, Inc.  
5401 Longley Lane, Suite 15  
Reno, Nevada 89511



LUMOS AND ASSOCIATES



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Job Number: 4643.000  
January 26, ~~1999~~ 2000

# Flying Eagle Air Park Ranches

## SAFETY PROCEDURES

**Location:**

24 miles northeast of Reno Tahoe IAP.

**Coordinates:**

39° 51' 24" N; 119° 41' 22" W

**Hours:**

Dawn to Dusk Only

**Elevation:**

4220 MSL

**Pattern:**

5020 MSL

16 – Left Pattern, 850' displaced threshold  
34 – Right Pattern, 400' displaced threshold  
07 – Right Pattern, 400' displaced threshold  
25 – Left Pattern, 400' displaced threshold  
Practice touch and goes prohibited

**Runways:**

16-34 4,550 X 30 asphalt sunrise to sunset  
07-25 4,000 X 20 asphalt sunrise to sunset

**Lights:**

None

**Obstructions:**

Mountains, 3 miles to the north and 3 miles to the west.

**Approaches:**

VFR Only

**Frequencies:**

PALIMONO UNICOM 123.3

**Charts:**

San Francisco Sectional; low-altitude L7

**Weather:**

FSS RENO 122.5, 122.2  
(775) 858-1300  
MWS (775) 784-5402



**Noise Abatement:**

All departing aircraft to avoid flying over structures until 1,500' AGL.

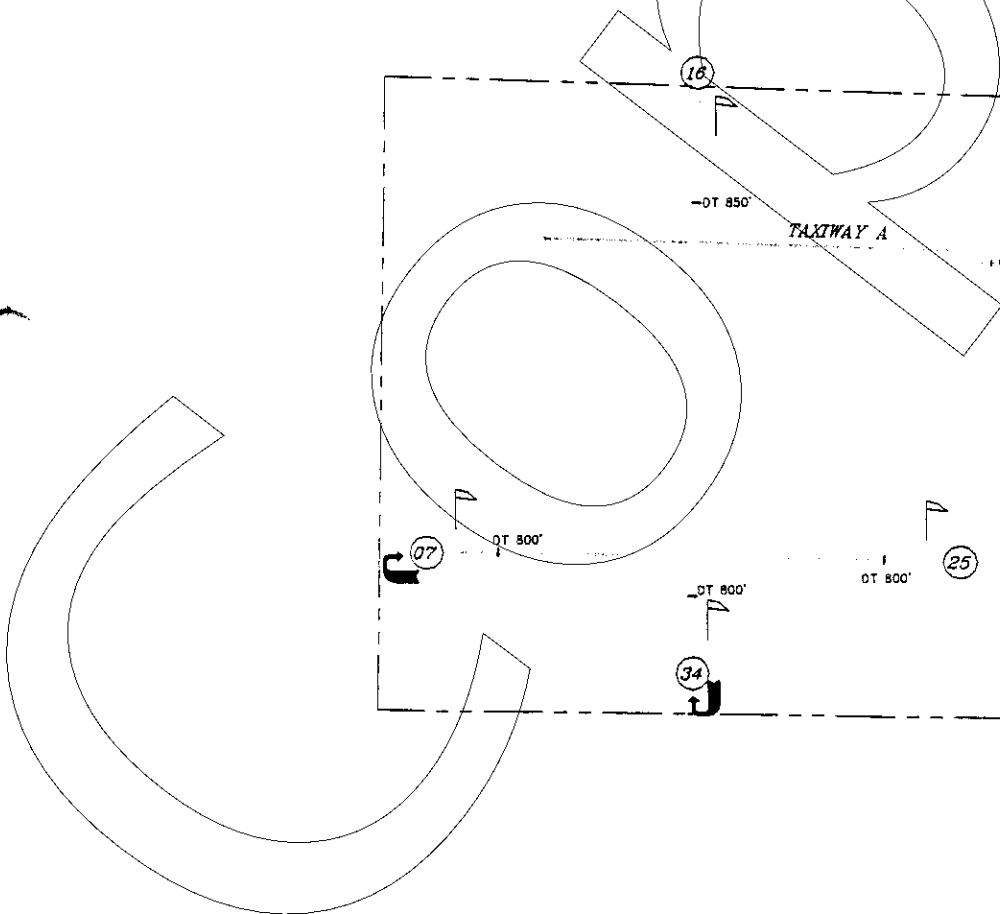
**Restrictions:**

- Restricted to aircraft with wingspan of 48 feet or less with landing speed between 91 and 121 knots.
- No night operations
- No practice touch and go operations.
- Landing aircraft must maintain 50' AGL over fence line.

**Notes:**

Flying Eagle Airpark is private community airpark to be used by residence and guest only. Both runways are also utilized by residence as roads to private homes. Runways 34 and 07 right hand pattern 400' displaced threshold. Runway 25 left pattern with 400' displaced threshold. Runway 16 left pattern with 850' displaced threshold.

Upon entering pattern, aircraft will scan field for vehicular activity. A pilot activated warning system will be initiated by the pilot prior to takeoff and when midfield in landing pattern. (transmitter activates, 3 click in 5 seconds). Extensive glider operations in the area operating out of Air Sailing 1 mile to the northwest. Numerous private strips in the area PALMONO UNICOM Frequency (123.3) used by all strips in area. No services, no FBO.



## Safety Procedures

### **Passive Warning System:**

The passive warning system will consist of a series of warning signs to both pilots and vehicle drivers

- Warning signs will be placed and maintained in a manner to actively warn residences and guest that the paved surfaces are to be utilized by both aircraft and vehicle traffic. Detail of sign is contained in exhibit 1.
- Low lying intersections signs will be posted at each intersection warning vehicular traffic to look for aircraft prior to passing through or entering onto runway.
- Hold short lines and STOP will be painted on pavement to identify a proper place to stop and look for aircraft, See detail exhibit 2.
- Signs will be located at each end of the runway to remind pilots to activate the active warning system prior to takeoff see detail exhibit 3.

### **Active Warning System**

The active warning system will consist of a series of warning lights which are designed to gain the attention of motorist and inform them that an aircraft is operating on the airstrip. Circuitry will be provided to connect lights at each driveway that accesses the runways (eight driveways of the 16 lots will directly access a runway). Lights will be located at the end of each runway to warn departing aircraft if a vehicle has entered the runway.

- A constant current loop providing power to the light system.
- A radio telemetry system to activate the warning lights.
- Pilot operated control which will allow the pilot to activate warning lights at intersections with his transmitter on the UNICOM Frequency (three clicks of the transmitter in 5 seconds).
- Touch pads in roadways to activate the warning lights at the end of the runway to alert pilots preparing for takeoff.

### **Passive Safety Measures**

Another integral safety feature designed into the project will be the width of the runway shoulders. Shoulders will be thirty (30) feet in width on each side. This proposed shoulder width should easily accommodate both vehicular and aviation traffic. In the event that a vehicle should get caught on a runway while an aircraft is approaching, the motorist will be able to move to the extreme right of the shoulder area and avoid the aircraft. The shoulders will be graded smooth with native material, will be wide enough to avoid the wingspan of any aircraft anticipated to be operating on the project site. The shoulders will be seeded with low lying vegetation to stabilize the surface of the soil.

### **Operational Safety Measures**

- Other important safety features include site perimeter fencing, the three railed, ranch style vinyl fencing will be installed around the entire site perimeter to

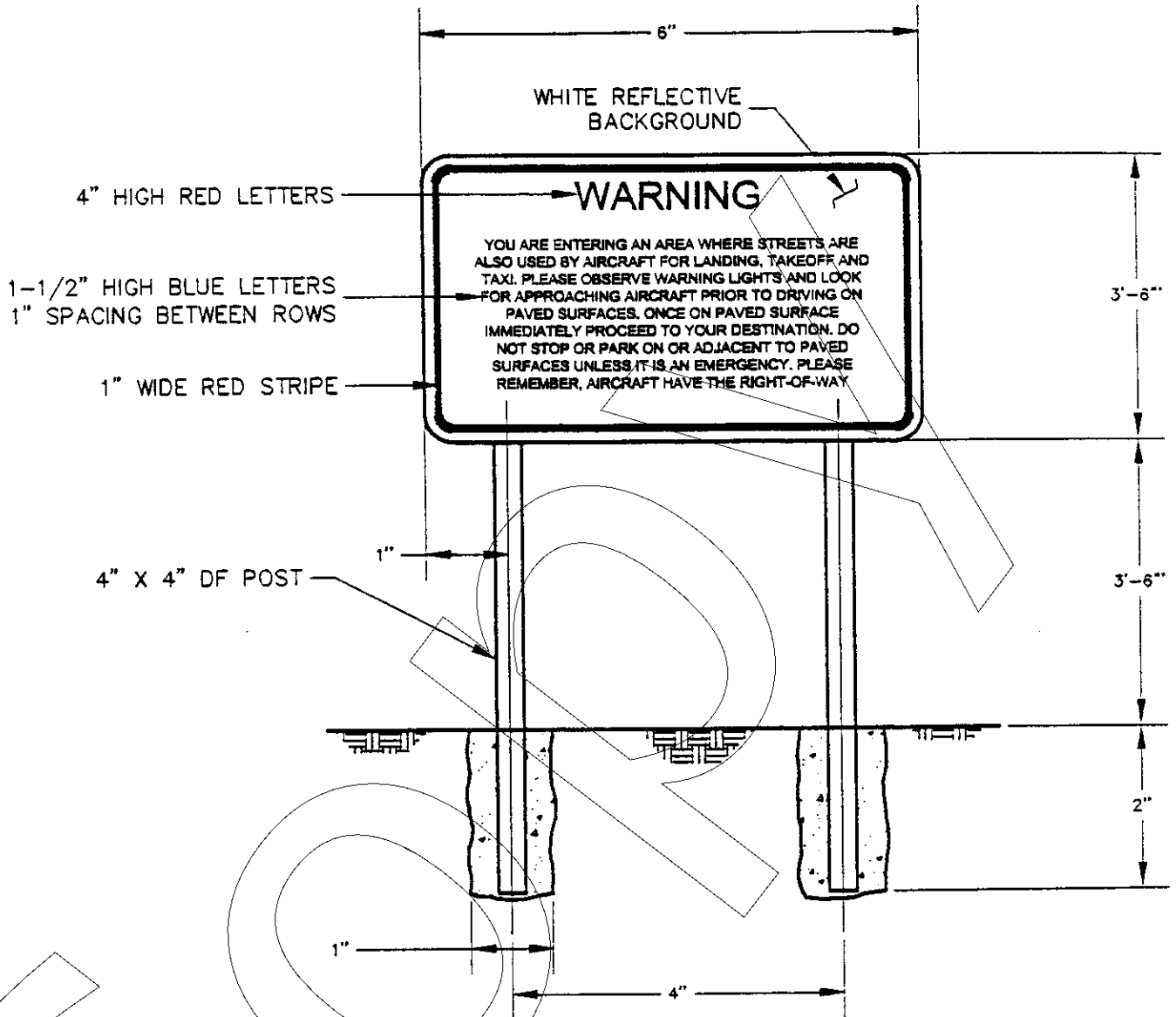


prevent unintended objects, such as livestock, motorcycles, or four wheel drives, from entering the project site or crossing runways.

- Flight operations will be limited to daylight hours only, which will allow complete visual assessment of runways and associated traffic during standard approach procedures and established flight patterns. If a runway is occupied by a vehicle, the aircraft will have the choice of remaining in the landing pattern until the runway is clear or using the other runway.
- Practice touch and go operations will not be allowed, limiting the number of landing and takeoff cycles which will occur on a daily, weekly or monthly basis.

COPY





1  
D2

ENTRY WARINING SIGN

NTS

EXHIBIT 1



CIVIL ENGINEERING  
PLANNING  
SURVEYING  
MATERIALS TESTING

ENTRY WARNING SIGN



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Date:

Scale:

FIGURE #

WHITE REFLECTIVE  
BACKGROUND

4" HIGH RED LETTERS

1-1/2" HIGH BLUE LETTERS  
1" SPACING BETWEEN ROWS

1" WIDE RED STRIPE

FLASHING LIGHTS

3' X 2' X 4"  
CONCRETE SLAB

4" X 4" DF POST

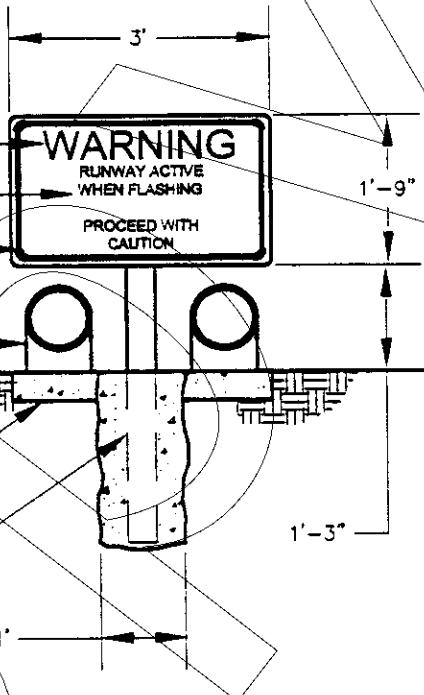


EXHIBIT 2



CIVIL ENGINEERING  
PLANNING  
SURVEYING  
MATERIALS TESTING

LUMOS AND ASSOCIATES

INTERSECTION  
WARNING SIGN



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Date: 2-00

Scale: 1/2" = 1'

FIGURE # 2

WHITE REFLECTIVE  
BACKGROUND

4" HIGH RED LETTERS

1-1/2" HIGH BLUE LETTERS

1" SPACING BETWEEN ROWS

1" WIDE RED STRIPE

FLASHING LIGHTS

3' X 2' X 4"  
CONCRETE SLAB

4" X 4" DF POST

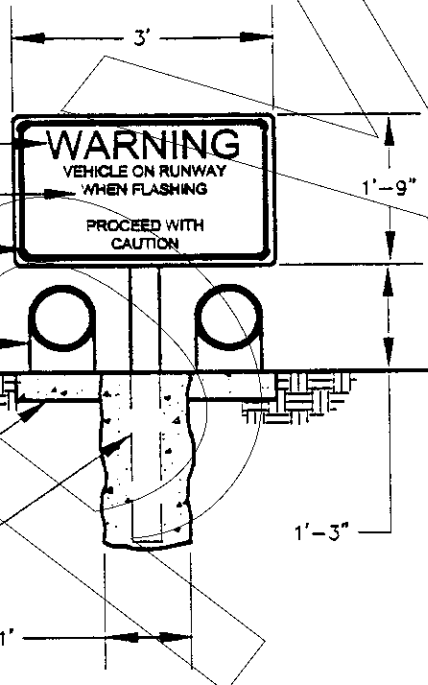


EXHIBIT 3



CIVIL ENGINEERING  
PLANNING  
SURVEYING  
MATERIALS TESTING

LUMOS AND ASSOCIATES

RUNUP PAD  
WARNING SIGN



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Date: 2-00  
Scale: 1/2" = 1'  
FIGURE # 3

EXHIBIT G

TO

THE DECLARATION ESTABLISHING COVENANTS, CONDITIONS, AND  
RESTRICTIONS, GRANTING COMMON AREA EASEMENTS AND COMMON  
AREAS AND ESTABLISHING FLYING EAGLE AIR PARK RANCHES  
HOMEOWNERS ASSOCIATION:

COPY





AMY HARVEY  
County Clerk

# OFFICE OF THE WASHOE COUNTY CLERK

COUNTY COURTHOUSE, VIRGINIA AND COURT STS.  
P.O. BOX 30083, RENO, NEVADA 89520-3083  
PHONE (775) 328-3250  
FAX (775) 328-3582

Warm Springs Property Owners Assoc.  
P.O. Box 2116  
Sparks, NV 89432

I, Amy Harvey, County Clerk and Clerk of the Board of County Commissioners, Washoe County, Nevada, do hereby certify that, as filed with the County Clerk on this date, the Board of County Commissioners at its regular meeting on September 28, 1999, issued the following order:

99-1009      **SPECIAL USE PERMIT CASE NO. SPB6-12-99 - FLYING EAGLE  
AIR PARK RANCHES - APPEAL**

**5:00 p.m.** This was the time set in a Notice mailed to property owners to consider the appeal to construct two private general aviation service airstrips and one taxiway that will provide paved airplane and roadway access to 16 residential lots of not less than 40 acres each [refer to Case No. DL6-5-99]. The airstrips consist of one 4,550-foot north-south runway, one 4,000-foot east-west runway, and one 2,700-foot east-west taxiway. No onsite fueling or ground support facilities are proposed; however, each residential lot will likely incorporate an airplane pad or hanger. The ±650.62-acre parcel is designated General Rural Residential (GRR) in the Warm Springs Area Plan. The property is located approximately one mile north of Range Land Road, and approximately one mile west of the intersection of Grass Valley Road and Pyramid Highway. The parcel is located in Commission District 5, Section 24, T23N, R20E, MDM, Washoe County, Nevada. [APN: 76-200-01]

Chairman Galloway opened the public hearing and called on those wishing to speak.

Dean Diederich, Planning Manager, Department of Community Development, stated that concurrent with the review of the special use permit there was a separate division of a large parcel map which was approved and is not subject to this appeal. Mr. Diederich briefly went over the appeal issues and used the overhead to provide the Board information on where the proposed project and surrounding properties are located.

Wanda Wright, President of the Warm Springs Property Owners Association and a member of the Citizen's Advisory Board, stated that she is speaking on



behalf of the Property Owners Association; that they are opposed to this project based upon safety reasons; that the majority of people who live in Warm Springs moved there to enjoy a rural lifestyle; that if the Air Park is approved all peace and quiet will be gone; and that the presentation to the CAB was different from the presentation to the Board of Adjustment. She further stated, that if this special use permit is granted, then only the 16 homeowners should be allowed to use the air strip; that the volunteer fire department does not have any foaming equipment if there was an accident; that they are concerned about the decibel levels for departures and landings; and that they request the Board deny this special use permit.

Carol Dotson, Lumos and Associates, representing Don Fraser, Property Owner, and Chet & Lynda Spiering, Developers, stated that the project was envisioned to create an upscale signature development with a rural type of character, therefore set in a rural type of setting; that the vision for the project was to create a development with many special amenities and privileges afforded to private airstrips; and that the project would be an asset to the community and compliment the area. She further stated that they reviewed the original CC&R's which did allow private airstrips in this area; that they looked at the compatability for a project of this nature to be located in this area; and that the original project was submitted in conjunction with a request for large-lot development, approximately 16-40 acre parcels on the original site plan. She advised that the site is primarily surrounded by undeveloped land, but that there is a glider-port and 2 other airstrips in the surrounding area; and that the closest neighbor is about half a mile away, and that neighbor is present tonight in support of this project. Ms. Dotson further advised that this project would include 2 private airstrips and 1 taxiway providing both air and vehicular access with circulation throughout the site; that the main entry is an east/west taxiway which is about 2700 linear feet; that the access roadways will be paved 20 feet wide and have 30 foot shoulders on either side; that the surfaces will be constructed at least one-foot above the existing grade per Washoe County flood specifications and have ditches on both sides; and that the airstrips and taxiway will be private and therefore not FAA regulated.

Ms. Dotson stated that the private airstrips would be for the exclusive use of the residents of this private gated community; that they will be regulated by strict operating practices and procedures as presented in the CC&R's and governed by safety operations in a manual that will be submitted as a condition of this project. She further stated that there will be an early warning system which will include electronic and radio devices, signage and specialized warning systems, to ensure the safety and adequate passage of these airport runways and roadways; that this will be a dawn to dusk operation; and that all of the utilities will be placed underground.

Craig Wesner, Project Engineer for Lumos and Associates, briefly went over flight patterns regarding departures and landings, and stated that at the Board of Adjustment Meeting there were 13 people who spoke in favor of this project.



Tom Pratt, Kurt Neuffer, Herman Schindler, Susan Stinson, George Newell, Lester Withers, John Milanovich, Larry Whetstone, Jeanne Herman, William Johnson, and Ronald Messenger, Warm Springs area residents, spoke in favor of this project and did not feel there would be a problem with the proposed airpark; and advised that they feel this project is the quality perceived by the people when the Warm Springs area was planned.

Lynda Spiering, 7380 Pembroke, stated that her husband is the developer for this project; that once this project is completed there will be 16 lots; that some property owners may or may not own a plane but may just want to live on a large parcel with quality structures that surround them with a security gate; and it is her request that the Board approve this project.

Don Fraser, property owner of the proposed airpark, stated that this project will be a credit to the community; that he has researched other airparks and the average age is 65 with 90% of them retired commercial airline pilots or career military officers; and that he also request the Board approve this project.

Jerome Kocinski, 5706 Range Land Road, stated that he is offended by someone saying that the Warm Springs Homeowners Association is against this project, as he is a member of the Homeowners Association and is not aware of any meeting that was called where a majority vote was taken for or against this project; and that he supports this project being built.

Laura Link, area resident, stated that she feels an environmental impact study should be conducted before a final decision is made.

Bruce Laxalt, Attorney for Air Sailing, Inc., stated that he is a member of Air Sailing as well as a glider pilot; that the proposed project is beautifully designed and on behalf of Air Sailing they support aviation, but have serious concerns regarding the location of this air park; that the initial letter from the FAA was apparently issued without any consultation with the FAA here in Reno, who are now involved, and is now under reconsideration; and that he request the Board focus heavily on enforcement of Condition No. 35 from the Board of Adjustment.

Stephen Moss, on behalf of the Warm Springs Homeowners, stated that there are several airparks within the area, one in Dayton and one in Yerington that are not filled to capacity; that the Board should go back to the comprehensive plan and determine what the comprehensive plan calls for in this area; and that if the Board approves this project they will be severely limiting other development by putting this project in the middle of this area. He further stated that staff has not addressed the impact of being in the flood plain, nor have they contacted appropriate wildlife agencies to review and comment on proposed development. He advised that issues of topography, mountains and proximity to the valleys have not been properly addressed and they request this special use permit be denied.



Dan Schwartz, Laurie York, Parti Quick, and Virginia Brown, Washoe County residents, stated that they oppose this project due to safety concerns and detrimental effect on the area; and that they feel this project does not fit in with the Warm Springs Area Plan.

Virginia Schwartz, 16700 Pyramid Highway, stated that she resides right across the highway from where this air park is proposed to be built; that in 1985 there was a fire and in 1986 a flood; and that potential property owners should be made aware of those facts.

There being no one else wishing to speak, Chairman Galloway closed the public hearing. He then asked staff and the applicant to respond to the questions and issues that were raised.

Commissioner Shaw stated that he is concerned as a citizen of Washoe County and inquired from Bruce Laxalt if he had any response concerning Condition No. 35. Mr. Laxalt responded that the developers are not applying for FAA approval so therefore the scrutiny is not as intense; that Air Sailing's planes and gliders depart 80% of the time to the south with a left turnout; and that they then will be on the same elevation, on tow by two airplanes with 200 feet of rope between them at the same elevation the air park folks will be landing. He further stated that they requested the FAA consider asking the air park to relocate their runways further toward the outside of the property; and that their biggest concern is non-residents of the air park flying in to visit and not being aware of extensive traffic from the gliders with the resulting risk of mid-air collisions and fatalities.

Commissioner Bond inquired if Air Sailing is in operation full-time and what type of planes tow these gliders. Mr. Laxalt responded that in the summer time they are there 7 days a week, as they have camps, races, and instruction, and in the winter time, they are primarily there during the weekends; and that they have a 182 and a Pawnee (which looks like a crop dusting plane) towing their planes.

Commissioner Short inquired if Mr. Laxalt is satisfied with Condition No. 35 added by the Board of Adjustment. Mr. Laxalt responded that their preference would have been, because of the concurrent responsibility that the Commission and County share, that it be referred back to staff for a full analysis and not deferred entirely to the FAA; and that they have asked the FAA to mandate the air park use 123.3 on the frequency which is the glider channel to help with coordination.

Commissioner Sferrazza inquired from the applicants if there were any objections to Mr. Laxalt's request to add to Condition No. 35 "that it be referred back to staff for a negotiated resolution of flight paths and traffic between the glider port and the air park." Ms. Dotson responded that, at the Board of Adjustment Meeting, the applicants stated they would be willing to work with Air Sailing to work out a unicom



frequency system and flight pattern, but that Mr. Laxalt has not returned any calls to their office.

Madelyn Shipman, Assistant District Attorney, advised that any condition, such as the one Commissioner Sferrazza just suggested, should not be made in a way that would allow a third party to control whether or not the permit can go forward. Ms. Shipman further stated that limiting the number of flights is not realistic as there really is no way to enforce this limitation unless someone is physically standing out there counting the number of flights.

Chairman Galloway inquired if staff felt they had the expertise to resolve some of these operational issues. Mr. Deiderich responded that they do not feel they have the expertise to determine whether there would be a conflict between flight departures and landing patterns between Air Sailing and the air park.

Chairman Galloway inquired if staff disagreed with changing the last sentence in Condition No. 35 wherein the word "stated" would be changed to "recommended." Mr. Deiderich responded that he would agree to that change.

Commissioner Sferrazza inquired how many property owners Ms. Wright is representing and how many of those members oppose this project. Ms. Wright responded that there are 65 paying members and according to the phone poll conducted yesterday by one of their members, only Mr. Kocinski did not oppose this project; that there were 2 petitions submitted to the Board of Adjustment, one that specifically went against a private airstrip and one specifically against the air park project; and that at the Board of Adjustment meeting both petitions were placed together, but one was strictly against the air park and had 67 signatures.

Commissioner Bond inquired from Ms. Wright what their main opposition is regarding this project. Ms. Wright responded safety and noise issues. She further stated in response to Commissioner Shaw's question, they are concerned about guests flying in to visit residents at the air park who do not know the rules and/or about the glider-port and potentially could cause an accident.

Mr. Deiderich stated that there is no condition that limits the number of landings and departures.

Commissioner Sferrazza stated that he opposes this project because he feels the issuance of this permit will be injurious to the property owners, improvements of adjacent properties, and is detrimental to the character of the surrounding area. He further stated that he feels the Board has not conditioned the special use permit limiting this to a private airstrip, whereby protecting the residents who live there. He advised that "private airstrip" as defined in the Washoe County Code is different from what they are creating here as he feels they are creating a private airport by granting this special use permit and not conditioning it properly. He further advised that Condition No. 8 does not



protect the public, because the condition that states the airstrip shall operate as a private facility, does not mention hangers nor does it preclude in clear terms rental of hangers to other people.

Commissioner Shaw stated that he will not support this project and cannot make the findings; that he is concerned about the amount of air traffic in the area and is not convinced that staff has the ability to regulate air traffic; that he feels this project will not compliment the ruralness of the area; and that there are safety issues that should be considered.

Following further discussion, on motion by Commissioner Bond, seconded by Commissioner Short, which motion duly carried, with Commissioners Sferrazza and Shaw voting "no," Chairman Galloway ordered that appeal from the approval by the Board of Adjustment of Special Use Permit Case No. SPB6-12-99 by the Warm Springs Property Owner Association be denied, and based on the following findings and subject to the following conditions the approval be upheld:

#### FINDINGS

1. Consistency. That the proposed use is consistent with the action programs, policies, standards and maps of the Comprehensive Plan and the Warm Springs Area Plan;
2. Improvements. That adequate utilities, roadway improvements, sanitation, water supply, drainage, and other necessary facilities have been provided, the proposed improvements are properly related to existing and proposed roadways, and an adequate public facilities determination has been made in accordance with Division Seven;
3. Site Suitability. That the site is physically suitable for the type of development and for the intensity of the development;
4. Issuance Not Detrimental. That issuance of the permit will not be significantly detrimental to the public health, safety or welfare; injurious to the property or improvements of adjacent properties; or detrimental to the character of the surrounding area; and
5. That the Board of County Commissioners gave reasoned consideration to the information contained within the staff report and information received during the meeting.



**CONDITIONS FOR  
SPECIAL USE PERMIT CASE NO. SPB6-12-99  
FLYING EAGLE AIR PARK RANCHES**

**(As approved by the Washoe County Board of Adjustment on August 16, 1999  
and modified by the Washoe County Commission on September 28, 1999  
after consideration of an appeal of the Board of Adjustment Approval)**

**\*\*\*ALL IMPORTANT - PLEASE READ\*\*\***

**UNLESS OTHERWISE SPECIFIED, ALL CONDITIONS MUST BE MET OR FINANCIAL ASSURANCES MUST BE PROVIDED TO SATISFY THE CONDITIONS PRIOR TO SUBMITTAL FOR A BUILDING PERMIT. THE AGENCY RESPONSIBLE FOR DETERMINING COMPLIANCE WITH A SPECIFIC CONDITION SHALL DETERMINE WHETHER THE CONDITION MUST BE FULLY COMPLETED OR WHETHER THE APPLICANT SHALL BE OFFERED THE OPTION OF PROVIDING FINANCIAL ASSURANCES. ALL AGREEMENTS, EASEMENTS, OR OTHER DOCUMENTATION REQUIRED BY THESE CONDITIONS SHALL HAVE A COPY FILED WITH THE COUNTY ENGINEER AND THE DEPARTMENT OF COMMUNITY DEVELOPMENT.**

**COMPLIANCE WITH THE CONDITIONS OF THIS SPECIAL USE PERMIT IS THE RESPONSIBILITY OF THE APPLICANT, HIS SUCCESSOR IN INTEREST, AND ALL OWNERS, ASSIGNEES, AND OCCUPANTS OF THE PROPERTY AND THEIR SUCCESSORS IN INTEREST. FAILURE TO COMPLY WITH ANY CONDITIONS IMPOSED IN THE ISSUANCE OF THE SPECIAL USE PERMIT MAY RESULT IN THE INSTITUTION OF REVOCATION PROCEDURES.**

**ANY OPERATIONS CONDITIONS ARE SUBJECT TO REVIEW BY THE DEPARTMENT OF COMMUNITY DEVELOPMENT PRIOR TO THE RENEWAL OF A BUSINESS LICENSE EACH YEAR. FAILURE TO ADHERE TO THE CONDITIONS MAY RESULT IN WITHHOLDING RENEWAL OF THE BUSINESS LICENSE UNTIL CONDITIONS ARE COMPLIED WITH TO THE SATISFACTION OF THE DEPARTMENT OF COMMUNITY DEVELOPMENT.**

**WASHOE COUNTY RESERVES THE RIGHT TO REVIEW AND REVISE THE CONDITIONS OF THIS APPROVAL SHOULD THEY DETERMINE THAT SUBSEQUENT LICENSE OR PERMIT ISSUED BY WASHOE COUNTY VIOLATES THE INTENT OF THIS APPROVAL.**



### GENERAL CONDITIONS

1. The applicant shall demonstrate substantial conformance to the plans approved as part of this special use permit. The Department of Community Development shall determine compliance with this condition.
2. The applicant shall complete construction of all structures used to further the operation within two years from the date of approval by Washoe County.
3. A copy of the Final Order stating conditional approval of this special use permit shall be attached to all applications for administrative permits issued by Washoe County.
4. Prior to the issuance of any administrative permit issued by Washoe County, the applicant shall remove all off-premise signs (billboards) from the project site (APN: 76-200-01) and place a restrictive covenant on the property that prohibits the further erection of off-premise signs, with Washoe County made a part to the covenant. The District Attorney's Office and the Department of Community Development shall determine compliance with this condition.
5. The applicant and any successors shall direct any potential purchaser/operator of the site and/or the special use permit to meet with the Department of Community Development to review conditions of approval prior to the final sale of the site and/or the special use permit. Any subsequent purchaser/operator of the site and/or the special use permit shall notify the Department of Community Development of the name, address, telephone number, and contact person of the new purchaser/operator within 30 days of the final sale.
6. A note shall be placed on all construction drawings and grading plans stating:

#### **NOTE**

Should any prehistoric or historic remains/artifacts be discovered during site development, work shall temporarily be halted at the specific site and the State Historic Preservation Office of the Department of Museums, Library and Arts, shall be notified to record and photograph the site. The period of temporary delay shall be limited to a maximum of two (2) working days from the date of notification.

7. Per the applicant's submittal, all public utilities shall be placed underground. The County engineer shall determine compliance with this condition.



## OPERATIONAL CONDITIONS

8. The airstrip shall operate as a private facility, for the exclusive use of the homeowners and their guests, and shall not be operated for commercial purposes. Leasing or rental of airplane hangers or tie-down spaces to non-residents will not be allowed.
9. The runways shall be limited to providing general aviation service, comparable in function to Federal Aviation Administration (FAA) Basic Utility (BU) airport classification with an Airport Reference Code (ARC) of B-I. The runways shall be limited to air traffic between 91 and 121 knots and aircraft up to 48 feet in wingspan. The Developer and/or Homeowner Association shall maintain the landing area on FAA charts. The Department of Community Development shall determine compliance with this condition.
10. Flight operations shall be limited from dawn until dusk. The Department of Community Development shall determine compliance with this condition.
11. Aircraft shall not be less than 50 feet above the ground when crossing the perimeter property lines. The runway pavement shall have landing threshold markings at a minimum of 1000 feet from the project boundary. The Department of Community Development shall determine compliance with this condition.
12. Prior to issuance of a grading/building permit, the applicant shall submit a safety operations manual for aircraft/vehicle/other uses, to the approval of the Washoe County Risk Manager, the County Engineer, and the Department of Community Development. The manual shall include: the early warning system procedures and devices to prevent conflicts between aviation and vehicular/other use of paved surfaces; recommended flight patterns; a site plan depicting the location of various warning signs; and the consistent colors, height, and materials of warning signs.
13. The Developer shall provide and the Homeowner Association shall maintain informational/warning signage with a flashing light at the entry of the property, at runway/taxiway turnarounds, at intersections, and at all driveway entrances to the runway/taxiway/roadway. The signage shall be pilot/automobile activated, and shall warn of possible aircraft usage or automobiles entering the runway. The Washoe County Risk Manager and the Department of Community Development shall determine compliance with this condition.
14. A monument-style identification sign shall be provided at the project entrance, to not exceed 6 feet in height and 128 square feet in area. Other project signage shall incorporate warnings of aircraft activity. The warning signage shall be designed of consistent colors, height, and materials. The Department of Community Development shall determine compliance with this condition.



15. The Developer and the Homeowners Association shall provide a safety operations manual to each prospective and actual property owner, updated as needed, disclosing the concurrent operation of aircraft and vehicle/other on the common roadway/runway facility. The Department of Community Development shall determine compliance with this condition.
16. The Homeowners Association shall provide General Liability Insurance with Washoe County named as additional insured. The Washoe County Risk Manager shall determine compliance with this condition.
17. The Homeowners Association shall record a Notice to each property owner, which shall run with the parcels as long as the special use permit or landings/takeoffs are allowed. The District Attorney's Office and Department of Community Development shall determine compliance with this condition. The notice shall state the requirement to participate in the maintenance and operation of facilities as needed.
  - a. Notice of Individual Liability for any use or ownership in the facilities.
  - b. Obligation to maintain conditions of special use permit currently required or as set forth by Washoe County in the future.

#### TRAFFIC

18. All regulatory traffic signs shall meet County standards and the Manual on Uniform Traffic Control Devices. The County Engineer shall determine compliance with this condition.
19. Prior to issuance of a building permit on any lot, all runway, paving and driveway improvements necessary (including, but not limited to, the early warning system, signing and striping) to serve the project shall be designed and constructed to County standards and specifications and/or financial assurances in an appropriate form and amount shall be provided. Prior to issuance of a Certificate of Occupancy on any lot, all runway facilities shall be installed and operational. The County Engineer and the Department of Community Development shall determine compliance with this condition.

#### DRAINAGE AND GRADING

20. A complete set of construction improvement drawings, including a grading plan, shall be submitted when applying for a building/grading permit. Grading shall comply with best management practices and shall include detailed plans for grading, site and roadway, drainage, erosion control, slope stabilization and mosquito abatement. Placement or disposal of any excavated material shall be indicated on the grading plan. The County Engineer shall determine compliance with this condition.



21. A grading bond of \$750/acre of disturbed area shall be provided to the Engineering Division prior to any grading. The County Engineer shall determine compliance with this condition.
22. A detailed hydrology/hydraulic report prepared by a registered engineer shall be submitted to the Engineering Division for review and approval. The report shall include the FEMA flood zones and the locations, points of entry and discharge, flow rates and flood limits of all 5- and 100-year storm flows impacting both the site and the off-site areas and the methods for handling those flows. The report shall include all storm drain pipe and ditch sizing calculations, a discussion of, and mitigation measures for, any impacts on FEMA flood zones or on existing off-site drainage facilities and properties. The County Engineer shall determine compliance with this condition.
23. The FEMA 100-year flood plain boundaries with associated flood elevations shall appear on the site plan to the satisfaction of the Engineering Division. Building permits for structures and fill in these areas shall be in conformance with Washoe County flood construction standards. The County Engineer shall determine compliance with this condition.
24. A fence shall be constructed around the site perimeter and shall address the passage of floodwaters. The County Engineer shall determine compliance with this condition.
25. All land disturbing activities during construction phases, such as, but not limited to, grading, excavation, cut and fill etc., must be done with effective dust control measures consistent with Washoe County District Board of Health Regulations Governing Air Quality Management, Section 040.030. Disturbances greater than 1 acre in size must obtain an approved dust control plan prior to beginning work. The District Health Department shall determine compliance with this condition.
26. Runway/roadway access easements and taxiway/roadway access easements shall be maintained in a manner that allows concurrent occupancies of aircraft and automobiles, in an emergency situation. Prior to issuance of a Certificate of Occupancy on any lot, cleared areas adjacent to pavement shall be revegetated with an appropriate seed mix as recommended by the Washoe Storey Conservation District. A limited area may use palliatives to control dust. The District Health Department and the County Engineer shall determine compliance with this condition.
27. Any storm drainage from this site must have pretreatment for petrochemicals and silts. The District Health Department shall determine compliance with this condition.



### FIRE SAFETY

28. Fuel storage shall not exceed Uniform Fire Code amounts of 10 gallons per household. Fuel delivery trucks may arrive on the premises to service airplanes.
29. Addresses shall be plainly visible from the road fronting each parcel and the applicant shall provide approved fire department turn-arounds. The Truckee Meadows Fire Protection District shall determine compliance with this condition.
30. A 30 foot defensible space shall be maintained around any structure for fire protection. The Truckee Meadows Fire Protection District shall be responsible for determining compliance with this condition.
31. The applicant shall provide a written plan outlining maintenance and responsibility for maintenance on access easements. The Truckee Meadows Fire Protection District shall be responsible for determining compliance with this condition.

### DESIGN

32. All aircraft shall be stored in a detached accessory structure such as a hanger. The Department of Community Development shall determine compliance with this condition.
33. All buildings shall be setback a minimum of 50 feet from any runway/taxiway easement. The Department of Community Development shall determine compliance with this condition.
34. To be compatible with existing, rural development, perimeter fencing shall be installed and limited to a consistent, semi-transparent design. Examples include wood posts with heavy gauge wire or white vinyl 3-rail fencing. Temporary protective fencing is encouraged during the grading and construction stages, to minimize disturbance to existing vegetation. The Department of Community Development shall determine compliance with this condition.

### BOARD OF COUNTY COMMISSION / BOARD OF ADJUSTMENT

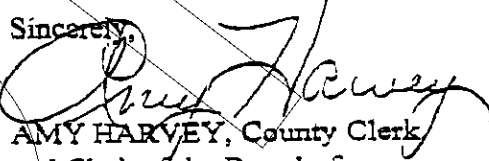
#### ADDITIONAL CONDITIONS

35. Prior to issuance of a grading/building permit, the applicant shall secure a letter from the Federal Aviation Administration (FAA) indicating their continued agreement with their July 14, 1999 correspondence (re: Flying Eagle Ranches; Airport Activation; 99-SFO-81-NRA), or any necessary revisions, including revised operational conditions, in response to any potential conflicts with surrounding landing field operations. The applicant, developer, and/or the Homeowners Association shall comply with all operational conditions recommended by the FAA. The Homeowners Association pilots will coordinate



radio frequencies with the FAA to ensure adequate communication with pilots using the Air Sailing, Inc. gliderport landing field. The Department of Community Development shall determine compliance with this condition.

- 36. The Board of County Commissioners reserve the right to review the Special Use Permit to consider additional conditions of approval based on any future FAA advisories or recommendations that may be issued which would affect the operations of the Flying Eagle Ranches landing field.
- 37. Flying Eagle Ranches, as managed by the Homeowners Association, is limited to a maximum total of 80 airplanes that may be parked, stored, tied-down or occupy any space on any private parcel or easement within the development. The Board of County Commissioners may request a review of the number of planes using the Flying Eagle Ranches landing field, and reserve the right consider additional conditions of approval based the number of planes using this facility. The Department of Community Development shall determine compliance with this condition.
- 38. The property owners and the Homeowners Association will provide access to County agents or employees to any airplane hangers, storage buildings and airpark operational areas for the purpose of inspecting the premises to ensure compliance with all the conditions of approval of this Special Use Permit.

Sincerely,  
  
 AMY HARVEY, County Clerk  
 and Clerk of the Board of  
 Washoe County Commissioners

/jm

- cc: Carol Dotson, Lumos & Associates  
 Chet Spiering  
 Donald Fraser  
 Dean Diederich, Planning Manager ✓



EXHIBIT H

TO

THE DECLARATION ESTABLISHING COVENANTS, CONDITIONS, AND  
RESTRICTIONS, GRANTING COMMON AREA EASEMENTS AND COMMON  
AREAS AND ESTABLISHING FLYING EAGLE AIR PARK RANCHES  
HOMEOWNERS ASSOCIATION:

COPY



**FLYING EAGLE AIR PARK RANCHES HOMEOWNER ASSOCIATION BUDGET**

**ESTIMATED – AS OF 06/15/00**

**ESTIMATED MONTHLY OPERATIONAL FEES**

Insurance – Liability - \$5,000,000 = \$3,150/year	\$16.40
Casualty	
Security gate and warning system maintenance	10.00
Entry, air strip clean-up	6.25
Fence repairs	1.00
Electricity	10.00
Telephone	3.75
Accounting	2.00
Legal	5.00
Annual Filing Fee – State of Nevada	.25
Postage, supplies	1.00

**ESTIMATED OPERATIONAL EXPENSES YEAR ONE: \$55.65**

**RESERVE ACCOUNT**

Slurry seal of paved areas (every six years)	)	
Paving maintenance between completion and	)	
slurry seal or between slurry seal treatments,	)	
repaving 20 years after completion	)	\$120.32
Air Strip/Taxiway, etc. shoulder maintenance		3.12
Gate repairs and replacement		5.20
Warning system repairs and replacement		10.41
Fencing replacement (minimal)		1.00
Entrance – replacement plants, etc.		.50
Control Building repairs/roof replacement		.15

**ESTIMATED RESERVE ACCOUNT ASSESSMENT – YEAR ONE: \$140.70/MO.**

**TOTAL ESTIMATED ASSESSMENTS – YEAR ONE:**

**\*LOT OWNERS' RESPONSIBILITY – YEAR ONE: \$196.35/MO.**

**(Operational expenses \$55.65/mo.; Reserve Account: \$140.70/mo.)**

**\*NO BUYER WILL PAY HOMEOWNERS FEES PRIOR TO OCTOBER 31, 2000. FROM OCTOBER 31, 2000 THROUGH OCTOBER 31, 2001, EACH LOT OWNER SHALL PAY \$175.00 PER MONTH. DURING THIS PERIOD, FLYING EAGLE AIR PARK RANCHES, LLC, WILL PAY THE FOLLOWING:**

1. In any given month, the total of the operational costs less the sum of \$55.65/month x the number of lots that have closed escrow as of that month.
2. The sum of \$140.70/lot x the number of unsold lots in any given month to be paid into the FEAPR Homeowners Reserve Account.



**Beginning November 1, 2001, all lot owners will pay the full amount assessed to each Lot as provided by the Declaration.**

We have endeavored to provide buyers with the best estimate possible for Assessments as of this date. It is possible that some of the figures may have to be adjusted after the Homeowners Association has been operational for a period of time. However, it is not anticipated that the fees should exceed \$250 per month beginning November 1, 2001.

COPY

FINANCIAL STATEMENT


FLYING EAGLE AIR PARK RANCHES HOMEOWNERS' ASSOCIATION

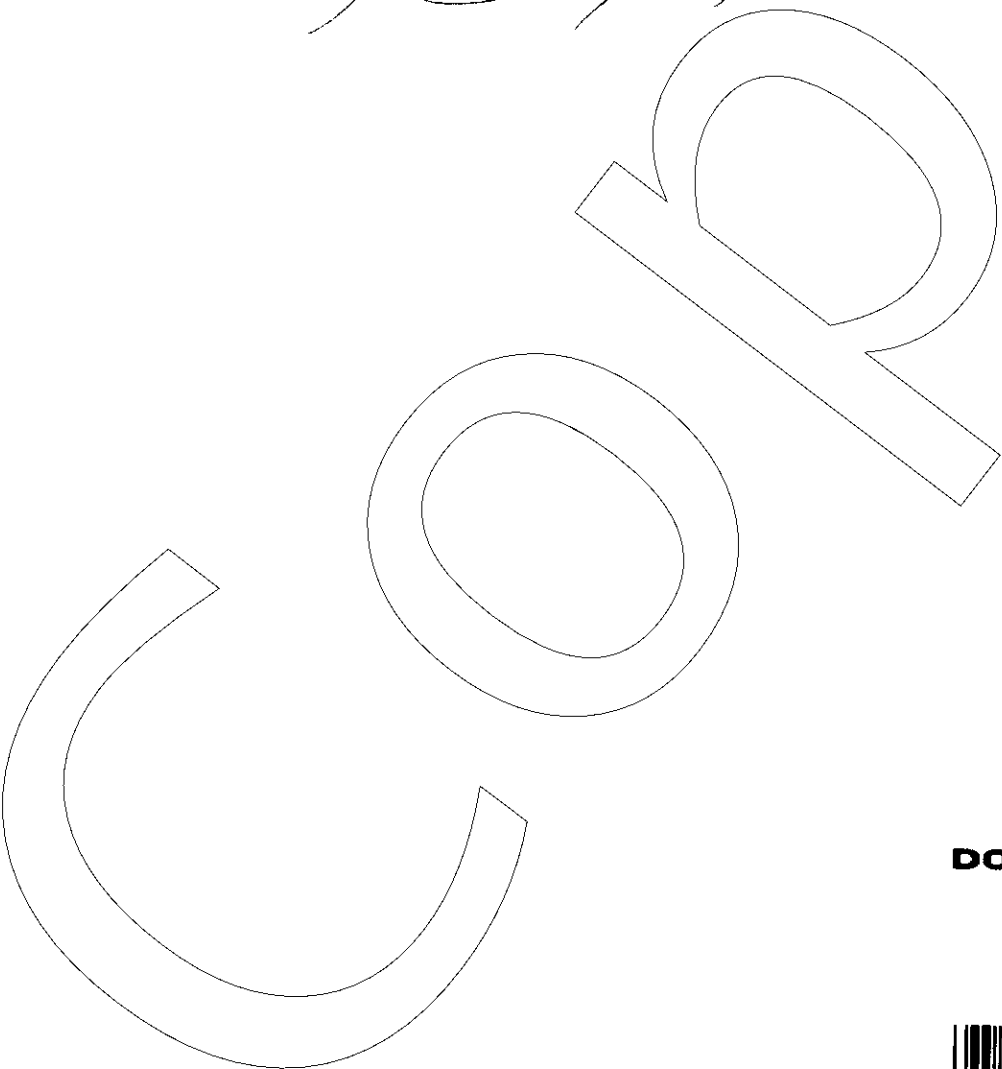
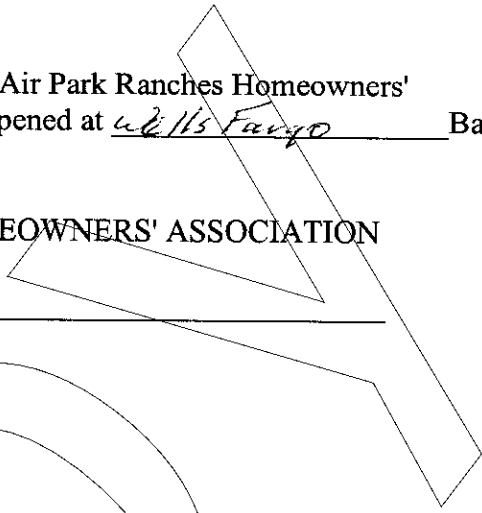
Date: June 22, 2000

A checking account in the name of Flying Eagle Air Park Ranches Homeowners' Association in the amount of \$500.00 has been opened at Wells Fargo Bank.

FLYING EAGLE AIR PARK RANCHES HOMEOWNERS' ASSOCIATION

By: \_\_\_\_\_

  
President



**DOC # 2459992**  
06/29/2000 11:08A Fee:94.00  
BK1  
Requested By  
FLYING EAGLE AIR PARK RANCHES  
Washoe County Recorder  
Kathryn L. Burke - Recorder  
Pg 88 of 88 RPTT 0.00

