



CCAA BOARD MEMO

Agenda Item: G-1

BOARD MEMO 2022-33

Meeting Date: November 16, 2022

Agenda Title: FOR POSSIBLE ACTION: Approve Ortiz Bros. Aviation, LLC Lease Assignment to Echo Delta Community Association as the hangar owner's association.

Staff Summary: Ortiz Brothers Aviation would like to complete a lease assignment to the Hangar Association Echo Delta Community Association.

Agenda Action: Formal Action/Motion

Time Requested: 0 Minutes

Proposed Motion

I move to approve the Ortiz Bros. Aviation, LLC Lease Assignment to Echo Delta Community Association as the hangar owner's association.

CCAA'S Strategic Goal

Support economic activity in the region

Previous Action and Executive Summary

The lease for parcel APN 005-091-30 was originally issued to Ortiz Bros. Aviation, LLC in May 2021 (Doc. Number 521392) for construction of hangars for aircraft storage. Section 9 of the lease allows for the assignment of the lease to a hangar owners association.

"9. ASSIGNMENT AND SUBLEASING. Tenant shall be permitted to assign this lease to a hangar owners association to allow individual ownership of hangars and such association shall be a single entity responsible to Landlord, but Tenant shall have no other right to assign or sublet its interest in this lease except upon Landlord's prior consent."

Financial Information

Is there a fiscal impact?

☒ No ☐ Yes

If yes, account name/number & amount: 3099 General Fund

General Fund/ Federal Share:

Is it currently budgeted?

Board Action Taken:

Motion: _____ 1) _____
2) _____

Aye/Nay

(Vote Recorded By)

APN: 005-091-30

**RECORDING REQUESTED BY AND AFTER
RECORDATION MAIL THIS DOCUMENT TO:**

Ortiz Bros. Aviation NV, LLC
PO Box 11033
Zephyr Cove, NV 89449

SPACE ABOVE THIS LINE FOR RECORDER'S USE

LEASE ASSIGNMENT

THIS LEASE ASSIGNMENT ("**Assignment**"), made and entered into this ____ day of _____, 2022, between the CARSON CITY AIRPORT AUTHORITY ("**Landlord**"), whose address is 2600 E. College Parkway #6, Carson City, Nevada 89706; ORITZ BROS. AVIATION NV, LLC, a Nevada limited liability company, formerly known as Ortiz Bros. Aviation, LLC ("**Assignor**"), whose address is 111 Sierra Colina, Stateline, Nevada 89449; and ECHO DELTA COMMUNITY ASSOCIATION, a Nevada nonprofit corporation ("**Assignee**"), whose address is 111 Sierra Colina, Stateline, Nevada 89449.

WITNESSETH:

WHEREAS, Assignor, as tenant, holds an Airport Lease Agreement with Landlord, dated May 19, 2021, recorded in the office of the Clerk and Recorder of the consolidated municipality of Carson City as Document #521392 ("**Lease**"), covering approximately 64,295 square feet of undeveloped land at the southwest corner of taxiways B and C identified as APN 5-091-30, more particularly described therein ("**Leasehold Property**");

WHEREAS, the Lease permits assignment to a hangar owners association as follows:

9. ASSIGNMENT AND SUBLEASING. Tenant shall be permitted to assign this lease to a hangar owners association to allow individual ownership of hangars and such Association shall be a single entity responsible to Landlord, but shall have no other right to assign or sublet its interest in this lease except upon Landlord's prior consent. Any such assignment or sublease will be binding to assignees/sublessees on all terms and conditions in this lease.

WHEREAS, Assignee is a hangar owners association created in conjunction with the conversion of Leasehold Property to a condominium project; and

WHEREAS, Assignor desires to assign its leasehold interest in the Lease to Assignee, and Assignee desires to assume the same.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assignment. The Lease is hereby assigned to Assignee and Assignee hereby accepts such assignment.

2. Assumption. From and after the date hereof, Assignee agrees to assume, perform and discharge all of the covenants and obligations of Assignor as tenant under the Lease and to be bound by all the terms and conditions of thereof.

3. Landlord's Acknowledgement of Leasehold Condominium Declaration.

(a) Landlord hereby acknowledges that this Assignment is for the purpose of converting the Leasehold Property into a condominium project pursuant to that certain Declaration of Condominium Covenants and Restrictions for Echo Delta Community Association executed and recorded by Assignee contemporaneously herewith ("**Condominium Declaration**"). Article XI of the Condominium Declaration discloses to the future condominium owners that the condominium project is subject and subordinate to the Lease and will terminate upon the expiration of the Ground Lease. In addition, Section 11.2 of the Condominium Declaration specifically states, pursuant to NRS Section

116.2106, that: (a) the Lease is recorded in the office of the Carson City Recorder as Document No. 521392., and a copy of the Ground Lease is on file with the Carson City Airport Authority; (b) the date on which the Ground Lease is scheduled to expire is May 19, 2071; (c) the legal description of the real estate subject to the Lease is described in Exhibit A attached to the Condominium Declaration; (d) the Owners have no right to a right to redeem the reversion of the leasehold estate of the Lease; (e) under Section 15 of the Ground Lease, unless Landlord elects to take title to the buildings and improvements (at no cost or obligation to Landlord), the owners of the condominiums are obligated to remove at their cost all buildings and improvements and restore the Leasehold Property to its original condition upon termination of the Lease; and (f) the owners of the condominiums have no right to renew the Lease.

(b) By executing this Assignment, Landlord acknowledges the Condominium Declaration and deems its signature hereof to be equivalent to signing the Condominium Declaration pursuant to NRS 116.2106(1). Landlord further acknowledges that NRS 116.2106(2) provides that Landlord may not terminate the leasehold interest of a condominium's owner who makes timely payment of his or her share of the rent and otherwise complies with all covenants of the Lease which, if violated, would entitle Landlord to terminate the Lease, and the leasehold interest of a condominium's owner is not affected by failure of any other person to pay rent or fulfill any other covenant.

MADE EFFECTIVE the date first set forth above.

ASSIGNOR:

Ortiz Bros. Aviation NV, LLC,
a Nevada limited liability company

By: 
Eric Ortiz, Manager

ASSIGNEE:

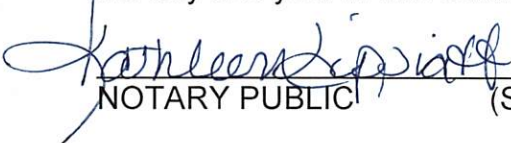
Echo Delta Community Association,
a Nevada nonprofit corporation

By: 
Eric Ortiz, President

STATE OF Nevada : ss.
COUNTY OF Douglas

ON THE 11th day of November, 2022, before me, the undersigned, a Notary Public, personally appeared Eric Ortiz, who acknowledged to me that he is the Manager of Ortiz Bros. Aviation NV, LLC and the President of Echo Delta Community Association, and, in such capacities, being duly authorized to do so, executed the foregoing instrument freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year in this Certificate first above written.


NOTARY PUBLIC (SEAL)



[Landlord and Board of Supervisors approvals on following page]

CARSON CITY AIRPORT AUTHORITY:

Approved this ____ day of __November, 2022 pursuant to Notice, meeting and vote:

ATTEST:

STEVE LEWIS, Chairman
CARSON CITY AIRPORT AUTHORITY

CARSON CITY:

Approved by the Board of Supervisors this ____ day of _____, 2022.

LORI BAGWELL, Mayor

ATTEST:

CITY'S LEGAL COUNSEL
Approved as to form.

AUBREY ROWLATT, Clerk/Recorder

DISTRICT ATTORNEY

AIRPORT AUTHORITY COUNSEL
Approved as to form

STEVEN E. TACKES, ESQ.



BARBARA K. CEGAVSKE
Secretary of State
202 North Carson Street
Carson City, Nevada 89701-4201
(775) 684-5708
Website: www.nvsos.gov
www.nvsilverflume.gov

Filed in the Office of <i>Barbara K. Cegavske</i>	Business Number E27189392022-9
Secretary of State State Of Nevada	Filing Number 20222718938
	Filed On 10/26/2022 4:15:00 PM
	Number of Pages 3

ABOVE SPACE IS FOR OFFICE USE ONLY

Formation - Nonprofit Corporation

- ☒ NRS 82 - Articles of Incorporation Nonprofit ☐ NRS 81.010 - Formation of Nonprofit Cooperative Corporation With or Without Stock ☐ NRS 81.170-81.270 - Articles of Cooperative Association
- ☐ NRS 80 - Foreign Nonprofit Corporation ☐ NRS 81.410 - Articles of Incorporation Nonprofit Cooperative Corporation Without Stock

TYPE OR PRINT - USE DARK INK ONLY - DO NOT HIGHLIGHT

1. Name of Entity: (If foreign, name in home jurisdiction)	Echo Delta Community Association
2. Registered Agent for Service of Process: (Check only one box)	<input type="checkbox"/> Commercial Registered Agent (name only below) <input checked="" type="checkbox"/> Noncommercial Registered Agent (name and address below) <input type="checkbox"/> Office or Position with Entity (title and address below)
	Eric Ortiz Name of Registered Agent OR Title of Office or Position with Entity 111 Sierra Colina Street Address PO Box 11033 Mailing Address (if different from street address)
	Stateline Nevada 89449 City Zip Code Zephyr Cove Nevada 89448 City Zip Code
2a. Certificate of Acceptance of Appointment of Registered Agent:	I hereby accept appointment as Registered Agent for the above named Entity. If the registered agent is unable to sign the Articles of Incorporation, submit a separate signed Registered Agent Acceptance form. X Authorized Signature of Registered Agent or On Behalf of Registered Agent Entity 10/26/22 Date
3. Names and Addresses of the Board of Directors, Member, or Trustees (NRS 81.410 must not be less than three members, see instructions)	1) Eric Ortiz Name USA Country 111 Sierra Colina Street Address Stateline N 89449 City State Zip/Postal Code 2) Dan Coury II Name USA Country 9602 W. Buckeye Rd. Tolleson AZ 85353 Street Address City State Zip/Postal Code 3) Name Country Street Address City State Zip/Postal Code
4. Jurisdiction of Incorporation: (NRS 80 only)	4a. Jurisdiction of incorporation: 4b. I declare this entity is in good standing in the jurisdiction of its incorporation. <input type="checkbox"/>
5. Authorized Shares: (Number of shares corporation is authorized to issue, NRS 80 and NRS 81.010)	Number of common shares with Par value: Par value: \$ Number of preferred shares with Par value: Par value: \$ Number of shares with no par value: If a Nonprofit Entity: <input type="checkbox"/> This is a nonprofit entity with authorized stock, as listed above. <input type="checkbox"/> This entity is a nonprofit, non-stock corporation.

This form must be accompanied by appropriate fees.



BARBARA K. CEGAVSKE
Secretary of State
202 North Carson Street
Carson City, Nevada 89701-4201
(775) 684-5708
Website: www.nvsos.gov
www.nvsilverflume.gov

Formation - Non-Profit Corporation

Continued, Page 2

6. Benefit Corporation: (For NRS 81.010, optional. See instructions.)	By selecting "Yes" you are indicating that the corporation is organized as a benefit corporation pursuant to NRS Chapter 78B with a purpose of creating a general or specific public benefit. The purpose for which the benefit corporation is created must be disclosed in the below purpose field.	Yes <input type="checkbox"/>
7. Purpose: (Required, see instructions.)	Owners association for hangars at Carson City Airport, a non-residential condominium project.	
8. Member Property Rights: (NRS 81.010, see instructions)	The property rights and interest of each member are: <input type="checkbox"/> Equal OR <input type="checkbox"/> Unequal	
9. Member Property Rights: (NRS 81.410, see instructions)	The voting power and the property rights and interest of each member are: <input type="checkbox"/> Equal OR <input type="checkbox"/> Unequal	
10. Term: (NRS 81.010, 81.170-81.270, 81.410 may be perpetual)	Latest date upon which the corporation is to exist: (If existence is not perpetual)	11. Equal Interest Rights: (NRS 81.170-81.270) The interest and right of each member therein is to be equal.
12. Membership Fee: (NRS 81.170-81.270, must be completed)	The membership fee is \$ _____ per member. Each member signing the articles has paid the fee and their interests and rights are equal.	
13. Name, Address and Signature of: NRS 80 Name, title and signature making the statement. NRS 81.010 Name, address and signature of three or more of the original members, a majority of whom must be residents of this state. NRS 81.410 and 82 Name, address and signature of the Incorporator(s). NRS 81.170 Must be signed by the original associates or members.	<div><div>I declare, to the best of my knowledge under penalty of perjury, that the information contained herein is correct and acknowledge that pursuant to NRS 239.330, it is a category C felony to knowingly offer any false or forged instrument for filing in the Office of the Secretary of State.</div><div>Name: Eric Ortiz Address: 111 Sierra Colina City: Stateline State: NV Zip/Postal Code: 89449 Country: USA</div><div>X </div><div>Name: _____ Address: _____ City: _____ State: _____ Zip/Postal Code: _____ Country: _____</div><div>Name: _____ Address: _____ City: _____ State: _____ Zip/Postal Code: _____ Country: _____</div><div>Name: _____ Address: _____ City: _____ State: _____ Zip/Postal Code: _____ Country: _____</div><div>(attach additional page if necessary)</div></div>	

AN INITIAL LIST OF OFFICERS MUST ACCOMPANY THIS FILING

Please include any required or optional information in space below:
(attach additional page(s) if necessary)

State of Nevada
Department of Business and Industry
Real Estate Division

Statement of Verification

This shall serve as verification from the Nevada Real Estate Division, Office of the Ombudsman for Owners in Common-Interest Communities that **ECHO DELTA COMMUNITY ASSOCIATION** is not a common-interest community under the revised definition of real estate in NRS Chapter 116, pursuant to the 2007 legislative amendment.

Certified this 26th day of October 2022.



Sharath Chandra
Administrator, Real Estate Division

APN: 005-091-30

**RECORDING REQUESTED BY AND AFTER
RECORDATION MAIL THIS DOCUMENT TO:**

Ortiz Bros. Aviation NV, LLC
c/o Eric Ortiz
P.O. Box 11033
Zephyr Cove, NV 89448

SPACE ABOVE THIS LINE FOR RECORDER'S USE

The undersigned hereby affirms that this document submitted for recording does not contain the social security number of any person or persons. (Per NRS 239B.030)

**DECLARATION OF CONDOMINIUM COVENANTS
AND RESTRICTIONS FOR
ECHO DELTA COMMUNITY ASSOCIATION

(A LEASEHOLD COMMON INTEREST COMMUNITY)**

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**DECLARATION
OF CONDOMINIUM COVENANTS AND RESTRICTIONS FOR
ECHO DELTA COMMUNITY ASSOCIATION**

(A LEASEHOLD COMMON INTEREST COMMUNITY)

THIS DECLARATION OF CONDOMINIUM COVENANTS AND RESTRICTIONS FOR ECHO DELTA COMMUNITY ASSOCIATION (“**Declaration**”) is made this ____ day of _____, 2022, by ORTIZ BROS. AVIATION NV, LLC., a Nevada limited liability company (“**Declarant**”), as follows:

RECITALS:

A. Declarant is the owner of a leasehold interest (the “**Lease**” or “**Ground Lease**,” more particularly described in Section 1.21 below) in that certain piece of real property situate in the consolidated municipality of Carson City, State of Nevada and described in **Exhibit A** hereto (the “**Property**”).

B. Declarant intends to create a common-interest community within the Property as defined in Chapter 116 of the Nevada Revised Statutes (the “**Act**”) and to sell and convey Hangars (below defined) therein subject to (i) 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 Hangars, (ii) the conditions set forth in the Ground Lease, and (iii) Title 19 of the Carson City Municipal Code (Airport Rules and Regulations). The common-interest community created hereby is a condominium as defined in the Act.

C. Declarant reserves the right to create a maximum of eighteen (18) Hangars within the Project (defined in Section 1.30 below).

D. Declarant further declares that this Declaration establishes nonresidential condominiums, as defined in NRS 116.064, and, pursuant to NRS 116.12075.1(b) of the Act, Declarant elects for the Act not to apply to the Project, except for NRS 116.001 to 116.2124, inclusive, and 116.3116 to 116.31168, inclusive.

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 “**Act**” means Chapter 116 of the Nevada Revised Statutes.
- 1.2 “**Allocated Interest**” means with respect to each Hangar the percentage determined by the formula set forth on **Exhibit B** attached hereto.
- 1.3 “**Assessments**” shall have the meaning set forth in Article VI.
- 1.4 “**Articles**” or “**Articles of Incorporation**” means the Articles of Incorporation of the Association.
- 1.5 “**Association**” means **ECHO DELTA COMMUNITY CONDOMINIUM ASSOCIATION**, a Nevada nonprofit corporation.
- 1.6 “**Association Property**” means all real and 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.
- 1.7 “**Beneficiary**” means a beneficiary under a deed of trust or a mortgage under a mortgage, and/or the assignee of such beneficiary or mortgagee.
- 1.8 “**Board**” or “**Board of Directors**” means the Board of Directors of the Association.
- 1.9 “**Bylaws**” means the Bylaws of the Association.
- 1.10 “**Common Area**” or “**Common Elements**” means the entire Project excepting all Hangars as defined by the Map. In addition, to the extent that taxi lanes and other Improvements to the Common Area, which are necessary to seamlessly connect the Project to adjacent property (such as taxiways), incidentally extend beyond the boundaries of the Project, such Improvements outside the boundaries of the Project shall nonetheless be included in the definition of Common Area.
- 1.11 “**Common Expenses**” shall have the meaning set forth in Section 6.4.1 hereof.
- 1.12 “**Condominium**” or “**Condominium Unit**” means an estate in real property consisting of (a) an undivided, exclusive interest in a Hangar, and (b) an undivided fractional

leasehold interest in the Common Area, both of which are limited by the term of the Ground Lease, together with all easements, rights and appurtenances belonging thereto.

1.13 “**Declarant**” means **Ortiz Bros. Aviation NV, LLC**, a Nevada limited liability company. 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.

1.14 “**Declaration**” or “**this Declaration**” means this instrument entitled “Declaration of Condominium Covenants and Restrictions for Echo Delta Community Association,” and any and all amendments thereto.

1.15 “**Deed of Trust**” means a deed of trust or a mortgage encumbering any portion or all of the Property.

1.16 “**Eligible Insurer**” means an insurer or guarantor of a First Deed of Trust that has requested notification pursuant to the provision of Sections 9.5 and 12.5 hereof.

1.17 “**Eligible Mortgage Holder**” means the holder of a First Deed of Trust that has requested notification pursuant to the provisions of Sections 9.5 and 12.5 hereof.

1.18 “**Map**” means the Legal Description and Site Map attached hereto and incorporated herein as **Exhibit A**; provided, however, that the Map is subject to modification by the Final Subdivision Maps (defined in Section 10.3).

1.19 “**First Deed of Trust**” means a deed of trust having priority over all other deeds of trust encumbering the same portion of the Property.

1.20 “**Foreclosure**” means a foreclosure under a deed of trust by judicial action or exercise of power of sale.

1.21 “**Ground Lease**” means that certain Carson City Airport Lease Agreement dated May 19, 2021, by and between **Carson City and Carson City Airport Authority**, as landlord, and **Ortiz Bros. Aviation NV, LLC**, formerly known as Ortiz Bros. Aviation, LLC, as tenant, recorded in the office of the Clerk and Recorder of the consolidated municipality of Carson City as Document No. 521392. Contemporaneously herewith, the rights of the tenant under the Ground Lease have been or will be assigned to the Association (“**Lease Assignment**”) and such assignment will be recorded in the office of the Clerk and Recorder of the consolidated municipality of Carson City. Pursuant to NRS 116.2106(1) of the Act, the Lease Assignment includes the landlord’s acknowledgment of this Declaration as if the landlord had signed this Declaration. Copies of the Lease Agreement and the Lease Assignment are (or will be) on file with the Carson City Airport Authority.

1.22 “**Hangar**” means a physical portion of the Project designated for separate leasehold occupancy, the boundaries of which are described in Article III of this Declaration.

1.23 **“Improvements”** means all structures and works of improvement of every type and kind, including, but not limited to, buildings, hangars, outbuildings, roads, taxiways and ramps, driveways, parking areas, fences, screening walls, retaining walls, stairs, landscaping, sprinklers, hedges, windbreaks, planting, planted trees, shrubs, poles, signs, freestanding lighting fixtures, exterior air conditioning and water softener fixtures or equipment, which have been or will be constructed on the Project.

1.24 **“Limited Common Area”** or **“Limited Common Elements”** means those portions of the Common Area allocated by this Declaration, the Final Map, the Plans or by operation of subsection (2) or (4) of NRS 116.2102 for the exclusive use of one or more but fewer than all of the Hangars. Without limiting the foregoing, the Limited Common Elements shall include any and all water, sewer, natural gas, telephone and cable television pipes, lines or cables, constructed or installed by Declarant, contained within or providing exclusive service to any Hangar or Hangars intended for the exclusive use of such Hangar or Hangars. Any such water, sewer, natural gas, telephone and cable television pipes, lines or cables contained within or providing exclusive service to a Hangar or Hangars as aforesaid, shall, without further reference thereto, as identified on the Map, be used in connection with such Hangar or Hangars to the exclusion of the use thereof by the other Owners except by invitation. Each Owner shall have the right to connect his Hangar to the water, sewer, natural gas, telephone and cable television pipes, lines or cables serving the Project, provided it gives the Association sufficient prior written notice of such request to enable the Association to exercise its rights to connect such Hangar to the utility. Notwithstanding anything to the contrary, all taxi lanes in the Project, regardless of which Hangars utilize such taxi lanes, shall constitute Common Area rather than Limited Common Area and the cost of maintaining the same shall be included within the Annual Assessments as a Common Expense shared among all Hangars.

1.25 **“Manager”** means the person or entity, if any, 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.

1.26 **“Member”** or **“Association Member”** means every person or entity, including Declarant, who holds a membership in the Association pursuant to the provisions of this Declaration, the Articles and the Bylaws.

1.27 **“Owner”** means a person or entity, including Declarant, holding an Ownership Interest in a Hangar, or who is the buyer of a Hangar under a recorded contract of sale, in which case the seller under such recorded contract of sale shall cease to be an Owner unless and until such contract is terminated. Declarant is the initial Owner of each and every Condominium Unit created by this Declaration.

1.28 **“Ownership Interest”**. Since the Property is subject to the Ground Lease, any reference in this Declaration to the “ownership interest” or the “ownership” of an Owner shall mean all right, title and interest owned and conveyed by Declarant to such owner or the Association specifically subject to the terms and conditions of the Ground Lease. Ownership in and to the Property is a leasehold interest. Therefore, any Hangar or other interest in the Project

sold by Declarant to an Owner will be subject to Declarant's leasehold interest in and to the Property. Any and all fixtures and improvements placed or constructed on the Property by Declarant, the Association or Owner shall be specifically subject to the terms and conditions of the Ground Lease relating thereto.

1.29 **"Plans"** means those items set forth in NRS 116.2109(4) including drawings of Improvements which are filed with agencies which issue permits for the Project, and which are by this reference incorporated herein.

1.30 **"Project"** means the Property, together with the Hangars and all Improvements now or hereafter located thereon and together with all easements, rights and appurtenances belonging thereto. Declarant intends to construct the Project in two (2) phases: (a) the first phase is the building depicted as "Building 2" on **Exhibit A**, comprised of six (6) Hangars (Units "A" through "F") and all Improvements associated therewith, and (b) the second phase is the building depicted as "Future Building 3" on **Exhibit A** and all Improvements associated therewith, provided the actual confirmation of Future Building 3 and the number of Hangars therein shall be determined by Declarant pursuant to Article X hereof.

1.31 **"Property"** shall mean and refer to the leasehold interest granted by the Ground Lease in and to that certain real property described in **Exhibit A**.

1.32 **"Rules and Regulations"** means such rules and regulations as the Board from time to time may adopt pursuant to the terms of this Declaration concerning the use of the Project or any part thereof.

1.33 **"Special Declarant's Rights"** means all rights reserved by Declarant for itself under this Declaration which are personal to Declarant and may be exercised only by Declarant, including, but not limited to, those set forth in Article X hereof.

1.34 **"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 the consolidated municipality of Carson City, 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 in the manner provided in this Section 1.34.

ARTICLE II

DESCRIPTION OF PROPERTY RIGHTS AND OBLIGATIONS, COMMON INTERESTS, RIGHTS OF ENJOYMENT AND EASEMENTS

2.1 Ownership of Condominium. Ownership of each Condominium Unit within the Project shall include an undivided, exclusive interest in a Hangar, an undivided fractional leasehold interest as a tenant in common in the Common Area in an amount equal to the

Allocated Interest for such Hangar, an exclusive right to use that portion of the Common Area designated as Limited Common Element on the Map or the Plans and being appurtenant to such Hangar, and a membership in the Association.

2.2 Non-Severability of Component Parts of Condominium. No part of a Condominium or of the legal rights comprising ownership of a Condominium may be severed from any other part during the period of condominium ownership prescribed herein, so that each Hangar and the undivided interest in the Common Area appurtenant to such Hangar shall always be conveyed, devised, leased, encumbered and otherwise affected only as a complete Condominium. Every gift, devise, bequest, transfer, encumbrance, conveyance, lease or other disposition of a Condominium or any part thereof shall be presumed to be a gift, devise, bequest, transfer, encumbrance or conveyance, respectively, of the entire Condominium, together with all appurtenant rights created by law or by this Declaration. Further, the Common Area shall be owned in common by all Owners of Condominiums; and no Owner may bring any action for partition thereof except as herein provided.

2.3 Ownership of Common Area. Each transfer of a Hangar to an Owner includes a transfer and conveyance of an undivided fractional leasehold interest in all of the Common Area in the Project at the time of the conveyance to each such Owner of a Hangar in an amount equal to the Allocated Interest for such Hangar.

2.4 Encumbrances Against Common Area. Title to the Common Area is or may be subject to the following encumbrances (“**Existing Encumbrances**”):

- (a) The lien of real property taxes and assessments;
- (b) The obligations imposed, directly or indirectly, by virtue of any statute, law, ordinance, resolution or regulation of the United States of America, the State of Nevada, the consolidated municipality of Carson City, the Carson City Airport Authority, or any other political subdivision or public organization having jurisdiction over the Property, or by virtue of any organization or political body created pursuant to any such statute, law, ordinance or regulation;
- (c) Any and all easements and other rights shown on the Map;
- (d) All easements and other rights and obligations created by this Declaration;
- (e) The Ground Lease;
- (f) Dedications and easements of record as of the date hereof;
- (g) Any other restriction, condition, reservation, right, easement, lien, encumbrance or defect of title of any kind whatsoever (other than of the type that would at any time or from time to time create a lien upon the Common Area to secure an obligation to pay

money) that would not materially and actually prejudice Owners in their use and enjoyment of their Hangars and the Common Area.

2.5 Taxes and Assessments. Each Owner shall pay directly to the applicable taxing authority all real and personal property taxes assessed against his Hangar, or his interest in such Hangar. Each Owner shall execute such instruments and take such actions as may reasonably be specified by the Association to obtain separate property tax assessments of the interest of each Owner in each Hangar. If, nevertheless, the Hangars are not separately assessed, or for any other reason any taxes or special district or other assessments may be, in the opinion of the Association, a lien on the Project or any part thereof, then the Association shall pay the same and assess the same to the Owner or Owners responsible therefor.

2.6 Owner's 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 easement of use and enjoyment in, to and throughout the Common Area for support and an exclusive easement for the use and enjoyment of the Limited Common Elements appurtenant to such Owner's Hangar; provided, however, that such non-exclusive easements shall be subordinate to, and shall not interfere with, the Limited Common Elements appurtenant to each Hangar. Each such easement shall be appurtenant to and pass with title to each Hangar, subject to the following rights and restrictions:

2.6.1 The Association shall have the right to adopt, amend and enforce Rules and Regulations affecting the use of the Common Area; provided, however, that such Rules and Regulations shall not conflict with the provisions of this Declaration or any ordinances of the consolidated municipality of Carson City, Nevada, or of any other governmental entity.

2.6.2 The Association shall have the right to suspend the right to use the Common Area by an Owner, his tenants and/or guests for any period during which any Assessment against such Owner remains unpaid for a period of thirty (30) days by so notifying the Owner of such suspension. If, however, the Owner files a written objection with the Board within ten (10) days after such suspension notice is deemed to have been received, then the Owner shall be given written notice and an opportunity to be heard. Such notice shall be sent to the Owner by certified mail, return receipt requested. The Notice shall be deemed delivered upon the lapse of three (3) days from and after the deposit of such notice in the United States mail, postage prepaid and addressed to such Owner at his address as is on record with the Association. The notice shall include a general statement of the proposed action and the date, time and place of the hearing. At the hearing the Owner shall have the right, personally or by a representative, to give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the Association to assure a prompt and orderly resolution of the issues. Any evidence shall be duly considered, but is not binding in making the decision. The Owner shall be notified of the decision in the same manner in which notice of the meeting was given.

2.6.3 The Association shall have the right to limit the number of guests each Owner may authorize to use the Common Area.

2.6.4 The Association shall have the right to assign, rent, grant, license or otherwise designate and control the use of any parking or storage spaces within the Common Area (other than those portions which are part of the Limited Common Elements).

2.6.5 The Association shall have the right to borrow money to improve, repair or maintain the Common Area.

2.7 Use of the Common Area. Any Owner may extend his rights of use and enjoyment in the Common Area to such Owner's family members, guests and invitees, subject, however, to the provisions of this Declaration and the Rules and Regulations. If an Owner has rented all of such Owner's Hangar to a tenant(s), then the Owner, such Owner's family, members, guests and invitees shall not be entitled to use and enjoy the Common Area while the Owner's Hangar is occupied by such tenant(s). Instead, the tenant(s), while occupying such Hangar, shall be entitled to use and enjoy the Common Area and, during the period of such tenants' occupancy, such tenant(s) can extend to other persons the rights of use and enjoyment in the same manner as if such tenant(s) were an Owner. Each Owner shall notify the secretary of the Association of the names of any tenants of such Owner's Hangar. Each Owner or tenant also shall notify the secretary of the Association of the names of all persons to whom such Owner or tenant has extended any rights of use and enjoyment in the Common Area and the relationship that each such person bears to the Owner or tenant. All permitted rights of use and enjoyment of the Common Area are subject to suspension as set forth in Section 2.6.2 above. Each Owner shall at all times be responsible for any and all activities of his tenants, guests and invitees using the Common Area. No Improvements within the Common Area shall be altered or removed, except at the express direction of the Association.

2.8 Association's Right to Use of Common Area. The Association shall have a non-exclusive easement to make such use of the Common Area as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Declaration, including the right to construct and maintain in the Common Area maintenance and storage facilities for use by the Association.

2.9 Easements for Encroachments. If any part of the Common Area encroaches upon or shall hereinafter encroach upon a Hangar, an easement for such encroachment and for the maintenance of the same does and shall exist. If any part of a Hangar encroaches or shall hereafter encroach upon the Common Area, or upon an adjoining Hangar, an easement for such encroachment and for the maintenance of the same does and shall exist. Such encroachments shall not be considered to be encumbrances either on the Common Area or the Hangars. Encroachments referred to herein include, but are not limited to, encroachments caused by initial construction, settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project or any part thereof. Notwithstanding the forgoing, no such encroachment shall exist to the extent it is caused by the willful misconduct of the Owner of the encroaching Hangar or the failure of such Hangar's Owner to cause the Hangar to be repaired or reconstructed after damage or destruction in accordance with approved plans and specifications.

2.10 Easements of Access for Repair, Maintenance and Emergencies. Some of the Common Area is or may be located within the Hangars or may be conveniently accessible only through the Hangars. The Association shall have the irrevocable right, to be exercised, to have access to each such Hangar and to all Common Areas, including Limited Common Areas, from time to time during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Area, including any Limited Common Elements, located therein or accessible therefrom, or for repairs or maintenance to improvements in or on the Hangar which are the responsibility of the Association, or for making emergency repairs therein necessary to prevent damage to the Common Area or to another Hangar. Damage to the interior of any part of a Hangar resulting from the maintenance, repair, emergency repair or replacement of any of the Common Area or as a result of emergency repairs within another Hangar at the instance of the Association shall be an expense of the Association, provided, however, if such damage is the result of negligence of the Owner of a Hangar, then such Owner shall be financially responsible for all of such damage. Amounts owing by the Association pursuant hereto shall be collected by the Association by Assessment pursuant to Article VI below. Without limitation, the foregoing applies to the "fire risers" located within "Unit F" of Building 2, as depicted on the Map, and to any fire risers located within Future Building 3.

2.11 Utility Easements. There is reserved for the benefit of each Hangar easements for utility services over, under or through such portions of the Project and other Hangars, where such utilities are constructed when construction of the Project is completed. In addition, Declarant reserves, and the Association is granted, the right to establish and convey subsequent utility easements; and each Owner accepting a deed or other instrument of conveyance or assignment to a Condominium expressly consents to such easements.

2.12 Easements Deemed Created. All conveyances of Condominiums shall be construed to grant and reserve such reciprocal easements as shall give effect to the provisions of this Article II even though no specific reference to such easements or to the sections pursuant to which they are created appear in any such conveyance.

2.13 Maintenance and Repairs. Each Owner shall maintain his Hangar in a clean and attractive condition and good state of repair. In addition, the individual Hangar doors on each Hangar, as well as any electrical opening/operating device which may be installed on such Hangar door, shall be maintained and repaired by the Owner of such Hangar. All such maintenance by Owner described in this Section is to be at the sole cost and expense of the Owner. Each Owner shall notify the Manager or a member of the Board upon discovery of any damage to or malfunction of any pipe, wire or other utility installation which is in his Hangar, the Limited Common Elements or the Common Area; provided, however, that such notice requirement shall not be construed to alter Owner's obligation to maintain and repair any such installations which are a part of his Hangar.

2.14 Structural and Exterior Alterations. No Owner shall make or cause to be made any structural alterations to the interior or exterior of the Owner's Hangar or to any Limited

Common Element or Common Area; nor shall any Owner paint, decorate, change or add any item to any exterior of the Owner's Hangar or any building or other structure in the Project.

2.15 Mechanic's Lien Rights. Labor performed or services or materials furnished with the consent of or at the request of an Owner or his agent or his contractor or subcontractor shall not be the basis for the filing of a lien against the Hangar of any other Owner, or any part thereof, or against any other property of any other Owner, unless such other Owner has expressly consented to or requested the performance of such labor or furnishings of such materials or services. Such express consent shall be deemed to have been given by the Owner of any Hangar in the case of emergency repairs thereto. Labor performed or services or materials furnished for the Project, if authorized by vote of the Association, shall be deemed to be performed or furnished with the express consent of each Owner. Any Owner may remove his Hangar from a lien against two or more Hangars or any part thereof by payment to the holder of the lien of the fraction of the total sum secured by such lien which is attributable to his Hangar.

2.16 Declarant's Common Area Easement Rights; Dedication of Common Area.

2.16.1 Reservation of Common Area Easements in Favor of Declarant. Declarant hereby reserves unto itself such easements over, through and under the Common Area (excluding Limited Common Elements) as may be reasonably necessary to discharge Declarant's obligations or exercise any Special Declarant's Rights, whether arising under the Act or reserved in this Declaration.

2.16.2 Reservation of Right to Grant Additional Common Area Easements. Declarant hereby reserves unto itself the right to grant easements and rights of way on, over, through and under the Common Area for the purposes described below and for the benefit of the Owners and the Association. Such grants of easement may be for any or all of the following described purposes: constructing, erecting, operating, or maintaining on the Common Area, at any time: (i) roads, streets, walks, driveways and parking areas; (ii) poles, wires or conduits for transmission of electricity, telephonic communication or cable television for the Project and the necessary apparatus incident thereto; and (iii) public and private sewers, sewage disposal systems, storm drains, land drains and pipes, water systems, sprinkling systems, water heating and gas lines or pipes and any and all equipment and other apparatus relating thereto. The rights reserved by Declarant in this subsection 2.16.2 may be exercised at any time that Declarant owns any portion of the Property.

2.17 Rights of Association to Grant Easements Over Common Area and to Dedicate Portions of Common Area. At such time as the rights reserved by Declarant under subsection 2.16.2 have expired, the Association shall be entitled to exercise the rights reserved to Declarant under subsection 2.16.2.

2.18 Right of Association to Encumber Common Area. Subject to the terms of the Ground Lease, the Association may encumber the Common Area in connection with authorized obligations, but only upon the affirmative vote of not less than sixty-seven percent (67%) of the voting power of the Association.

2.19 Access to Hangars. Each Owner shall have an unrestricted right of ingress and egress to his Hangar. Such right of access shall be appurtenant to each such Hangar; and any transfer of such Hangar, of whatever kind, which does not include such right of access shall be void.

2.20 Declarant Ownership of Hangars. As to each Hangar owned by Declarant, Declarant shall enjoy the same rights and assume the same duties as they relate to each individual unsold Hangar.

2.21 Hazardous Materials. Each Owner shall be solely responsible for the proper use, handling, transport and disposal of any hazardous or toxic materials (including petroleum products) for activities in, on or abut such Owner's Hangar or anywhere on the Property. Each Owner shall comply with all applicable laws, regulations, orders, judgments or decrees relating to use, handling, transport and disposal of hazardous or toxic materials (including petroleum products) in the use and occupancy of the Hangar. Each Hangar Owner hereby agrees to indemnify, defend and hold harmless each other Owner, the Association and the Declarant from any or all claims of any nature arising from the use, handling, transport or disposal of hazardous or toxic substances (including petroleum products) by such Owner, or such Owner's officers, directors, employees, agents, invitees, representatives or contractors in such Owner's Hangar or anywhere on the Property.

ARTICLE III UNIT BOUNDARIES, USE RESTRICTIONS, MAINTENANCE OBLIGATIONS AND PRIVATE EASEMENTS

3.1 Hangar Boundaries. The boundaries of each Hangar created by the Declaration are shown on the Map and Plans as lettered Hangars, along with their identifying building number, and are described as follows:

(a) Upper Boundary: The plane of the unfinished lower surfaces of the ceiling bearing structure surfaces, beams and rafters extended to an intersection with the vertical perimeter boundaries.

(b) Lower Boundary: The horizontal plane or planes of the undecorated or unfinished upper surfaces of the floor, extended to an intersection with the vertical perimeter boundaries and open horizontal unfinished surfaces of trim, sills and structure components.

(c) Vertical Perimeter Boundaries: The planes defined by the inner surfaces of the studs and framing of the perimeter walls; the unfinished inner surfaces of poured concrete walls; the unfinished surfaces of the interior trim and thresholds along perimeter walls and floors; the unfinished outer surfaces of closed windows and closed perimeter doors; and the innermost unfinished planes of all interior bearing studs and framing of bearing walls, columns, bearing partitions and partition walls between separate Hangars.

(d) Inclusions: Each Hangar will include the spaces and improvements lying within the boundaries described in (a), (b) and (c) above, and will also include the spaces and the Improvements within those spaces containing any space heating, water heating apparatus, plumbing fixtures, all electrical switches, wiring, pipes, ducts, conduits, smoke detector systems, television and telephone apparatus, electrical receptacles and light fixtures and boxes serving that Hangar exclusively. The surface of the foregoing items will be the boundaries of that Hangar, whether or not those items are contiguous to the Hangar.

(e) Exclusions: Except when specifically included by other provision of this Section, the following are excluded from each Hangar: the spaces and Improvements lying outside of the boundaries described in (a), (b) and (c) above; and all chutes, pipes, flues, ducts, wires, conduits, skylights and other facilities running through or within any interior wall or partition for the purpose of furnishing utility and similar services to other Hangars and Common Area or both.

(f) Noncontiguous Portions: Certain Hangars may include special portions, pieces of equipment such as air conditioning compressors, meter boxes and utility connection structures situated in buildings or structures that are detached or semi-detached from the buildings containing the principal occupied portion of the Hangars. This special equipment and storage portions are a part of the Hangar.

(g) Inconsistency with Plans: If this definition is inconsistent with the Plans, then this definition will control.

3.2 Lease. Nothing contained in this Declaration shall prevent an Owner from leasing his Hangar; provided, however, that any lease or rental agreement shall be in writing and must specify that failure to abide by the provisions of this Declaration, the Articles, the Bylaws, the Ground Lease, Title 19 of the Carson City Municipal Code, and the Rules and Regulations shall be a default under the lease or rental agreement and the initial term of each such lease shall not be less than thirty (30) days. Whether or not the written leases or rental agreement so provides, all tenants of Hangars are subject to and are required to abide by the provisions of this Declaration, the Articles, the Bylaws, the Ground Lease, Title 19 of the Carson City Municipal Code, and the Rules and Regulations. No Owner shall lease his Hangar other than for the uses set forth in Section 3.3 below, nor shall any Hangar be timeshared. No Hangar shall be subdivided in any manner.

3.3 Use Restrictions. No use of the Project, or any portion thereof, which is prohibited by the Ground Lease or Title 19 of the Carson City Municipal Code and airport regulations enacted pursuant thereto, shall occur anywhere on the Property.

3.4 Use of the Common Area. There shall be no obstruction of the Common Area nor shall any items, including aircraft and vehicles, be kept, parked or stored on any part of the Common Area without the prior written approval of the Association or in areas designated by the Association for such purposes. Nothing shall be altered or constructed on or removed from the Common Area without the prior written approval of the Association.

3.5 Exterior Changes. Except for those Improvements erected or installed by Declarant in its construction and completion of the Project (including both the first and second phases) no exterior additions to, alterations or decoration of the Hangars, including but not limited to any structural alterations to any Hangar or Common Area nor any changes in fences, walls, or other structures, nor installation of mounted air condition units or any exterior television, radio or other communication antennas of any type shall be commenced, erected, placed or maintained without the prior written approval of the Association, in accordance with this Declaration and the appropriate governmental authorities, if required.

3.6 Parking Restrictions. Unless otherwise permitted by the Board, no aircraft, automobile, boat, truck, trailer, camper or recreational or commercial vehicle shall be parked or left within the Project other than within an enclosed Hangar. The Association shall have the right to direct the removal of vehicles improperly parked on the Common Area pursuant to NRS 487.038. No vehicle shall be used as a living area while located on the Project.

3.7 Nuisances. No nuisance shall be allowed on the Project, nor any use or practice which is the source of annoyance to other Owners or which interferes with the peaceful enjoyment or possession and proper use of the Project by the Owners. As used herein, the term “**nuisance**” shall not include any activities of Declarant in regard to the development and construction of the Project or any activity of an Owner relating to the use of the Hangar as a Hangar for aircraft maintenance and parking. All parts of the Project shall be kept in a clean and sanitary condition and no rubbish, refuse or garbage shall be allowed to accumulate, nor any fire hazard to exist. Further, no immoral, improper, offensive or unlawful use shall be permitted or made of the Project or any part thereof.

3.8 Garbage Collection. Each Owner shall dispose of the garbage collected within his Hangar into containers of such dimensions and at such locations, if any, as the Association shall, from time to time, designate. The Association shall not be responsible for garbage collection.

3.9 Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained outside of any Hangar. No equipment for air conditioning, heating, fuel storage or other uses shall be installed or maintained outside of or protruding through the walls, windows or roof of any Hangar except for such equipment as is initially constructed by Declarant or thereafter as approved by the Board.

3.10 Animals. No animals shall be allowed on or in any Hangar except for one recognized house or yard pet per Hangar accompanied and controlled by an Owner or his guests or invitees. In no event shall any animal be permitted to dwell in any Hangar. The permitted house or yard pets shall be kept, bred or raised solely as household pets for private use and not for commercial purposes. No animal or fowl shall be allowed to make an unreasonable amount of noise or shall otherwise be allowed to become a nuisance. No animal shall be permitted outside of the Hangar of the Owner of such animal unless such animal is under the control of a responsible person by means of a leash or other reasonable restraint and such person shall immediately clean up and remove any feces or other matters left by such animal. Upon request of an Owner, the Board, in its sole discretion shall determine for the purpose of this Section

whether a particular animal or fowl shall be considered as a house or yard pet and whether it is a nuisance. The Rules and Regulations may include other rules and regulations pertaining to animals and fowl as may be adopted from time to time, including without limitation, the size dogs to be allowed in connection with any Hangar; provided, however, that the type and size of all pets shall at all times be in compliance with applicable ordinances, codes, rules and regulations of governmental authorities having jurisdiction. Animals belonging to Owners or their guests within the Project must be either kept within an enclosure or on a leash or other restraint being held by a person capable of controlling the animal. Furthermore, to the extent permitted by law, any Owner shall be liable to each and all remaining Owners, their families, guests, tenants and invitees, for any unreasonable noise or damage to person or property caused by any animals brought or kept upon the Property by an Owner or by members of families, guests, tenants or invitees; and it shall be the absolute duty and responsibility of each such Owner to clean up after such animals which have used any portion of the Common Area.

3.11 Diseases and Insects. No Owner shall permit any thing or condition to exist upon his Unit that shall induce, breed or harbor infectious diseases or noxious insects. Unless otherwise specified in the Rules and Regulations, each Owner shall be obligated to have his Hangar sprayed for insects and rodents by a certified pest extermination company no less than once per year and shall produce evidence of compliance with such obligations within a reasonable period of a request by the Board.

3.12 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 Unit or Improvement without the prior written approval of the Board.

3.13 Fences, Etc. No fences, awnings, ornamental screens, screen doors, sunshades or walls of any nature shall be erected or maintained on or around any portion of any structure or elsewhere within the Project except those that are installed in accordance with the original construction of the Project and their replacements, or as are authorized and approved by the Board.

3.14 Signs. No sign of any kind shall be displayed so as to be visible from neighboring property or within public view without the approval of the Board.

3.15 Compliance with Laws; Prohibition of Certain Activities. No Owner shall permit anything to be done or kept in his Hangar that violates any law, ordinance, statute, rule or regulation of any local, county, state or federal body, including, without limitation Title 19 of the Carson City Municipal Code and all Federal Aviation Regulations. No Owner shall allow any personal property belonging to such Owner to remain within any portion of the Common Area except as permitted by the Board. Without prior written consent from the Board, nothing shall be done or kept in any Hangar or in the Common Area, or any part thereof, which would result in the cancellation of the insurance on the Project or any part thereof or increase the rate of insurance on the Project or any part thereof over what the Association would pay but for such activity.

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

3.17 Indemnification. Each Owner shall be liable to the other Owners for any damage to the Common Area or any other Hangar that may be sustained by reason of the negligence of such Owner, members of his family, his contract purchasers, tenants, guests or invitees, but only to the extent that any such damage is not covered by insurance. Each Owner, by acceptance of his deed or other instrument of conveyance or assignment, agrees for himself and for the members of his family, his contract purchasers, tenants, guests or invitees, to indemnify each and every other Owner, and to hold him harmless from and to defend him against, any claim of any person for personal injury or property damage occurring within the Hangar or Limited Common Elements of that particular Owner, unless the injury or damage occurred by reason of the negligence of any other Owner or person temporarily visiting in such Hangar or Limited Common Element and is fully covered by insurance.

3.18 Right of Entry. For the purposes reasonably related to the performance by the Board and the Association of their responsibilities under this Declaration, including purposes of performing construction, maintenance or repair for the benefit of the Common Area or the Owners in common, the Association's agents or employees shall have the right, after reasonable notice (not less than twenty-four [24] hours except in emergencies) to enter upon any Hangar or upon any portion of the Common Area (including any Limited Common Element) at reasonable hours. Such entry shall be made with as little inconvenience to any Owner as possible and any damage caused thereby shall be repaired by the Association at its own expense.

ARTICLE IV THE ASSOCIATION

4.1 Formation. The Association is a nonprofit corporation formed under the laws of the State of Nevada pursuant to Articles of Incorporation filed with the Secretary of State of the State of Nevada on October 26, 2022. 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, Chapter 82 of the Nevada Revised Statutes or the specific sections of the Act applicable to this Project, 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. Except for the Members of the Board appointed by Declarant in accordance with this Declaration, the Articles and the Bylaws and the members of the Board must be at least eighteen (18) years of age. Except as otherwise provided in the Articles, Bylaws, this Declaration, Chapter 82 of the Nevada Revised Statutes or the specific sections of the Act applicable to this Project, all matters requiring the approval of Members shall be deemed approved if 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 Members at

any regular or special meeting held in accordance with the Bylaws. The Association shall hold at least one (1) meeting per each calendar year.

4.3 Membership.

4.3.1 Membership Qualifications. The Members of the Association shall be the Owners of the Hangars. The Owner(s) of each Hangar shall have one (1) membership in the Association. The number of memberships in the Association shall be equal to the number of Hangars constructed within the Project at any given time.

4.3.2 Members' Rights and Duties. As used in this Declaration, the term “**Member**” shall refer to the Owner of a Hangar if there is one Owner, or collectively to all of the Owners of a Hangar if there is more than one Owner. Each Member shall have the rights, duties and obligations set forth in this Declaration, the Articles, Bylaws and Rules and Regulations, 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) General. Each Member shall be entitled to one vote for each 3,000 square feet of Hangar space owned by such Member, provided that each Hangar shall have a minimum of one (1) vote. For clarity, (i) a single Hangar must be in excess of 6,000 square feet in size to be entitled to two (2) votes, or in excess of 9,000 square feet in size to be entitled to three (3) votes, etc., and (ii) any Hangar less than 3,000 square feet will have one (1) vote. In the event, if ever, a Hangar is owned by the Association, the Association shall not be entitled to cast a vote.

(b) Persons Entitled to Serve on the Board. Except as otherwise provided in the Articles and the Bylaws, the Board shall be composed of persons who are Members of the Association (or owners of entities who are Members).

4.3.4 Exercise of Voting Rights. In the case of a Hangar owned by two (2) or more persons or entities, the voting power shall be exercised by only one of them. Such voting member must be designated in writing to the Board by all Owners of such Hangar, and the Association may preclude the vote for any such Hangar by any Owner other than such designated Owner. If there is no such designation then such Hangar shall have no vote until such designation is made.

4.4 Transfer of Membership. The Association membership of the Owner(s) of a Hangar shall be appurtenant to such Hangar and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except on a transfer of title to such Hangar, and then only to the transferee. Any attempt to make a prohibited transfer shall be void. Any transfer of title or interest to a Hangar 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 Hangar (including the sale of a Hangar under a recorded contract of sale), 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 payable to the Association on the date of transfer of title to the Hangar, which transfer fee shall be assessed against the Hangar 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 nonprofit corporation organized under the laws of the State of Nevada and the powers conferred upon it pursuant to Chapter 82 of the Nevada Revised Statutes and the specific sections of the Act applicable to this Project, subject only to such limitations on the exercise of such powers as are set forth in the Articles, the Bylaws and this Declaration. 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, the Articles and the Bylaws 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 Sections 6.4, 6.5, 6.6 and 6.7 hereof (herein collectively “**Assessments**”) and to enforce payment of such Assessments in accordance with the provisions of this Declaration.

5.1.2 Rules and Regulations. The Board shall have the power to adopt, amend and repeal Rules and Regulations regulating the use of the Common Area and for such other purposes as are expressly allowed by this Declaration or allowed pursuant to the Act. However, the Rules and Regulations shall not be inconsistent with or materially alter any provisions of this Declaration, the Articles or the Bylaws. A copy of the Rules and Regulations as adopted, amended or repealed, shall be mailed or otherwise delivered to each Member. In case of any conflict between any provision of the Rules and Regulations and any provision of this Declaration, the Articles or Bylaws, the conflicting provision of the Rules and Regulations shall be superseded by the provisions of this Declaration, the Articles or the Bylaws.

5.1.3 Right of Enforcement.

(a) General. The Association in its own name and on its own behalf, or any Member on its own behalf, shall have the power and the authority to commence and maintain actions for damages, or to restrain and enjoin any actual or threatened breach of any provision of this Declaration, the Articles, Bylaws, Rules and Regulations, or any resolutions of the Board, to enforce by mandatory injunction, or otherwise, all of these provisions, to intervene in litigation or administrative proceedings on matters affecting the Project. 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, suspend an Owner's right to use the Common Area, or can assess monetary penalties, against any Owner of a Hangar or other person entitled to exercise such Owner's rights or privileges for any violation of this Declaration, the Articles, Bylaws or Rules and Regulations. Before invoking any such suspension or fine, the Board shall give such Owner or other person notice and opportunity to be heard with respect to such violation, which notice shall provide not less than ten (10) days prior written notice of such hearing and reasonable detail with respect to the matter for which the complaint is being made. The Association does not have the power or authority to cause a forfeiture of abridgment of an Owner's right to the full use and enjoyment of such Owner's Hangar if the Owner does not comply with provisions of this Declaration or of the Articles, Bylaws or Rules and Regulations, except when the loss or forfeiture is the result of a court judgment, arbitration decision, or a foreclosure or sale under a power of sale based on failure of the Owner to pay Assessments levied by the Association. If the Association adopts a policy imposing a fine on an Owner for the violation of the Rules and Regulations, the secretary or other officer specified in the Bylaws shall prepare and cause to be hand delivered or sent prepaid by United States mail to the mailing address of each Hangar or to any other mailing address designated in writing by the Hangar's Owner, a schedule of the fines that may be imposed for those violations.

5.1.4 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 managing agent. 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.

5.1.5 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.

5.1.6 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, the Articles or Bylaws, including security services for the Project 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 Section 5.1.4, 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 Management. The Association may engage the services of a property manager.

5.2.2 Taxes and Assessments. Subject to the provisions of Section 2.5, the Association shall pay all taxes and assessments levied against all Association Property or against the Association, if any. 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 Restrictions and Rules. The Association shall perform such other acts, whether or not expressly authorized by this Declaration, that may be reasonably necessary to enforce any of the provisions of this Declaration, the Articles, Bylaws, Rules and Regulations or Board resolutions provided such are permitted by the Act. There is hereby reserved to the Association such easements as are necessary to perform its duties and obligations or to exercise its rights as set forth in this Declaration, the Bylaws and Articles.

5.2.5 Association Property. The Association shall accept and exercise jurisdiction over all property, real and personal, conveyed to the Association by Declarant or others or for which the Association has duties and obligations imposed upon it pursuant to this Declaration, including all Common Area and easements for operations and maintenance purposes over any of the Project and easements for the benefit of Association members within the Common Area.

5.2.6 Title to Property Upon Dissolution. Upon dissolution of the Association, the Association shall convey the assets of the Association to an appropriate public agency or agencies or to a nonprofit corporation, association, trust or other organization, organized and operating for purposes similar to those for which the Association was created, or in such other manner as may be proper for the Association to do so under applicable State of Nevada and federal law.

5.2.7 Operation and Maintenance of Common Area. The Association shall operate, maintain and otherwise manage or provide for the operation, maintenance and management of the Common Area and all its facilities, improvements and landscaping, including any taxiways, ramps and parking areas and any other property acquired by the Association, including personal property, but not hangar doors on each Hangar, which must be maintained and repaired by the Owner of such Hangar pursuant to Section 2.13. Such operations and management shall be conducted in a first class manner and the Association property 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 Association or the Common Area, including contracts with Declarant.

Common Expenses associated with the maintenance, repair or replacement of components and elements attached to, planted on or a part of exterior surfaces, trim, siding, doors and windows will be assessed against the Hangar or Hangars to which the Limited Common Element is assigned. No additional component or element may be attached without

consent of the Board. In the event any additional component or element becomes deteriorated or unsightly, or is inconsistent with the conditions of installation, it may be removed or repaired at the Hangar Owner's expense as a Common Expense assessment after notice and an opportunity to be heard in the manner provided for in Section 2.6.2.

If any such Limited Common Element is assigned to more than one Hangar, the Common Expenses attributable to the Limited Common Element will be assessed among the Hangars to which it is assigned based upon the relative Allocated Interest of such Hangars.

Common Expenses associated with the cleaning, maintenance, repair or replacement of all other Limited Common Elements will be assessed against all Hangars in accordance with their Allocated Interests in the Common Expenses as set forth in Section 6.4.2.

5.2.8 Utilities. The Association shall acquire, provide and pay for water, sewer, and other necessary utility services for the Common Area and for Hangars when the Hangars are not separately billed. The term of any contract to supply any of the listed services shall not exceed one (1) year, or if the supplier is a regulated public utility, the shortest term not to exceed one (1) year for which the supplier will contract at the applicable regulated rate. For clarity, as soon as reasonably possible the utilities to each Hangar will be sub-metered and the Owner of each Hangar shall pay for its utilities directly to the utility supplier; provided, however, so long as the utilities are on a common meter, the Association shall pay the cost of the same and include such cost in the Assessments to the Owners using such utilities.

5.2.9 Lease. The Association shall make all payments and comply (and cause the Project to comply) with all covenants and obligations of the Association under the Lease.

5.2.10 Other. The Association shall carry out the other duties of the Association set forth in the Declaration, Articles and Bylaws.

5.3 Limitations on Authority of Board. Except with the vote or written consent of Members of the Association holding majority of the voting rights, the Board shall not take any of the following actions:

5.3.1 Sell during any fiscal year Association Property having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year; or

5.3.2 Pay compensation to members of the Board or to officers of the Association for services performed in the conduct of the Association's business. However, the Board may cause a member of the Board or an officer to be reimbursed for expenses incurred in carrying on the business of the Association.

5.4 Personal Liability. No member of the Board, or of any committee of the Association, or any officer of the Association, or any Manager, or Declarant, or any agent of Declarant, shall be personally liable to any Member, or 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 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.

ARTICLE VI ASSESSMENTS

6.1 Agreement to Pay. Each Owner for each Hangar owned by such Owner, hereby covenants and agrees to pay to the Association such Assessments as are made pursuant to Sections 6.4, 6.5, 6.6 and 6.7 of 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 Hangar at the time such Assessment (or installment) became due and payable. If more than one person or entity is the Owner of the Hangar, the personal obligation to pay such Assessment (or installment) respecting such Hangar shall be both joint and several. Subject to the provisions of Section 9.3 hereof, a purchaser of a Hangar shall be jointly and severally liable with the seller for all unpaid Assessments against the Hangar, 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 Hangar.

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 and for the repair, maintenance and upkeep of the Common Area and any other Association Property.

6.4 Annual Assessments.

6.4.1 Definitions. As used herein, “**Annual Assessment**” shall mean 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, and repair the Common Area and other Association Property, to make all payment obligations under the Ground Lease, 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 Improvements to the Common Area and any 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, if required by the Association. 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; payment of any liability of the Association whatsoever for loss or damage arising out of or in connection the Common Area or any fire, accident, or nuisance occurring within the Common Area; the cost of repair, rebuilding and replacement of the Improvements to the Common Area; the cost of all utility services to the Common Area, including water, electricity, 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 uncollectable; 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 and the Improvements thereon.

6.4.2 Allocation of Annual Assessments. The Annual Assessments shall be allocated to each Hangar on the date the Annual Assessment for the applicable year is deemed approved on the Allocated Interest for each Hangar. Until the completion of construction of Future Building 3, the Annual Assessments (as well as any Special Assessments or Capital Improvement Assessments) shall be borne solely by the Owners of the Hangars in Building 2 based on the Allocated Interest chart set forth in **Exhibit B**. After the completion of construction of Future Building 3, the Annual Assessments (as well as any Special Assessments or Capital

Improvement Assessments) shall be borne by the Owners of the Hangars in both Building 2 and Future Building 3 pursuant to the formula set forth in **Exhibit B**.

6.4.3 Procedure for Establishing Annual Assessments. Not less than ninety (90) days before the beginning of each fiscal year of the Association, or such other period of time as determined by the Board, the Board shall meet for the purpose of preparing the proposed Budget of the Common Expenses 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-seven percent (67%) 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 fourteen (14) nor more than thirty (30) days after the mailing of the summary. Unless at that meeting a majority of all Owners vote 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 Hangars. 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 installment within such time period as the Board deems reasonable.

6.6 Capital Improvement Assessments.

6.6.1 Association's Power to Levy: Definition. The Association shall have the power to levy assessments for Capital Improvements ("**Capital Improvement Assessments**") on the terms and conditions set forth below. As used herein, "**Capital Improvement**" means (i) any Improvement upon the Common Area which is not a repair or replacement of an existing Improvement, or (ii) any expenditure relating to the Common Area which is outside the ordinary course of business of the Association. For clarity, the cost of constructing Future Building 3 and related Improvements shall be borne solely by Declarant and shall not constitute Capital Improvement Assessments.

6.6.2 Association Approval.

(a) The Board may move for the construction, installation or acquisition of, or expenditure for, a Capital Improvement.

(b) If the Board desires to propose a Capital Improvement, the Board shall obtain three (3) estimates from licensed contractors for the construction of the Capital Improvement.

(c) The Board shall submit the Capital Improvement proposal to the Members at the annual meeting, or a special meeting called for such purpose. The Capital Improvement Assessment shall be deemed approved upon the affirmative vote of two-thirds (2/3) of the voting power of the Association and Declarant unless Declarant owns no Hangars within the Property.

6.6.3 Levy of Capital Improvement Assessments. Capital Improvement Assessments shall be levied against the Owners of all of the Hangars based on their Allocated Interests. A Capital Improvement Assessment shall be paid in such installments and during such period or periods as shall be voted upon by the Members at the time such Assessment is approved. If no terms of payment are specified by such vote of the Membership, then the Capital Improvement Assessment shall be due and payable upon terms set by the Board.

6.6.4 Expenditure for Capital Improvement. After the levy of the Capital Improvement Assessment and the collection of the entire Capital Improvement Assessment, or a sufficient portion thereof as the Board deems prudent, then the Board shall cause the Capital Improvement to be constructed, installed or acquired, or shall contract for the extraordinary expenditure constituting the Capital Improvement.

6.6.5 Deficiency in Capital Improvement Assessment. If at any time and from time to time a Capital Improvement Assessment proves or appears likely to be inadequate for any reason, including nonpayment of any Owner's share thereof, the Board may, subject to the limitations set forth in this Section 6.6.5 levy a further Capital Improvement Assessment in the amount of such actual or estimated inadequacy, which shall be assessed to the Owners of all of the Hangars within the Subject Property in the ratios defined in Section 6.6.3 hereof.

6.7 Utilities Assessment. Subject to the provisions of Section 2.5, any utility service delivered to the Hangars for which the Association is billed shall, in turn, be billed by the Association to each Hangar connected to such utility in a proportion equal to the Allocated Interest of such Hangar divided by the aggregate of all Allocated Interests of the Hangars connected to such utility service, on a monthly basis. Such billings shall be considered an Assessment levied against each Hangar and shall be enforced in accordance with the terms and provisions of Article VI.

6.8 Rate of Assessment. Except as otherwise specifically provided in this Declaration, including Sections 6.4, 6.5, 6.6 and 6.7 hereof, all Assessments levied by the Association must be fixed at a rate equal to the Allocated Interests for each Hangar; and the amount assessed to each Hangar shall be determined by multiplying the total amount assessed by the Allocated Interest for such Hangar.

6.9 Assessment Period. Unless the Board establishes a different schedule, 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. However, the initial Annual Assessment period shall commence on the first day of the calendar month following the date on which the sale of the first Hangar to a purchaser is closed and recorded, and shall terminate on December 31 of the year in which such sale is closed and recorded. The first 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.

6.10 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 Section and in Section 12.5 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 \$500.00 (or such amount as established by the Board from time to time) shall be due for each delinquent installment. The Association shall give written notice of all Assessments to the Owners of all Improvements of the Hangars, 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 Section 12.5 hereof. Unless otherwise established by the Board, Annual Assessments for the full year shall be due in a lump sum, provided an Owner may elect to pay in two (2) installments due semi-annually. Notice of a **“Violation Assessment”** (i.e., an Assessment for violating any provision of this Declaration as otherwise set forth herein) is required to be given only to the Owners of the Hangar against whom the Violation Assessment is made in the manner provided in Section 12.5 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 Section, 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 Hangar 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.

6.11 Statement of Account. Upon payment of a reasonable fee established by the Board from time to time, and upon written request of an Owner or any mortgagee, prospective mortgagee or prospective purchaser of a Hangar, the Association shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Hangar, 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 compiled 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.

6.12 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 this Declaration. Suit to recover a money judgment against an Owner for unpaid assessments together with all other amounts due hereunder shall be maintainable without first foreclosing against the Hangar which is subject to the lien for such assessment or waiving the lien rights granted hereby.

6.13 Lien for Assessments; Priority. All sums assessed to any Hangar pursuant to this Declaration, and all fines imposed by the Association against the Owners of a Hangar, together with interest thereon as provided herein, shall be secured by a lien on such Hangar 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 Hangar 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 Assessment which would have become due during the six (6) month period immediately preceding institution of an action to enforce the lien.

6.14 Enforcement of Lien.

6.14.1 Notice of Delinquent Assessment and Notice of Default. The Association may foreclose its lien by sale pursuant to the Act after:

(a) The Association has caused to be mailed in accordance with Section 116.31162 of the Act, or any successor statute, a notice of delinquent assessment (“**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 Hangar against which the lien is imposed and the name of the record Owner of the Hangar; and

(b) The Association or other person conducting the sale has executed and caused to be recorded with the Carson City Recorder, a notice of default and election to sell the Hangar 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 Hangar 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 ninety (90) 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 Hangar or their successors in interest at their address if known, or otherwise to the address of the Hangar.

6.14.2 Notice of Sale. The Association or other person conducting the sale shall, at any time after the expiration of such ninety (90) day period and before selling the Hangar, 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 the Owners of the Hangar or their successors in interest at their address if known, or otherwise to the address of the Hangar. 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, lease, rent, encumber, use and otherwise deal with the Improved Hangar. 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 Carson City, Nevada, real estate records, upon payment of all sums secured by such lien.

Any encumbrancer holding a lien on a Hangar 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 or priority.

6.15 Surplus Funds. Any surplus funds of the Association remaining after payment of or provision for Common Expenses and any prepayment of reserves 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.

6.16 Reserve Funds. The Association shall establish and maintain an adequate reserve fund for the replacement of Improvements to the Common Area and Limited Common Elements that it is obligated to maintain. The replacement fund shall be maintained out of regular Assessments for Common Expenses.

ARTICLE VII INSURANCE

7.1 Insurance to be Obtained. The Association shall only be obligated to obtain and maintain in full force and effect at all times insurance coverage required under the Ground Lease.

7.2 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 Project.

7.3 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.

7.4 Form. All insurance policies maintained by the Association pursuant to Section 7.1 shall be in a form required by the Ground Lease. All insurance policies maintained by the Association pursuant to Section 7.2 shall be in a form determined by the Association.

7.5 Adjustment of Losses. The Board is appointed attorney-in-fact by each Owner to negotiate and agree on the value and extent of any loss under any policy carried pursuant to Sections 7.1 or 7.2. The Board is granted full right and authority to compromise and settle any claim or enforce any claim by legal action or otherwise and to execute releases in favor of any insurer.

7.6 Owner's Insurance Responsibilities. Each respective Owner shall be responsible for the following insurance coverages to the extent not maintained by the Association pursuant to Sections 7.1 and 7.2 above: insurance on furnishings initially placed in the Hangar by Declarant; insurance on items of personal property placed in the Hangar by Owner; insurance for casualty and public liability coverage within each Hangar to the extent not covered by the Association's insurance; insurance coverage for activities of the Owner, not acting for the Association, with respect to the Common Area; insurance against loss from theft on all personal property placed in the Hangar or stored in any Limited Common Element by the Owner; provided, however, pursuant to Section 7.2, the Association may elect to arrange for insurance coverage of the casualties and liabilities described above. In such event, however, each Owner shall be responsible for the amount, if any, by which the replacement cost exceeds the insurance proceeds.

ARTICLE VIII
DAMAGE, DESTRUCTION, CONDEMNATION OR OBSOLESCENCE

8.1 Damage or Destruction.

8.1.1 Association as Attorney-in-Fact. Each of the Owners irrevocably constitutes and appoints the Association its true and lawful attorney-in-fact in its name, place and stead for the purpose of dealing with the Project upon its damage or destruction as hereinafter provided. Acceptance by any grantee of a deed or other instrument of conveyance or assignment from the Declarant or from any Owner shall constitute such appointment.

8.1.2 General Authority of Association. As attorney-in-fact, the Association shall have full and complete authorization, right and power to make, execute and deliver any contract, deed, assignment or other instrument with respect to the interest of an Owner which may be necessary or appropriate to exercise the powers herein granted. Repair and reconstruction of the Improvements as used in the succeeding subsections mean restoring the Project to substantially the same vertical and horizontal boundaries as before.

8.1.3 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 116.2118, 116.21183 and 116.21185 and Section 12.1 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 and sixty-seven percent (67%) of the institutional holders of First Deeds of Trust on Hangars vote not to rebuild.

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

8.1.4 Estimate of Costs. As soon as practicable after an event causing damage to, or destruction of, any Improvements to the Common Area, 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 Board.

8.1.5 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.

8.1.6 Repair or Reconstruction. Except as otherwise provided herein, as soon as practicable after receiving the estimates, the Board shall diligently pursue to completion 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 as attorney-in-fact for the Owners, and no consent or other action by any Owner shall be necessary in connection therewith. Such repair or reconstruction shall be in substantial accordance with the original plans and specifications of the Project or may be in accordance with any other plans and specifications the Association may approve, provided that in such latter event, (i) the number of cubic feet and the number of square feet of any Hangar may not vary by more than five percent (5%) from the number of cubic feet and the number of square feet for such Hangar as originally constructed pursuant to such original plans and specifications and the location of the buildings shall be substantially the same as prior to damage or destruction, and (ii) written consent from the Eligible Mortgage Holders on Hangars to which at least fifty-one percent (51%) of the votes of Hangars subject to mortgages held by Eligible Mortgage Holders is first obtained in the event of any restoration or repair not in substantial compliance.

8.1.7 Disbursement of Funds for Repair or Reconstruction. The insurance proceeds held by the Association and the amounts received from the Assessments provided for in Section 8.1.5 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 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.

8.1.8 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 Allocated Interests of all Members.

8.2 Obsolescence.

8.2.1 Adoption of a Plan. The record Owners, as reflected on the real estate records of Carson City, Nevada representing an aggregate record ownership interest of eighty percent (80%) or more of the Condominiums may agree that the Project is obsolete and adopt a written plan for renewal and reconstruction, which plan has the approval of sixty-seven percent (67%) of the Eligible Mortgage Holders at the time of the adoption of such plan. Written notice of adoption of such a plan shall be given to all Owners. Such plan shall be recorded in the Carson City, Nevada real estate records.

8.2.2 Payment for Renewal and Reconstruction. The expense of renewal or reconstruction shall be payable by all of the Owners as Assessments against their respective Units. These Assessments shall be levied in advance pursuant to Article VI hereof and shall be allocated and collected as provided in that Article. Further levies may be made in like manner if the amounts collected prove insufficient to complete the renewal and reconstruction.

8.2.3 Distribution of Excess. In the event amounts collected pursuant to Section 8.2.2 are in excess of the amounts required for renewal and reconstruction, the excess shall be returned to the Owners by the Association by a distribution to each Owner in an amount proportionate to the respective amount collected from each such Owner.

8.2.4 Dissents From the Plan. An Owner not a party to such a plan for renewal or reconstruction shall give notice of dissent to the Association within fifteen (15) days after the recordation of such plan. The Association shall then give written advice of such dissents to all the Owners within five (5) days after the expiration of such fifteen-day period. Within fifteen days of receipt of such notice from the Association, the record Owners, representing an aggregate record ownership of more than fifteen percent (15%) of the Condominiums may cancel the plan by written instrument recorded in the Carson City, Nevada, real estate records. If the plan is not canceled then the Condominium of each dissenter shall be purchased according to the following procedures. If the Owner and the Association can agree on the fair market value thereof, then such sale and conveyance shall be completed within sixty (60) days thereafter. If the parties are unable to agree, the date when either party notifies the other that he or it is unable to agree with the other shall be the "commencing date" from which all periods of time mentioned herein shall be measured. Within ten (10) days following the commencing date, each party shall nominate a qualified appraiser by written nomination and shall give notice of such nomination to the other. If either party fails to make such nomination, the appraiser nominated shall, within five (5) days after default by the other party, appoint and associate with him or her another qualified appraiser. If the two appraisers designated by the parties, or selected pursuant hereto in the event of default of one party, are unable to agree, then they shall appoint another qualified appraiser to be umpire between them, if they can agree on such person. If they are unable to agree upon such umpire, then each appraiser previously appointed shall nominate two qualified appraisers; and from the names of the four persons so nominated, one shall be drawn by lot by a judge of any court of record in Nevada; and the person whose name is so drawn shall be the umpire. The nominations from among which the name of the umpire is to be drawn by lot shall be submitted

within ten (10) days after the failure of the two appraisers to agree, which, in any event, shall not be later than twenty (20) days following the appointment of the second appraiser. The decision of the appraisers as to the fair market value, or in the case of their disagreement, the decision of such umpire shall be final and binding. The expenses and fees of such appraisers shall be borne equally by the Association and the Owner. The sale shall be consummated within sixty (60) days after decision of the appraisers or umpire, as applicable. The Association shall have the right and power to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the Condominium so acquired.

The Association, pursuant to Article VI hereof, may levy a Special Assessment sufficient to provide funds to pay for the Condominiums of the dissenters, provided that such Assessment shall not apply to any of the Owners who are among the dissenters and shall not be a lien against the Condominium of any such Owner; and upon the Association's conveyance of any such Condominium, the Association as attorney-in-fact shall disburse the proceeds in the same manner provided in Section 8.2.5 of this Declaration. The obligation of the Association to make such purchase shall be conditioned on the fair market value of the Condominium exceeding the obligations secured by liens on such Condominium such that the Association acquires such Condominium free of monetary liens and otherwise upon the marketability of the title of the Owner. Owner shall furnish the Association an appropriate preliminary title report or commitment for title insurance evidencing marketability of his title not less than fifteen (15) days prior to the date set for completion of the sale.

8.2.5 Sale of Obsolete Project. Subject to the terms of the Ground Lease, the Owners representing an aggregate ownership interest of eighty percent (80%) or more of the Condominiums may agree that the Condominiums are obsolete and that the Project should be sold. Such an agreement must have the approval of sixty-seven percent (67%) of Eligible Mortgage Holders of record at the time such agreement is made. In such instance, the Association shall forthwith record a notice setting forth such facts, and upon the recording of such notice by the Association, the Project shall be sold by the Association as attorney-in-fact for all of the Owners free and clear of the provisions contained in this Declaration, the Map, the Articles and the Bylaws. The net sale proceeds shall be apportioned among the Owners in proportion to their Allocated Interests, and such apportioned proceeds shall be paid into separate accounts, each such account representing one Condominium. Each such account shall remain in the name of the Association and shall be further identified by the Hangar designation and the name of the Owner. From each separate account, the Association, as attorney-in-fact, shall use and disburse the total amount of such accounts without contribution from one account to the other, first to mortgagees and other lienors in the order of priority of their mortgages and other liens and the balance remaining to each respective Owner.

8.3 Condemnation. If at any time or times during the continuance of the Condominium ownership pursuant to this Declaration, all or any part of the Project shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in avoidance thereof, the making of awards and disbursement of the proceeds thereof shall be undertaken in accordance with the terms and provisions of NRS 116.1107.

ARTICLE IX PROTECTION OF LENDERS

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

9.2 Subordination. Except as provided otherwise by the Act 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 Hangar, 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 Hangar pursuant to the judicial or non-judicial foreclosure remedies provided in the Deed of Trust shall take the Hangar free of any claims for unpaid Assessments or Association charges against the encumbered Hangar that accrue greater than six (6) months prior to the time such beneficiary so acquires ownership of the Hangar, provided, however, after the foreclosure of any such Deed of Trust, such Hangar 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 Project 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 address of the Hangar encumbered by the First Deed of Trust which it holds or insures in the manner provided in Section 12.5 below. Such notification shall be deemed to be a request with respect to such Hangar 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 Hangar; and (iii) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association. The Association shall give written notice to Eligible Mortgage Holders in accordance with the provisions of this Section 9.5 and in the manner prescribed in Section 12.5 below. Any holder of a First Deed of Trust encumbering any Hangar 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 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.

ARTICLE X SPECIAL DECLARANT'S RIGHTS

10.1 General. Declarant (i) reserves the right to complete the Project, including the right to construct Building 2 and the Future Building 3 and all Improvements related thereto, and (ii) shall retain control of the operation of the Association during the Control Period (defined in Section 10.3), as set forth below.

10.2 Final Subdivision Maps. The Map depicted in **Exhibit A** is based on the tentative subdivision map for the Project. Declarant shall process and record one or more final subdivision maps for the Hangars ("**Final Subdivision Maps**"). Upon recordation of any Final Subdivision Map, Declarant shall have the unilateral right to record a supplement to this Declaration to memorialize the resulting effect of the Final Subdivision Map on **Exhibit A** and **Exhibit B**, which may include recording a superseding **Exhibit A** and **Exhibit B**. The Final Subdivision Maps shall control in the event of any conflict between the Final Subdivision Maps and **Exhibits A** and/or **Exhibit B** attached hereto. Declarant, in its sole discretion, may determine (i) the footprint of Future Building 3, (ii) the architectural style of Future Building 3, so long as it is reasonably compatible with Building 2, (iii) the construction materials for Future Building 3, so long as the quality of construction is substantially similar to that of Building 2, and (iv) the number of Hangars located in Future Building 3, subject to the maximum number of Units in the Project set forth in Recital D of this Declaration.

10.3 Special Declarant's Rights. In addition to the construction and mapping rights set forth above, until such time as (i) Declarant has completed construction of Building 2 and Future Building 3, and (ii) Declarant has sold the last Hangar it owns in the Project (unless Declarant elects to retain ownership of a Hangar for its own use) ("**Control Period**"), Declarant hereby reserves unto itself the right to:

- (a) select or appoint the members of the Board of the Association and the officers of the Association;

- (b) establish the Budget;
- (c) select vendors to perform construction, maintenance and repairs;
- (d) establish the Rules and Regulations;
- (e) approve or disapprove any Association matter that requires the vote or approval of the Owners, and without Declarant's approval of such matter, the matter shall be deemed rejected or disapproved; and
- (d) approve or disapprove any amendment or modification to this Declaration, the Bylaws and the Ground Lease, and without Declarant's approval, any such amendment or modification shall be deemed void.

10.4 Limitation. Nothing in this Article 10 shall give Declarant the right to damage any Hangar or Improvement not owned by Declarant or interfere unreasonably with the Owners' use of the Commons Areas, except as required for construction, maintenance and repair obligations conducted by Declarant.

10.5 Personal Rights. 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 successor Declarant, or from a Successor Declarant to another Successor Declarant. Declarant may surrender one or more of its special rights under this Article X prior to the expiration of the Control Period, with the condition that (until the Control Period expires) specified actions by the Association or the Board must be approved by the Declarant before they become effective.

ARTICLE XI DECLARATION SUBJECT TO GROUND LEASE

11.1 Owners Rights Subject to Ground Lease. Pursuant to NRS Section 116.055 and 116.2106, the expiration or termination of the Ground Lease will terminate the common interest community established by this Declaration. Each Owner is accepting a deed or other instrument of conveyance or assignment to a Condominium, expressly acknowledges that he (i) has received and carefully read and reviewed the Ground Lease, (ii) understands his rights to his Condominium and other rights under this Declaration are subject and subordinate to the Ground Lease, and (iii) understands that the expiration or termination of the Ground Lease will terminate his rights to his Condominium and under this Declaration and the common interest community established by this Declaration.

11.2 NRS Section 116.2106 Information.

11.2.1 Ground Lease. The following information with respect to the Ground Lease is provided pursuant to NRS Section 116.2106:

(a) The Ground Lease is recorded in the office of the Clerk and Recorder of the consolidated municipality of Carson City as Document No. 521392. A copy of the Ground Lease is on file with the Carson City Airport Authority.

(b) The date on which the Ground Lease is scheduled to expire is May 19, 2071.

(c) The legal description of the real estate subject to the Ground Lease is described on **Exhibit A**.

(d) The Owners have no right to a right to redeem the reversion of the leasehold estate of the Ground Lease.

(e) Under Section 15 of the Ground Lease, unless the landlord elects to take title to the buildings and improvements (at no cost or obligation to the landlord), the Owners are obligated to remove at their cost all buildings and improvements and restore the leased premises to its original condition upon termination of the Ground Lease.

(f) The Owners have no right to renew the Ground Lease.

ARTICLE XII MISCELLANEOUS PROVISIONS

12.1 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 Hangars within the Project and sixty-seven percent (67%) of the then Eligible Mortgage Holders 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 Carson City, Nevada. Notwithstanding the foregoing, this Declaration shall automatically terminate upon the termination of the Ground Lease.

12.2 Amendment. Except as otherwise provided in the Act 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; provided, further, Declarant's approval is required during the Control Period. 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 Carson City Recorder. Any substantive amendment to any of the following described provisions of this Declaration requires the written consent of fifty-one percent (51%) of the Eligible Mortgage Holders:

(a) Voting rights;

(b) Assessments, assessment liens or the priority of assessment liens;

(c) Imposition of any restrictions on the leasing of Hangars or on an Owner's right to sell or transfer such Owner's Hangar;

(d) Any provision that expressly benefits mortgage holders or mortgage insurers or guarantors;

(e) Provisions pertaining to termination of the Declaration; and

(f) Restoration or repair of the Project (after damage or partial condemnation in a manner other than that specified in this Declaration.

In the event any Eligible Mortgage Holder is notified in the manner provided in Section 12.5 below and at the address designated by such Eligible Mortgage Holder to the Association in the manner provided in such Section 12.5, of any proposed substantive amendment to this Declaration in the nature of the amendment described in subsections (a) through (f), inclusive, above, 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.

Section 11.1 shall be amended only upon the written consent of the Owners of seventy-five (75%) of the Hangars within the Project.

12.3 Enforcement and Waiver.

12.3.1 Owner's Right of Enforcement. In addition to the rights of enforcement granted to the Association pursuant to the provisions of Section 5.1.2 hereof, any Owner shall have the right (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.

12.3.2 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.

12.3.3 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.

12.3.4 Remedies Cumulative. Each remedy provided by the Declaration is cumulative and not exclusive.

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

12.4 Termination of Former Owner's Liability for Assessment. Upon the conveyance, sale, assignment or other transfer of a Hangar to a new Owner, the transferring Owner shall not be liable for any Assessment levied with respect to such Hangar after notification of the Association of such transfer in the manner provided in Section 4.4 and 12.5 hereof and the payment of a transfer fee (if any) as provided in Section 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.

12.5 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 Hangars. Until the Owners are notified otherwise, all notices to the Association or to the Board shall be address as follows:

Echo Delta Community Association
c/o Eric Ortiz
P.O. Box 11033
Zephyr Cove, NV 89448

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 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 Section 12.5.

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

12.7 Construction and Severability; Singular and Plural; Titles.

12.7.1 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.

12.7.2 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.


12.7.3 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.

12.7.4 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 Section.

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

DECLARANT:

Ortiz Bros. Aviation NV, LLC,
a Nevada limited liability company

By: 
Eric Ortiz, Manager

STATE OF NEVADA)
) ss.
County of Douglas)

On this 11th day of November, 2022, before me, the undersigned, a Notary Public in and for said state, personally appeared Eric Ortiz, whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the entity upon behalf of which the person acted, executed the instrument.




Notary Public

EXHIBIT A

LEGAL DESCRIPTION AND SITE MAP

Pages 1 and 2 of Exhibit A:	Legal Description and Plot Map of Property
Page 3 of Exhibit A:	Site Plan for Building 2 and Future Building 3 (Existing Building 1 is” not-a-part” of the Project)
Pages 4 through 9 of Exhibit A:	Floor Plan, Ceiling Plan, Roof Plan, Exterior Elevations and Sections for Building 2

EXHIBIT A Legal Description

A parcel of land situate in the Northeast (NE) quarter (1/4) of Section 4 (Sec. 4), Township Fifteen North (T. 15N.), Range Twenty East (R.20E.), Mount Diablo Meridian (MDM), County of Washoe, State of Nevada, being a portion of Remainder Parcel 1 of the Final Condominium Final Map for Sierra Skyways, Inc. Phase 1, Map No. 2980, recorded November 25, 2019, as File No. 500913, being more particularly described as follows:

BEGINNING at the northeasterly corner of said Remainder Parcel marked by a 5/8-inch rebar and cap stamped "PLS 13284", from which the East One-Quarter Corner (E ¼ Cor.) of Section Four (Sec. 4) bears South 10°39'52" East, 1,850.08 feet, marked by a rock with X in center per L2702;

THENCE, departing said corner, and along the East-line of said Remainder Parcel 1, South 01°05'29" West, 147.70 feet, to the southeasterly corner of said Parcel;

THENCE, departing said southeasterly corner, and along the southerly line of said Remainder Parcel 1, South 63°46'07" West, 229.26 feet;

THENCE, departing said southerly line, South 26°13'53" East, 10.20 feet;

THENCE, South 63°46'07" West, 11.50 feet;

THENCE, North 26°13'53" West, 10.20 feet, to a point on the southerly line of said Remainder Parcel 1;

THENCE, along said southerly line, South 63°46'07" West, 93.75 feet;

THENCE, departing said southerly line, North 26°13'53" West, 175.00 feet, to the northerly line of said Remainder Parcel 1;

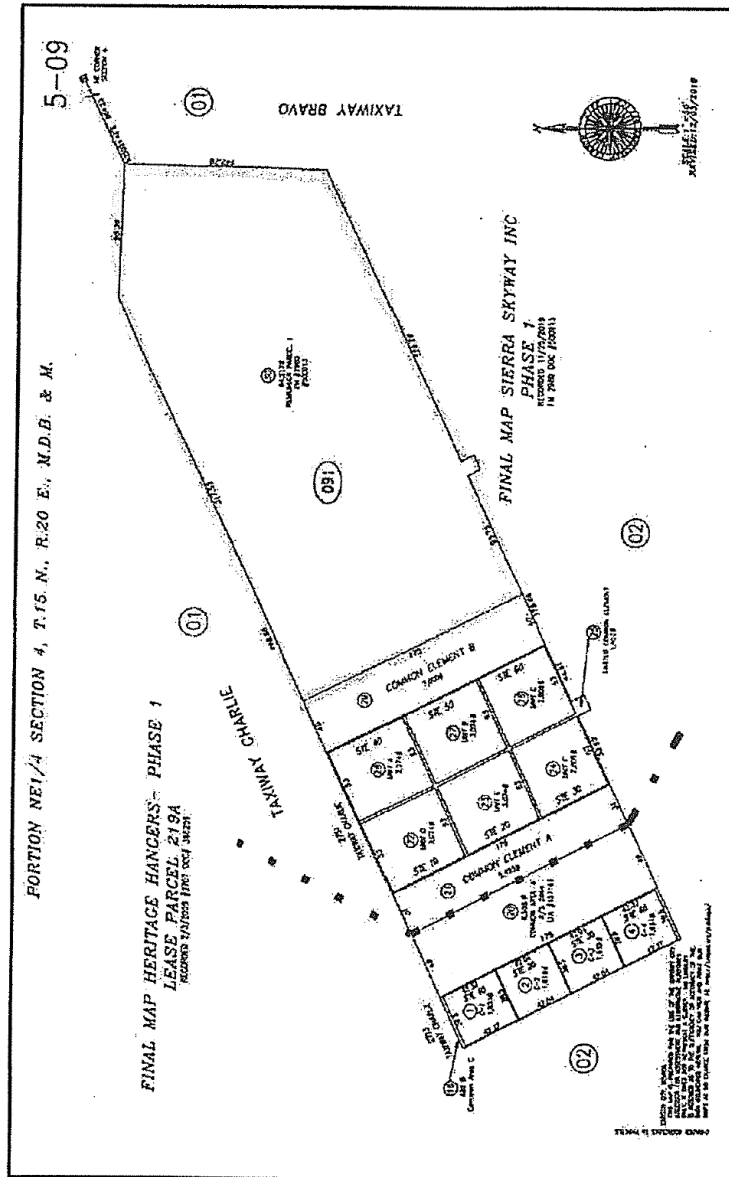
THENCE, and along the northerly line of said Remainder Parcel 1, North 63°46'07" East, 317.55 feet;

THENCE, continuing along said northerly line, South 88°54'49" East, 95.39 feet to the POINT OF BEGINNING.

Containing 64,271 square feet, more or less.

Plot Map on next page.-----

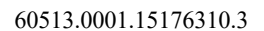
**SUBJECT PLOT MAP CARSON
CITY APN 005-091-30**

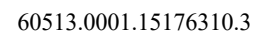


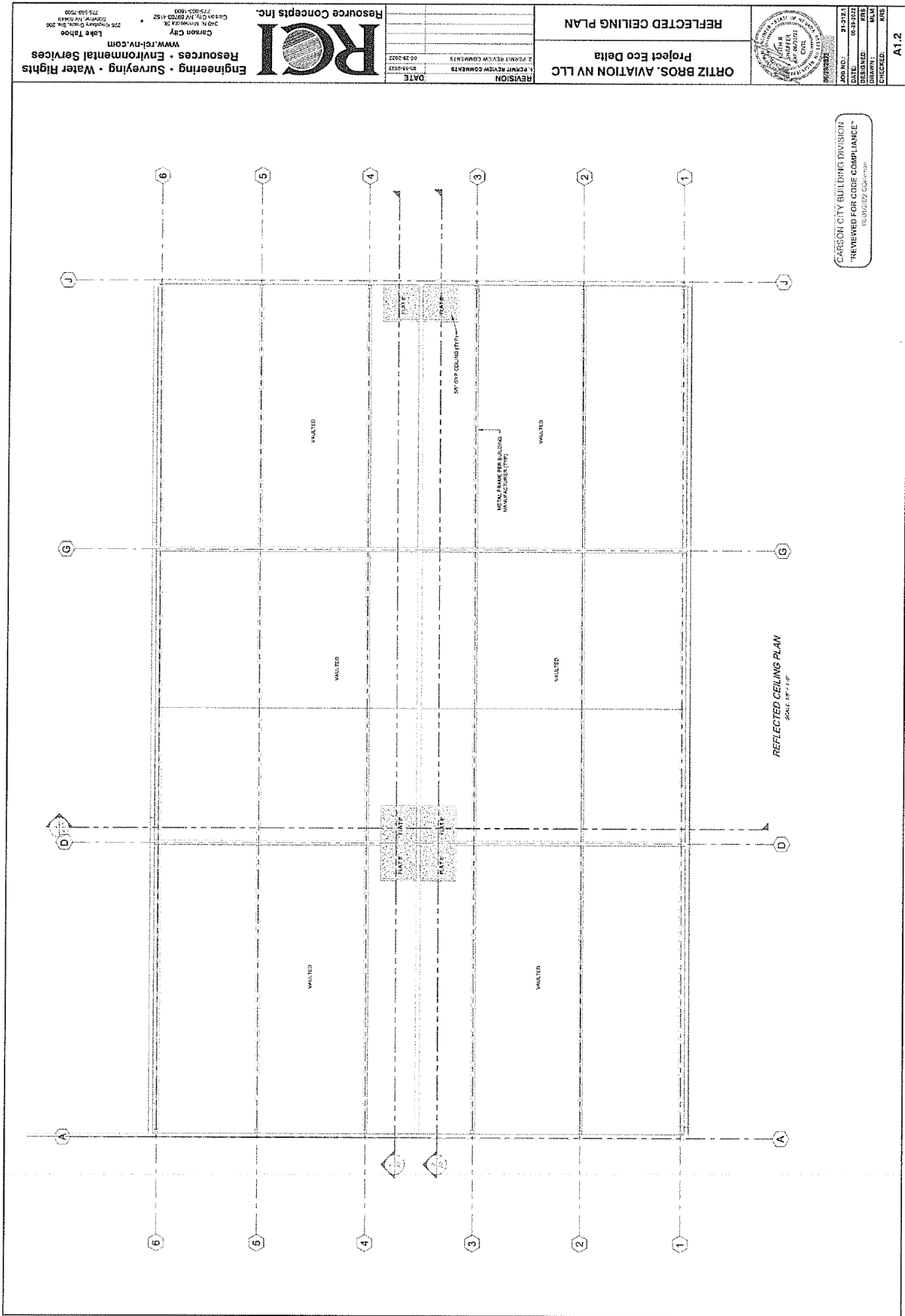
Subject Outlined in Yellow

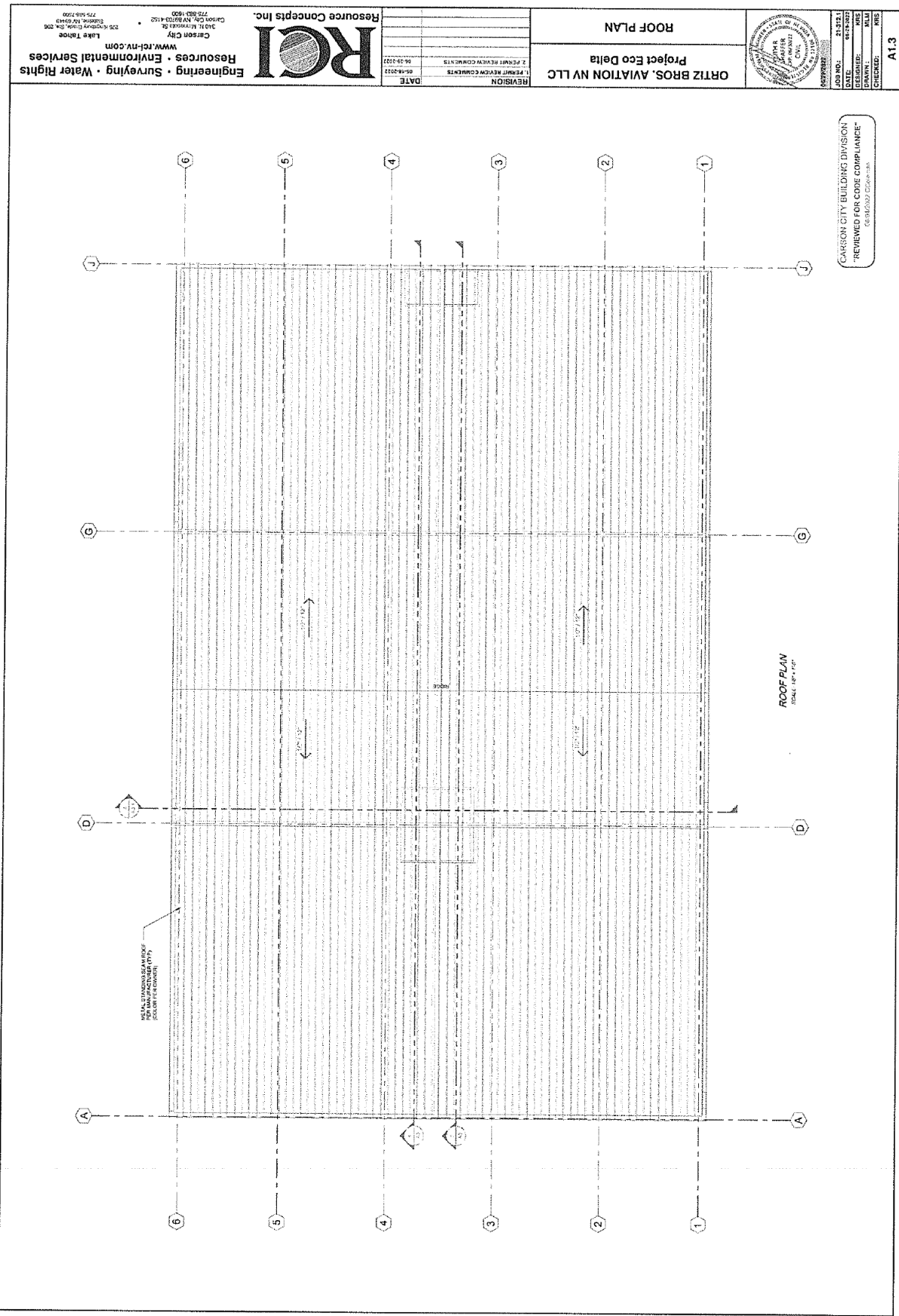
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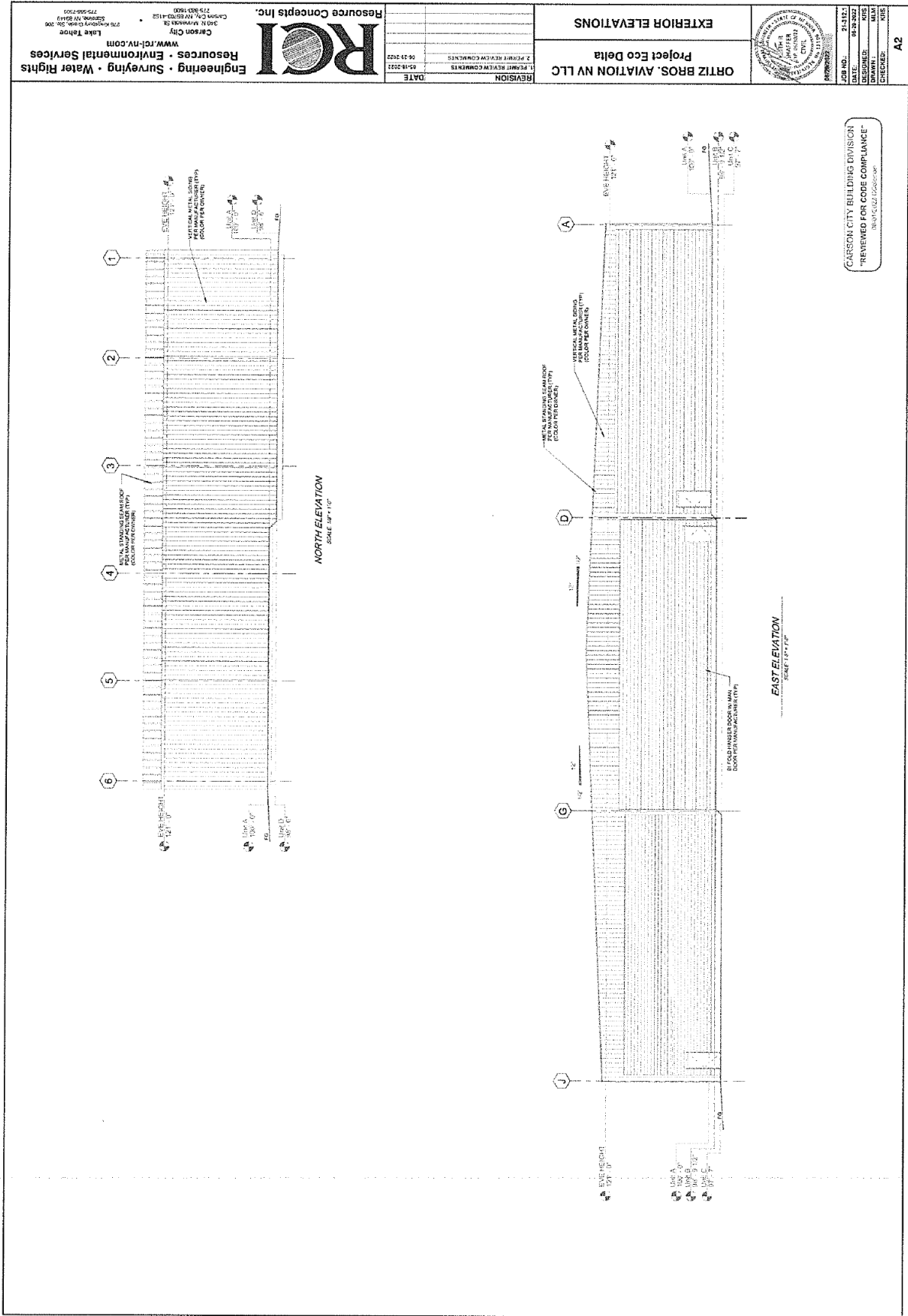
Ortiz Lease Draft

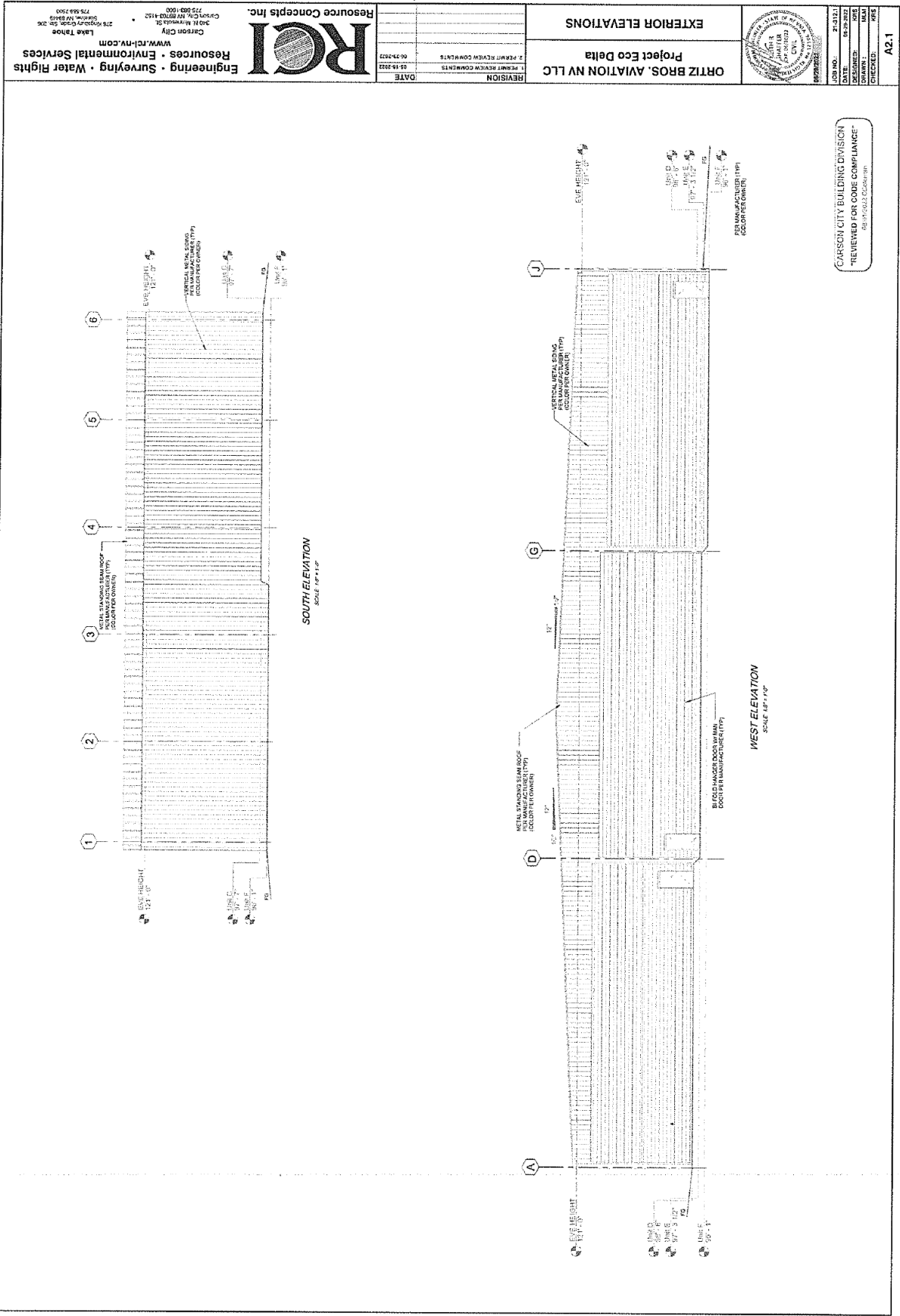












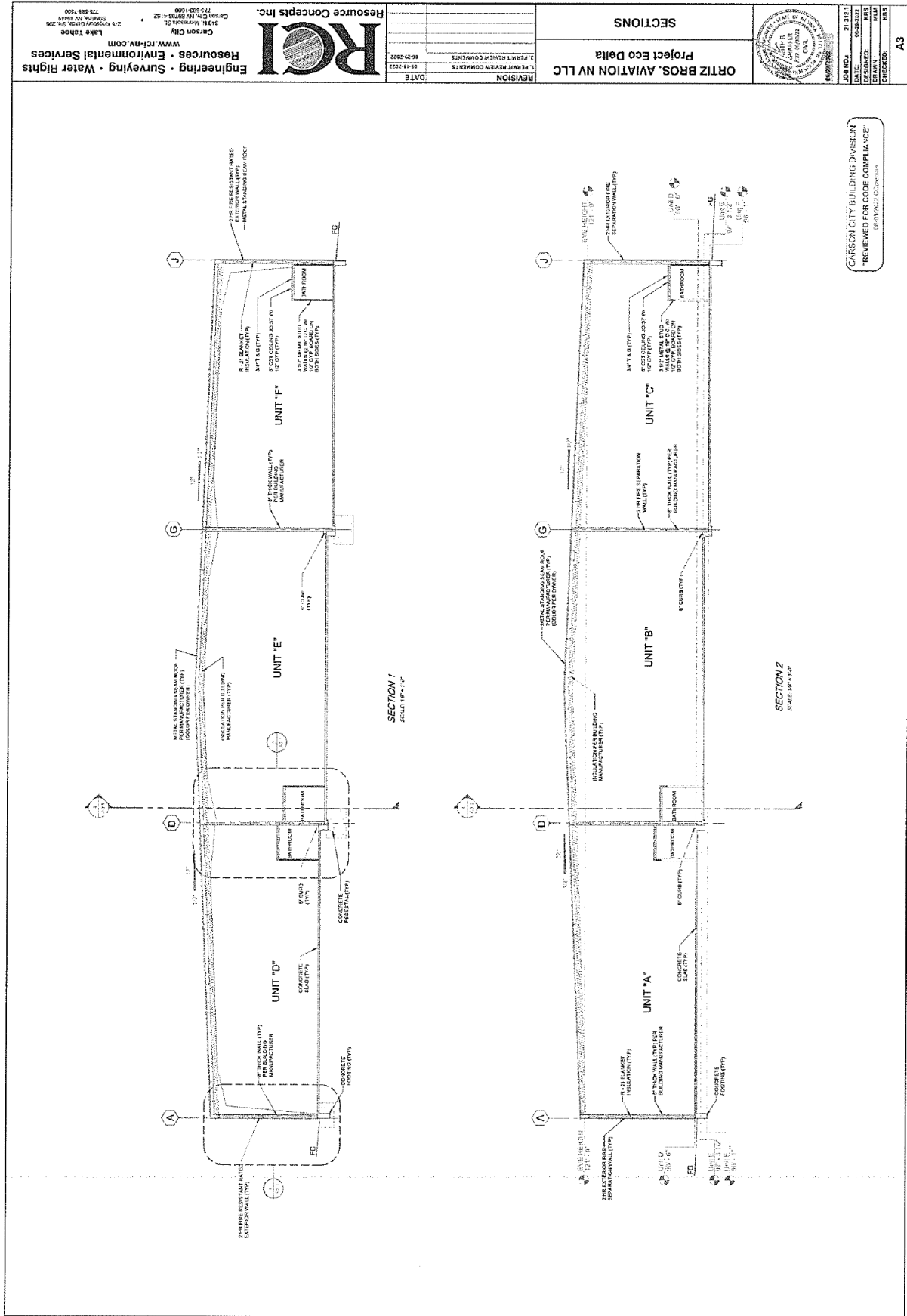


EXHIBIT B

ALLOCATED INTERESTS

The Allocated Interest as defined by Section 1.2 of the Declaration of Covenants and Restrictions for Echo Delta Community Association is the percentage arrived at by dividing the square footage of a Hangar by the aggregate square footage of all the Hangars in the Project, as such sizes are specified on the Map.

Until such time as Future Building 3 is completed, the Allocated Interest of each of the Hangars in Building 2 shall be as follows:

<u>Unit:</u>	<u>Square Feet:</u>	<u>Allocated Interest:</u>
A	3,300	17.143%
B	3,300	17.143%
C	3,025	15.714%
D	3,300	17.143%
E	3,300	17.143%
F	3,025	15.714%
Totals:	19,250	100.000%

At such time as Future Building 3 is completed, the foregoing chart shall be replaced with a determination of Allocated Interests based on the resulting total of square feet of all Hangars in the Project.