

CARSON CITY AIRPORT AUTHORITY MEETING AGENDA

Wednesday, January 15, 2024 – 5:30 P.M.

Public Meeting at:

**CARSON CITY COMMUNITY CENTER
(Robert Crowell Board Room)
851 E. William
Carson City, Nevada**

This Agenda Prepared by Corey Jenkins, Airport Manager

- A. CALL TO ORDER, ROLL CALL, AND DETERMINATION OF QUORUM.
- B. PLEDGE OF ALLEGIANCE
- C. APPROVAL OF THE MINUTES OF PAST MEETINGS OF THE AIRPORT AUTHORITY.
- D. MODIFICATION OF THE AGENDA. *The Chairman reserves the right to modify the agenda in order to most effectively process the agenda items. Items may be taken out of order; Items may be combined for consideration by the Authority; Items may be pulled or removed from the agenda at any time.*
- E. PUBLIC COMMENT. Members of the public who wish to address the Airport Authority may speak on *agendized and non-agendized matters* related to the Airport. Comments are limited to three (3) minutes per person or topic. If your item requires extended discussion, please request the Chairman to calendar the matter for a future Airport Authority meeting.
 - 1. The public may provide public comment in advance of a meeting by written submission to the following email address: Manager@flycarsoncity.com. For inclusion or reference in the minutes of the meeting, your public comment must include your full name & address and be submitted via email by not later than 5:00 p.m. the day before the meeting. The Carson City Airport Authority values your input. Members of the public who wish to provide live public comment may do so during the designated public comment periods, indicated on the agenda in person.

- F. AIRPORT ENGINEER’S REPORT (*Non-Action Item*).
- G. CONSENT AGENDA
- H. PUBLIC HEARINGS

1. FOR DISCUSSION AND POSSIBLE ACTION: Consider bids received in response to the solicitation for a Fixed Base Operator (FBO) to manage Airport-Owned Tie-Downs on the Northwest Ramp; Select and authorize FBO(s) for license agreement. (S. Tackes)

Staff Summary: The Airport Manager notified all commercial service FBOs about the opportunity to enter into an agreement to manage the Airport-Owned Tie-Downs on the Northwest Ramp. Multiple responses were received from interested parties. Each appears to be qualified. The Airport Manager has brought this item to the Authority to select one or more of the FBOs, and for consideration of whether to reserve some tie downs for transient aircraft managed by the Airport Manager. The matter was continued from the November 20, 2024 Authority meeting.

2. FOR DISCUSSION AND POSSIBLE ACTION: Approval of a Through-The Fence (TTF) Permit for three access points for Carson Tahoe Executive Community, LLC Located at 3700 Barron Way, Suite 2, Reno, NV 89511. (S.Tackes, C. Jenkins)

Staff Summary: Carson Tahoe Executive Community, LLC has applied for a TTF permit to establish three access points at their property located at APN 005-052-01, APN 005-111-05, APN 005-111-06 AND APN005-111-08. The applicant must adhere to the requirements outlined in the Carson City Municipal Code (CCMC) Title 19. Recent changes to the code have specifically allowed for the establishment of an adjacent hangar association, under which this permit request falls. The changes in CCMC Title 19 were intended to facilitate such community developments, ensuring they meet safety, operational, and community standards.

I. AIRPORT MANAGER'S REPORT (*Non-Action Item*).

J. LEGAL COUNSEL'S REPORT (*Non-Action Item*).

K. TREASURER'S REPORT (*Non-Action Item*).

L. REPORT FROM AUTHORITY MEMBERS (*Non-Action Item*).

1. Status review of projects
2. Internal communications and administrative matters
3. Correspondence to the Authority
4. Status reports and comments from the members of the Authority

M. PUBLIC COMMENT. Members of the public who wish to address the Airport Authority may speak about items discussed on the agenda related to the Airport. Comments are limited to three (3) minutes per person or topic. If your item requires extended discussion, please request the Chairman to calendar the matter for a future Airport Authority meeting.

N. AGENDA ITEMS FOR NEXT REGULAR MEETING (*Non-Action Item*).

O. ACTION ON ADJOURNMENT.

* * * * *

DELIVERED (via E-Mail) to the FOLLOWING LOCATIONS for POSTING by 9am, January 10, 2024

| | |
|---|---|
| The Carson City Airport Website | https://flycarsoncity.com/ |
| State of Nevada Public Notice Website | https://notice.nv.gov |
| Airport Terminal Building | 2600 College Parkway Carson City, NV |
| Mountain West Aviation | 2101 Arrowhead Dr. Carson City, NV |
| Stellar Aviation of Carson City, LLC | 2640 College Parkway Carson City, NV |
| <i>~ Distribution made to others per request and as noted on the Airport Authority Distribution List ~</i> | |
| <i>Supporting materials will be posted to the Carson City Airport website www.flycarsoncity.com as available, and can be obtained upon request from the Airport Manager, 2600 E. College Parkway #6, Carson City, NV</i> | |

NOTE: The Airport Authority is pleased to make reasonable accommodations for the public who are disabled and wish to attend this meeting. If special arrangements for the meeting are necessary, please notify the Airport Authority at (775) 841-2255 or cjenkins@flycarsoncity.com

Notice: NRS 241.020(3)(b) states that a request for mailed notice of meetings automatically lapses six months after it is made to the public body. A separate written request is not required for each meeting although requests are limited to six months at a time.

THE CARSON CITY AIRPORT AUTHORITY ENCOURAGES WRITTEN COMMENTS FROM THE PUBLIC. Comments should be addressed to the **Airport Manager**, and sent to the following address:

Carson City Airport Authority 2600 E. College Parkway #6, Carson City, Nevada 89706

DRAFT MINUTES
Regular Meeting
Carson City Airport Authority (CCAA)
November 20, 2024 ● 5:30 PM
Community Center Robert “Bob” Crowell Board Room
851 East William Street, Carson City, Nevada

Authority Members

| | |
|--------------------------------|------------------------------------|
| Chair – Tim Puliz | Vice Chair – Harlow Norvell |
| Treasurer – Jon Rogers | Member – Curtis Horton |
| Member – Michaela Flint | Member – Karl Hutter |
| Member – Michael Golden | |

Staff

Steve Tackes – Airport Counsel
Corey Jenkins – Airport Manager
Briana Munoz – Public Meetings Clerk

NOTE: A recording of these proceedings, the Board’s agenda materials, and any written comments or documentation provided to the recording secretary during the meeting are public record. These materials are on file in the Clerk-Recorder’s Office, and available for review during regular business hours.

Audio recordings and the meeting minutes of the Carson City Airport Authority meetings are available on <https://www.carson.org/government/city-meetings>.

A. CALL TO ORDER, ROLL CALL, AND DETERMINATION OF QUORUM

(5:32:20) – Chairperson Puliz called the meeting to order at 5:32 p.m.

(5:32:40) – Roll was called, and a quorum was present.

| Attendee Name | Status | Arrived |
|---------------------------|---------------|----------------|
| Chairperson Tim Puliz | Present | |
| Vice Chair Harlow Norvell | Present | |
| Treasurer Jon Rogers | Present | |
| Member Michaela Flint | Present | |
| Member Michael Golden | Present | |
| Member Curtis Horton | Present | |
| Member Karl Hutter | Absent | |

B. PLEDGE OF ALLEGIANCE

(5:32:58) – Led by Member Horton.

C. APPROVAL OF THE MINUTES OF PAST MEETINGS OF THE AIRPORT AUTHORITY.

(5:33:27) – Chairperson Puliz introduced the item and entertained comments, changes, and/or a motion to approve the minutes of the October 16, 2024 meeting.

(5:33:42) – MOTION: Treasurer Rogers moved to approve the minutes of the October 16, 2024 meeting. Member Horton seconded the motion. The motion carried 6-0-0.

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| RESULT: | APPROVED (6-0-0) |
| MOVER: | Rogers |
| SECONDER: | Horton |
| AYES: | Puliz, Norvell, Rogers, Flint, Golden, Horton |
| NAYS: | None |
| ABSTENTIONS | None |
| ABSENT: | Hutter |

D. MODIFICATION OF THE AGENDA.

(5:34:19) – Chair Puliz announced that Item H-3 was pulled from the agenda, noting that Authority Members felt they needed more information on the matter and that it would be revisited during a future meeting.

E. PUBLIC COMMENT

(5:35:30) – Chairperson Puliz entertained public comments; however, none were forthcoming.

F. AIRPORT ENGINEER’S REPORT

(5:35:51) – Chairperson Puliz introduced the item. Brian Martinezmoles of Wood Rodgers provided his report, which is incorporated into the record.

(5:36:39) – Treasurer Rogers asked about the State Historic Preservation Office (SHPO)’s involvement in the drainage improvement project. Mr. Martinezmoles stated that Coffman and Associates would handle the environmental work and that SHPO’s role involved reviewing cultural and historical reports prepared for the Federal Aviation Administration (FAA).

(5:37:21) – Treasurer Rogers asked for updates regarding the Snow Removal Equipment (SRE) building. Mr. Jenkins stated that the special use permit for the SRE building was approved. He noted that the building permit was pending the approval of the special use permit and would be approved soon. Mr. Jenkins added that construction would not begin until after winter due to timing constraints. He mentioned that Armstrong Consultants had provided updates on the Aeronautical Survey for Nighttime Approach and Offset Precision approach path indicator (PAPI) Construction, noting progress with flight check dates to be determined by the FAA. Mr. Jenkins shared that snow

removal equipment had been delivered on October 28, 2024, with grant closeout expected in the spring. He mentioned that the FAA was considering amending the grant to cover expenses caused by equipment delays.

G. CONSENT AGENDA

None.

H. PUBLIC HEARINGS

1. FOR DISCUSSION AND POSSIBLE ACTION: APPROVAL OF AIRPORT LEASE AMENDMENT FOR THE SOUTH FBO LEASE HELD BY MOUNTAIN WEST CXP, LLC, (“MW”), TO RELEASE APPROXIMATE 17,000 SQ FT FOR THE AIRPORT TO USE FOR A TAXILANE, AND TO EXTEND THE LEASE FOR 8 YEARS IN RETURN.

(5:41:13) – Chairperson Puliz introduced the item. Mr. Tackes noted that Member Golden is an owner of Mountain West and would not be participating as an Airport Authority Member. Mr. Tackes referenced the Staff Report and Supporting Materials, all of which are incorporated into the record. He went over the proposed lease amendment for Mountain West to release approximately 17,000 square feet of land for a taxi lane. Mr. Tackes explained the negotiation process including methods for valuing the property.

(5:47:53) – Chair Puliz entertained public comments. Bruce Carrade, representing Carson Tahoe Executive (CTE), stated that his company assumed two 50-year leases with the Airport. Mr. Carrade explained that under those leases, any improvements made during the term would typically revert to the Airport at the end of the leases. He noted that CTE supported the expansion and the taxi lane development but opposed the \$33,114 compensation, arguing that it was unfair due to the parcel’s lack of development and limited revenue potential with the remaining years on the lease. Mr. Carrade suggested alternative forms of compensation including rent adjustments or a one-time payment to Mountain West. He urged the Authority to reconsider extending the lease without requiring significant investment, noting concerns with fairness and long-term precedence.

(5:53:27) – Chris Wyatt, representing Stellar Aviation in partnership with CTE, expressed support for the development of the leasehold but raised concerns regarding the proposed lease extension terms for Mountain West. Mr. Wyatt stated that Mount West was not losing any revenue under the proposed lease extension and noted it was advantageous for them to forgo rent while allowing for land development. He cautioned against setting a precedent by valuing an eight-year lease extension at \$33,000 or \$4,000 annually.

(5:55:19) – Chair Puliz noted that there was significant discussion regarding the amendment and whether the FAA would perceive the matter as fair and equitable for all tenants. He asked Mr. Jenkins to share his research on the topic. Mr. Jenkins acknowledged that this was a sensitive issue in aviation nationwide, particularly regarding revisionary clauses in ground leases. Mr. Jenkins explained that airports are mandated to be as self-sustaining as possible and usually extending a lease does not align with the requirement but in rare cases, a pathway could be found to support private entities while ensuring the Airport’s sustainability. He added that the Airport would gain significant value beyond the \$33,000, since the parcel to the south could now be leased.

(5:57:56) – Mr. Tackes addressed Mr. Carrade’s comments that lease extensions typically require property improvements, noting that in this case, the Airport was reclaiming property rather than improving it. He disagreed with the suggestion that waiving rent would suffice as compensation, explaining that tenants pay fair market value based on their original agreements, which is often significantly less than current market rates. Mr. Tackes highlighted potential development opportunities that were lost by Mountain West due to the lease amendment. He stated that the proposal was fair, did not set an unfavorable precedent, and was a better alternative to costly condemnations. Discussion ensued regarding the condemnation process.

(6:03:05) – Chair Puliz noted that he had asked Member Hutter to review the proposal and Member Hutter affirmed that the deal was fair and equitable.

(6:04:13) – MOTION: Member Horton moved to approve the amendment. Vice Chair Norvell seconded the motion. The motion carried 5-0-0 with Member Golden abstaining from the vote.

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| RESULT: | APPROVED (5-0-0) |
| MOVER: | Horton |
| SECONDER: | Norvell |
| AYES: | Puliz, Norvell, Rogers, Flint, Horton |
| NAYS: | None |
| ABSTENTIONS | Golden |
| ABSENT: | Hutter |

2. FOR DISCUSSION AND POSSIBLE ACTION: ADOPTION OF RESOLUTION AND NOTICE OF INVITATION TO BID TO CARSON CITY AIRPORT LEASE LOCATED AT THE SOUTH SIDE OF AIRPORT BEING 2.48 ACRES BOUNDED BY COLLEGE PARKWAY, THE AIRPORT PARKING LOT, AND THE EXISTING LEASES TO THE WEST AND NORTH OF THE SUBJECT PARCEL; APPROPRIATE MINIMUM LEASE RATE AND TERMS OF LEASE AND PERMITTED USES; SET DEADLINE FOR BIDS AND THE DATE FOR THE BID OPENING AND CONSIDERATION PURSUANT TO NRS 244.283.

(6:04:56) – Chair Puliz introduced the item. Mr. Jenkins referenced the Staff Report and Supporting Materials, all of which are incorporated into the record. Mr. Jenkins stated that a party had expressed interested in bidding on the land for commercial use, explaining that the land is not currently designated as non-aviation under the Airport Layout Plan (ALP) and required FAA approval. He noted that the taxi lane to the runway from the area was only 79 feet wide, smaller than the design standard of 131 feet. Mr. Jenkins highlighted the property’s potential as a prime fixed-base operator (FBO) location.

(6:08:17) – Mr. Tackes referenced the Staff Report, noting that the outlined FBO uses were intentionally left broad. He noted that the appraised value of the property at \$0.64 per square foot.

(6:10:18) – In response to Vice Chair Norvell, Mr. Tackes went over the proposed timeline for bids, noting that bids would be reviewed at the January 15, 2025 meeting.

(6:11:17) – Member Golden emphasized the opportunity to the develop the property and encouraged the Authority to consider the opportunity, describing it as a cornerstone location for an FBO due to its visibility and access.

(6:13:51) – In response to Treasurer Rogers, Mr. Jenkins clarified that access would be via the existing parking lot. Treasurer Rogers asked about the timing of the appraisal and Mr. Tackes confirmed that it was completed within the past six months.

(6:14:51) – Mr. Jenkins suggested that the resolution and notice to bid should state that the current ALP did not identify the land as non-aviation use and that the access point for the parcel to the Airport was only 79 feet wide.

PUBLIC COMMENT

(6:16:08) – Mr. Carrade expressed support for the bidding process. Mr. Tackes responded to clarifying questions regarding the timeline for the process.

(6:17:24) – MOTION: Vice Chair Norvell moved to approve the draft resolution and the notice of invitation to bid for the land located at the south side of the Carson City Airport being 2.48 acres bounded by College Parkway, the Airport parking lot, and the existing lease to the west and north of the subject parcel and to include the language in the executive summary to the resolution and notice to bid, with a deadline for bids to be received January 13, 2025 and consideration on January 15, 2025. Member Golden seconded the motion. The motion carried 6-0-0.

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| RESULT: | APPROVED (6-0-0) |
| MOVER: | Norvell |
| SECONDER: | Golden |
| AYES: | Puliz, Norvell, Rogers, Flint, Golden, Horton |
| NAYS: | None |
| ABSTENTIONS | None |
| ABSENT: | Hutter |

3. FOR DISCUSSION AND POSSIBLE ACTION: CONSIDER BIDS RECEIVED IN RESPONSE TO THE SOLICITATION FOR A FIXED BASE OPERATOR (FBO) TO MANAGE AIRPORT-OWNED TIE-DOWNS ON THE NORTHWEST RAMP.

Deferred.

4. FOR DISCUSSION AND POSSIBLE ACTION: APPROVE THE FAA AIRPORT CAPITAL IMPROVEMENT PLAN (“ACIP”) 2025 – 2029.

(6:19:32) – Chair Puliz introduced the item. Mr. Jenkins referenced the Staff Report and Supporting Materials, all of which are incorporated into the record. He noted that the Airport would submit the ACIP earlier than usual due to FAA feedback. Mr. Jenkins noted the addition of the Master Plan Forecasting Update, adding that it would

provide data on current and potential aircraft usage to hopefully gain FAA approval for the first phase of the Runway Extension Project.

(6:21:50) – Mr. Jenkins noted that other projects on the ACIP remained unchanged. He noted that the delay of the Runway Extension Project allowed for advancement on the Pavement Rehabilitation Project. He added that the Master Plan Forecasting Update would require approval from the Board of Supervisors.

(6:23:41) – MOTION: Member Golden moved to approve the 2025-2029 ACIP for Carson City Airport. Treasurer Rogers seconded the motion. The motion carried 6-0-0.

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| RESULT: | APPROVED (6-0-0) |
| MOVER: | Golden |
| SECONDER: | Rogers |
| AYES: | Puliz, Norvell, Rogers, Flint, Golden, Horton |
| NAYS: | None |
| ABSTENTIONS | None |
| ABSENT: | Hutter |

5. FOR DISCUSSION AND POSSIBLE ACTION: APPROVAL OF THE ANNUAL AUDIT REPORT OF THE CARSON CITY AIRPORT AUTHORITY FOR FY 2023/24.

(6:24:18) – Chair Puliz introduced the item. Mr. Jenkins referenced the Staff Report and Supporting Materials, all of which are incorporated into the record. He noted that the report was in draft form to avoid the need for a special meeting. Treasurer Rogers clarified that the draft would not be submitted to the state if there were any changes. Treasurer Rogers noted that he and Mr. Jenkins reviewed the report in detail and agreed with the data and findings included in it.

(6:27:09) – Mr. Jenkins outlined the findings which included designating a bookkeeper to improve internal controls and financial oversight, exploring software solutions, and improving checks and balances.

(6:29:48) – Treasurer Rogers added that the auditor preferred that the Airport have a Certified Public Accountant (CPA) on staff or involved in the financial statement preparation process, noting that the Airport utilizes a manual control system and that the matter would be discussed with the auditors.

(6:31:29) – MOTION: Member Flint moved to approve the Fiscal Year 2023-2024 Annual Audit Report of the Carson City Airport Authority conducted by Casey Neilon. Member Horton seconded the motion. The motion carried 6-0-0.

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| RESULT: | APPROVED (6-0-0) |
| MOVER: | Golden |
| SECONDER: | Norvell |
| AYES: | Puliz, Norvell, Rogers, Flint, Golden, Horton |
| NAYS: | None |
| ABSTENTIONS | None |
| ABSENT: | Hutter |

I. AIRPORT MANAGER’S REPORT

(6:32:02) – Chairperson Puliz introduced the item. Mr. Jenkins referenced the Airport Manager’s Report and provided his report, which is incorporated into the record.

(6:34:28) – Mr. Jenkins reported that fuel flowage numbers had significantly increased by 46 percent from the previous year. Mr. Jenkins noted that operation numbers had decreased by 55 percent. Member Golden clarified that the Airport’s operation numbers were due to a new partnership with a company operating out of Elko, which operated large aircraft out of the FBO the previous month.

(6:38:25) – Mr. Jenkins noted that a second ADS-B transceiver was ready to address a runway blind spot once the SRE building was completed. He highlighted ongoing improvements at the Airport include signage and lighting. Mr. Jenkins mentioned efforts to formalize AT&T’s maintenance of the Airport beacon following costly repairs.

J. LEGAL COUNSEL’S REPORT

(6:43:52) – Chairperson Puliz introduced the item. Mr. Tackes went over the history of the Airport beacon, noting that AT&T built the current tower under an agreement to relocate the light and initially handled the maintenance and flight control computer (FCC) registration. He noted that Mr. Jenkins was properly addressing the issue and highlighted the benefits of the Airport beacon.

K. TREASURER’S REPORT

(6:46:28) – Chairperson Puliz introduced the item. Treasurer Rogers referenced the Treasurer’s Report, which is incorporated into the record, noting that Staff had done an excellent job managing finances. He noted that rock materials sales were miscoded and would be corrected before the next meeting. Treasurer Rogers mentioned that the budget process for the next fiscal year would start early next year with the Authority reviewing the preliminary budget at the February 2025 meeting. Treasurer Rogers responded to clarifying questions.

L. REPORT FROM AUTHORITY MEMBERS

1. STATUS REVIEW OF PROJECTS

2. INTERNAL COMMUNICATIONS AND ADMINISTRATIVE MATTERS

3. CORRESPONDENCE TO THE AUTHORITY

4. STATUS REPORTS AND COMMENTS FROM THE MEMBERS OF THE AUTHORITY

(6:48:09) – Member Golden encouraged Members to check out the new snowplow and plow blade on the tractor. Treasurer Rogers asked whether a December meeting would be held and Members agreed to forego the December meeting.

M. PUBLIC COMMENT

(6:49:51) – Chairperson Puliz entertained public comments; however, none were forthcoming.

N. AGENDA ITEMS FOR NEXT REGULAR MEETING

(6:50:03) – Chairperson Puliz entertained requests for agenda items for the next CCAA meeting; however, none were forthcoming.

O. ACTION ON ADJOURNMENT

(6:50:10) – MOTION: Chairperson Puliz adjourned the meeting at 6:50 p.m.

The Minutes of the November 20, 2024 Carson City Airport Authority meeting are so approved on this 15th day of January 2025.



Engineer's Report

WOOD RODGERS
BUILDING RELATIONSHIPS ONE PROJECT AT A TIME

To: Carson City Airport Authority
From: Brian Martinezmoles **CC:** Mr. Corey Jenkins, Airport Manager
Date: January 13, 2025
Subject: Engineer's Report for Carson City Airport Authority Board Meeting

Please find below a status report of the projects and/or tasks Wood Rodgers is currently engaged in on behalf of the Carson City Airport.

1.0. Airport Capital Improvement Program

Wood Rodgers supported the Airport Manager with preparation of Grant Applications for the upcoming projects, specifically the RSA Drainage & Improvements Project and the Main Apron Rehabilitation.

2.0. RSA Drainage & Improvements Project

Wood Rodgers is currently through project scoping with the Airport Manager with the expectation to begin work as soon as grant funding is received.

3.0. Main Apron Rehabilitation Project

Wood Rodgers is currently through project scoping with the Airport Manager with the expectation to begin work as soon as grant funding is received.

4.0. 2025 Pavement Preservation

Wood Rodgers is currently through project scoping with the Airport Manager with the expectation to prepare a bid package for pavement preservation of Taxiways A, B, C, D, E, & F.



CCAA BOARD MEMO

Agenda Item: H-1

BOARD MEMO 2025-01

Meeting Date: January 15, 2025

Agenda Title: FOR DISCUSSION AND POSSIBLE ACTION: Consider bids received in response to the solicitation for a Fixed Base Operator (FBO) to manage Airport-Owned Tie-Downs on the Northwest Ramp; Select and authorize FBO(s) for license agreement.

Staff Summary: The Airport Manager notified all commercial service FBOs about the opportunity to enter into an agreement to manage the Airport-Owned Tie-Downs on the Northwest Ramp. Multiple responses were received from interested parties. Each appears to be qualified. The Airport Manager has brought this item to the Authority to select one or more of the FBOs, and for consideration of whether to reserve some tie downs for transient aircraft managed by the Airport Manager. The matter was continued from the November 20, 2024 Authority meeting.

Agenda Action: Formal Action/Motion

Time Requested: 15 Minutes

Proposed Motion

I move that we award the license agreement to _____ at the rate of \$11.37 per tie-down under the terms proposed by the Authority and authorize the Chair to execute the agreement.

CCAA'S Strategic Goal

Support economic activity in the region.

Previous Action and Executive Summary

September 18, 2024 (Item H-1) – The CCAA approved the license agreement and the solicitation of an FBO to manage Airport-Owned Tie-Downs on the Northwest Ramp. November 20, 2024 (Item H-3) – The CCAA continued the matter to a future meeting.

The airport does not currently operate a Fixed Base Operator (FBO) and lacks the staffing capacity to manage the amount of tie-down spaces on the northwest ramp. In addition, it is in the best interest of the community for the Authority to avoid competing with the existing commercial FBOs on the field. Instead, the Authority has focused on fostering opportunities for small businesses.

Soliciting a commercial service FBO to manage the tie-downs on the northwest ramp presents an opportunity to increase revenue, enhance customer service, and contribute to the local economy, while minimizing new demands that may require adding Airport Staff.

The rate specified in the license agreement was determined based on the current rate for tie-down rentals to commercial service FBOs on the northwest ramp.

Three proposals were received and are attached. The Authority's options range from selecting one of the FBOs, to splitting the tie-downs between them (assuming they are interested in serving less than all. With all options, the Authority can retain some tie downs (e.g. 5) for miscellaneous uses administered by the Airport Staff. The Authority may use its judgement as to what they believe would be in the best interest of the Airport.

One recommended option would be to select High Sierra Pilots since they do not have other tie-down rights which Mountain West and Stellar already have. High Sierra Pilots already 20 of these spaces and regularly shuttle pilots to and from this area as well as the terminal building. This could also include removing five of the spaces for Airport operations use.

Financial Information

Is there a fiscal impact?

No Yes

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

General Fund: Monthly increase of \$11.37 per tie-down for a total of \$284.25 per month or more depending on the CCAA selection.

Is it currently budgeted?

No

This will likely increase Tie-Down revenues due to an increase in collections.

Alternatives

Do not make a single selection, but split up the tie-downs to rent to multiple parties.
Do not select and give alternative direction to Airport Staff.

Board Action Taken:

Motion: _____ 1) _____
2) _____

Aye/Nay

(Vote Recorded By)

TIE-DOWN LICENSE AGREEMENT

This Tie-Down License Agreement ("Agreement") is made and entered into this ___ day of January, 2025, by and between the **Carson City Airport Authority**, the governing authority over the Carson City Airport ("Licensor"), with an address of 2600 College Parkway #6, Carson City, Nevada 89706 (email: airportmanager@flycarsoncity.com) and _____ ("Licensee"), with an address of _____ (email: _____).

WITNESSETH:

WHEREAS, Licensor is entity authorized by NRS 844 to govern the Carson City Airport, along with the right to contract with any person to provide services as necessary or desirable to the Airport. (NRS 844, Sec 9).

WHEREAS, Licensor is the entity entitled to collect fees for certain improved aircraft tie-downs located on Parcel Number 005-01-193 at the Carson City Airport; and

WHEREAS, Licensee desires to license twenty-five (25) of said improved tie-downs from Licensor for the purpose of securing aircraft, of its own or others.

THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

1. LICENSE OF TIE-DOWNS.

Licensor hereby license to Licensee, and Licensee hereby licenses from Licensor, twenty-five (25) improved aircraft tie-downs located on Parcel Number 00501193 at Carson City Airport.

2. TERM.

The term of this Agreement shall commence on February __, 2024, and shall continue for a period of five (5) years, with a renewal of five (5) years, unless terminated earlier in accordance with the provisions of this Agreement.

3. FEE.

Licensee shall pay to Licensor an initial license fee of **Eleven Dollars and Thirty-Seven Cents (\$11.37)** per tie-down, per month, for a total monthly license fee of **Two Hundred Eighty-Four Dollars and Twenty-Five Cents (\$284.25)** for the twenty-five (25) tie-downs.

4. PAYMENT TERMS.

Rent payments shall be due and payable on the first day of each month, commencing on February __, 2024. All payments shall be made payable to the Carson City Airport Authority and delivered to the address specified by Licensor. The failure to pay the fee, or the violation of any law, regulation or ordinance, shall constitute a default by Licensee. Assignee shall have ten (10) days from the date of written notice from Licensor to cure the default, failing which the Agreement shall be terminated.

5. CONSUMER PRICE INDEX ADJUSTMENT.

The adjustment of the license described above shall occur first on January 1, 2027, then at two-year anniversary intervals from January 1, 2027, during the term of this Lease. Such adjustment of license shall be based upon the percentage change reflected by the Consumer Price Index (hereinafter called the "Price Index") for the preceding two-year period. The Price index shall mean

the average for “all items” shown on the “U.S. City Average for All Urban Consumers” as promulgated by Bureau of Legal Statistics of the U.S. Department of Labor, as amended or replaced by the Bureau of Legal Statistics. Licensor shall measure each two-year adjustment using the most recently available report, recognizing that it may be necessary to use a 2-year period with a final quarter ending prior to each January 1 adjustment date. In no event, however, shall any decrease in the Price Index result in a decrease of the license below the base rate set forth in Section 3 of this license agreement. For example, if the Price Index ending with November of 2026 is 155.0, and for November 2024 was 150.0, then the rent would be adjusted by the difference (155.0-150.0) divided by 150.0 which equals a 3.3% increase.

6. USE OF TIE-DOWNS.

Licensee shall use the tie-downs exclusively for the purpose of securing aircraft, and may rent or license others to tie-down. Licensee shall not use the tie-downs for any unlawful purpose or in any manner that would violate any applicable laws, regulations, or ordinances. Approval of this lease constitutes approval of FBO services for storage of aircraft. (Class 1 FBO; no Class 2 fees)

7. MAINTENANCE AND REPAIRS.

Licensee shall, at its own expense, maintain the existing tie-down mechanisms and pavement marking in good condition and repair, reasonable wear and tear excepted. The Licensor shall be responsible for any structural repairs or improvements to the tie-downs.

8. SNOW, ICE AND WEED REMOVAL.

The Licensee agrees to remove snow, Ice and weeds from the areas leased and herein described. The Licensor, may at the request of Licensee, assist Licensee in Snow, ice and weed I removal. In the event of Licensor assistance, Licensee agrees to hold Licensor harmless from all liability for damage caused by such assistance on leased property.

9. INDEMNITY AND INSURANCE.

Licensee agrees to indemnify and hold harmless Licensor from all claims, liabilities, or damages arising out of or related to Licensee's use of the tie-downs. Licensee shall, at its own expense, maintain liability insurance in an amount sufficient to cover any such claims or damages. Licensee shall name Licensor as an additional insured and shall provide evidence of the same to Licensor.

10. TERMINATION.

Either party may terminate this Agreement upon thirty (30) days' written notice to the other party. In the event of termination by Licensor, Licensee shall be entitled to a prorated refund of any prepaid rent.

11. ENTIRE AGREEMENT.

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, and negotiations, whether written or oral.

12. AMENDMENTS.

Any amendments or modifications to this Agreement must be in writing and signed by both parties. Licensee may not assign this Agreement without prior approval of Licensor.

13. INDEMNIFICATION.

To the extent permitted by law, including, but not limited to, the provisions of NRS Chapter 41, Licensor and Licensee shall indemnify, hold harmless and defend, not excluding the other's right to participate, the other party from and against all liability, claims, actions, damages, losses, and expenses, including but not limited to reasonable attorney's fees and costs, arising out of any alleged negligent or willful acts or omissions of the indemnifying party, its officers, employees and agents arising in connection to this lease. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of the indemnity which would otherwise exist as to any party or person described in this Section.

14. REPORTING.

Anything that affects the safe and efficient operation of the Airport shall be immediately reported to the Airport Manager.

15. GOVERNING LAW.

This Agreement shall be governed by and construed in accordance with the laws of the Federal Government, State of Nevada, City of Carson City, and Rules and Regulations of the Carson City Airport Authority. This Agreement shall be subordinate to the provisions and requirements of any existing or future agreement between the Licensor and the United States, relative to the development, operation, or maintenance of the Airport.

16. PROPER AUTHORITY.

Licensor and Licensee represent and warrant that the person executing this lease on behalf of each party has full power and authority to enter into this lease.

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

LICENSEE

By _____
Name

LICENSOR

CARSON CITY AIRPORT AUTHORITY

By _____
Tim Puliz, CHAIRMAN

ATTEST:

Jon Rogers, TREASURER

STATE OF NEVADA)
 : ss
COUNTY OF _____)

On this ___ day of _____, 2025, before me, the undersigned, a Notary Public, personally appeared ___(NAME OF LICENSEE)___, known to me (or proved to me) to be the person described herein, who executed the foregoing instrument, and he acknowledged to me, that he has the requisite authority and executed the same 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 hereinabove written.

NOTARY PUBLIC (SEAL)



RE: North West Tie-Down License Agreement

From bryan@highsierrapilots.club <bryan@highsierrapilots.club>

Date Wed 9/25/2024 3:24 PM

To Corey Jenkins <cJenkins@flycarsoncity.com>

Corey,

I hope this message finds you well. On behalf of High Sierra Pilots, I would like to formally submit our qualifications for the opportunity to manage the 25 tie-down spaces on the North-West Ramp at Carson City Airport (KCXP).

Overview of High Sierra Pilots: High Sierra Pilots currently manages a fleet of 19 aircraft based at KCXP, all tied down on the North-West Ramp. Our office is located conveniently on the ramp itself, accessed via Arrowhead Road. We provide daily shuttle services to transport pilots and passengers between the ramp and the main terminal building. This service can be extended to include tie-down customers as well, offering convenient access to their aircraft.

Experience in Managing Tie-Down Spaces: As we already manage 15 aircraft + 4 spaces used for maintenance at Stew's Aero Services of the existing tie-down spaces on this ramp, we are well-versed in the operations, safety, and maintenance involved in managing both transient and long-term tie-down customers. Our team conducts multiple daily inspections of all tied-down aircraft to ensure their security and proper maintenance. This existing infrastructure allows us to easily incorporate additional tie-downs and offer the same level of care for aircraft not in our fleet. We are also well-positioned to assist with the collection of tie-down fees on behalf of the airport.

Commitment to Service and Safety: High Sierra Pilots operates with a commitment to safety, compliance with all FAA and aviation regulations, and customer satisfaction. In addition to managing tie-downs, we are a licensed maintenance shop, routinely working with aircraft coming to KCXP for maintenance. Our team manages towing, taxiing, and the safe return of aircraft for owners based at the airport, demonstrating our comprehensive approach to aircraft care and safety.

Capacity for Expansion: Our daily presence and operations on the North-West Ramp make us uniquely suited to oversee the additional tie-down spaces with minimal disruption and maximum efficiency. We look forward to expanding our services and ensuring that both transient and long-term customers experience top-tier service. We are prepared to enhance our operations as needed to accommodate the additional spaces and ensure all aircraft are maintained to the highest standards. Thank you for considering High Sierra Pilots for this opportunity. We believe our established presence, experience, and commitment to service make us an ideal candidate to manage these tie-down spaces. We would be happy to provide any further details or meet to discuss how we can support the airport's goals.

Sincerely,



Bryan Stewart

High Sierra Pilots Flying Club

Phone: 775-782-9595

Web <https://highsierrapilots.club/>

Email bryan@highsierrapilots.club

Carson City Airport KCXP

2101 Arrowhead Dr STE: #201

From: Corey Jenkins <cJenkins@flycarsoncity.com>
Sent: Wednesday, September 25, 2024 2:55 PM
To: Corey Jenkins <cJenkins@flycarsoncity.com>
Subject: North West Tie-Down License Agreement

I hope this message finds you well. We are seeking qualified Fixed Base Operators (FBOs), who are interested in participating, to submit their qualifications for a license agreement regarding the rental of 25 tie-down spaces on the North-West Ramp at Carson City Airport.

The selected FBO will be able to utilize the tie-down spaces for their own aircraft while also making them available for transient and monthly customers. We are particularly interested in FBOs that can demonstrate the capacity to provide adequate accommodations and services for all users, ensuring a positive experience for our transient and long-term clients.

Key qualifications should include:

1. Experience in managing tie-down spaces for transient and monthly customers.
2. Ability to offer essential amenities and services, such as fueling and customer support.
3. Proven track record of safety and compliance with aviation regulations.
4. Demonstrated commitment to customer service and satisfaction.

Please submit your qualifications by 5 PM on October 7th, 2024 including a brief overview of your company, relevant experience, and any additional information that supports your capability to fulfill this agreement.

Thank you for your attention to this request. We look forward to your submissions and the opportunity to work together.

Regards,

Corey Jenkins, C.M., ACE

Airport Manager
Carson City Airport
2600 College Parkway #6
Carson City, NV 89706
775-841-2255
www.flycarsoncity.com



September 27, 2024

Mr. Corey Jenkins
Airport Manager
Carson City Airport
2600 College Parkway #4
Carson City, Nevada 89706

RE: Northwest Tie-Down License Agreement

Dear Corey:

Thank you for your consideration of our enterprise to manage & operate Carson City Airport's twenty-five (25) tie-down spaces located on the Northwest Ramp of the airfield. We are pleased to provide you with the following proposal for your review and acceptance. All terms set forth by the draft license agreement are deemed acceptable unless noted otherwise herein.

Licensee: Mountain West CXP, LLC, dba Mountain West Aviation

Fee: \$12.00 per tie down per month for a total of \$300 commencing November 1, 2024

Insurance: Licensee carries General Liability and Hangar Keeper's Liability coverage in the amount of \$5,000,000. Licensee will name Licensor as additional insured.

Use: Licensee shall use the tie-down spaces solely for transient and based aircraft. All patrons will have full use of Licensee's FBO facilities and services located adjacent to and in close proximity of Licensee's leased premises.

Services: Licensee shall provide line services to all transient and based aircraft utilizing the subject tie down spaces. This includes but is not limited to marshaling aircraft into parking spaces, securing the aircraft using tie down apparatuses, providing and/or coordinating ground transportation for transient users, providing off airport parking for all tie down users, providing baggage handling support and providing into plane aircraft fueling, oxygen & nitrogen as requested by users. Other services available to all patrons include complimentary food, beverages, ice, water and coffee, flight planning facilities, restrooms and concierge services, all at no charge to those occupying the tie downs for aircraft parking. These services are provided to patrons during the hours of 0700-1800 on weekdays, 0800-1730 on weekends.

Mr. Corey Jenkins
September 27, 2024
Page Two

After Hours: Licensee is available to provide all services after normal business hours for a fee payable by any patron.

**Ramp Access/
Management:**

Licensee controls access to the vehicular gate accessing the subject tie down area. Licensee will continue to restrict vehicular access to only authorized users ensuring a safe and secure environment.

Mountain West Aviation has had an exemplary offering of services to our patrons at Carson City Airport for over seventeen (17) years, offering pilots, aircraft owners and passengers excellent customer service and a very good safety record over this time period. Our ability to provide the very best service accompanied by our experience with existing tie down patrons in conjunction with our extensive service offerings to our patrons makes our enterprise best suited to serve the airport's needs as the proposed Licensee to manage the subject tie downs.

Thank you for your consideration of our proposal to continue serving Carson City Airport.

Respectfully,

Michael Golden
Mountain West Aviation



October 1, 2024

Mr. Corey Jenkins
Airport Manager
Carson City Airport
2600 College Parkway #6
Carson City, NV 89706

RE: Response to Request for Proposal for North-West Ramp Tie-Down License Agreement

Dear Mr. Jenkins,

On behalf of Stellar Aviation of Carson City, I would like to express our interest in the North-West Ramp Tie-Down License Agreement at Carson City Airport. Stellar Aviation, a premier Fixed Base Operator (FBO) with operations across multiple locations, prides itself on providing comprehensive aviation services, outstanding customer support, and an exceptional record of a strong commitment to safety and operational excellence.

Company Overview

Stellar Aviation is a full-service FBO that provides fueling, hangar, tie-down, and ground support services to both transient and based aircraft. Our team has extensive experience in managing ramp operations and all types of GA aircraft, including the coordination of tie-down spaces for both transient and long-term clients. With a focus on delivering an exceptional experience, we cater to both general aviation enthusiasts and corporate clients, ensuring that each customer receives top-tier services. Some of those services include a public lobby with refreshments, free wi-fi and meeting areas, restrooms and hangar space on demand. Stellar also provides rental cars, complimentary shuttles to and from local destinations including restaurants, hotels and casinos as well as The City's municipal buildings and government offices.

Relevant Experience

Our company has managed ramp and tie-down operations at various airports, including airports with high volumes of transient traffic. We offer:

Stellar Aviation Group | 2640 College Parkway | Carson City, NV 89706
T: 775.877.5099 | F: 775.246.3029 | W: www.stellaraviationgroup.com



- **Professional Tie-Down Management:** Stellar Aviation has successfully managed tie-down spaces at all of our FBO locations, optimizing space for both monthly and transient customers. We employ best practices to ensure efficient use of space while maintaining clear communication with our clients for smooth operations.
- **Comprehensive Services:** In addition to tie-down management, Stellar Aviation offers essential services such as fueling (Jet A and AvGas), towing, aircraft maintenance support, and concierge services. Stellar also provides rental cars, complimentary shuttles to and from local destinations including restaurants, hotels and casinos as well as The City's municipal buildings and government offices.
- **Stellar Services:** Our ramp services are designed to accommodate aircraft of all sizes and types, from single-engine, rotary and turbine aircraft. In addition to our well-trained staff, we have a fleet of dedicated fueller trucks, including two Avgas trucks for redundancy and our commencing construction this month on a roughly \$1MM fuel farm with private money. We also have tugging equipment, state of the art mobile power units and lavatory servicing equipment.
- **Commitment to Safety:** Safety is at the forefront of all Stellar Aviation operations. Our team follows strict aviation regulations and adheres to rigorous safety protocols. All line technicians are NATA Safety 1st Certified. They also have extensive classroom and OJT experience with our Stellar 5 Star Standards Program that is highly respected throughout the industry and has been developed over the last three decades. Stellar ensures compliance with all Carson City Airport Regulations, FAA regulations and all Federal, State, and Local regulations and best practices. We have an excellent safety record and work very closely with the Carson City Airport to ensure a safe and efficient operating environment for all of its guests, based customers and visitors. Regular training for our staff ensures we remain up-to-date with the latest in safety and customer service practices including fire training and emergency response.
- **Customer Satisfaction:** Stellar Aviation is dedicated to providing exceptional customer experiences. Our FBO network has been Nationally recognized as a leader in outstanding customer experience and our comments from users at all of our locations on Air Nav reflect that. Our team is trained to offer personalized services, whether for transient pilots passing through or long-term customers utilizing our facilities on a monthly basis. We consistently receive positive feedback from our clients, who appreciate our attentive service and well-appointed and maintained facilities. Our based customers in Carson City enjoy all of the benefits of using our Reno location in cases of inclement weather free of charge and can enjoy one way rental cars back and forth should the need present itself.



Stellar Aviation recognizes the unique opportunities that the Carson City Airport offers. We are excited by the prospect of expanding our services to include the North-West Ramp tie-down spaces, and we are confident in our ability to provide top-tier management of the 25 available spaces.

- **On-Airport Personnel and Emergency Contacts/Service Capabilities:** Stellar Aviation has dedicated on-airport personnel to ensure the smooth operation of our services, and we are available to address any client needs promptly. Additionally, we maintain an emergency after-hours contact system to handle urgent and on demand service matters 24/7, ensuring both the safety of the aircraft and the satisfaction of our clients. In addition to our well trained staff, we have a fleet of dedicated fueller trucks, including two Avgas trucks for redundancy and our commencing construction this month on a roughly \$1MM fuel farm with private money. We also have tugging equipment, state of the art mobile power units and lavatory servicing equipment.

Our team is fully prepared to accommodate both transient and monthly clients, and we look forward to contributing to the airport's ongoing success.

Conclusion

We believe that Stellar Aviation is an ideal partner for the North-West Ramp Tie-Down License Agreement. Our experience, dedication to safety, and focus on customer satisfaction align well with the objectives of Carson City Airport. We look forward to the opportunity to work together to enhance the services available at your airport.

Thank you for considering Stellar Aviation for this project. Should you have any questions or require further information, please do not hesitate to contact me.

Warm regards,

A handwritten signature in black ink, appearing to read "Brad D. Kost", is written over a white background.

Brad D. Kost

Chief Operating Officer

KRNO | KSPI | KLNA | KCXP

Stellar Aviation Group | 485 S. Rock Blvd | Reno, NV 89502

T: 775.800.4244 F: 775.246.3029 C: 561.212.8416

bkost@fboassociates.com

www.stellaraviationgroup.com

Stellar Aviation Group | 2640 College Parkway | Carson City, NV 89706
T: 775.877.5099 | F: 775.246.3029 | W: www.stellaraviationgroup.com



FlyCarsonCity.com

CCAA BOARD MEMO

Agenda Item: H-2

BOARD MEMO 2025-02

Meeting Date: January 15, 2025

Agenda Title: FOR DISCUSSION AND POSSIBLE ACTION: Approval of a Through-The Fence (TTF) Permit for three access points for Carson Tahoe Executive Community, LLC Located at 3700 Barron Way, Suite 2, Reno, NV 89511. (S.Tackes, C. Jenkins).

Staff Summary: Staff Summary: Carson Tahoe Executive Community, LLC has applied for a TTF permit to establish three access points at their property located at APN 005-052- 01, APN 005-111-05, APN 005-111-06 AND APN005-111-08. The applicant must adhere to the requirements outlined in the Carson City Municipal Code (CCMC) Title 19. Recent changes to the code have specifically allowed for the establishment of an adjacent hangar association, under which this permit request falls. The changes in CCMC Title 19 were intended to facilitate such community developments, ensuring they meet safety, operational, and community standards.

Agenda Action: Formal Action/Motion

Time Requested: 15 Minutes

Proposed Motion

I move that we approve the TTF Permit to Carson Tahoe Executive Community, LLC, under the terms and conditions set forth by Staff, authorize the Chair to sign the Permit and authorize the Staff to proceed with obtaining FAA approval.

CCAA'S Strategic Goal

Support economic activity in the region.

Previous Action and Executive Summary

October 17, 2024 - The Carson City Board of Supervisors approved on final reading the changes to CCMC Title 19 changes to Through the Fence ("TTF") to allow for an Airport Hangar Association to receive TTF access upon meeting the list of conditions set forth in said ordinance.

Board Memo

Carson Tahoe Executive (CTE) has proposed a hangar development outside the Airport fence with TTF access to the Airport. The newly adopted Title 19 changes allow for such a development subject to a number of conditions, including but not limited to, aircraft storage only, no aeronautical (FBO) activities, construction of a security fence for access, pavement of connecting taxilane, payment of fees, City provision to the Airport Authority of the City's portion of real property taxes on the hangars, and a number of other criteria. The method of implementing Title 19 requires the formation of an Association which CTE has created and has been filed with the Nevada Secretary of State as Carson Tahoe Executive Community, LLC. To apply it to the property, CTE will be required to record a Declaration of CCRs against the property and operate under Rules and Regulations adopted by Carson Tahoe Executive Community, LLC. The latter requirements are being included in the Permit as conditions since those steps have not yet been taken, but CTE has provided the Authority with the documents which Staff found acceptable. There are other requirements set forth in Title 19 that are also incorporated, including but not limited to, paving and maintaining the taxilanes connecting the development to Taxiway B, construction of a gate which will be controlled by the Airport using card or clicker devices for access, and other requirements.

The TTF access will still require some form of assurance from the FAA that by allowing the access the Airport Authority is not jeopardizing continued FAA funding or violating any FAA requirements. In Staff's preliminary meetings with the FAA, they indicated that TTF for off airport hangar developments are not favored but are permitted so long as there is a significant financial benefit to the Airport and that all FAA requirements are met (e.g. safety, security, prohibition of FBO activities, etc.).

Approval of the Permit will allow Staff to meet with the FAA and obtain that assurance. It may come as an approval, a clearance, a determination of no FAA action, or some other form. To that end Staff is still waiting for the updated information on financial benefit from CTE. However, given the structure of Title 19, the Airport is poised to obtain both the TTF fees and the property taxes on the hangars, and thus we believe sufficient evidence should be available.

The proposed Permit is attached. It will become effective upon the Authority obtaining the assurance from the FAA. At that point, the TTF is the amount set forth for TTF without hangars which is a flat fee to be set by the Authority. The current fee is an annual fee of \$750.00 since it is access "not presently being used". This is per the rates approved by the Authority on October 19, 2022, per the FAA requirement to update TTF rates at least once every 5 years. (That requirement came from the FAA onsite land use audit.)

Financial Information

Is there a fiscal impact?

No Yes

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

General Fund: Increase of TTF fees and property taxes. Amount initially will be \$750/yr upon FAA approval of the TTF, then once hangars are constructed it will be \$0.43/sqft/yr based on the hangar sizes.

Is it currently budgeted?

No

This will increase TTF and real property revenues.

Alternatives

Do not approve the Permit until more conditions are met instead of conditioning the Permit. Give alternative direction to Airport Staff.

Board Action Taken:

Motion: _____ 1) _____
2) _____

Aye/Nay

(Vote Recorded)

AIRPORT ACCESS PRIVILEGE PERMIT

This Airport Access Privilege Permit (PERMIT) issued for Through-the-Fence access, by the Carson City Airport Authority (Authority), whose address is 2600 College Parkway #6, Carson City, Nevada 89706, to: Carson Tahoe Executive Community, LLC, a common interest realty association as an Adjacent Hangar Association (AHA) and its respective members who are the owners of Property (defined below) (hereinafter collectively referred to as PERMITTEE), whose mailing address is 3700 Barron Way, Suite 2, Reno, Nevada 89511. The Effective Date of this Permit begins upon tAuthority confirmation from the Federal Aviation Administration ("FAA") of clearance, positive response, or no objection response as to the Through-the-Fence ("TTF") access grant by the Authority.

TERMS:

WHEREAS, PERMITTEE owns the property identified as:

APN 005-052-01

APN 005-111-05;

APN 005-111-06; and

APN 005-111-08

or as further identified in the future and consisting of approximately 28.226 acres containing an area identified in the hangar development Site Plan (the "Property") as shown in Exhibit A and which Property is located in an industrial land use zoning and in an industrial area, and collectively is adjoining to the Carson City Airport ("Airport"), and having Airport access pursuant to the recorded deed of the Property and subject to regulations set forth in Carson City Municipal Code (CCMC) Title 19.03; and

WHEREAS, PERMITTEE is a common interest realty association as an AHA (hereinafter collectively referred to as the "Association"), with each member of the Association having a membership interest in the Association and the Association

Taxiway Property and each member being the owner of parcels of land adjoining the Association Taxiway Property, as set forth in the Rules and Regulations (Exhibit B); and

WHEREAS, PERMITTEE expressly warrants and acknowledges that this PERMIT is granted subject to the terms of terms set forth in CCMC Title 19.02.020.030. - RULES AND REGULATIONS; CCMC Title 19.02.020.100 - ACCEPTANCE OF RULES BY USE; and CCMC Title 19.03 - THROUGH-THE-FENCE AIRCRAFT OPERATION; and

WHEREAS, PERMITTEE expressly warrants and acknowledges that this PERMIT is granted subject to the conditions and criteria of the Federal Aviation Administration ("FAA") relative to through-the-fence access guidelines; and

WHEREAS, PERMITTEE is a common interest realty association, that is governed by the Code Covenants and Restrictions ("CC&Rs") of the Association (attached as Exhibit C) which members are subject thereto, which CC&Rs are consistent with the terms and regulations of this Permit as well as CCMC Title 19.03 ; and conditioned on:

1. The development of the project per the Site Plan (Exhibit A),
2. The hangar association set up under the Rules and Regulations (Exhibit B)
3. The recording of the Declaration of CCRS on the area covering the site plan (Exhibit C).
4. Positive response to the Authority from the FAA so that other Airport funding is not in jeopardy due to this TTF permit. The positive response may come as a clearance, determination of no action or other non-objection response from the FAA.

WHEREAS, PERMITTEE utilizes the Property for business purposes and aircraft will be stored on such Property and used incidental to such business; and

WHEREAS, PERMITTEE acknowledges that commercial aeronautical services are not permitted to occur from the Property;

THEREFORE, the Authority grants PERMITTEE (or successor upon proper notice to and approval from Authority) Airport access under the following terms:

1. PERMITTEE shall have access for the identified Property under the terms set forth in CCMC Title 19.03 which is incorporated by reference herein and made a part hereof, and shall pay an annual fee as set forth in CCMC Title 19.03.060 for such access.
2. PERMITTEE shall have three (3) points of access through the fence to the Airport serving the Property at the locations to be agreed upon between PERMITTEE and the Authority and as reflected in an Airport Layout Plan.
3. PERMITTEE expressly warrants and acknowledges that this PERMIT is granted subject to the terms of CCMC Title 19 which requires, among other things, that no property with access shall be allowed to carry on any of the aeronautical uses specified in the Carson City Airport Rules and Regulations contained in Title 19 of the CCMC, regarding sale of fuel, parts, service or maintenance of aircraft. Further, PERMITTEE has represented and warranted that no activity will be allowed on the Property that competes with commercial aeronautical Fixed Base Operations (as that term is defined in Title 19 of the CCMC).
4. PERMITTEE expressly warrants and acknowledges that the Airport operates subject to the requirements of the FAA, and that PERMITTEE will take no action on or about the Property which would interfere with Airport operations or funding consistent with applicable FAA requirements.
5. PERMITTEE shall be responsible for the provision and maintenance of any connecting pavement, fencing or other safety requirements on the Property so as to access the Airport, and for the maintenance of such improvements to the Property. PERMITTEE shall construct any accessway in a reasonable and appropriate time period that coordinates with the construction and development of the Property and notwithstanding any time requirements set forth in CCMC Title 19.03.080.

6. PERMITTEE expressly warrants and acknowledges that personal property tax upon aircraft based at the Property, including all personal property tax for aircraft of the members of the Association, shall be promptly paid when due.
7. PERMITTEE expressly warrants and acknowledges that Airport security through the Property shall be maintained pursuant to the terms of CCMC Title 19. The PERMITTEE will have a written security plan complying with all Carson City Airport security programs and criteria that is to be provided to the airport demonstrating positive control of all access points to the Airport's Air Operating Area (AOA) by all PERMITTEES, their guests, and personnel. The PERMITTEE shall install a gate to be operated via remote device that can be assigned to each aircraft. The Authority shall maintain the gate and charge the PERMITTEE the maintenance fee in the amount of actual gate maintenance costs.
8. Upon the terms contained herein and the conditions set forth above, the Authority hereby grants to PERMITTEE Airport access from the landside Property through-the-fence to the Airport's Air Operation Area (AOA) pursuant to CCMC Title 19, for a certain number of aircraft as set forth in CCMC Title 19.03.030 or as otherwise increased by the Authority. All such aircraft must be used incidental to the business operations taking place on the Property, which shall not be commercial aeronautical services.
9. The Property, or the respective real property of the members of the Association, may be sold or assigned in whole or in part by PERMITTEE, or members of the Association and this PERMIT may be transferred to the successor in interest so long as (1) the successor in interest is also the owner of the real property adjacent to the Airport or the Association Taxiway Property, (2) PERMITTEE or the successor in interest is current

on all payments and reports the transfer of this PERMIT to the Authority, (3), the Authority consents and approves of the transfer of this Permit, and (4) the transfer of this PERMIT otherwise meets the conditions and criteria of the FAA relative to through the fence access.

10. PERMITTEE must maintain a liability insurance policy on the Property in the minimum amount of one million dollars (\$1,000,000) and name the Authority, the Airport, and the City of Carson as additional insureds under such liability policy.
11. This PERMIT is subject to termination by the Authority as set forth in CCMC 19.03.050. In addition, the Authority may terminate this PERMIT upon: (1) PERMITTEE failing to pay the annual fee within fifteen (15) days of receiving notice that such fee remains outstanding and overdue; (2) if PERMITTEE files for voluntary petition in bankruptcy, or makes a general assignment for the benefit of creditors, or otherwise assigns or attempts to assign its interest in this PERMIT without the required prior consent of the Authority; (3) PERMITTEE uses or allows the use of the Property for any purpose which is not authorized by this PERMIT, or uses the Property in violation of any law, rule or regulation (including the rules and regulation of the Airport); or (4) PERMITTEE fails to meet any term or condition of this PERMIT.
12. Unless otherwise terminated earlier pursuant to CCMC Title 19.03.050, this PERMIT will continue in effect for a period of five (5) years and shall automatically renew in five-year increments. Termination by the Authority of the PERMIT and any automatic renewal may occur at any time but only upon PERMITTEE'S violation of any terms of this Permit, any regulations set forth in CCMC Title 19 or other relevant regulations or directives by the Authority and after following the process for revocation as set forth in CCMC Title 19.03.050. In the event that the PERMITTEE wishes to

cancel the PERMIT, such cancellation may take place immediately but shall not result in a refund of any fee paid or which is overdue.

Dated this ___ day of January, 2025

Tim Puliz, Chairman
Carson City Airport Authority



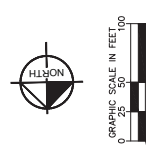
SHEET NUMBER
C-102
SHEET 5 OF 10

CARSON-TAHOE
BUSINESS PARK
CARSON CITY, NEVADA

SITE PLAN

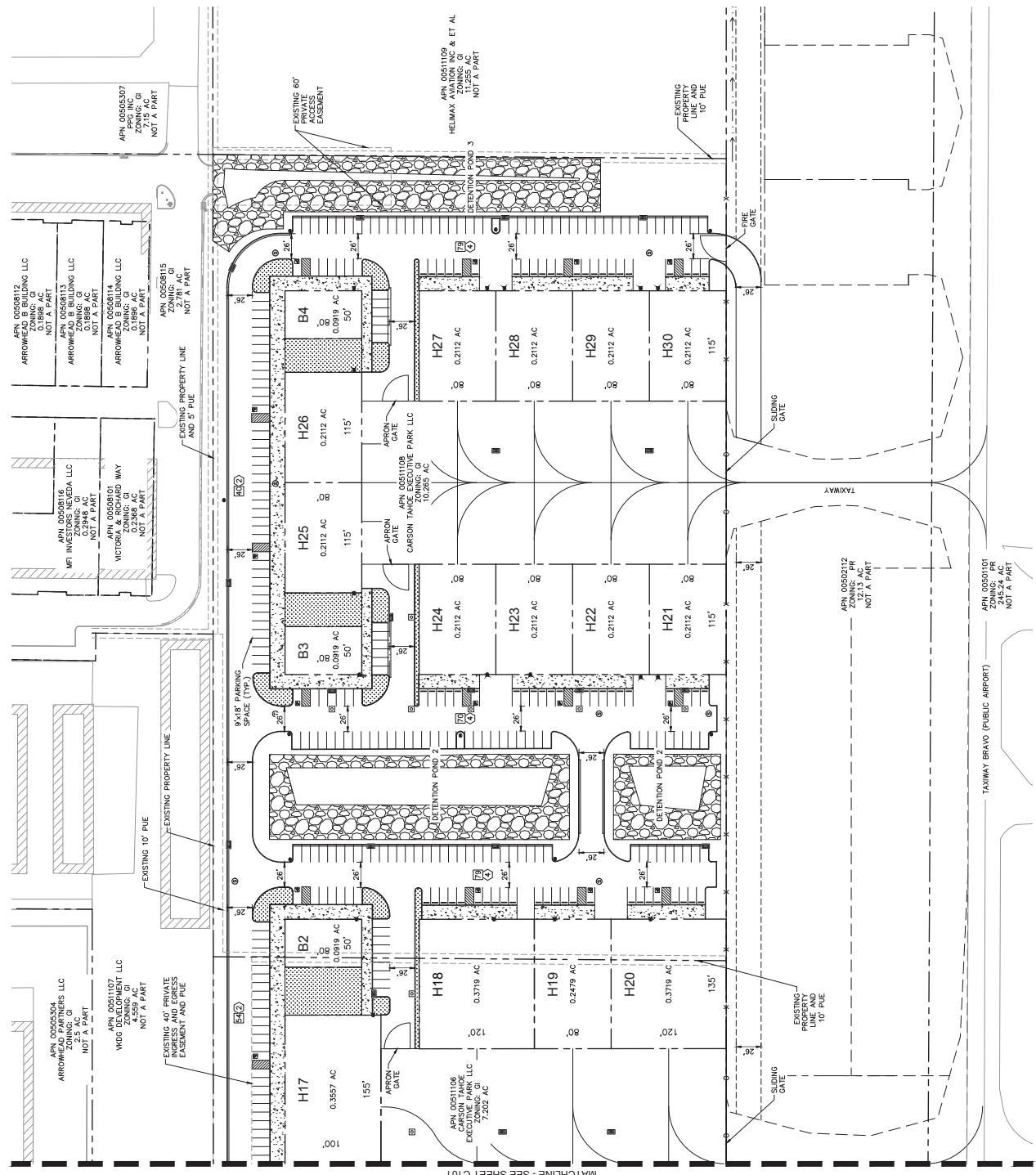
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|--------------------------|-------------|
| CHECKED BY: | JHL |
| DRAWN BY: | JMF |
| DESIGNED BY: | AJY |
| SCALE: | AS SHOWN |
| DATE: | 08/01/22 |
| PROJECT: | KHA PROJECT |
| FOR REVIEW DATE: | 10/28/2022 |
| FOR CONSTRUCTION PERIOD: | 10/28/2022 |

Kimley-Horn
INCORPORATED
FOR CONSTRUCTION PURPOSES
1000 RANCH BLVD, SUITE 100, RENO, NV 89501
PHONE: 775-787-7522
WWW.KIMLEY-HORN.COM



- LEGEND**
- PROPERTY LINE
 - PAVEMENT UNDER SEPARATE PROJECT
 - EASEMENT LINE
 - AOA FENCE
 - SLIDING GATE
 - LANDSCAPE AREA
 - DETENTION POND
 - PCC SIDEWALK
 - EXISTING SANITARY SEWER MANHOLE
 - PROPOSED SANITARY SEWER MANHOLE
 - EXISTING FIRE HYDRANT
 - PROPOSED FIRE HYDRANT
 - PROPOSED CATCH BASIN
 - AUTO PARKING
 - ADA PARKING
 - HANGAR DESIGNATOR
 - GATE

- SITE DATA**
- FRONTING SETBACKS: 30 FEET
 - REAR: 0 FEET
 - LEFT: 0 FEET
 - RIGHT: 0 FEET
 - SCAPE SETBACKS: 10 FEET
 - FRONT: 0 FEET
 - REAR: 0 FEET



MATCHLINE - SEE SHEET C101

| NO. | REVISIONS | DATE |
|-----|-----------|------|
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CARSON TAHOE EXECUTIVE PARK COMMUNITY ASSOCIATION RULES & REGULATIONS

Carson Tahoe Executive Community LLC, a Nevada nonprofit corporation (the "Association"), is the owner association for the Carson Tahoe Executive Park Community (the "Community"). The Community, which is located in Carson City, Nevada, was created pursuant to the Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Carson Tahoe Executive Park, recorded in the Office of the Carson City Recorder on [_____] , 2025, as Document No. [_____] (which, as amended and supplemented from time to time, is referred to herein as the "Declaration").

These Rules & Regulations provide standards governing the use of the Areas of Common Responsibility and Units, and the conduct of persons in connection therewith. These Rules & Regulations are "Rules" (as that term is used in the Declaration), and terms defined in the Declaration and not otherwise defined in these Rules & Regulations shall have the meanings defined for those terms in the Declaration. The provisions of these Rules & Regulations shall apply until such time as they are amended, modified, repealed or limited pursuant to Article 3 of the Declaration.

1. Restricted Activities: Areas of Common Responsibility. Subject to the limitations set forth in Section 3.4 of the Declaration, the following activities are prohibited within the Areas of Common Responsibility, unless expressly authorized by, and then subject to such conditions as may be imposed by, the Board:

A. Failing to taxi aircraft utilizing taxilanes on the Areas of Common Responsibility at a low and reasonable speed and, when not equipped with adequate brakes, failing to have an attendant beside a wing when the aircraft is taxied near buildings or other aircraft. No person shall taxi an aircraft until he has ascertained that there will be no danger of collision with any person or object in the immediate area by visual inspection of the area. All pre-take-off checks must be completed before taxiing to entry on to the Airport;

B. Failing to cause any aircraft entering the Common Elements from the Airport to turn off the Common Elements in the relevant Unit housing such aircraft as soon as reasonably possible after entering the Common Elements, and taxiing anywhere in the Common Elements other than designated taxilanes in the Common Elements;

C. Tying down or otherwise parking any aircraft in the Areas of Common Responsibility other than areas specifically designated for such by the Board, if any;

D. Accessing or attempting to access the Airport from the Areas of Common Responsibility, or accessing or attempting to access the Areas of Common Responsibility from the Airport, other than at points specifically designated by the Board and the Authority for such access;

E. Failing to maintain the security of access points between the Areas of Common Responsibility and the Airport, and failing to follow all safety and security requirements imposed by the Authority and/or the Association in connection with such access;

F. Bringing an animal onto the Areas of Common Responsibility, unless such animal is kept on a leash or other restraint operated by a person capable of controlling the animal, and who then has in his or her possession a proper or adequate utensil or other means of cleaning up immediately all feces of such animal;

G. Tethering and leaving an animal unattended;

H. Failing to immediately clean-up after any animal that has used any portion of the Areas of Common Responsibility;

I. Dumping, disposing of, or causing the accumulation of ashes, trash, garbage, refuse, hazardous or toxic wastes and materials, debris, inoperative vehicles or equipment, or any other unsightly or offensive materials;

J. The placement of any signage, including, without limitation, any signage affixed to trees in the Areas of Common Responsibility; and

K. Except as utilized by Declarant, a Participating Developer, the Association and/or their respective agents during maintenance activities or the construction of Improvements, operation of motorized vehicles (including, without limitation, motorized vehicles designed principally for off-road recreational such as snowmobiles and ATVs) anywhere within the Areas of Common Responsibility (including, without limitation, all paths, trails or walkways) other than areas approved by the Board for such use.

2. Restricted Activities: Private Areas. Subject to the limitations set forth in Section 3.4 of the Declaration, the following activities are prohibited within and as to the Private Areas, and as to each Unit's Owner, and such Owner's employees, customers, tenants, guests, licensees, or invitees, unless expressly authorized by, and then subject to such conditions as may be imposed by, the Board:

A. Keeping the hangar doors of an Occupied Space open, except when entering or entering/exiting the hangar or cleaning the hangar;

B. Parking or storing upon the Private Area more aircraft than the number permitted to be parked or stored upon such Private Area;

C. Using the hangar on a Private Area for any purpose prohibited by Carson City Municipal Code Section 19.02.020.370;

D. Lending, selling, leasing, or otherwise transferring any Association Card, permanently or temporarily, to any person except as expressly authorized in advance by the Board, or otherwise failing to properly safeguard Owner's possession of any Association Card or other

device or code provided to Owner to allow access between the Airport and Areas of Common Responsibility;

E. All activities within the Property are subject to the Fire Code of Carson City, Title 14 of the Carson City Municipal Code, as amended. In the event of conflict, the Fire Code of Carson City shall prevail over Title 19. No aircraft may be fueled or de-fueled while its engine is running, or while in a hangar or other enclosed place. Fueling shall be accomplished with equipment that provides adequate connections for continuous bonding of static electricity. Storage, transportation and transfer of fuel and other flammable or combustible liquids shall comply with the City's Fire Code, including conformance to Maximum Allowable Quantities and use of approved containers or tanks. The cleaning of motors or other parts of aircraft using flammable or combustible cleaning materials shall be subject to applicable fire and safety codes. All hangar and shop floors shall be kept clean and free from oil, fuel and other flammable and combustible substances. No volatile flammable or combustible solvent shall be used for cleaning floors except as permitted by the City's Fire Code. No rags soiled with flammable substances shall be kept or stored in any Private Area in such a manner as to create any fire hazard. No person shall weld, smoke or ignite any matches, flares, lighters or other objects which produce an open flame, produce sparks, or other sources of ignition anywhere within a Private Area in which any fuel, oil or flammable substance is stored or within fifty (50) feet or any gassing fueling facility. Upon reasonable advance notice, the Association may periodically inspect a Private Area for compliance of fire and safety issues; provided, however, that each Owner and occupant acknowledges that such inspections are for the purpose of assisting in meeting codes and safety requirements, and the Association shall not incur any liability for failure to inspect any matter, failure notify any party or agency of any condition, or failure to remediate or direct the remediation of any condition;

F. No aircraft engine shall be started on an aircraft unless a competent operator is in control of the aircraft and parking brakes have been set or the wheels have been set with blocks that are equipped with ropes or other suitable means for removing such blocks. No aircraft engine shall be started, run or run up unless the aircraft is in such a position that the propeller blast is clear of all hangars, shops, other buildings, persons, other aircraft and automobiles or vehicles in the area;

G. Tethering and leaving an animal unattended in a Private Area;

H. Any activity that tends to cause an unclean, unhealthy, or unsafe condition to exist outside of enclosed structures on the Private Area;

I. Any activity that omits foul or obnoxious odors, fumes, dust, smoke, or pollution outside the Private Area, or that creates noise, unreasonable risk of fire or explosion, or other conditions that area a nuisance;

J. Any activity that violates local, state or federal laws or regulations, or that would constitute a public or private nuisance;

K. The keeping, hanging, painting, or display of unsightly articles, such as clotheslines, outside of enclosed structures on the Private Area, including, without limitation, on the outside of any windows (or inside, if visible from the outside), outside walls, or outside surfaces of doors;

L. Outdoor storage of materials, tools, sporting goods, equipment, machinery, or other items that shall in appearance detract from the aesthetic values of the Property, except that outdoor storage of building materials shall be permitted during construction on the Private Area on which such materials are being stored;

M. Any activity that might increase the rate of, or cause the cancellation of, insurance for any portion of the Property;

N. Any activity that would result in the drainage or dumping of any refuse, sewage or other material which might tend to pollute surface or subterranean waters within the Property; provided that fertilizers may be applied to landscaping on Private Areas provided care is taken to minimize runoff;

O. Any activity within the Property that shall induce, breed, or harbor infectious plant or tree diseases or noxious insects;

P. Capturing, trapping or killing wildlife within the Property; provided such prohibition shall not apply to insects and common rodents on a Private Area (e.g. rats, mice, moles, marmots, gophers);

Q. The discharge or use of firecrackers and other fireworks, or of firearms or other weapons within the Property, including, without limitation, "BB" guns, pellet guns, bows and arrows, pistols, rifles, shotguns, sling shots, and firearms and weapons of all types, regardless of size;

R. Dumping, disposing of, or causing the accumulation of ashes, trash, garbage, refuse, hazardous or toxic wastes and materials, debris, inoperative equipment, or any other unsightly or offensive materials within the Property;

S. The placement or display on a Private Area of signs, billboards or advertising structures, except (i) signs utilized by Declarant in any sales, construction, or marketing program, (ii) street signs or monument signs maintained by Declarant or the Association, (iii) those approved in writing by the Architectural Review Committee (such as "security" signs conforming to Architectural Review Committee specifications); provided, however, that the Owner of each Private Area shall have the right to place one sign in a front window of the an Occupied Space on such Owner's Private Area to advertise such Private Area for sale or lease, provided that such sign shall be in a design, size, and location acceptable to the Architectural Review Committee. Notwithstanding the foregoing, no sign shall be nailed or otherwise attached to trees;

T. Keeping refuse, garbage or trash on the exterior portions of a Private Area, except--during any such time as the Association does not secure solid waste collection service for the Units operated in the Areas of Common Responsibility--when kept in covered, sanitary containers or bags designed for such purpose and brought to the exterior of a Private Area for purpose of removal pursuant to such Owner's separate service agreement with a local solid waste disposal service (e.g. Waste Management);

U. Utilizing Declarant's refuse disposal containers kept on Declarant's Units or any Area of Common Responsibility;

V. Placement or affixing of awnings, canopies or shutters (except as may be installed by Declarant or specifically authorized by Nevada law) upon the exterior walls or roofs of any Improvement on a Private Area, or any part thereof, without the prior written consent of the Architectural Review Committee;

W. Placement, affixing, or installation of window air conditioners;

X. Conducting any "garage", "estate", or "yard" sale;

Y. Placement, affixing, or installation of television satellite dishes, DBS antenna, MDS antenna, or transmission-only antenna, unless adhering to the following standards and restrictions:

(i) As to antenna, the relevant antenna is designed to receive (i) direct broadcast satellite service and/or video programming services via multipoint distribution services and is one (1) meter or less in diameter or by diagonal measurement, or (ii) television broadcast signals.

(ii) As to satellite dishes, the relevant satellite dish is not attached to any structure other than the side of the Occupied Space, or to a pole designed specifically for that purpose, and all external wiring projecting from the satellite dish is painted to match the Occupied Space. If a satellite dish is attached to a pole, the maximum allowable height from the ground to the top edge of the dish shall be no more than five feet (5'), but in no event shall it protrude above the surrounding property fence. All Satellite dishes must be fully screened from view from adjacent streets, sidewalks, and Common Elements.

Notwithstanding the foregoing, the Architectural Review Committee may authorize variances from one or more of the above-standards if it appears that the standard unreasonably delays or prevents installation, maintenance or use, or unreasonably increases the cost of installation or use or precludes reception of an acceptable quality signal. The Architectural Review Committee shall promptly consider all such applications so as not to unreasonably delay the installation, maintenance or use of the satellite dish or antenna. No other satellite dishes, television antenna, CB antenna or other antenna of any type shall be erected or maintained within the Community.

3. Void Provisions. If any provision of these Rules & Regulations is determined to be null and void, all other provisions of these Rules & Regulations shall remain in full force and effect.

4. Note Regarding Architectural Provisions. The provisions herein related to architectural standards constitute basic architectural controls for the Private Areas. Such provisions are minimum requirements, and such provisions in no way limit or alter the requirements set forth in Article 5 of the Declaration, or assure, upon compliance therewith, that the Architectural Review Committee will approve any particular request for construction, erection, installation, or modification of any Improvement upon a Private Area.

5. Right to Construct and Complete. The provisions set forth herein are subject to Declarant's and each Participating Developer's right to construct and complete Improvements within the Property at such party's sole and absolute discretion, as well as Declarant's and each Participating Developer's right to cause Impacts pursuant to Section 12.2(d) of the Declaration.

* * * * *

RECORDING REQUESTED BY, AND
WHEN RECORDED RETURN TO:

Carson Tahoe Executive Community LLC
575 Double Eagle Ct, Suite 210
Reno, Nevada 89511

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

**DECLARATION
OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
AND
RESERVATION OF EASEMENTS
FOR
CARSON TAHOE EXECUTIVE PARK**

TABLE OF CONTENTS

| | |
|---|----|
| PART ONE: CREATION OF THE COMMUNITY; GENERAL CONCEPTS..... | 1 |
| ARTICLE 1 CREATION OF THE COMMUNITY | 2 |
| 1.1 Creation of the Carson Tahoe Executive Park Community; Applicability of the Act..... | 2 |
| 1.2 Subject Property; Binding Effect..... | 2 |
| 1.3 Community Association..... | 3 |
| 1.4 Governing Documents..... | 3 |
| ARTICLE 2 DEFINITIONS..... | 4 |
| PART TWO: COMMUNITY STANDARDS..... | 12 |
| ARTICLE 3 RULES | 13 |
| 3.1 Rules Generally..... | 13 |
| 3.2 Notice and Effectiveness..... | 13 |
| 3.3 Owner Acknowledgement and Notice to Purchasers..... | 13 |
| 3.4 Limitations..... | 14 |
| ARTICLE 4 GENERAL USE RESTRICTIONS | 15 |
| 4.1 Compliance Generally..... | 15 |
| 4.2 Community-Wide Development Restrictions..... | 15 |
| 4.3 Subdivision and Relocation of Boundaries..... | 19 |
| 4.4 Areas of Common Responsibility..... | 19 |
| ARTICLE 5 ARCHITECTURAL GUIDELINES..... | 19 |
| 5.1 Creation of Architectural Review Committee | 19 |
| 5.2 Requirement of ARC Approval | 19 |
| 5.3 Architectural Guidelines..... | 21 |
| 5.4 Review Procedures..... | 21 |
| 5.5 Performing the Work..... | 23 |
| 5.6 No Waiver..... | 23 |
| 5.7 Variances..... | 23 |
| 5.8 Liability..... | 23 |
| ARTICLE 6 MAINTENANCE GUIDELINES..... | 24 |
| 6.1 Maintenance of Private Areas | 24 |
| 6.2 Operation and Maintenance of Association Property and Areas of Common Responsibility..... | 28 |
| 6.3 Association Maintenance on Units..... | 30 |
| 6.4 Damage to and Destruction of Private Area Improvements | 31 |
| PART THREE: ASSOCIATION GOVERNANCE AND FINANCES..... | 33 |

| | |
|--|----|
| ARTICLE 7 THE ASSOCIATION AND ITS MEMBERS | 33 |
| 7.1 Formation of the Association..... | 33 |
| 7.2 Board of Directors..... | 34 |
| 7.3 Membership. | 34 |
| 7.4 Transfer of Membership. | 35 |
| ARTICLE 8 POWERS AND DUTIES OF THE ASSOCIATION | 35 |
| 8.1 Powers.:..... | 35 |
| 8.2 Duties of the Association.: | 36 |
| 8.3 Limitations on Authority of Board. | 39 |
| 8.4 Personal Liability..... | 40 |
| ARTICLE 9 ASSOCIATION FINANCES | 40 |
| 9.1 Common Expenses Generally; Liability for Common Expenses. | 40 |
| 9.2 Assessments..... | 41 |
| 9.3 Collection Matters..... | 44 |
| 9.4 Transfer Fee. | 45 |
| 9.5 Subsidy Agreements. | 45 |
| PART FOUR: COMMUNITY DEVELOPMENT..... | 45 |
| ARTICLE 10 DECLARANT RIGHTS..... | 45 |
| 10.1 General..... | 45 |
| 10.2 Special Declarant’s Rights..... | 46 |
| 10.3 Declarant’s Development Rights..... | 47 |
| 10.4 Declarant’s Right to Complete..... | 49 |
| 10.5 Right to Approve Additional Covenants..... | 49 |
| 10.6 Priority of Declarant’s Rights.. | 50 |
| 10.7 Assignment of Declarant’s Rights.. | 50 |
| 10.8 Limitations on Rights..... | 50 |
| ARTICLE 11 RESERVED..... | 50 |
| ARTICLE 12 ADDITIONAL PROPERTY RIGHTS AND EASEMENTS..... | 50 |
| 12.1 Rights Related to Common Elements..... | 50 |
| 12.2 Additional Easement Rights. | 53 |
| 12.3 Miscellaneous Rights..... | 58 |
| 12.4 Self-Operative Provisions. | 59 |
| 12.5 Connected Limited Common Elements..... | 59 |
| PART FIVE: COMMUNITY RELATIONSHIPS..... | 61 |
| ARTICLE 13 RIGHTS OF LENDERS | 61 |
| 13.1 Owner Encumbrance..... | 61 |
| 13.2 Priority Issues..... | 61 |
| 13.3 Notice to Eligible Mortgage Holders..... | 62 |
| 13.4 Insurance Proceeds and Condemnation Awards..... | 62 |
| 13.5 Appearance at Meetings..... | 62 |

| | | |
|--|---|----|
| 13.6 | Examination of Records..... | 62 |
| ARTICLE 14 DISPUTE RESOLUTION AND ENFORCEMENT OF GOVERNING DOCUMENTS..... | | |
| | | 62 |
| 14.1 | General..... | 62 |
| 14.2 | Remedies..... | 62 |
| 14.3 | Expenses and Attorneys’ Fees..... | 64 |
| 14.4 | No Implied Waiver.. | 64 |
| 14.5 | Mandatory Arbitration Provisions..... | 64 |
| ARTICLE 15 DISCLOSURES..... | | |
| | | 67 |
| 15.1 | Security and Charging Station Disclaimer..... | 67 |
| 15.2 | Public Facilities..... | 68 |
| 15.3 | Rockery Wall Rodent Disclosure..... | 68 |
| 15.4 | View Obstructions.. | 68 |
| 15.5 | The Airport..... | 69 |
| 15.6 | No Obligation of City or Authority to Maintain..... | 69 |
| 15.7 | Charging Stations..... | 69 |
| 15.8 | Mold..... | 70 |
| 15.11 | Surrounding Uses..... | 71 |
| ARTICLE 16 GENERAL PROVISIONS | | |
| | | 73 |
| 16.1 | Amendment..... | 73 |
| 16.2 | Termination of Former Owner’s Liability for Assessments | 74 |
| 16.3 | Notices..... | 74 |
| 16.4 | Approvals..... | 75 |
| 16.5 | Construction and Severability; Singular and Plural; Titles..... | 75 |
| 16.6 | Grantee’s Acceptance | 75 |

LIST OF EXHIBITS

| | |
|-------------------|---|
| Exhibit “A” | Legal Description of Phase One Property |
| Exhibit “B” | Legal Description of Annexable Property |

**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
AND RESERVATION OF EASEMENTS
FOR
CARSON TAHOE EXECUTIVE PARK**

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS AND RESERVATION OF EASEMENTS FOR CARSON TAHOE EXECUTIVE PARK is made by Declarant as of the Effective Date. Capitalized terms used herein shall have the meanings set forth in Article 2.

Declarant is the developer of Carson Tahoe Executive Park, a commercial subdivision located off Arrowhead Drive and immediately adjacent to the Carson City Airport in Carson City, Nevada. Declarant intends to develop Carson Tahoe Executive Park as a high-quality commercial center, complete with commercial office buildings capable of accommodating aircraft storage/use and related commercial center improvements.

Development of Carson Tahoe Executive Park will be conducted pursuant to applicable government standards. These standards include, potentially, (i) the Development Agreements, (ii) the Plans, and (iii) the Design Standards.

Carson Tahoe Executive Park will also be conducted pursuant to the terms and conditions of this Declaration and the Governing Documents. This Declaration and the Governing Documents, among other things, (i) establish and recognize Carson Tahoe Executive Park as a unique commercial center with common issues and concerns, (ii) create community standards for the use and maintenance of property within Carson Tahoe Executive Park, (iii) provide for the creation, operation, administration, and funding of an official community association for Carson Tahoe Executive Park, which association is charged with the task of ensuring compliance with said community standards, (iv) enable the orderly development of Carson Tahoe Executive Park by allowing development to proceed according to the dictates of community need and market demands, and (v) allow flexibility in responding to future changes in circumstances surrounding the development and use of properties within Carson Tahoe Executive Park.

Carson Tahoe Executive Park will also be conducted pursuant to the terms and conditions of set forth in CCMC Title 19.02.020.030. - RULES AND REGULATIONS; CCMC Title 19.02.020.100 - ACCEPTANCE OF RULES BY USE; and CCMC Title 19.03 - THROUGH-THE-FENCE AIRCRAFT OPERATION; and the Airport Access Privilege Permit issued by the Carson City Airport Authority for Through-the-Fence access to the Carson City Airport.

It is Declarant's intent that this Declaration and the Governing Documents work in harmony with the Development Agreements, Plans, and Design Standards so as to secure the orderly and efficient development of Carson Tahoe Executive Park. However, in the interest of clarity, this Declaration and the Governing Documents shall at all times remain subordinate and subject to the Development Agreements, Plans, and Design Standards.

PART ONE: CREATION OF THE COMMUNITY; GENERAL CONCEPTS

Article 1
Creation of the Community

1.1 Creation of the Carson Tahoe Executive Park Community; Applicability of the Act. Declarant hereby declares the creation of a common-interest community comprised of the Property. The name of such community is the “Carson Tahoe Executive Park Community.” Declarant intends that this Declaration, in conjunction with the Development Agreements, Plans, and Design Standards create a general plan of development and community standards for all portions of the Carson Tahoe Executive Park Community now or hereafter made subject to this Declaration.

It must be emphasized that, as set forth in this Declaration, all Units within the Carson Tahoe Executive Park Community are restricted exclusively to nonresidential use. As such, the Act shall not apply to the Carson Tahoe Executive Park Community, except the provisions of NRS 116.3116 to 116.3117, inclusive, which shall apply.

1.2 Subject Property; Binding Effect. Initially, the Property of which the Carson Tahoe Executive Park Community is comprised shall consist of the Phase One Property. In the future, additional real property constituting portions of the Annexable Property may be added to the Property, and thus made a part of the Carson Tahoe Executive Park Community, by Recording one or more Supplemental Declarations in accordance with the terms and provisions of this Declaration.

The Phase One Property, and any Annexable Property that is added to the Property and thereby made a part of the Carson Tahoe Executive Park Community in the future by Recording one or more Supplemental Declarations, shall be held, conveyed, encumbered, leased, used, occupied, improved, and otherwise affected in any manner subject to all of the provisions of this Declaration, which shall be deemed to run with the land as covenants running with the land or as equitable servitudes, as the case may be. This Declaration shall be binding upon all persons having any right, title, or interest in any portion of the Property, their heirs, successors, successors-in-title, and assigns.

Unless otherwise provided by Nevada law, this Declaration shall run with the land and have perpetual duration. This Declaration may be terminated only by a Recorded instrument to that effect signed, with notarization, (i) at any time by all Owners, and (ii) beginning twenty (20) years from the Effective Date, by Owners of at least eighty percent (80%) of the Voting Power of the Association and Declarant, so long as Declarant or any Affiliate of Declarant owns any land described on **Exhibit “A”** and/or **“B.”** Such an instrument may be executed in counterparts. Nothing in this Section shall be construed to permit termination of any easement or similar right created in this Declaration all of which shall survive termination of this Declaration absent the written consent to termination of the holder of such easement or right. Termination of this Declaration is also subject to any provisions limiting such termination in any Development Agreements, Plans, or Design Standards.

1.3 Community Association. The successful implementation of any community plan requires a measure of organization. In order to organize the property owners within the Carson Tahoe Executive Park Community toward the implementation of the community plan and standards described in this Declaration, Declarant shall form the Association. The Association, to be comprised of the Members, will be the official organization of property owners within the Carson Tahoe Executive Park Community, and will advance and protect the Carson Tahoe Executive Park Community by administering and maintaining community standards, all as set forth in this Declaration.

1.4 Governing Documents. This Declaration constitutes the primary document governing the creation and operation of the Carson Tahoe Executive Park Community. A number of other documents supplement and support the concepts, standards, and provisions set forth herein. Taken together, the Governing Documents of the Carson Tahoe Executive Park Community are as follows:

- this Declaration, which creates the Carson Tahoe Executive Park Community and generally establishes standards for its development, use, operation, and maintenance;
- each Supplemental Declaration, which may, among other things, add real property to the Property, create or add Areas of Common Responsibility, create additional use restrictions and development standards for certain portions of the Property, and/or create Limited Common Elements and/or Cost Centers for certain portions of the Property;
- the Articles of Incorporation of the Association, which incorporate the Association as a nonprofit corporation under the laws of the State of Nevada;
- the Bylaws of the Association, which govern the Association's internal affairs, including, without limitation, voting and election procedures, notice for and conduct of meetings, and appointment of officers;
- the Rules of the Association, which govern the use of property, certain activities, and certain conduct within the Carson Tahoe Executive Park Community;
- the Architectural Guidelines, which establish particular architectural standards and procedures governing improvements and modifications to Private Areas and the structures and landscaping located thereon;
- such resolutions as the Board may adopt from time to time in accordance with the other Governing Documents; and
- and any other documents that govern the operation of the Carson Tahoe Executive Park Community or the Association.

The Governing Documents shall be construed to be consistent with one another to the extent possible. If there exists any irreconcilable conflicts or inconsistencies among the Governing Documents, then terms and provisions of this Declaration shall prevail, and thereafter the Articles

shall prevail over the Bylaws, the Architectural Guidelines and the Rules, and the Architectural Guidelines shall prevail over the Rules.

Article 2 **Definitions**

The terms used in the Governing Documents shall generally be given their natural, commonly accepted definitions unless otherwise specified. Capitalized terms shall be defined as set forth below, and shall incorporate the concepts set forth in each definition. As used herein or in any Supplemental Declaration, the numeric designation of a Unit corresponds to the lot bearing the identical numeric designation on the Plats. Thus, by way of example only, Unit 8 corresponds solely to Lot 8 (or Lot #8, as applicable), as shown on the Plats. Similarly, the numeric designation of a Private Area corresponds to the Unit bearing the identical numeric designation. Thus, by way of example only, Private Area 8 corresponds solely to Unit 8.

“**AAA**”: As defined in Section 14.5(b).

“**Access Permit**”: That certain Airport Access Privilege Permit to be entered into by and between the Association and the Authority after the Effective Date granting the Association “through-the-fence” access to the Airport, as amended from time to time.

“**Act**”: Collectively, NRS Chapter 116 and NRS Chapter 116A, as they may be amended from time to time.

“**Affiliate of Declarant**”: Any individual, corporation, joint venture, partnership, trust or other entity which directly or indirectly controls Declarant; or any corporation, joint venture, partnership, trust or other entity owned or controlled, directly or indirectly, by Declarant or by any individual, corporation, joint venture, partnership, trust or other entity which directly or indirectly controls Declarant. As used herein, “control,” or words of similar import, means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of the relevant party, whether through the ownership of voting securities, by contract, or otherwise.

“**Airport**”: The Carson City Airport, Carson City, Nevada, owned by the City and operated by the Authority.

“**Annexable Property**”: That certain real property described in **Exhibit “B”** which may hereafter be brought within the terms of this Declaration as part of the Property pursuant to Section 10.3.

“**Annual Assessment**”: As defined in Section 9.2(a)(i).

“**Applicant**”: The Owner of a Private Area or the Association, as applicable, under an application seeking any approval required from the ARC pursuant to Article 5 of this Declaration.

“**Architectural Guidelines**”: Rules and regulations adopted by the Architectural Review Committee from time to time, in its sole discretion, establishing the architectural, design, and

construction guidelines and application and review procedures applicable to improvement and development of the real property comprising the Carson Tahoe Executive Park Community (other than any real property owned by Declarant, which is exempt from the Architectural Guidelines). The Architectural Guidelines promulgated by the Architectural Review Committee may be adopted, amended, and repealed by majority vote of the Architectural Review Committee. Subject to restrictions in any Development Agreement, set of Plans, or Design Standards, Architectural Guidelines may be different for different areas within the Carson Tahoe Executive Park Community. The Architectural Guidelines will establish architectural standards and guidelines for improvements and modifications to Private Areas, including structures, landscaping, and other items located thereon.

“Architectural Review Committee” or “ARC”: The architectural review committee for the Carson Tahoe Executive Park Community created pursuant to Section 5.1.

“Areas of Common Responsibility”: The Common Elements, together with such other areas (i) for which the Association has, is given, or assumes responsibility pursuant to the terms of this Declaration, any Supplemental Declaration, the Access Permit, or other applicable covenants, contracts, assignments, or agreements (including, without limitation, any Cost Sharing Agreement), or (ii) which are designated as areas to be maintained by Owners collectively, or by an association of owners of real property exclusively within the Carson Tahoe Executive Park Community, pursuant to (A) the Development Agreements, Plans, Design Standards, or any permit, license, certificate, consent or approval issued by the City, or other governmental authorities in connection with development of the Property, or (B) any easement, license, permit, right-of-way, or other servitude obtained by Declarant in connection with development of the Property. For purposes of clarification, the Connected Limited Common Elements are Limited Common Elements, and thus Common Elements included within the foregoing definition of Areas of Common Responsibility, but shall generally be subject to unique provisions herein regarding maintenance, use, and other matters not generally applicable to the Areas of Common Responsibility.

“Articles” or “Articles of Incorporation”: The Articles of Incorporation of the Association filed with the Nevada Secretary of State, as amended from time to time.

“Association”: Carson Tahoe Executive Park Community Association, a Nevada nonprofit corporation.

“Association Cards”: Those privilege cards which may be issued by the Association in accordance with the terms and conditions set forth herein and in the Rules, and which confer upon the licensee certain privileges of access to and use of Areas of Common Responsibility. As determined by the Board of Directors, Association Cards may be photo identification cards, RFID key fobs or cards, or other access control cards or devices.

“Association Property”: 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.

“Authority”: The Airport Authority of Carson City, a body corporate and politic organized under Chapter 844, Statutes of Nevada 1989, as amended.

“Beneficiary”: A beneficiary, mortgagee, or holder of a Deed of Trust, and/or the assignee of such beneficiary, mortgagee, or holder.

“Board” or **“Board of Directors”**: The Board of Directors of the Association, and synonymous with “board of directors” as used in NRS Chapter 82.

“Bound Parties”: Collectively Declarant, the Association, each Owner, and each other party bound by this Declaration, each of which may be individually referred to herein as a “Bound Party.”

“Budget”: As defined in Section 9.2(a)(i).

“Bylaws”: The Bylaws of the Association, as amended from time to time. The Bylaws govern the Association’s internal affairs, including, without limitation, voting rights, election procedures, meetings, and appointment of officers.

“Carson Tahoe Executive Park Community”: The common-interest community comprised of the Property and created by this Declaration, as described in Section 1.1

“City”: Carson City, Nevada, a consolidated municipality of the State of Nevada.

“Charging Station” means a machine, together with the motor vehicle parking stall(s) associated with such machine, that supplies an electric power source for charging the battery of an Electric Vehicle.

“Claim” or **“Claims”**: As defined in Section 14.5(a).

“Claimant”: All Owners (excluding Declarant and each Participating Developer), the Association, and their respective successors, heirs, assigns, subsequent Owners, and any third party claiming any right or interest in the Property through the foregoing.

“Common Elements” and **“Common Area”**: Any real property within the Carson Tahoe Executive Park Community that is owned or leased by the Association (including, without limitation, all easements and servitudes appurtenant thereto), other than a Unit.

“Common Expenses”: Expenditures made by, or financial liabilities of, the Association, together with any allocations to reserves. For purposes of Article 9 below, Common Expenses are broken into the following categories: (i) **“General Common Expenses”**: Common Expenses incurred for the benefit of all Units (such as, by way of example, Common Expenses incurred as general overhead and administrative costs of operating the Association); (ii) **“Limited Common Expenses”**: Common Expenses incurred for the benefit of a group of Units, but less than all the Units (such as, by way of example, Common Expenses incurred in connection with maintaining Cost Center Improvements, providing services to a select group of Units (whether or not in a Cost

Center), and the Association's maintenance activities under Section 6.3 or Section 6.4); and (iii) **"Individual Common Expenses"**: Common Expenses incurred solely in relation to a particular Private Area (such as, by way of example, Common Expenses incurred to bring a Unit into compliance with the Governing Documents, to enforce the Governing Documents against a particular Private Area, to pay real property taxes or personal property taxes of a particular Unit's Owner as may be required under the Access Permit, or to pay for the cost of any other work performed by the Association for such Owner's account pursuant to the provisions of this Declaration, and any costs or expenses incident thereto, including but not limited to attorneys' fees and court costs).

"Common Expense Allocation Commencement Date": For all Units created on a particular Plat, the first day of the calendar month following the date on which is closed and Recorded the first sale to a non-Declarant Owner of any Unit shown on such Plat.

"Community Systems": Any and all cable television, telecommunication, alarm/monitoring, internet, telephone or other lines, conduits, wires, amplifiers, towers, antennae, satellite dishes, equipment, materials and installations and fixtures (including those based on, containing and serving future technological advances not now known), if installed by Declarant or pursuant to any grant of easement or authority by Declarant within the Property. Declarant shall be under no obligation to install any such Community Systems.

"Connected Limited Common Element" or "Connected Limited Common Area": Individually, any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, terraces, paths, utility meters, pads and mounts for heating and air-conditioning systems, patios and all exterior doors and windows or other fixtures designed to serve a single Occupied Space on a Unit, but located outside such Unit's boundaries, and allocated as a Limited Common Element to such Unit under Section 12.5(a) below or pursuant to a Supplemental Declaration, as applicable, and collectively all such areas.

"Construction": As defined in Section 12.2(d).

"Construction Industry Rules": As defined in Section 14.5(b).

"Cost Center": A group of Units to which is exclusively allocated (i) Limited Common Elements or (ii) certain Improvements ("Cost Center Improvements") or (iii) services to be performed by the Association, as more particularly set forth in a Supplemental Declaration creating such Cost Center and making such allocations. Each Cost Center, the Units within such Cost Center, and the Cost Center Improvements and/or Limited Common Elements within such Cost Center (and/or the Association services related to such Cost Center) shall be designated in this Declaration or in a Supplemental Declaration creating the applicable Cost Center.

"Cost Sharing Agreement": An agreement entered into between Declarant or the Association, on one hand, and one or more third-party developers, on the other hand, regarding the sharing of costs associated with the maintenance of Common Areas or Common Expenses, and covering such other matters to which the parties thereto may agree. Any such Cost Sharing

Agreement shall be deemed an agreement among owners of separately owned parcels for purposes of Section 116.1209 of the Act, and thus shall not be deemed to create a common-interest community.

“Declarant”: CTE Development, LLC, a Nevada limited liability company, which has made and executed this Declaration, or any successor, successor-in-title, or assignee who takes title to any portion of the real property described in **Exhibit “A”** or **Exhibit “B”** for the purpose of development and/or sale and who is designated as Declarant in a Recorded instrument executed by the immediately preceding Declarant.

“Declarant’s Control Termination Date”: The date on which Declarant’s and/or its designees’ rights under Section 10.2(a)(x) terminate, which shall be the earlier of (i) the date on no Declarant or Affiliate of Declarant owns any portion of the real property described in **Exhibit “A”** or **“B”**, (ii) the date on which Declarant voluntarily terminates said rights pursuant to a Recorded instrument to that effect executed by Declarant, and (iii) the fifty (50) year anniversary of the Effective Date.

“Declaration”: This Declaration of Covenants, Conditions, and Restrictions and Reservation of Easements for Carson Tahoe Executive Park, as amended and supplemented from time to time, including, without limitation, as amended and supplemented by each Supplemental Declaration.

“Deed of Trust”: Any form of security instrument encumbering title to a Unit as security for an obligation, including a mortgage, deed of trust, trust deed, security deed, or other consensual lien or title retention contract intended as security for an obligation.

“Design Standards”: Collectively, any “design standards” contained in any Development Agreements and/or Plans or otherwise approved by relevant governmental authorities, each as amended from time to time.

“Developing Party”: Declarant, each Participating Developer, any contractor, supplier, subcontractor, or design professional, and their respective predecessors, successors, subsidiaries, and/or affiliated corporations, parent companies, sister companies, divisions, or other entities, partners, joint venturers, affiliates, owners, officers, directors, employees, shareholders, agents, and assigns.

“Development Agreements”: Collectively, any development agreements now or hereafter entered into between the City and Declarant or the Authority and Declarant, each as amended from time to time.

“Development Rights”: Collectively, the rights reserved to Declarant pursuant to Section 10.3 below.

“Effective Date”: The date this Declaration is Recorded.

“Electric Vehicle”: A personal, operable motor vehicle propelled wholly or in part by an electric motor, which electric motor derives power from a battery that may be charged by plugging the battery into an electric power source. For clarification, “Electric Vehicle” includes so-called battery electric vehicles, all-electric vehicles, and plug-in hybrid electric vehicles, but does not include hybrid electric vehicles or any other vehicle the electric motor for which derives power from a battery charged by regenerative braking rather than plugging in to an electric power source.

“Electric Airplane or eVTOL”: eVTOL (electric vertical take-off and landing) aircraft is an aircraft that uses electrical power to hover, take off and land vertically. These vehicles are aircraft optimized for electrical propulsion powered by banks of batteries that may be charged by plugging the battery into an electric power source.

“Eligible Mortgage Holder”: As defined in Section 13.3.

“FAA”: The United States Department of Transportation Federal Aviation Administration.

“First Deed of Trust”: The most senior Deed of Trust on a Unit.

“Foreign Object Debris or FOD”: FOD is any object, live or not, located in an inappropriate location in the airport environment that has the capacity to injure airport or air carrier personnel and damage aircraft.

“Governing Documents”: This Declaration, the Plats, any Supplemental Declaration, the Articles, the Bylaws, the Rules, the Design Guidelines, all resolutions of the Board adopted from time to time pursuant to the other Governing Documents, and any other documents that govern the operation of the Carson Tahoe Executive Park Community or the Association, as each may be amended from time to time. Any exhibit, schedule or certification accompanying any Governing Document shall be deemed a part thereof.

“Impacts”: As defined in Section 12.2(d).

“Improvement”: All structures, and works of improvement and appurtenances thereto, of every type and kind, including but not limited to buildings, outbuildings, garages, carports, roads, driveways, parking areas, trails, fences, screening walls, retaining walls, stairs, decks, landscaping, utility lines, drainage facilities, ponds, hedges, windbreaks, planting, planted trees, shrubs, poles, animal pens, signs, exterior air conditioning, water softener, satellite dishes, antennae, pylon and/or monument signage, fixtures or equipment.

“Joint Driveway Systems”: A driveway which is built as a joint part of two (2) adjoining Units in connection with the original construction of the Occupied Spaces on those Units, if the portion of the driveway upon each Unit is joined at the boundary of the two Units.

“Joint Fence Systems”: A fence built along the common boundary of two (2) Private Areas.

“Joint Foundation Systems”: A foundation which is built as a joint part of two (2) attached Occupied Spaces in the original construction of those Occupied Spaces, if the portion of the foundation underlying each Occupied Space is joined at the boundary of the two Occupied Spaces.

“Joint Roof Systems”: A roof built as a joint part of two (2) attached Occupied Spaces in the original construction of those Occupied Spaces, if the portion of the foundation covering each Occupied Space is joined at the boundary of the two Occupied Spaces.

“Joint Wall Systems”: The walls built as a joint part of two (2) attached Occupied Spaces in the original construction of those Occupied Spaces, and which separate those Occupied Spaces and contain elements which connect the demising walls between the two (2) Occupied Spaces.

“Limited Common Elements” or **“Limited Common Areas”**: A portion of the Common Elements primarily benefiting one or more, but less than all, Units, as more particularly designated and described herein or in a Supplemental Declaration, including, without limitation, the Connected Limited Common Areas.

“Major Controversy”: A civil action by the Association other than a civil action to (i) enforce the payment of an assessment, fine, or construction penalty, (ii) enforce a contract with a vendor, or (iii) enforce the Governing Documents.

“Manager”: A person or entity possessing all licenses and certifications required by the Act, and employed or engaged to perform management services for the Property and the Association.

“Member” or **“Association Member”**: Every person or entity who holds a membership in the Association pursuant to the provisions of this Declaration, the Articles and the Bylaws.

“Notice” and **“Notify”**: The giving of any notice required by this Declaration or the notice itself. Notice may be given in any manner permitted under the Governing Documents, including, if so permitted: U.S. mail; electronic telecommunication (fax or “e-mail”) with confirmation of receipt; publication in the community newsletter delivered or mailed to each Owner (provided that such notice is clearly identified under a separate headline in the newsletter) or posting.

“NRCP”: As defined in Section 14.5(b).

“NRS”: The Nevada Revised Statutes.

“Occupied Space”: Each building or structure situated upon a Unit that is intended for use and occupancy as an attached or detached commercial space for a single commercial user.

“Owner”: Any person or entity, including Declarant, holding record title in a Unit, but excluding in all cases any person or entity holding an interest merely as security for the performance of an obligation. If a Unit is sold under a Recorded contract of sale, and such contract specifically so provides, the purchaser thereunder will be considered the Owner.

"Participating Developer": Any person or entity designated as such in writing by Declarant and who (i) holds a Unit or Units in the Property for the purpose of constructing Improvements thereon for later sale to third party buyers in the ordinary course of such person's/entity's business, or (ii) holds one or more parcels of real property within the Property for further subdivision, development, and/or resale in the ordinary course of its business.

"Phase One Property": That certain real property described in **Exhibit "A"** attached hereto and incorporated herein by this reference, which real property is the initial Property subject to this Declaration and comprising the Carson Tahoe Executive Park Community.

"Plans": Collectively, the plans, handbooks, schedules, development applications, the Plats, and associated conditions approved by the City or the Authority for the establishment of the Carson Tahoe Executive Park Community as a planned development, each as amended from time to time.

"Plat": A Subdivision Map for any portion of the Property and to the extent related to the Property, together with such other information regarding the Property as may be required by other laws, or included in the discretion of Declarant.

"Private Area": A Unit and the Connected Limited Common Elements allocated thereto under Section 12.5(a) below or pursuant to a Supplemental Declaration, as applicable, together with such Unit's rights thereto created under the Governing Documents.

"Property": The Phase One Property, together with such additional real property as is made subject to this Declaration in accordance with Section 10.3.

"Record", "Recording", or "Recorded": To file, the filing, or filed of record with the Office of the Recorder of Carson City, Nevada. The date of Recording shall refer to that time at which a document, map, or Plat is Recorded.

"Roof Deck": That portion of the roof of a Private Area directly accessible by man-door from the interior of such Private Area and intended per the plans for the Occupied Space thereon for use as a deck/patio/balcony area, and excluding all other portions of the roof of such Private Area.

"Rules": Rules, regulations, restrictions and guidelines adopted by the Board from time to time, in its sole discretion, (i) governing the use of the Areas of Common Responsibility and the conduct of persons in connection therewith (including, without limitation, requirements for the presentation of Association Cards, as may be issued by the Association, for access and use of the Areas of Common Responsibility), (ii) governing an Owner's use and/or maintenance of his or her Private Area, (iii) governing enforcement of the restrictions contained in the Rules (including, without limitation, notice and hearing procedures), and/or (iv) as otherwise permitted under this Declaration. Subject to restrictions in any Development Agreement, set of Plans, Design Standards, or other governmental land use controls that may apply, Rules may be different for different areas within the Carson Tahoe Executive Park Community.

“Shared Improvements”: The term “Shared Improvements” refers collectively to the Joint Driveway Systems, the Joint Fence Systems, the Joint Foundation Systems, the Joint Roof Systems, and the Joint Walls Systems.

“Special Assessment”: As defined in Section 9.2(b).

“Subdivision Map”: A final subdivision map, parcel map, or record of survey subdividing the Property or any portion thereof approved by the City and Recorded, each as may be amended and supplemented from time to time.

“Supplemental Declaration”: A Recorded document executed by Declarant that amends this Declaration pursuant to Sections 10.2 and 10.3, and/or that serves for (i) the exercise of any Development Right, and/or (ii) creates a Cost Center, and allocates thereto (A) Limited Common Elements or (B) certain Improvements (“Cost Center Improvements”) or (C) services to be performed by the Association, and/or (iii) the creation or addition of new Limited Common Elements (including, without limitation, Connected Limited Common Elements) or Areas of Common Responsibility, and/or (iv) sets forth additional restrictions, easements, or covenants that may be applicable to some or all of the Private Areas subject to such Supplemental Declaration. A Supplemental Declaration shall designate, if applicable, the Cost Center it creates, the Units within such Cost Center, and the Cost Center Improvements and/or Limited Common Elements within such Cost Center, and/or the Association services related to such Cost Center.

“Trustee”: The entity which may be designated by the Board of Directors as the trustee for the receipt, administration and disbursement of funds derived from insured losses, condemnation awards, special assessments for uninsured losses and other sources. If no Trustee has been designated, the Trustee shall be the Board of Directors acting by majority vote, as executed by the president and attested by the secretary.

“Unit”: A physical portion of the Property depicted as a lot or parcel on the Plat and intended for improvement with an Occupied Space for a single commercial user (whether or not so improved), but expressly excluding, for clarification, Common Elements (other than Common Elements constituting easements over a Unit), and real property dedicated to the public on a Plat. The term shall refer to the land, if any, that is part of the Unit as well as any Improvements thereon. The boundaries and identifying number of each Unit shall be as delineated on the Plat creating such Unit.

“Voting Power of the Association”: At any particular time, the total votes in the Association allocated in accordance with Section 7.3(c)(ii), inclusive of all Units.

PART TWO: COMMUNITY STANDARDS

The Governing Documents establish, as part of the general plan of development for the Property, community standards governing the use and improvement of the Property. Subject to restrictions in any Development Agreement, set of Plans, or Design Standards, community standards may be different for different areas within the Carson Tahoe Executive Park Community.

The community standards governing the use and improvement of any particular portion of the Property shall be the general community standards set forth in this Declaration, together with the Rules, Architectural Guidelines, and any Supplemental Declaration applicable to such portion of the Property. These community standards are in addition to any that may be set forth in the Development Agreements, Plans, Design Standards, the NRS, applicable provisions of the Carson City Municipal Code, applicable FAA regulations, and the various approvals, entitlements, and permits issued by applicable governmental authorities in connection with development of the Property. In the event standards and restrictions are addressed in both this Declaration and any of the preceding, the more restrictive standard shall apply.

Article 3 **Rules**

3.1 Rules Generally. Subject to the terms of this Article and the Board's duty to exercise business judgment on behalf of the Association and its Members, the Board shall have the power to adopt, create, enforce, amend, modify, cancel, repeal, limit, create exceptions to, and/or expand the Rules.

Furthermore, the Association and its Members through-the-fence access to the Airport's Air Operation Area (AOA) are subject to the terms and rules set forth in the Airport Access Privilege Permit and CCMC Title 19.

Without limiting the generality of the foregoing, in connection with the use of the Areas of Common Responsibility and to the extent compliant with Section 4.2(i) below, the Board may impose Rules with regard to utilization of any right or privilege arising under the Access Permit, including, without limitation, requirements for the presentation of Association Cards, as may be issued by the Association, for access to and from the Airport over the Areas of Common Responsibility. Furthermore, and notwithstanding anything herein the contrary, the Board may impose Rules as generally necessary or useful to implement and enforce its approval rights under Section 4.2(m) below.

3.2 Notice and Effectiveness. At least thirty (30) days prior to the effective date of any action taken under Section 3.1, the Board shall Notify each Owner of the new Rules or explanation of any modifications to the existing Rules (which Notice shall include a copy of any new or modified Rules), and specify the effective date. Upon written request by a Member or Beneficiary, the Association shall provide, without cost, a copy of the newly revised Rules to such requesting Member or Beneficiary.

3.3 Owner Acknowledgement and Notice to Purchasers. An Owner shall comply, and shall cause such Owner's employees, customers, tenants, guests and invitees to comply, with all Rules applicable to such Owner's Private Area, Areas of Common Responsibility, and the Airport. All Owners shall be deemed to have notice that use of their Private Areas and the Areas of Common Responsibility is limited by the Rules as may be created, amended, expanded, and otherwise modified. Each Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of his or her Private Area can be affected by this provision and

that the Rules may change from time to time as provided under Section 3.1. All purchasers of Private Areas are on notice that changes may have been adopted by the Association. Copies of the current Rules may be obtained from the Association.

3.4 Limitations. The Rules shall be subject to the following limitations and provisions:

(a) **No Authorization to Change Architectural Guidelines.** No action taken under this Article shall have the effect of modifying, repealing or expanding the Architectural Guidelines. In the event of a conflict between the Architectural Guidelines and the Rules, the Architectural Guidelines shall control.

(b) **Reasonable Rights to Develop.** No Rule, or any other action by the Association or Board, shall unreasonably impede or interfere with the rights of Declarant or any Participating Developer to develop the Property, as determined in Declarant's sole and absolute discretion.

(c) **Activities Within Occupied Spaces.** No Rule shall interfere with the activities carried on within the confines of an Occupied Space, except that the Rules may restrict or prohibit any activities that create material monetary costs for the Association or other Owners, that create a material danger to the health or safety of occupants of other Occupied Spaces, that generate excessive noise, traffic or odor, that create unsightly conditions visible outside the Occupied Space, that create an unreasonable source of annoyance, or that otherwise violate or fail to comply with any law (including, without limitation, restrictions on any of the aeronautical uses specified in the Carson City Airport Rules and Regulations contained in Title 19, Chapter 19.02 of the Carson City Municipal Code (as amended or relocated from time to time), regarding sale of fuel, parts, service or maintenance of aircraft).

(d) **Displays; Signs.** The right of Owners to display religious and holiday signs, symbols, and decorations, inside structures on their Units shall not be abridged, except that the Rules may, to the maximum extent permitted by applicable law, regulate the time, place, manner and duration of any displays visible from outside the Occupied Spaces. No Rule shall regulate the content of political signs; however, Rules may, to the maximum extent permitted by applicable law, regulate the time, number, place and manner of posting such signs (including reasonable design criteria). Notwithstanding anything herein or in the Rules to the contrary, during such time that Declarant is entitled to and does appoint any member of the ARC, the prior written approval of the Declarant shall be obtained for the erection, maintenance or display of "for sale" signs or "for lease" signs advertising the sale and/or lease of a privately owned Unit.

(e) **Abridging Existing Rights.** No Rule shall require an Owner to dispose of personal property that was in or on a Private Area prior to the adoption of such Rule if such personal property complied with all Rules previously in force. This exemption shall apply only during the period of such Owner's ownership of the Private Area and shall not apply to subsequent Owners who take title to the Private Area after adoption of the Rule.

(f) **Exclusivity.** No Rule, or any other action by the Association or Board, shall unreasonably impede or interfere with an Owner's general right to exclusive use of the Connected Limited Common Area allocated herein to such Owner's Unit, as determined in the Board's reasonable discretion. This foregoing shall not limit the Association's rights under Section 12.1(d)(ii), provided the Association complies with the terms thereof.

Article 4 **General Use Restrictions**

4.1 Compliance Generally.

(a) **Compliance With Governing Documents.** An Owner shall comply, and shall cause such Owner's employees, customers, tenants, agents, contractors, guests and invitees to comply, with the Governing Documents to the extent applicable to such Owner's Private Area, Areas of Common Responsibility, and the Airport, including, without limitation, each Supplemental Declaration and all Rules governing such Owner's Private Area. Similarly, the Association shall comply with the Governing Documents, as applicable.

(b) **Compliance With Applicable Law.** Declarant, the Association, each Owner, and every other person or entity bound by or subject to this Declaration shall comply with the Development Agreements, Plans, Design Standards, and each federal, state, municipal, or local law, ordinance, or regulation pertaining to the ownership, occupation, and/or use of any portion of the Property, including, without limitation, applicable provisions of the Carson City Municipal Code and FAA regulations.

4.2 Community-Wide Development Restrictions. The following development provisions and restrictions shall apply to the entire Carson Tahoe Executive Park Community:

(a) **General Compliance With the Plans.** Without limiting the generality of any other provision herein related to compliance with the Plans, and notwithstanding any other provision herein to the contrary, the Association and each Owner shall at all times comply with the design standards for the Property set forth in the Plans, including, without limitation, provisions set forth therein related to building heights, setbacks, screening of certain Improvements and areas on a Private Area, driveway design, slope grades, and maximum building coverage limitations.

(b) **Construction Procedures.** Prior to commencement of any construction activity within the Property, the Association or the relevant Owner, as applicable, and/or its contractor shall take appropriate precautions to protect the site from unnecessary damage and to reduce erosion and dust problems. The site shall be kept in a clean and orderly fashion at all times and the contractor shall have approved sanitary facilities on site as well as a garbage dumpster or other suitable device for regular disposal of trash. Except as to construction materials belonging to Declarant or its agents, and except as to an Owner using that portion of such Owner's Private Area generally fully enclosed by fencing for temporary storage of materials used in improving such area consistent with Article 5 below, no construction materials shall be dumped or stored on roadways or any Areas of Common Responsibility.

(c) **Commercial Use** .

(i) **Generally**. Each Private Area shall be used for commercial purposes allowed under applicable law and for no other purpose; provided, however, that employee, customer, and private lounge areas shall be permitted within an Occupied Space so long as such areas are not used as a temporary or permanent residence. For clarification, commercial operations providing residential quarters (e.g. transient or hotel lodging, vacation rentals, a public boarding house, home for a group of unrelated persons operated or financed by a public or private institution, sanitarium, hospital, asylum, or institution of any kindred nature) shall not be deemed commercial purposes hereunder and are prohibited within the Property by this Section 4.2(c).

(ii) **Prohibition on Fixed Base Operations and Fuel Storage**. Notwithstanding Section 4.2(c)(i) above or any other provision of the Governing Documents to the contrary, no Private Area may be used to carry on any commercial aeronautical services (as defined in Carson City Municipal Code Section 19.02.020.010) or any of the aeronautical uses specified in the Carson City Airport Rules and Regulations contained in Title 19, Chapter 19.02 of the Carson City Municipal Code, regarding sale of fuel, parts, service or maintenance of aircraft (as each such statutory provision may be amended or relocated from time to time). Furthermore, fuel storage tanks shall not be allowed on any Private Area.

(iii) **Aircraft Limit and Registration**. Each Unit shall have no more than four (4) resident aircraft that are owned or leased by the Owner, whether operable or inoperable, in regular storage and use at any time. Prior to bringing any aircraft onto the Property, the relevant Owner shall promptly give the Association notice of such aircraft, including appropriate identifying information for the aircraft (FAA N-Number, manufacturer, year, and model), its estimated duration of stay upon the relevant Private Area (if not perpetual), and certification that all personal property taxes have been paid current for such aircraft.

(d) **Access Limitations**. There shall be no motorized or vehicular access to any Private Area within the Property except from designated streets, roads, driveways, and/or taxiways as shown on the Plats. Furthermore, pedestrians may not enter any taxilane, taxiway, runway, obstacle free zone, runway protection zone, restricted area or area closed to the public on the Common Elements, except as authorized by the Board or where designated by the Board as an accessway to hangar areas.

(e) **Animals**. The raising, breeding, or keeping of any animal, fowl, reptile, poultry, fish or insects of any kind ("animals") within the Property is prohibited, except that a reasonable number of dogs, cats or other common household pets may be brought upon an Occupied Space during its normal hours of operation, provided that they are not kept, bred or maintained for any commercial purpose, nor in unreasonable quantities, nor in violation of any applicable local ordinance or this Declaration (as used herein "unreasonable quantities" shall ordinarily mean more than two (2) pets at any particular time; provided, however, that the Board may determine that a reasonable number in any instance may be more or less, and may determine as "unreasonable" the maintenance of any animal that constitutes, in the opinion of the Board, a

nuisance to other Owners in the Property). Furthermore; animals are prohibited from the Areas of Common Responsibility unless on a leash, in a cage, or inside a closed room.

(f) **Parking.** Except as to Declarant, a Participating Developer, and/or their respective agents during the construction of Improvements within the Property, no Owner of a Private Area shall engage in, or permit such Owner's customers, employees, tenants, guests or invitees to engage in, the parking of automobiles, aircraft, vehicles or equipment, motor homes, recreational vehicles (including recreational vehicles designed for off-road use), golf carts, boats and other watercraft, trailers, or inoperable vehicles anywhere within the Property, including the driveway or taxiway apron of a Unit, other than enclosed garages/hangars; provided, however, that (i) operable cars and trucks may be parked in portions of the Areas of Common Responsibility designated for automobile parking, other than Charging Stations; (ii) operable Electric Vehicles may be parked in an available Charging Station, provided such Electric Vehicle is in the process of using the Charging Station to charge the applicable Electric Vehicle, and is parked in the Charging Station for no more than 8 consecutive hours, except that an Electric Vehicle first parked in a Charging Station after 5:00 pm need not be moved until the later of 7:00am the following day or 8 consecutive hours; and (iii) operable, attended aircraft may be parked in the taxiway apron leading into a Unit while in the process of taxiing to or from the Airport. For clarification and confirmation, the hangar on a Private Area shall at all times be subject to and used in accordance with Carson City Municipal Code Section 19.02.020.370, as amended or relocated from time to time.

(g) **Window Coverings.** The placement or utilization of plastics, aluminum foil, bedroom sheets or other unsuitable coverings in or on the windows of any structure on a Private Area is prohibited. Curtains, blinds, shutters, or draperies (or linings thereof) which face the exterior windows or glass doors of the Private Areas shall be white or off-white in color and shall be subject to disapproval by the Architectural Review Committee, in which case they shall be removed and replaced with acceptable items.

(h) **Entry on Unit Roofs.** No Owner (other than Declarant) or occupant may make any entry upon the roof of the Occupied Space, other than the Roof Deck thereof, without the prior approval of the Board.

(i) **Use of Association Cards.** The right to an Association Card is based upon occupancy of a Unit, and any Owner who leases or otherwise transfers occupancy of his or her Unit shall be deemed to have assigned his or her rights to an Association Card and related rights of use on the Areas of Common Responsibility to the lessee of such Unit. The lessee of the Unit shall be entitled to an Association Card only during such time as the lessee is the occupant of the Unit, and upon termination of such occupancy such rights shall revert to the Owner, subject to the terms hereof. Any Owner who leases or otherwise transfers occupancy of his or her Unit shall provide the Association with immediate written notice thereof and shall surrender to the Association his or her previously issued Association Card. Association Cards shall be surrendered to, or deactivated by, the Association by any holder who ceases to occupy a Unit, or at any time upon written notification from the Association that the holder no longer is entitled to hold an Association Card.

(j) **Limits on Drilling or Affixing Items.** No Owner (other than Declarant) or occupant of such Unit may (i) affix anything to any exterior wall on a Roof Deck, or (ii) drill into the surface of any balcony or Roof Deck.

(k) **Interior Speakers.** There shall be no soundbars, speakers, sound equipment, or similar items mounted directly to or on or against any wall serving as a partition between two Occupied Spaces; provided, however, that such items may be permitted (i) on furniture adjacent to any such walls, or (ii) if mounted using resilient mounting systems that prevent direct coupling of the relevant sound source to the framing studs of the applicable common wall. Without limiting the foregoing, each Owner shall fully comply with all applicable local ordinances with respect to sound transmission and sound insulation between adjoining, attached commercial Occupied Spaces.

(l) **Airport Access Rules.** Without limiting the generality or application of any other provision hereof (including, without limitation, Section 4.1(b) above), the Association, along with each Owner and its customers, employees, tenants, guests or invitees, shall at all times comply with the terms and conditions of the Access Permit, all applicable FAA regulations (including regulations related to “through the fence” access from Common Elements onto the Airport), and all applicable provisions of Title 19 of the Carson City Municipal Code (as amended or relocated from time to time).

(m) **Restrictions on Alienation.**

(i) **Generally.** The Carson Tahoe Executive Park Community is intended to hold “through the fence” access rights and/or other special privileges relative to the Airport. Preservation of these benefits will require that the Property be operated at all times in compliance with the Access Permit and with any and all applicable Nevada and federal laws, including, without limitation, applicable provisions of the Carson City Municipal Code and FAA regulations. To ensure such operation, the Carson Tahoe Executive Park Community is being established as a primarily owner-occupied commercial center comprised of stabilized uses compatible with one another and with the aviation services and aeronautical operations conducted at and in conjunction with the Airport. In order to protect and preserve that dynamic and the rights and privileges dependent thereon, the Board shall regulate the sale and lease of Private Areas, consistent with and to the extent allowed by applicable laws.

(ii) **No Transfers without Board Approval.** In furtherance of Section 4.2(m)(i), any sale or lease of a Private Area by any Owner, other than Declarant, without the prior written consent of the Board shall be void.

(iii) **Request for Approval.** Any Owner, other than Declarant, desiring to sell, lease, or otherwise transfer title to such Owner’s Private Area shall request approval of such transfer from the Board in writing and shall, upon request, provide to the Board such other information in connection with the proposed transfer as the Board may reasonably require. The Board shall establish Rules from time to time as necessary to process and issue determinations upon transfer requests.

(iv) **Acknowledgment of Transfer Limitations.** Each Owner, by acceptance of a deed to its Unit, shall be deemed to have specifically agreed to and acknowledged the restrictions on alienation set forth in this Section 4.2(m).

4.3 Subdivision and Relocation of Boundaries. Except as to Units owned by Declarant, (i) no Unit may be further subdivided beyond the physical dimensions of that Unit as shown on the Plat pursuant to which said Unit was created without Declarant's prior written approval, which approval may be granted or withheld in Declarant's sole and absolute discretion, (ii) no boundary line between Units may be relocated if the effect of such relocation would be to change the number of Units within the Property, and any relocation must first be approved in writing by the Board, which approval may be granted or withheld in the Board's sole and absolute discretion, and (iii) the zoning and use of any Unit shall not be changed to allow for residential use. Furthermore, except as to Connected Limited Common Elements allocated to Units owned by Declarant, no boundary between Connected Limited Common Elements or between Connected Limited Common Elements and a Unit may be altered or relocated except with approval of the Board and the Owners of the relevant Units and Connected Limited Common Elements.

4.4 Areas of Common Responsibility. Areas of Common Responsibility shall be used in a manner consistent with the Development Agreements, Plans, Design Standards, and other development approvals issued by the City, the Authority, or other applicable governmental authorities in connection with such Areas of Common Responsibility.

Article 5 **Architectural Guidelines**

5.1 Creation of Architectural Review Committee. There is hereby established an architectural review committee within the Carson Tahoe Executive Park Community. This Architectural Review Committee shall be comprised of persons appointed by Declarant until the earlier of (i) such time as Declarant no longer holds Development Rights pursuant to Section 10.3, (ii) Declarant's delivery to the Board of written notice expressly stating Declarant's election to terminate its rights under this Section. Thereafter, the ARC shall be comprised of the Board; provided, however, that the Board may appoint an ARC of not less than three (3) members, at least one (1) of whom must be a Director, and the remainder of whom need not be Members. Declarant hereby declares that, during such time as Declarant holds the right to appoint the ARC under this Section, the ARC shall be the sole entity authorized or entitled to issue a "owner's association approval" or "association approval" or "association consent" (or words of similar meaning) regarding development plans with respect to the Property, as may be contemplated under the Development Agreements, the Plans, and/or the Design Standards, or any other approval issued by the City or the Authority.

5.2 Requirement of ARC Approval. Except as to any portion of the Property owned by Declarant, there shall be no temporary or permanent construction, erection, installation, or modification of anything on any outside portions of the Property (including, without limitation, the outside portion of each Private Area), nor shall the exterior appearance of a Private Area (or any Improvement thereon) be temporarily or permanently modified, except with the prior approval

of the ARC and in strict compliance with the provisions of this Article 5. For clarification, and without limitation, the foregoing requirement applies to the initial construction of an Occupied Space on a Private Area, the modification of the exterior of any such Occupied Space, the landscaping of any Private Area, construction or alterations on Areas of Common Responsibility, and the construction, erection, installation, or modification of any of the following on a Private Area: hangars, garages, porches, walks, window coverings visible from the exterior of a structure, signs, basketball hoops, sports and play equipment, garbage cans, flag poles, solar panels, walls, drainage facilities, and fences of any kind. Furthermore, the prior approval of the ARC, in strict compliance with the provisions of this Article 5, shall be required to the extent the Rules and/or Architectural Guidelines require any particular approval or consent of the ARC. Lastly, the prior approval of the ARC shall be required for anything that would require an FAA Form 7460, or would, or could create a hazard or FOD for the operation of aircraft on the Property or Airport.

Each of the following items is exempt from the requirements set forth in Section 5.2, except as provided in the subsection discussing such item:

(a) Antennae and satellite dishes less than one meter in diameter, provided any such device is placed in the least conspicuous location on a Private Area in which an acceptable quality signal can be received and is screened from the view of adjacent Private Areas, Areas of Common Responsibility, and streets (both within and outside of the Property) in a manner consistent with the Rules and the Architectural Guidelines, with all wires painted to match the exterior of the Occupied Space and, to the extent possible, concealed to prevent visible wires running along the exterior of the Occupied Space;

(b) Holiday decorations, provided that such decorations shall be installed in such manner as not to compromise or damage unreasonably the surface or item to which installed or attached. All decorations must be installed and removed in a reasonably seasonal manner as determined by the Board, and, during the appropriate period of display, shall be maintained in a neat and orderly manner. The foregoing restriction shall not apply to any holiday decorations which are not readily visible from the exterior of a Private Area;

(c) During any such time as the Association does not secure solid waste collection service for the Units operated in the Areas of Common Responsibility, covered, sanitary fly-proof trash containers may be brought to the front of a Private Area (or the immediately adjacent Common Area utilized by the waste disposal service for ingress and egress) no earlier than the day before the next scheduled day for trash pick-up, provided that such containers are removed and returned to the interior of Occupied Space on such Private Area by the end of such pick-up date;

(d) Following the expiration of Declarant's right to appoint the ARC under Section 5.1, any construction, erection, installation, or modification of any Improvement by the Association;

(e) Repairing the exterior of a structure in accordance with the originally approved plans and materials (except no repainting or roof repair may be performed on a Private

Area, other than repainting of the exterior pedestrian doors of the Occupied Space on a Private Area), normal maintenance of landscaping or replacement of dead or dying landscaping provided there is no material change in plant type, ground cover, or design, and rebuilding in accordance with originally approved drawings and specifications. Any Owner of a Private Area may remodel, paint, or redecorate the interior of his or her Occupied Space without the ARC's approval; provided, however, that modifications to the interior of screened porches, patios, windows, and similar portions of an Occupied Space visible from outside the structure shall be subject to the approval process set forth in this Article 5;

(f) An Owner shall be permitted to place deck furniture and house plants within the deck/patio/balcony area(s) of such Owner's Private Area, including any Roof Deck, provided such plants and furniture conform to any design, style, sizing, numerosity, and quality standards for plants and furniture that may be adopted by the Architectural Review Committee from time to time; and

(g) Any other item expressly exempted in the Architectural Guidelines.

5.3 Architectural Guidelines. The Architectural Review Committee is authorized to adopt, amend, and repeal by majority vote the Architectural Guidelines; provided, however, that any amendments to the Architectural Guidelines shall be prospective only and shall not require modifications to or removal of Improvements previously approved once the approved construction or modification has commenced. The Architectural Guidelines shall at all times be consistent with the Development Agreements, Plans, Design Standards, FAA regulations, and all other entitlements for the Property issued by the City or the Authority. The ARC may, with the express prior written approval of Declarant (until expiration of Declarant's right to appoint the ARC under Section 5.1), seek modifications to the design review requirements set forth in the Development Agreements, Plans, Design Standards, and other entitlements for the Property issued by the City or the Authority, which modifications must be submitted to and approved by the City or the Authority, as applicable, before taking effect.

A copy of the Architectural Guidelines, as they may from time to time be adopted, amended, or repealed, certified by any member of the ARC, shall be maintained at the office of the Association and shall be available for inspection and copying by any Owner at any reasonable time during the business hours of the Association.

5.4 Review Procedures.

(a) **Applications.** Prior to undertaking any activity that requires the prior approval of the ARC under Section 5.2, the Owner of the relevant Private Area, or the Association as to the relevant Association Property, shall apply to the ARC for such approval. Such application shall include plans and specification showing site layout, structural design, exterior elevations, exterior materials and colors, landscaping, drainage, exterior lighting, irrigation, other features of proposed construction, and such other information and materials as the ARC in the exercise of its reasonable discretion deems necessary for it to be adequately informed with respect to the application.

(b) **ARC Deliberations.** In reviewing each application, the ARC may consider any factors it deems relevant in its sole and absolute discretion, including, without limitation, harmony of external design with surrounding structures and environment, compliance with the Development Agreements, Plans, Design Standards, and applicable laws, and compliance with the Architectural Guidelines. Each Applicant acknowledges and agrees that (i) the Architectural Guidelines are not the exclusive basis for decisions by the ARC, and compliance with the Architectural Guidelines does not guarantee approval of any application, and (ii) certain considerations the ARC will be purely subjective and matters of opinion.

(c) **ARC Decisions.** The vote or written consent of a majority of members of the ARC on an application shall constitute the ARC's decision on that application. The ARC shall render its decision on an application within ninety (90) days after receipt of a completed application and all required information. The decision shall be communicated by written Notice to the Applicant within five (5) business days after being rendered, and, subject to Section 5.4(b), may be (i) approval of the application, with or without conditions (such as the posting of a performance bond or cash deposit, or entering into an agreement regarding schedule and manner of construction (including penalties for noncompliance, or proof of sufficient insurance), (ii) approval of a portion of the application (with or without conditions, such as the posting of a performance bond or cash deposit, or entering into an agreement regarding schedule and manner of construction (including penalties for noncompliance)) and disapproval of other portions, or (iii) disapproval of the application.

In the event the ARC fails to timely render its decision on an application, such application shall be deemed approved; provided, however, that no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Architectural Guidelines unless a variance has been granted pursuant to Section 5.7 below.

(d) **Compliance With ARC Decisions.** Each Applicant shall strictly comply, and shall cause such Applicant's customers, employees, tenants, agents, contractors, guests and invitees to strictly comply, with the terms and conditions of any decision issued to such Applicant by the ARC pursuant to this Section 5.4.

(e) **Fees.** The ARC may charge filing fees to be used to pay administrative expenses, architects, engineers, landscaping consultants, and/or other design professionals, who may or may not be members of the ARC, to review submitted plans, specifications, and materials; and the ARC may require that such fees be paid in advance of any review, in which case the related application shall not be deemed complete until such fees are paid. At such time as the Board assumes control over the ARC pursuant to Section 5.1, the Board may reimburse members of the ARC for reasonable expenses incurred by them in the performance of any ARC function.

(f) **Other Approvals.** For clarification, the ARC's approval of or variance for any item for which its consent is required is in addition to, and not in lieu of, any approval or variance that may be required by governmental entities having jurisdiction over the Property. Similarly, approval of or variance for an Improvement or other modification by a governmental entity is in addition to, and not in lieu of, any approval or variance of the ARC required hereunder.

5.5 Performing the Work.

(a) **Proceeding With the Work.** Upon receipt of approval of an application from the ARC, the Applicant shall, as soon as practicable, satisfy all conditions thereof and diligently proceed with the commencement and completion of all related construction, reconstruction, refinishing, alterations, and excavations pursuant to the approval. Work shall commence, in all cases, within one year from the date of such approval. If the Applicant fails to comply with this Section, any approval of the ARC shall be deemed revoked unless the ARC, upon written request of the applicant made prior to the expiration of the one (1)-year period, extends the time for such commencement. No such extension shall be granted except upon a finding by the ARC that there has been no change in the circumstances upon which the original approval was granted.

(b) **Pursuit and Completion of the Work.** An Applicant shall promptly complete the relevant construction, reconstruction, refinishing, or alteration under its approval, and in any event within twenty-four (24) months after commencement thereof, and, once work has commenced, no cessation of work of more than ninety (90) consecutive days shall be allowed. The timelines of this Section shall be tolled for so long as performance is rendered impossible or would result in great hardship to the Applicant due to strikes, fires, national emergencies, natural calamities, unusually inclement weather, or other supervening forces beyond the control of the Applicant or its agents.

5.6 No Waiver. The approval by the ARC of any application and/or the plans, drawings, or specifications associated therewith for any work done or proposed or for any other matter requiring the approval of the ARC shall not be deemed to constitute a waiver of any right to withhold approval of any similar application, plan, drawing, specification, or matter subsequently submitted for approval.

5.7 Variations. The ARC may grant reasonable variances or adjustments from the provisions in this Article and the Architectural Guidelines where literal application thereof results in unnecessary hardship and if the granting thereof, in the sole and absolute discretion of the ARC, will not be materially detrimental or injurious to other Owners or the Association. Any variance, to be valid, must be in writing. No variance granted shall constitute a waiver or restrict enforcement of any other provision hereof, or constitute a precedent for granting another variance, nor shall the denial of any request for a variance constitute a prohibition on the grant, with or without conditions, of any future request for a variance.

5.8 Liability. Provided that the ARC or a particular member of the ARC has acted in good faith on the basis of the information as may be possessed by the ARC or the member, as the case may be, then neither the ARC nor any member thereof shall be liable to the Association, to any Owner, or any other person for any damage, loss, or prejudice suffered or claimed on account of: (a) the approval or disapproval of any application or the plans, drawings, and specifications associated therewith, whether or not defective; (b) the construction or performance of any work, whether or not such performance complied with the approved application and/or the plans, drawings, specifications, or conditions associated therewith, or was rendered in a good and

workmanlike manner; or (c) the development of any portion of the Property. Without limiting the generality of the foregoing, the ARC and any member thereof may, but it is not required to, consult with or hear the views of the Association or any Owner with respect to any application, plans, drawings, specifications, materials, or any proposal submitted to the ARC.

Article 6
Maintenance Guidelines

6.1 Maintenance of Private Areas.

(a) **Generally.** Subject to the requirements of Article 5, the Owner of a Private Area shall be responsible for maintaining such Private Area, and all landscaping and Improvements thereon in a clean, orderly, safe, and structurally sound manner, in a good condition and state of repair, adequately painted or otherwise finished, in accordance with the terms of the Governing Documents, the Development Agreements, Plans, and Design Standards, all at such Owner's sole cost and expense. Compliance with the foregoing standard includes, without limitation, the following activities as to each portion of the Private Area:

(i) Prompt removal from the Private Area of debris, junk, and abandoned or inoperable vehicles, machinery, and equipment, and keeping all landscaping on such Private Area, if any, in good condition;

(ii) In the event Improvements on the Private Area are damaged or destroyed by fire or other calamity, prompt repair or re-construction of such Improvements, or restoration of the Private Area to a state that is not offensive to the general appearance of the Carson Tahoe Executive Park Community, in each instance in compliance with the applicable terms and provisions of Article 5 of this Declaration;

(iii) Continuing maintenance of the established drainage on the Private Area as necessary to comply with local government and/or ARC approvals and requirements for drainage upon, over, and across such Private Area;

(iv) Cleaning, maintenance, repair, and replacement of the door opener and opening mechanism located in the hangar on such Owner's Occupied Space so as to reasonably minimize noise related to or caused by an unserviced or improperly functioning hangar door opener and/or opening mechanism;

(v) Cleaning, maintenance, repair, and replacement of the exterior lighting fixtures serving such Owner's Occupied Space, including, without limitation, bulb replacement;

(vi) Cleaning, maintenance, painting and repair of the exterior of the exterior pedestrian doors of the Occupied Space on such Owner's Private Area;

(vii) Cleaning, maintenance, repair, and/or replacement of all windows and window glass within or exclusively associated with Occupied Space on such Owner's Private

Area, including the metal frames, tracks and exterior screens thereof;

(viii) Cleaning, maintenance, repair, and replacement of the HVAC unit exclusively serving the Occupied Space on such Owner's Private Area;

(ix) Removing snow, leaves and debris from all patios, decks, driveways, sidewalks, paths, and balconies which are a portion of the Occupied Space on or allocated as Connected Limited Common Elements to such Owner's Unit, including, without limitation, any Roof Deck; and

(x) Cleaning, maintenance, repair, and replacement of the roof drainage systems serving such Owner's Private Area, including, without limitation, maintenance of and debris removal from all downspouts and rain gutters.

(b) **Landscaping of Units.** Without limiting the generality of Section 6.1(a), and subject to the requirements of Article 5, in the event any landscaping is located upon an Owner's Private Area, such landscaping shall be kept in good condition and repair, consistent with the Plans and applicable provisions of the Carson City Municipal Code, and no weeds or diseased/infected vegetation of any kind or character shall be placed or permitted to grow upon any Unit.

(c) **Shared Improvements on Units.** To the extent a Unit is improved with an Occupied Space incorporating any Shared Improvement, such Unit shall be bound to the terms of this Section 6.1(c).

(i) **Shared Improvements Generally.** Each Owner of a Unit, by acceptance of a deed, acknowledges that portions of the Owner's Unit consist of a Joint Wall System, Joint Driveway System, Joint Fence System, Joint Roof System, and/or Joint Foundation System. In the event that any Shared Improvement is not constructed exactly on the property line, the Owners affected shall accept the Shared Improvement as the boundary. To the extent not inconsistent with the provisions of this Section 6.1(c), the general rules of law shall apply regarding Shared Improvements and liability for damage due to negligence or willful acts or omissions. To the extent of any inconsistency between the provisions of this Section and any of the other provisions set forth in this Declaration, the provisions set forth in this Section shall control.

(ii) **Repair and Maintenance of Shared Improvements.**

(A) **Individual Maintenance Responsibilities.** Subject to Section 6.3 below, each Owner is solely responsible, at such Owner's sole cost and expense, to maintain, repair and replace (i) the interior surfaces of the Shared Improvements within such Owner's Occupied Space (i.e. interior wall portions, interior roof portions, and interior foundation portions), and surface of any Joint Fence System facing the enclosed portion of such Owner's Private Area, (ii) any plumbing or other utilities which service only the Owner's Occupied Space which are located within the Shared Improvements, (iii) any damage caused to the Shared Improvements by such Owner or the Owner's customers, employees, tenants, guests, agents, or

invitees (collectively, “**Owner’s Invitees**”), (iv) any damage to the Shared Improvements which clearly affects only that Owner’s Private Area/Occupied Space as determined by a licensed contractor, as may be appropriate for the repair or replacement of the joint walls, driveway, roof, fence, or foundation (“**Licensed Contractor**”) and (v) any damage to any portions of any Improvements which were added by any Owner to the Shared Improvements as originally constructed (“**Additions**”). (Herein the separate obligations of the Owners described above are sometimes referred to collectively as the “**Individual Owners Maintenance Obligations**”). With respect to the Individual Owners Maintenance Obligations, the individual Owner shall not be required to give the Owner of the adjoining Private Area notice of any routine maintenance but, prior to commencing any repair which requires entry onto the other Owner’s Private Area, or which may affect the use of the adjoining Private Area, such Owner shall provide reasonable advance notice to the other Owner as provided in Section 12.2(o) and shall coordinate its repair so as to minimize disruptions to the other Owner’s Private Area.

(B) **Shared Maintenance Responsibilities.** Subject to Section 6.3 below, and except for the Individual Owners Maintenance Obligations, the cost of the repair, maintenance and replacement of the Shared Improvements shall be shared by the Owners who have use of such Shared Improvement in accordance with the provisions set forth below. If an Owner determines that it is reasonably necessary to perform repair, maintenance or replacement of a Shared Improvement (“**Initiating Owner**”), such Owner shall: (a) provide at least fifteen (15) days written notice to the other Owner of such intended maintenance, repair and replacement and the estimated cost thereof as set forth in a bid for the work and (b) provide the other Owner with an opportunity to obtain separate bids for the work to be completed. If the other Owner elects to obtain separate bids, such Owner shall do so promptly but no later than forty-five (45) days after delivery of notice of the intended maintenance or repair by the Initiating Owner. Unless the Owners of both Private Areas agree, the Licensed Contractor with the lowest bid shall be used for the work, and the Shared Improvement shall be repaired rather than replaced when a repair is a feasible alternative as determined by a Licensed Contractor. In the event of any disagreement as to whether or not it is reasonably necessary to perform a particular repair, maintenance or replacement of a Shared Improvement under this subsection (B), the matter shall be submitted to the Architectural Committee, and the decision of the Architectural Committee, made in its sole and absolute discretion, shall be binding.

Notwithstanding the foregoing, in the event of an emergency situation, an Owner may complete the repair or maintenance (but not a replacement) of a Shared Improvement without the notice and bid requirements set forth in this Section. For purposes of this subsection, an emergency situation is defined as a situation when a repair or maintenance is immediately necessary to protect either Private Area from immediate further damage or to prevent any injury to any person.

(iii) **Allocation of Costs.** Except as specifically stated otherwise herein, the cost of maintenance, repair, replacement or reconstruction of a Shared Improvement shall be allocated as set forth in this subsection.

(A) **Individual Owners Maintenance Obligations.** Each individual Owner shall bear its own cost of any Individual Owner Maintenance Obligation. Except

for Individual Owner Maintenance Obligations, all other work to the Shared Improvements shall be allocated as set forth in subsections (B) and (C) below.

(B) **Entire Shared Improvement.** In the event an entire Shared Improvement needs to be maintained, repaired, replaced or reconstructed, the cost thereof shall be allocated between both Owners of the two relevant Private Areas upon the basis of the ratio of the square footage of the portion of the Shared Improvement (i.e. driveway, wall, fence, roof, or foundation) that covers a Private Area to the total square footage of the aggregate of the Shared Improvement covering both Private Areas. For the purpose of allocating costs for maintenance, repair, replacement or reconstruction of a Shared Improvement, the total square footage of the aggregate Shared Improvement shall include only the original square footage of the driveway, roof, wall, fence, or foundation, respectively, as originally constructed by Declarant or the relevant Participating Developer, as applicable.

(C) **Portion of Shared Improvement.** In the event a portion of a Shared Improvement needs to be maintained, repaired, replaced or reconstructed, the cost thereof shall be allocated between both Owners of the two relevant Private Areas upon the basis of the ratio of the square footage of the portion of the Shared Improvement covering a Private Area that needs to be maintained, repaired, replaced or reconstructed to the total square footage of the aggregate of the Shared Improvement covering both Private Areas that needs to be maintained, repaired, replaced or reconstructed (but excluding from such calculations the square footage of any Additions).

(iv) **Weatherproofing.** Notwithstanding anything else herein to the contrary, an Owner who, by his or her act, causes a Shared Improvement to be exposed to the elements, except in connection with its ordinary use, shall bear the whole cost of furnishing the necessary protection against such elements.

(v) **Casualty to Shared Improvements.** If a Shared Improvement is destroyed or damaged by fire or other casualty and the Shared Improvement is being reconstructed pursuant to Section 6.4 below, the Owners who have the Shared Improvement shall contribute to the costs to restore it in accordance with Section 6.1(c)(iii), less proceeds from any insurance maintained by the Association for such Shared Improvement, but including the costs of any deductible paid by the Association, which shall be a Common Expenses allocated to the relevant Units as per Sections 6.4(b)(ii) and 9.1(b) below. This provision does not prevent an Owner from requiring a larger contribution from the other Owner(s) pursuant to any rule of law regarding liability for negligent or willful acts or omissions as noted in Section 6.1(c)(i).

(vi) **Dispute Resolution.** Except as provided in Section 6.1(c)(ii)(B), in the event of a dispute between Owners of adjoining Private Areas arising in connection with a Shared Improvement, each party shall choose one arbitrator, each arbitrator shall choose one additional arbitrator, and the decision of a majority of such panel of arbitrators shall be binding upon the Owners which are a party to the arbitration.

(vii) **Mechanic's Liens.** An Owner shall not permit to be placed against the adjoining Owner's Unit or any other portion of the Property, any mechanics', materialmen's, contractors' or subcontractors' liens arising out of the work of any maintenance, repair, replacement, restoration of a Shared Improvement, or any other claim or demand. Each Owner shall pay or cause to be paid all said liens, claims or demands before any action is brought to enforce the same against the adjoining Owner's Unit or other portions of the Property. If any Owner fails to remove such mechanics' lien, the Board may discharge the lien and charge the Owner a specific assessment for such cost of discharge pursuant to Section 9.2(c). Each Owner agrees to indemnify, protect, defend and hold the other Owner and the other Owner's Unit free and harmless from all liability for any and all such liens, claims and demands together with reasonable attorneys' fees and all reasonable costs and expense incurred.

(d) **Walls Adjoining Areas of Common Responsibility.** Without limiting the generality of Section 6.1(a), except as provided in Section 6.3 and subject to the requirements of Article 5, the Owner of a Private Area bounded by a wall or fence dividing such Private Area from an Area of Common Responsibility shall have the obligation to, and be responsible for, repair and maintenance of such wall or fence as though located entirely on the Unit, regardless of whether the repair or maintenance is required by any act or omission of the Association or any other party, and by acceptance of a deed to such Private Area, the Owner covenants and agrees to so perform.

(e) **Exemption.** Notwithstanding the foregoing provisions of this Section 6.1, an Owner shall not be responsible for maintaining any portion of a Private Area or performing on a Private Area any maintenance activities for which the Association is responsible pursuant to this Declaration or a Supplemental Declaration, including, without limitation, maintenance on Private Areas performed by the Association in accordance with Section 6.3 below; provided, however, that an Owner shall not interfere with the Association in the performance of its duties hereunder or under a Supplemental Declaration, and shall reasonably cooperate with the Association as it performs said duties.

6.2 Operation and Maintenance of Association Property and Areas of Common Responsibility.

(a) **Generally.** Subject to the requirements of Article 5, and except as provided in Section 6.1(d), the Association shall perpetually operate, maintain, and otherwise manage or provide for the perpetual operation, maintenance, and management of the Areas of Common Responsibility, and any and all Association Property, including, but not limited to, all its facilities, improvements, landscaping, monument and/or pylon signage, drainage facilities, private streets, and any other property acquired by the Association, including personal property. Such operations and management shall be conducted in a first-class manner, in accordance with the terms of the Governing Documents, the Development Agreements, Plans, and Design Standards, all at the Association's sole cost and expense; and the Areas of Common Responsibility and Association Property shall be maintained in a clean, orderly, safe, and structurally sound manner, in a good condition and state of repair.

(b) **Specific Maintenance Items.** Without limiting the generality of

Section 6.2(a), and subject to the requirements of Article 5, the Association shall specifically undertake the following maintenance activities:

(i) All vegetation within the Common Elements shall be maintained so as to preserve appropriate fire fuel breaks and not create any FOD for the aircraft operating areas, as provided in the Development Agreements, Plans, Design Standards, other governmental approvals for the Property;

(ii) The Association shall maintain in good order and repair all landscaping, drainage channels, slopes, detention basins, ponds, streams, roadways, and taxilanes within the Areas of Common Responsibility;

(iii) The Association shall be responsible for snow removal, road/driveway/taxilane maintenance, and gate maintenance (if any gates exist) for all private roads, drive aisles, taxiways, and emergency vehicle access roads within the Areas of Common Responsibility;

(iv) All activities necessary or useful to comply with and preserve in good standing the Access Permit, including, without limitation, maintenance of required security access points from the Property onto the Airport;

(v) All activities and maintenance obligations for which the Association is responsible pursuant to any Cost Sharing Agreement, and any Supplemental Declaration, including, without limitation, maintenance obligations associated with a Cost Center, Limited Common Elements, and Cost Center Improvements;

(vi) The Association shall perform all maintenance obligations set forth in any covenants, easements, or other items of record against a portion of the Common Elements at such time as such portion is conveyed to the Association, including, without limitation, those arising pursuant to any Cost Sharing Agreement; and

(vii) Without limiting any other provision hereof, the Association shall maintain in good order and repair all monument and/or pylon signage within the Areas of Common Responsibility. As to signage placed on a monument and/or pylon sign in the Areas of Common Responsibility pursuant to an Owner's rights under Section 12.2(o) below, the Association's maintenance obligations hereunder shall include periodic replacement of signage at the written request of the relevant Owner. For clarification, the general costs of maintaining monument and/or pylon signage within the Areas of Common Responsibility shall be included in the Common Expenses of the Association and shall be allocated to Units by the Board as a General Common Expense in accordance with Section 9.1(a) below, while costs associated with accommodating a particular Owner's request to modify that Owner's signage pursuant such Owner's rights under Section 12.2(o) shall be a Common Expense of the Association and allocated to the relevant Unit by the Board as a Limited Common Expense in accordance with Section 9.1(b) below.

(c) **Right to Information.** At Declarant's request from time to time, the Board shall promptly deliver to Declarant copies of all written inspections and reports rendered pursuant to the Association's maintenance and repair responsibilities hereunder (without any obligation whatsoever of Declarant to review such documents or to take any action in connection therewith).

(d) **Failure to Maintain.** The Association shall be responsible for accomplishing its maintenance and repair obligations fully and timely from time to time, as set forth in this Declaration. Failure of the Association to fully and timely accomplish such maintenance and repair responsibilities may result in deterioration and/or damage to Improvements, and such damage and/or deterioration shall in no event be deemed to constitute a constructional defect. Declarant shall have no liability whatsoever stemming from any failure by the Association to maintain the Areas of Common Responsibility, regardless of whether or not the Association is legally permitted to disclaim or defer maintenance of an Area of Common Responsibility, or is legally permitted to conduct any such maintenance to a standard lower than that required herein.

6.3 Association Maintenance on Units.

(a) **Generally.** Subject to the requirements of Article 5, and notwithstanding any provision to the contrary under Section 6.1 above, the Association shall be responsible for the following maintenance activities with respect to each Private Area:

(i) **Painting.** Periodic repainting of the exterior walls (including trim and deck walls) and hangar doors of Occupied Spaces and Connected Limited Common Elements on Private Areas, but excluding exterior pedestrian doors, as necessary or appropriate to maintain the original appearance thereof (normal wear and fading excepted); and

(ii) **Roof Surfaces.** Maintaining in good order and repair the exterior roof surfaces and materials of any Occupied Space, excluding, however, roof drainage systems (such as gutters and down spouts), and without limiting or reducing an Owner's obligations under Section 6.1(a)(x) above.

Such maintenance under this Section 6.3 shall be conducted in accordance with the terms of the Governing Documents, the Development Agreements, Plans, and Design Standards, all at the Association's sole cost and expense. The costs of the maintenance under this Section 6.3 shall be included in the Common Expenses of the Association and shall be allocated to Units by the Board in accordance with Section 9.1(b) below. Each Owner shall be obligated to immediately advise the Board from time to time in writing of any adverse condition or problem affecting such Owner's Private Area to the extent related to the Association's maintenance obligations under this Section, which notice shall be a condition precedent to any obligation of the Association to correct such adverse condition or problem. For clarification of the terms hereof and of Section 9.1 below, in the event that the Board shall at any time determine, in its sole discretion, that the correction of any adverse condition or problem relating to such Private Area was caused by the Owner of that Private Area, or was related to a casualty event on that Private Area, then the Common Expenses of such maintenance and correction, if requested by such Owner and carried out by the Board,

shall be allocated by the Board to such Owner's Unit as an Individual Common Expense and shall be payable by such Owner within fifteen (15) days after receipt of a statement from the Board requesting payment therefor.

(b) **Limitation of Liability.** Under no circumstance shall any director or any officer or agent to the Association be liable to any Owner for any action or inaction of the Board with respect to any maintenance under this Section 6.3, and each Owner hereby releases and relinquishes forever any claims, demands or actions which such Owner may at any time have or be deemed to have against the Board, and director or the Association with regard to such maintenance, whether arising out of the alleged negligence, misfeasance, malfeasance (but not gross negligence or willful misconduct) of any agent of the Association, any officer of the Association or any director. FURTHER, EACH OWNER HEREBY RELEASES DECLARANT AND THE ASSOCIATION FROM, AND EACH OWNER MUST HEREAFTER INDEMNIFY, PROTECT, DEFEND, SAVE AND HOLD HARMLESS DECLARANT AND THE ASSOCIATION, AND THEIR RESPECTIVE EMPLOYEES, OFFICERS, DIRECTORS, REPRESENTATIVES, ATTORNEYS AND AGENTS FROM AND AGAINST, ANY AND ALL DEBTS, DUTIES, OBLIGATIONS, LIABILITIES, SUITS, CLAIMS, DEMANDS, CAUSES OF ACTION, INJURY, DEATH, DAMAGES, LOSSES, COSTS AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND EXPENSES AND COURT COSTS) IN ANY WAY RELATING TO, CONNECTED WITH OR ARISING OUT OF THE ASSOCIATION'S MAINTENANCE ACTIVITIES UNDER THIS SECTION 6.3.

(c) **No Dedication.** Nothing herein contained shall be deemed a gift or dedication of any portion of a Unit as a Common Element or to the general public or for any public use or purpose whatsoever.

6.4 Damage to and Destruction of Private Area Improvements .

(a) **Generally.** In the event Improvements on the Private Area are damaged or destroyed by fire or other calamity, prompt repair or re-construction of such Improvements, or restoration of the Private Area to a state that is not offensive to the general appearance of the Carson Tahoe Executive Park Community, in each instance in compliance with the applicable terms and provisions of Article 5 of this Declaration, shall be required to the extent and as provided in this Section 6.4.

(b) If Association Maintains Insurance on the Private Area.

(i) **Generally.** Any portion of the Property for which the Association is obligated to maintain insurance hereunder that is damaged or destroyed must be repaired or replaced promptly by the Association, unless (I) this Declaration is terminated as provided in Section 1.2, (II) repair or replacement would be illegal under any state or local statute or ordinance governing health or safety, or (III) eighty percent (80%) of the Voting Power of the Association, including every Owner of a Unit or Limited Common Element that will not be rebuilt, vote not to rebuild.

(ii) **Cost.** The cost of repair or replacement in excess of insurance proceeds and reserves available to the Association for such repair and/or replacement, including any required deductible, is a Common Expense, and shall be allocated to the Owners of the Units benefitted in accordance with Section 9.1 below.

(iii) **Plans.** The Property must be repaired and restored by the Association hereunder in accordance with either the original plans and specifications or other plans and specifications which have been approved by the Board of Directors, the Owners of the Units being restored, and 51% of Eligible Mortgage Holders of such Units.

(iv) **Replacement of Less Than Entire Property.** In the event damage or destruction occurs for which the Association is obligated under Section 6.4(b)(i), and the entire Carson Tahoe Executive Park Community is not repaired or replaced, (I) the insurance proceeds attributable to the damaged area must be used to restore the damaged area to a condition compatible with the remainder of the Carson Tahoe Executive Park Community, and the cost of improving the unrepaired/unrestored area to a Carson Tahoe Executive Park Community-compatible condition in excess of insurance proceeds and reserves available to the Association for such improvement is a Common Expense and shall be allocated to the Owners of the Units benefitted in accordance with Section 9.1 below; and (II) the remainder of the insurance proceeds attributable to Common Elements shall be distributed to Owners and lienholders, as their interests may appear, in proportion to each Unit's liabilities for Common Expenses, while the remainder of insurance proceeds attributable to Units and Limited Common Elements that are not rebuilt must be distributed to the Owners of those Units and the owners of the units to which those Limited Common Elements were allocated, or to lienholders, as their interests may appear.

(v) **Insurance Proceeds.** The Trustee, or if there is no Trustee, then the Board of Directors of the Association, acting by the president thereof, shall hold any insurance proceeds in trust for the Association, Owners and Beneficiaries as their interests may appear. Subject to the provisions of Section 6.4(b)(i) of this Declaration, the proceeds shall be disbursed first for the repair or restoration of the damaged Property. The Association, Owners and Beneficiaries are not entitled to receive payment of any portion of the proceeds unless there is a surplus after the Property has been completely repaired or restored (to the extent such repair and restoration is not barred under Section 6.4(b)(i)).

(vi) **Certificates By Board of Directors.** The Trustee, if any, may rely on the following certifications in writing made by the Board of Directors:

(A) Whether or not damaged or destroyed Property is to be repaired or restored; and

(B) The amount or amounts to be paid for repairs or restoration and the names and addresses of the parties to whom such amounts are to be paid.

(vii) **Certificates by Title Insurance Companies** If payments are to be made to Owners or Beneficiaries, then the Board of Directors and the Trustee, if any, shall obtain

and may rely on a title insurance company's certificate or a title insurance policy based on a search of the Records in the Carson City Recorder's Office from the date of the recording of the original Declaration, stating the names of the Owners and the Beneficiaries. **If the Association Does Not Maintain Insurance on the Private Area.** Without limiting the generality of Section 6.4(a), in the event the Improvements on a Private Area not insured by the Association are destroyed, and reconstruction of such Improvements does not commence within sixty (60) days (such Improvements the "**Destroyed Improvements**"), the Owner of such Destroyed Improvements shall immediately undertake steps to: (i) abate any unsightly or dangerous conditions on such Owner's Private Area and (ii) restore such Owner's Private Area to a clean and attractive condition. If the Destroyed Improvements Owner fails to meet the conditions set forth above, the Owner of any adjoining undestroyed Private Area Improvements (such Improvements, the "**Undestroyed Improvements**") has the right to undertake steps to restore those portions of the remaining Shared Improvement(s) not restored by the Destroyed Improvements Owner at the sole cost to the Undestroyed Improvements Owner. In such event, subject to any right of the Owner of the Destroyed Improvements to rebuild at a later date as described in the following paragraph, the Architectural Committee shall reasonably grant variances to the Owner of the remaining Private Area Improvements to allow such improvements as are necessary to put the remaining Private Area Improvements in a safe and attractive condition.

If at a later date the Destroyed Improvements are to be rebuilt, the Owner reconstructing the Destroyed Improvements may, subject to the prior approval of the Architectural Committee, reattach his or her Private Area Improvements (including, without limitation, an Occupied Space) to the Private Area Improvements on the adjoining Private Area in a manner consistent with the original Plans and Design Standards for the Property, provided such Owner makes all necessary modifications to the Improvements on the adjoining Private Area to prevent any damage to such Improvements, and the reconstruction is in accordance with all applicable local and governmental codes and regulations. Upon reattachment, the new attached Improvements shall be deemed Shared Improvements hereunder, as applicable. Any restoration and repair of any damage to portions of the Improvements on a Private Area (other than the Shared Improvements, as provided in Section 6.1(c)(v)) shall be made by and at the individual expense of the Owner of such Improvements. This provision does not prevent an Owner from requiring a contribution from the other Owner of the attached Improvements pursuant to any rule of law regarding liability for negligent or willful acts or omissions as provided in Section 6.1(c)(i).

PART THREE: ASSOCIATION GOVERNANCE AND FINANCES

Article 7

The Association and Its Members

7.1 Formation of the Association. The Association is a nonprofit corporation formed or to be formed under the laws of the State of Nevada. Prior to the first conveyance of any Unit hereunder, Declarant shall cause the Articles of Incorporation to be filed with the Secretary of State of the State of Nevada. The Association shall be charged with the duties and invested with the powers set forth in the Governing Documents and NRS Chapter 82. The Association is not authorized to have and shall not issue any capital stock.

7.2 Board of Directors. Except as to matters requiring the approval of members as set forth in the Articles, Bylaws, this Declaration, or other appropriate Chapters of the NRS, 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. Except for the members of the Board appointed by Declarant prior to Declarant's Control Termination Date, the Board shall be composed of Members only. All members of the Board must be at least eighteen (18) years of age.

7.3 Membership.

(a) **Membership Generally.** Every Owner shall be a Member of the Association, and each Owner shall automatically be a Member of the Association without the necessity of any further action on his part. There shall be only one membership per Unit. If a Unit is owned by more than one Owner, all co-Owners shall jointly share the privileges of such membership, provided that the voting rights allocated to that Unit shall be cast by only one of them in accordance with the Bylaws, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners.

(b) **Members' Rights and Duties.** Each Member shall have the rights, duties, and obligations set forth in NRS Chapter 82 and in the Governing Documents.

(c) **Classes and Voting.**

(i) **Classes of Membership.** The Association shall have a single membership class, and each Unit Owner shall be a Member.

(ii) **Allocation of Votes.** One (1) vote is hereby allocated to each Unit.

(iii) **Voting.**

(A) **Generally.** A Member may exercise its voting rights under this Declaration in accordance with the Governing Documents.

(B) **Association Units.** No vote allocated to a Unit owned by the Association may be cast.

(C) **Cumulative Voting.** Voting by the Members shall not be cumulative.

(D) **Appointment and Removal of Directors and Officers.** Declarant shall have the right to appoint and remove the members of the Board and the officers of the Association until the Declarant's Control Termination Date, as described in Section 10.2 below. From and after the Declarant's Control Termination Date, the Board shall be elected by the Members, and the officers of the Association shall be appointed by the Board, all as provided in the Bylaws.

7.4 Transfer of Membership. The Association membership of the Owner(s) of a Unit, as well as any project signage rights arising under Section 12.2(o) below, shall be appurtenant to such Unit, and shall not be assigned, transferred, pledged, hypothecated, conveyed, or alienated in any way except on a transfer of title to such Unit, and then only to the transferee; provided, however, that assignments under Sections 4.2(i) and 12.1(a) are expressly permitted, and an Owner may assign certain of its rights, on an exclusive basis, to a tenant of such Owner's Unit during the term of the relevant lease. Any attempt to make a prohibited transfer shall be void. Any transfer of title or interest to a Unit shall operate automatically to transfer the appurtenant membership rights (including Section 12.2(o) signage rights) in the Association to the new owner(s). Prior to any transfer of title to a Unit (including the sale of a Unit 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.

Article 8 **Powers and Duties of the Association**

8.1 Powers. The Association shall have all the powers of a nonprofit corporation organized under the laws of the State of Nevada, subject only to such limitations on the exercise of such powers as are set forth in the Governing Documents. Without limiting the generality of the foregoing, the Association shall have the power to do any lawful thing that may be authorized, required, or permitted to be done by the Association under the Governing Documents, and to do and perform any act that may be necessary or proper for or incidental to the exercise of any of the express powers of the Association, including, without limitation, the following:

(a) **Maintenance.** The power to maintain the Areas of Common Responsibility and Association Property, as provided in and subject to the terms of Section 6.2, and the power to elect to perform and to engage in maintenance on and provide services to the Units as provided in Section 6.3;

(b) **Assessments.** The power to incur Common Expenses in connection with the exercise of its powers and execution of its duties, and the power to establish, fix, and levy assessments as set forth in Article 9 hereof, and to enforce payment of such assessments in accordance with the provisions of the Governing Documents and the provisions of NRS 116.3116 to 116.3117, inclusive;

(c) **Rules.** The power to adopt, amend, and repeal the Rules, as provided in and subject to the terms of Article 3;

(d) **Remedies.** The power to enforce and pursue any of the remedies described in Section 14.2(b) below, or any other right or remedy available to the Association at law or in equity;

(e) **ARC.** Upon termination of Declarant's right to appoint the ARC under Section 5.1, the power to operate and function as the ARC in accordance with the terms and provisions of Article 5;

(f) **Delegation of Powers; Professional Management; Other Services.** The power to delegate its powers, duties, and responsibilities to committees of Members, employees, agents and independent contractors, including a professional managing agent. The Association may engage the services of a professional Manager to manage the Association Property and the Areas of Common Responsibility. The Association may obtain and pay for legal, accounting, and other services necessary and desirable in connection with the operation of the Property and the enforcement of this Declaration. In connection with its maintenance obligations, the Association may enter into contracts for services or materials including contracts with Declarant.

(g) **Other Services and Properties.** The Association shall have the power to obtain or pay for, or provide or charge for, as the case may be, any other property, services, taxes, or assessments that the Association or the Board is required to secure, pay for, provide, or charge for pursuant to the terms of the Governing Documents, or that it otherwise deems necessary or desirable for the Members (subject to any limitations in the Governing Documents), including, without limitation, (i) maintenance and operating services for any Charging Stations, (ii) security services for the Property generally, and (iii) bulk purchase of fuel, parts, service or maintenance of aircraft (for example, a standing monthly contract to purchase all fuel for Members from a particular fixed base operation), 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.

8.2 Duties of the Association. In addition to the duties delegated to it by the Governing Documents, and without limiting their generality, the Association, acting by and through the Board, or persons or entities described in Section 8.1(f), has the obligation to conduct all business affairs of common interest to all Members and to perform each of the following duties:

(a) **Taxes and Assessments.** Except for those portions of the Areas of Common Responsibility and Association Property which are owned in fee by an Owner or by the City, the Authority, or some other governmental agency, or any Connected Limited Common Area to the extent taxed to the Owner of the Unit to which such Connected Limited Common Area is allocated, the Association shall pay all taxes and assessments levied against all Association Property or against the Association. Such taxes and assessments may be contested or compromised by the Association, provided that they are paid or that a bond insuring payment is posted before the sale or the disposition of any property to satisfy the payment of such taxes.

(b) **Insurance to Be Obtained.** The Association shall obtain and maintain in full force and effect at all times insurance coverage, provided by companies duly authorized to do business in Nevada, generally as set forth in this Section 8.2(b).

(i) **Property Insurance Coverage.**

(A) **Coverage.** Property insurance will be a "master" or "blanket" type of insurance policy, and will cover: (1) the facilities and structures of the Property, including, except as otherwise provided under Section 8.2(b)(i)(G) below, all buildings on the Property, for example, the Occupied Spaces and all fixtures, equipment and any improvements and betterments whether part of a Unit or a Common Element, but specifically excluding furniture,

wall trimmings, improvements, equipment, fixtures, additional or other personal property supplied or installed by Owners; and (2) all personal property owned by the Association.

(B) **Amounts**. The insurance will be for an amount (after application of any deductions) equal to full replacement value (i.e., 100% of current “replacement cost” exclusive of land, foundation, excavation, and other items normally excluded from coverage) of the covered items at the time the insurance is purchased and at each renewal date. The Board of Directors is authorized to obtain appraisals periodically for the purpose of establishing replacement cost of the insured items, and the cost of such appraisals shall be a Common Expense.

(C) **Risks Insured Against**. The insurance shall afford protection against at least the following: (1) loss or damage by fire and other perils normally covered by the "standard extended coverage endorsement," and (2) such other risks as shall customarily be covered with respect to projects similar in construction, location and use, including all perils normally covered by the standard "all risk" endorsement, where such is available.

(D) **Carriers**. The policy shall be written by an insurance carrier that has a "B" or better general policyholder's rating or a "6" or better financial performance index rating in Best's *Insurance Reports*, an "A" or better general policyholder's rating and a financial size category of "VIII" or better in Best's *Insurance Reports—International Edition*, an "A" or better rating in Demotech's *Hazard Insurance Financial Stability Ratings*, a "BBBq" qualified solvency ratio or a "BBB" or better claims-paying ability rating in Standard and Poor's *Insurer Solvency Review*, or a "BBB" or better claims-paying ability rating in Standard and Poor's *International Confidential Rating Service*.

(E) **Deductible Amount**. Unless a higher maximum amount is required by law, the maximum deductible amount for policies is the lesser of \$10,000 or 1% of the policy face amount.

(F) **Additional Requirements**. In addition to the other requirements set forth above, insurance policies required by this Section shall provide that: (1) the insurer waives the right to subrogation under the policy against an Owner or occupant of Owner's Unit, and, if available, an express waiver of any and all rights of subrogation against Declarant, the Board, and their representatives, members, and employees, provided that, at such time as Declarant no longer holds Development Rights pursuant to Section 10.3, then the foregoing insurance provisions regarding Declarant shall terminate; (2) an act or omission by an Owner, unless acting within the scope of the Owner's authority on behalf of the Association, will not void the policy or be a condition of recovery under the policy; (3) if, at the time of a loss under the policy, there is other insurance in the name of an Owner which covers the same risk covered by the policy, the Association's policy provides primary insurance; (4) losses must be adjusted with the Association; (5) insurance proceeds shall be paid to any insurance trustee designated in the policy for that purpose, and otherwise to the Association, but, in any case, it is to be held in trust for each Owner and the Owner's mortgagee; and (6) the insurer may not cancel or refuse to renew the policy until 30 days after notice of the proposed cancellation or nonrenewal has been mailed

to the Association, to each Owner and to each Eligible Mortgage Holder to whom a certificate or memorandum of insurance has been issued, at their respective last known addresses.

(G) **Exception to Private Area Coverage.** The Association's obligation to maintain casualty insurance on any Private Area shall be subject to such insurance being reasonably available. In determining whether a coverage is reasonably available, the Board shall be entitled to take into account the total cost of such insurance, including, without limitation, whether such insurance will be duplicative of other coverages maintained by Owners as a result of mortgage financing, or whether maintenance of such coverage may require the Association to maintain reserve funds in excess of that which would otherwise be customary for a commercial project similar to the Carson Tahoe Executive Park Community. If such insurance is not reasonably available, and the Board of Directors determines that any insurance described in this Section 8.2(b)(i) will not be maintained, the Board of Directors shall promptly cause notice of that fact to be hand-delivered or sent prepaid by United States mail to all Owners and Eligible Mortgage Holder at their respective last known addresses.

(ii) **Liability Insurance.** The Association shall purchase broad form comprehensive liability coverage in such amounts and in such forms as it deems advisable to provide adequate protection. Such coverage shall be in an amount no less than \$5,000,000.00 for bodily injury, including deaths of persons and property damage arising out of a single occurrence; provided, should additional coverage and higher limits be available at reasonable cost that a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits. Coverage shall include, without limitation, liability for personal injuries (including medical payments), operation of automobiles on behalf of the Association and activities in connection with the ownership, operation, maintenance, and other use of the Areas of Common Responsibility, and the performance of any of its activities under any Supplemental Declaration. The liability insurance shall name as separately protected insureds Declarant, the Association, the Board, and their representatives, members, and employees, with respect to any liability arising out of the maintenance or use of any Association Property and/or the Areas of Common Responsibility. Every policy of insurance obtained by the Association shall contain an express waiver, if available, of any and all rights of subrogation against Declarant, the Board, and their representatives, members, and employees. At such time as Declarant no longer holds Development Rights pursuant to Section 10.3, then the above insurance provisions regarding Declarant shall terminate.

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

(iv) **Crime Insurance.** The Association shall purchase insurance covering officers, employees, and volunteers of the Association, and employees of any Manager or managing agent, whether or not any such persons are compensated for their services, against dishonest acts on their part.

(v) **Directors and Officers.** The Association shall purchase directors and officers liability insurance covering directors on the Board and officers of the Association, including coverage for elected and appointed directors, in an amount determined by the Board in the exercise of its reasonable business judgment. Such insurance must extend to defense costs arising out of any claim.

(vi) **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 Property, including any personal property of the Association located thereon.

(vii) **Reviews.** 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.

(viii) **Form.** Each policy hereunder shall be in form and content as in the Board's opinion are consistent with sound business practice.

(ix) **Owner's Insurance Responsibilities.** For clarification, the following insurance coverages shall be the responsibility of each respective Owner, and Declarant and the Association recommend that each Owner obtain such insurance: insurance on items of personal property (including, without limitation, aircraft and other vehicles) placed in an Improvement by Owner; insurance for hazard, casualty and public liability coverage within each Private Area or other property within the Property (except to the extent covered by the Association under Section 8.2(b)(i)); and insurance coverage for activities of the Owner, not acting for the Association, with respect to any portion of the Property. Lastly, the Owner's Insurance shall name the Association, Carson City Airport Authority, the Airport, and the City of Carson as additional insureds under such liability policy and provided the Association with a Certificate of Insurance.

(c) **Access Permit.** The Association shall fully and timely perform all of its obligation under the Access Permit. If the Association incurs any cost, liability, or expense under the Access Permit as the result of the negligence or willful misconduct of a particular Owner or such Owner's tenants, customers, employees, guests, or invitees, the Board may satisfy the liability or expense and levy a specific assessment against the relevant Owner for such cost pursuant to Section 9.2(c); otherwise the costs of performance under this Section 8.2(c) shall be included in the Common Expenses of the Association and shall be allocated to Units by the Board in accordance with Section 9.1(b) below, but without limiting the Association's rights to reimbursement from any party under the Access Permit. For the convenience of Owners, the Association may from time to time, but is not obligated to, enter into an agreement pay amounts due from all Owners under the Access Permit and pass all such amounts paid on to each Owner as Common Expense to be paid by Owners as part of the assessments due to the Association hereunder.

8.3 Limitations on Authority of Board. Except with the approval of a majority of the Voting Power of the Association, the Board shall not 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.

8.4 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 to any other party, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of any such person or entity if such person or entity has, on the basis of such information as may be possessed by him or it, acted in good faith without willful or intentional misconduct.

Article 9 **Association Finances**

9.1 Common Expenses Generally; Liability for Common Expenses. The Association is entitled to incur Common Expenses in connection with the exercise of its powers and execution of its duties under the Governing Documents, including, without limitation, the establishment of adequate reserves. Each Owner shall reimburse the Association for Common Expenses in an amount equal to that Owner's share of the Common Expenses. Such reimbursement shall generally be accomplished through the Association's levy and collection of assessments in accordance with this Article 9.

An Owner's share of the Common Expenses shall be the share of Common Expenses allocated to that Owner's Unit. The Individual Common Expenses incurred in relation to a particular Unit (including, without limitation, its Connected Limited Common Area, and any Association maintenance on a Unit under Section 6.3 that was caused by the Owner of the Unit) shall at all times be fully allocated to that Unit. As to General Common Expenses and Limited Common Expenses, there shall be no share of General Common Expenses or Limited Common Expenses allocated to a Unit until that Unit's Common Expense Allocation Commencement Date. After a Unit's Common Expense Allocation Commencement Date, the share of Common Expenses allocated to that particular Unit is the sum of the following amounts:

(a) **General Common Expenses.** As to Common Expenses incurred for the benefit of all Units (such as, by way of example, Common Expenses incurred as general overhead and administrative costs of operating the Association, Common Expenses incurred in connection with meeting the Association's maintenance obligations relative to the Units as provided in Section 6.3 above to the extent applicable to all Units, costs associated with any "bulk" fuel purchase agreement or aircraft service agreement entered into by the Association for the benefit of all Members (whether or not used by all Members), and general costs of maintain the Areas of Common Responsibility (including provision of and licensing fees charged in connection with supplying the Charging Stations, whether or not used by all Owners, and operating Charging Stations, should the Board determine that ability to use Charging Stations benefits all Owners, and thus costs related thereto should be shared by all Owners, whether or not all Owners actually use Charging Stations)), an amount arrived at by multiplying such Common Expenses by a fraction, the numerator of which is the number of votes allocated the Unit, and the denominator of which is

the total votes of all Units for which the Common Expense Allocation Commencement Date has occurred; and

(b) **Limited Common Expenses.** As to any Common Expense incurred for the benefit of the particular Unit and other Units, but less than all the Units (such as, by way of example, Common Expenses incurred in connection with meeting the Association's maintenance obligations relative to the Units as provided in Section 6.3 above to the extent applicable to only certain Units, or incurred in connection with maintaining Cost Center Improvements, or in altering monument and/or pylon signage in the Areas of Common Responsibility pursuant to an Owner's rights under Section 12.2(o), or charged as specific user fees for the use of Charging Stations, or providing services to a select group of Units in a Cost Center or otherwise), an amount arrived at by multiplying such Common Expense by a fraction, the numerator of which is the number of votes allocated the Unit, and denominator of which is the total votes allocated to all Units benefitted by the relevant Common Expense and for which the Common Expense Allocation Commencement Date has occurred.

Notwithstanding the foregoing, (i) Common Expenses for a judgment against the Association may be allocated only to Units for which the Common Expense Allocation Commencement Date has occurred as of the date the judgment is entered, in accordance with the foregoing allocations, and (ii) during such time as a Unit is owned by the Association, that Unit shall be deemed a Unit for which the Common Expense Allocation Commencement Date has not yet occurred.

9.2 Assessments. The Association shall generally seek to collect each Owner's share of Common Expenses, as set forth in Section 9.1, by levying assessments against such Owner's Unit as provided in this Section 9.2, which assessments shall then be paid by such Owner. Each Owner, for each Unit owned by such Owner, hereby covenants and agrees to pay to the Association such assessments as are made pursuant to this Section 9.2.

(a) **Regular Assessments.** In keeping with sound financial practices, and to timely satisfy liabilities for Common Expenses, the Association shall levy against each Unit a regular, periodic assessment as determined by and in connection with an annual budgeting process. This annual budgeting process, and said regular periodic assessments made in connection therewith, shall operate in the manner and under the provisions in this Section 9.2(a).

(i) **Budget.** Before the beginning of each fiscal year of the Association, the Board shall adopt a proposed budget for the Association for the next succeeding fiscal year, which budget shall incorporate, as convenient and consistent with sound accounting principles, sub-budgets for Cost Centers, or other groups of Units for which specific Common Expenses are incurred, if any (as to each fiscal year, the "**Budget**"). The Budget shall include, among other appropriate items, both the estimated Common Expenses for the upcoming fiscal year, and the estimated revenue the Association will need to collect from the Owners in order to cover such Common Expenses (as to each fiscal year, the "**Annual Assessment**"). The Budget shall be distributed to the Members not less than thirty (30) days prior to the beginning of the fiscal year to which the budget relates.

(ii) **Levy and Payment of Annual Assessment.** Following the Board's adoption of the fiscal year budget, the Annual Assessment shall be deemed levied against the Units, with each Unit's portion of such Annual Assessment being determined by that Unit's share of the Common Expenses covered by such Annual Assessment, as allocated in Section 9.1. Each Owner shall pay to the Association the portion of the Annual Assessment allocated to that Owner's Unit, which payment shall be made in equal monthly installments during the fiscal year, unless the Board adopts some other basis for collection (such as quarterly or semi-annual installments).

(iii) **Reallocation of Annual Assessment.** Additional Units may be created, existing Units may be withdrawn, or Units may be acquired or sold by the Association following the annual levy of the Annual Assessment. If any such event happens, and that event results in a reallocation of Common Expense shares under Section 9.1, the portion of the Annual Assessment for which installments have not yet come due will be reallocated accordingly among all Units as increased or decreased by the relevant event. For clarification, any such reallocation shall not necessitate any revision to or reaffirmation of the Budget, or otherwise require the Board to repeat the annual budgetary process described in Section 9.2(a)(i) above. For further clarification, any additional Units shall have no liability for the portion of the Annual Assessment for which installments came due prior to such addition, and any withdrawn Units shall have no liability for the portion of the Annual Assessment for which installments will come due after such withdrawal.

(b) **Special Assessments.** If the Board determines that the estimated total amount of funds collected 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 installments against the Annual Assessment, 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 to meet such shortfall, and shall set a date for a meeting of the Members. Unless at that meeting a majority of the Voting Power of the Association votes to reject the proposed special assessment, the proposed special assessment shall be deemed ratified by the Members (the "**Special Assessment**"), whether or not a quorum is present at such meeting.

Following the Member's ratification of a Special Assessment, the Special Assessment shall be deemed levied against the Units, with each Unit's portion of such Special Assessment being determined by that Unit's share of the Common Expenses covered by such Special Assessment, as allocated in Section 9.1. Each Owner shall pay to the Association the portion of the Special Assessment allocated to that Owner's Unit, which payment shall be made in one installment or such multiple installments as the Board, in its discretion, deems reasonable.

As with the Annual Assessment, additional Units may be created, existing Units may be withdrawn, or Units may be acquired or sold by the Association following the levy of a Special Assessment. If any such event happens, and that event results in a reallocation of Common Expense shares under Section 9.1, the portion of the Special Assessment for which installments have not yet come due will be reallocated accordingly among all Units as increased or decreased

by the relevant event. For clarification, any such reallocation shall not necessitate any revision to or reaffirmation of the Budget, or otherwise require the Board to repeat the annual budgetary process described in Section 9.2(a)(i) above. For further clarification, any additional Units shall have no liability for the portion of the Special Assessment for which installments came due prior to such addition, and any withdrawn Units shall have no liability for the portion of the Special Assessment for which installments will come due after such withdrawal.

(c) **Specific Assessments.** The Board may levy a specific assessment against a Unit to collect the Individual Common Expenses allocated to that Unit, as well as to collect any of the following related to that Unit or the Unit's Owner or occupants: (i) penalties (including construction penalties allowed under Section 14.2(b)(iii)(D)), fees, charges, late charges, fines, and interest (including charges allowed under Section 6.1(c)(vii) and/or Section 8.2(c)); (ii) any unpaid transfer fee imposed pursuant to Section 9.4; and (iii) indemnification or reimbursement required from an Owner hereunder (such as, for example, reimbursement due under Section 12.1(b) for damage to Areas of Common Responsibility, or reimbursement for corrective action to cure a default as described in Section 14.2(b)(iii)(C)). An Owner shall pay to the Association any specific assessment made hereunder, which payment shall be made in one installment or such multiple installments as the Board, in its discretion, deems reasonable.

(d) **Notices of Assessments; Delinquencies.** Assessments against a Unit shall be paid by the Owner of that Unit in such manner and on such dates as the Board may establish. The Association shall give to the Owner of a Unit written notice of all assessments levied against that Unit, which notice shall specify the amount owed and the date or dates payment of the same is due and shall be given in the manner provided for notices in this Declaration. Nothing contained herein shall be construed so as to require the Association to give periodic notices of the same assessment; and 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 Owner of the applicable Unit 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.

Any assessment installment hereunder which is not paid within fifteen (15) days following the date it is due shall be deemed delinquent. All delinquent installments shall bear interest at the rate set by the Board (not to exceed any limits applicable to common-interest communities subject to the Act) from the date the installment becomes delinquent hereunder until paid. In addition, a reasonable late charge, in an amount set by the Board, shall be due for each delinquent installment.

(e) **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 Unit at the time such assessment or installment thereof became due and payable. If more than one person or entity is the Owner of the Unit, the personal obligation to pay such assessment, or installment thereof, respecting such Unit shall be both joint and several. Subject to the provisions of Section 13.2 below, a purchaser of a

Unit shall be jointly and severally liable with the seller for all unpaid assessments against the Unit, 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 Unit, or by waiver of the use and enjoyment of the Areas of Common Responsibility or any facilities thereon.

9.3 Collection Matters.

(a) **Generally.** The right to collect and enforce assessments and all other amounts owed to the Association is vested in the Board acting for and on behalf of the Association. The Board or its authorized representative can enforce the obligations of others to pay assessments or other amounts provided for under this Declaration by commencement and maintenance of a suit at law or in equity, by judicial proceedings or, to the extent permitted by applicable law, by the exercise of the power of sale granted to the Board pursuant to NRS 116.3116 to 116.3117, inclusive, and this Declaration. Suit to recover a money judgment against an Owner for unpaid assessments and/or other amounts due hereunder shall be maintainable without first foreclosing against the Owner's Unit or waiving the Association's lien rights against such Unit. Furthermore, in the event of a default in which an Owner does not make payment when due of any assessment or installment thereof, the Board shall have the right, after granting notice and an opportunity to be heard (in the manner set forth in Section 14.2(b)(iii)), to declare all unpaid assessments for the pertinent fiscal year immediately due and payable.

(b) **Lien For Amounts Owed; Priority.** All assessments allocated to a Unit, and all penalties (including construction penalties allowed under Section 14.2(b)(iii)(D)), fees, charges, late charges, fines, and interest thereon related to that Unit or the Unit's Owner or occupants, shall be secured by a lien on such Unit (and all rights appurtenant thereto hereunder, including, without limitation, its allocated Connected Limited Common Area) in favor of the Association from the date the assessment or other applicable amount becomes due. If an assessment or other such amount is payable in installments, the full amount of the assessment or other amount is a lien from the time the first installment thereof becomes due. Recording of this Declaration constitutes record notice and perfection of such, and further recording of a claim of lien for assessments is not required. As to each Unit, the priority of the lien provided for herein, relative to other liens and encumbrances on such Unit, shall be as set forth in NRS 116.3116 (as amended or superseded).

(c) **Enforcement of Lien.** The Association may foreclose its lien against a Unit by sale pursuant to, and in accordance with, the provisions of NRS 116.3116 to 116.3117, inclusive. The costs and expenses of any such foreclosure proceeding, including, without limitation, the cost of preparation of all notices, reasonable attorneys' fees, and title insurance costs related to such proceeding, shall be Individual Common Expenses allocated to the Unit subject to such foreclosure proceeding, and shall be deemed assessed against such Unit as a specific assessment under Section 9.2(c). The Association's commencement of a foreclosure proceeding

shall in no way limit an Owner's obligation to pay assessments or other amounts that shall become due from such Owner during the period of foreclosure.

9.4 Transfer Fee. The Association shall have the right to charge a transfer fee payable to the Association on the date of transfer of title to the Unit, which transfer fee shall be equal to (a) an amount determined by the Board, but not to exceed the greater of [\$ _____] or two (2) periodic installments of the Annual Assessment in effect at the time of transfer of title of such Unit (such amount, the "**Capital Contribution Portion**"), plus (b) such administrative fees as the Board has agreed to allow to any Manager in connection with the transfer of title of such Unit; provided, however, that no such fee shall be levied on a transfer (i) exempt from real property transfer tax under NRS Chapter 375, (ii) from Declarant to a Participating Developer, or from a Participating Developer to another Participating Developer or Declarant, or (iii) to an Owner's estate, surviving spouse, or child upon the death of such Owner. The Capital Contribution Portion of the fee charged hereunder upon the transfer of title of any Unit may be applied by the Board, in the Board's discretion on a case by case basis, to any of the following: (A) the Association's operating fund; (B) capital expenditures upon Common Areas within the Project, or (C) the Association's reserves.

9.5 Subsidy Agreements. Notwithstanding anything else herein to the contrary, the Association, through the Board, is specifically authorized and empowered to enter into a subsidy agreement or other similar agreements with Declarant and/or a Participating Developer, whereby assessments otherwise payable by Declarant or such Participating Developer on Units owned by Declarant or such Participating Developer, respectively, are deemed satisfied in exchange for the payment by Declarant or such Participating Developer of shortfalls in the Association's operating expenses or the provision of maintenance of the Common Elements, the Association's easements and improvements upon the Areas of Common Responsibility, and/or the performance of certain other services which are Common Expenses of the Association.

PART FOUR: COMMUNITY DEVELOPMENT

Successful development of an integrated, high-quality commercial park requires coordination of the property rights of the owners within that community, as well as flexibility to initiate, respond to, and adapt to changes as the community grows and matures. The Articles in this Part Four attempt to provide such coordination, and reserve to Declarant, Participating Developers, and the Association such rights and privileges as may be necessary or useful in fostering positive change during the development of the Carson Tahoe Executive Park Community.

Article 10 **Declarant Rights**

10.1 General. Declarant and Participating Developers may be undertaking the work of constructing Improvements to and upon the Property and adding real property to the Property in accordance with the terms and provisions of this Article 10. The completion of such construction and the sale or other disposition of Units within the Property is essential to the establishment and

welfare of the Carson Tahoe Executive Park Community.

10.2 Special Declarant's Rights.

(a) **Reservation in Favor of Declarant.** Declarant hereby reserves unto itself the rights to:

(i) Complete Improvements within the Property, including, but not limited to, those indicated on the Plat or in the Development Agreements, the Plans, and/or the Design Standards, or otherwise described in this Declaration;

(ii) Maintain model Occupied Spaces within the Property for use in Declarant's sales activities, and maintain sales offices/trailers and construction offices/trailers within the Property which may be relocated from time to time;

(iii) Maintain signs and flags advertising the Property, which signs and flags may be maintained anywhere on the Property, excluding Private Areas owned by Owners other than Declarant;

(iv) Use easements through the Common Elements for the purpose of making Improvements within the Property or the Annexable Property;

(v) Maintain storage and staging facilities and parking facilities within the Property for its materials, equipment, staff, and contractors;

(vi) Create and Record Supplemental Declarations (and any amendments thereto) against any portion of the Property owned by Declarant, or, in Declarant's sole and absolute discretion, against any other portion of the Property upon the request of the owner thereof, which Supplemental Declarations may, among other things, (1) exercise any Development Right, and/or (2) create a Cost Center and allocate thereto (A) Limited Common Elements or (B) Cost Center Improvements, or (C) services to be performed by the Association, and/or (iii) provide for the creation or addition of new Limited Common Elements (including, without limitation, Connected Limited Common Elements) or Areas of Common Responsibility, and/or (iv) set forth additional restrictions, easements, or covenants that may be applicable to some or all of the Units subject to such Supplemental Declaration;

(vii) Notwithstanding or limiting any other provision herein, use of all Common Elements for up to thirty (30) days each year to sponsor special events for charitable, philanthropic, political, or marketing purposes as determined by Declarant in its sole discretion; provided (a) the relevant Common Elements are reasonably available at the time Declarant submits notice of the event to the Association; and (b) Declarant pays all reasonable costs and expenses incurred in connection with such event. Declarant shall have the right to assign the rights contained in this Section 10.2(a)(vii) to charitable organizations, community groups or foundations selected by Declarant;

(viii) Issuance, free of charge, of as many Association Cards as Declarant, in its sole discretion, deems necessary, which Association Cards shall entitle the bearer to use of all related Areas of Common Responsibility (subject to the payment of applicable use fees, excluding assessments under Article 9), and which Declarant may transfer to prospective purchasers of Units subject to such terms and conditions as it, in its sole discretion, may determine;

(ix) Merge or consolidate the Carson Tahoe Executive Park Community with another common interest community of the same form of ownership; and

(x) Appoint or remove any officer of the Association or any member of the Board at any time and from time to time prior to the Declarant's Control Termination Date, and designate, from time to time, a person or persons who are entitled to exercise such appointment and removal right.

(b) **Reservation in Favor of Participating Developers.** Declarant hereby reserves unto each Participating Developer (subject to Article 5) the rights to:

(i) Complete Improvements within the portion of the Property owned by such Participating Developer, including, but not limited to, those indicated on the Plat or in the Development Agreements, the Plans, and/or the Design Standards, or otherwise described in this Declaration;

(ii) Maintain model Occupied Spaces upon such Participating Developer's Private Areas for use in such Participating Developer's sales activities, and maintain sales offices/trailers and construction offices/trailers upon such Participating Developer's Private Areas which may be relocated from time to time;

(iii) Maintain signs and flags advertising the Property, which signs and flags may be maintained anywhere on the Property, excluding Private Areas owned by Owners other than the Participating Developer;

(iv) Use easements through the Common Elements for the purpose of making Improvements to Private Areas owned by such Participating Developer; and

(v) Maintain storage facilities and parking facilities upon such Participating Developer's Private Areas for its materials, equipment, staff, and contractors.

10.3 Declarant's Development Rights. Declarant hereby reserves unto itself the following Development Rights:

(a) The right to add real estate to the Property and to create Units and Common Elements (including Limited Common Elements) within such real estate as follows:

(i) **Property Subject to Annexation.** Declarant hereby reserves unto itself the right to cause to be annexed to this Declaration as part of the Property from time to time all or a portion of the Annexable Property, and to create within the real property so annexed

additional Units, together with Common Elements (including Limited Common Elements). No assurances are made by Declarant prior to the annexation of any portion of a parcel of such real property as to the size or configuration of such portion, the number of Units therein, or the order in which any such portion may be annexed. If any portion of a parcel of such real property is annexed to the Property, there are no assurances that any other portion or all of such parcel will be annexed.

(ii) **Manner of Annexation.** Annexation shall be accomplished by Recordation of a Supplemental Declaration, executed by Declarant and any owner of the real property being annexed, describing the real property to be so annexed and declaring that such property shall thereafter be deemed to be part of the Property, and shall be held, conveyed, sold, encumbered, leased, rented, used, occupied, improved or otherwise affected in any manner subject to the provisions of this Declaration. Any such Supplemental Declaration may, among other things, (i) create Units and/or a Cost Center and allocate thereto (A) Limited Common Elements and/or (B) Cost Center Improvements, and/or (C) services to be performed by the Association, and/or (ii) create or add new Areas of Common Responsibility, and/or (iii) set forth additional restrictions, easements, or covenants that may be applicable to some or all of the Units subject to such Supplemental Declaration; provided, however, that any additional restrictions or other provisions contained in such Supplemental Declaration shall not be in any manner inconsistent with the provisions of this Declaration. In the event of any inconsistency between the provisions of this Declaration and those of any Supplemental Declaration, the provisions of this Declaration shall control.

(iii) **Effect of Annexation.** Upon recordation of a Supplemental Declaration described in subsection (ii) above, the real property described in such Supplemental Declaration shall become part of the Property, as defined herein, and shall be subject to all of the provisions of this Declaration. Without limiting the generality and effect of the foregoing, all Units created in such real property shall have the voting rights and a share of Common Expenses in accordance with the provisions of this Declaration, and the share of Common Expenses of all other Units and developer obligations under Subsidy Agreements or Cost Sharing Agreements shall be adjusted accordingly.

(b) The right to create Common Elements, Limited Common Elements, and/or Areas of Common Responsibility with respect to the Property, including, without limitation, creation by means of Supplemental Declaration, the Development Agreements, Plans, Design Standards, permits, licenses, certificates, consents and approvals issued by the City, the Authority, or other governmental authorities in connection with development of the Property, and creation by means of servitudes entered into with property owners outside of the Carson Tahoe Executive Park Community;

(c) The right, but not the obligation, to subdivide Units, to merge and/or re-subdivide Property (including Units) owned by Declarant with other Property (including Units) owned by Declarant, or convert any Unit owned by Declarant into Common Elements or Limited Common Elements;

(d) As to each portion of the Property that is not a Unit, the right, but not the obligation, to withdraw such portion of the Property from this Declaration at any time prior to the sale or conveyance of a Unit created by a Plat covering that portion of the Property, subject to the prior written approval of the owner of such portion of the Property; and as to each portion of the Property that is a Unit, the right, but not the obligation, to withdraw such Unit from this Declaration at any time prior to the sale or conveyance of such Unit, subject to the prior written approval of the Owner of such Unit;

(e) The right to allocate perpetual rights to present signage on any monument and/or pylon signage located in the Areas of Common Responsibility in connection with Declarant's rights under Section 12.2(o) below; and

(f) The right, but not the obligation, to unilaterally amend this Declaration at any time prior to the close of the first sale of a Unit.

The Development Rights reserved in this Section may be exercised at any time within fifty (50) years after the Effective Date and shall be exercised by a Recorded written instrument. The Development Rights reserved in this Section may be exercised with respect to different parcels of real estate at different times, and no assurances are made as to the boundaries of such parcels or the order in which they may be subjected to the exercise of a development right, nor is any representation made that a development right must be exercised as to an entire parcel if such right is exercised as to a portion of that parcel.

10.4 Declarant's Right to Complete. No provision of this Declaration (including, without limitation, any Supplemental Declaration) or the Rules shall be construed to prevent or limit Declarant's rights to complete the development, construction, promotion, maintenance, marketing, and sale of properties within the Property; to construct or alter Improvements on any property owned by Declarant or the Association; to maintain construction equipment, model Units, offices and trailers for construction, sales or leasing purposes or similar facilities on any property owned by Declarant or owned by the Association; or to post signs incidental to the development, construction, promotion, marketing, sale and leasing of property. Nothing contained in this Declaration or the Rules shall limit the right of Declarant or require Declarant to obtain approval to: (a) excavate, cut, fill or grade any property owned by Declarant or to construct, alter, remodel, demolish or replace any Improvements on any part of the Property or any property owned by Declarant or the Association; (b) use any structure on any part of the Property or any property owned by Declarant or the Association as a construction, model Unit or real estate sales or leasing office in connection with the sale of any property within such boundaries; or (c) require Declarant to seek or obtain the approval of the Board, the ARC, or the Association for any such activity or Improvement to property by Declarant on any part of the Property or any property owned by Declarant. Nothing in this Section shall limit or impair the reserved rights of Declarant or a Participating Developer as elsewhere provided in this Declaration.

10.5 Right to Approve Additional Covenants. No person or entity shall Record any additional declaration of covenants, conditions and restrictions or similar instrument affecting any portion of the Property without Declarant's review and consent. The granting or withholding of

such consent by Declarant shall be within Declarant's sole discretion. Any Recording without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by Recorded consent signed by Declarant. Once approved by Declarant and Recorded, any declaration or similar instrument affecting any portion of the Property shall be in addition to and not in limitation of, the provisions of this Declaration. In the event of any conflict between the Governing Documents and any such declaration or similar instrument affecting any portion of the Property which is Recorded, the terms of the Governing Documents shall control.

10.6 Priority of Declarant's Rights. Declarant shall have, and hereby retains and reserves, certain rights as set forth in this Declaration with respect to the Association and the Property. The rights and reservations of Declarant set forth in this Declaration shall be deemed excepted and reserved in each recorded amendment and supplement to this Declaration, in each deed or other instrument by which any property encumbered hereby is conveyed, whether or not specifically stated therein. The rights, reservations and easements of Declarant set forth in this Declaration shall be prior and superior to any other provisions of this Declaration.

10.7 Assignment of Declarant's Rights. Any and all of the rights, powers and reservations of Declarant herein contained may be fully or partially assigned by Declarant to any person or entity that will assume any or all of the duties of Declarant hereunder, and upon any such assignee's evidencing consent in writing to accept such assignment, said assignee shall, to the extent of such assignment, assume Declarant's duties hereunder, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by Declarant herein. Upon such assignment, and to the extent thereof, Declarant shall be relieved from all liabilities, obligations and duties hereunder.

10.8 Limitations on Rights. Nothing in this Article shall give Declarant or a Participating Developer the right to damage any Private Area or Improvement not owned by Declarant or such Participating Developer, respectively, or to interfere unreasonably with the Owners' use of the Areas of Common Responsibility. Declarant's and each Participating Developer's rights under this Article 10 shall terminate fifty (50) years from the Effective Date, except as required for maintenance and repair obligations conducted by Declarant which may continue after such date. Neither the Association nor any Owner may take any action or adopt any rule that will interfere with or diminish any of Declarant's rights, including special declarant's rights and Development Rights, or any Participating Developer's rights without the prior written consent of Declarant or such Participating Developer, as applicable.

Article 11
Reserved

Article 12
Additional Property Rights and Easements

12.1 Rights Related to Common Elements.

(a) **Owner Easements in Common Elements.** Each Owner shall have, and Declarant and the Association hereby grant to each Owner, a non-exclusive easement, appurtenant to such Owner's Unit, of use and enjoyment in, to, and throughout all Common Elements for ingress, egress, support, drainage, and all other appropriate purposes consistent with the Development Agreements, Plans, Design Standards, and other development approvals issued by the City, the Authority, or other applicable governmental authorities in connection with such Common Elements. The foregoing easement is, in each instance, subject to the following:

(i) All easements, covenants, liens, limitations, and other items of record or apparent against the real property at the time such real property is conveyed to the Association, or created in the deed by which such conveyance is made, including, without limitation, any Cost Sharing Agreement(s);

(ii) The right of the Owners to whom any Limited Common Elements have been allocated, hereby reserved to such Owners, to the exclusive use of those Limited Common Elements (subject to the terms of this Declaration), except as otherwise provided in the Supplemental Declaration pursuant to which such allocation is made;

(iii) The Governing Documents, including, without limitation, the Board's right to adopt and enforce the Rules as provided in Article 3;

(iv) Without limiting the foregoing subsection, the Board's right to establish uniform and reasonable admission and other fees for the use of any Common Elements, including charges levied by the Association and/or third party service providers in connection with the use of any Common Elements (including charges for the issuance of Association Cards) and/or any Charging Station;

(v) The Board's right to permit the use of any facility situated upon the Common Elements, including Charging Stations, by persons other than the Owners, their customers, lessees, and guests upon satisfaction of reasonable admission requirements and/or payment of reasonable fees, and to designate other areas and facilities within the Common Elements as open for the use and enjoyment of the public;

(vi) The terms and provisions of the Access Permit;

(vii) Declarant's rights hereunder, including, without limitation, Declarant's rights under Section 10.2(a) and its rights under Section 12.1(d) below;

(viii) The Association's rights under Section 12.1(d) below; and

(ix) The limitation, hereby declared, that such easement shall allow for access over any portion of the Common Elements located on an individual Unit, other than a portion constituting an access easement over a Unit, as shown on the Plat pursuant to which such Unit was created, that provides access from a street or roadway in the Property to a portion of the Common Area owned in fee by the Association.

An Owner's rights hereunder shall extend to its tenants, guests, employees, and invitees; provided, however, that if the Owner of a Unit does not occupy the Unit, then the Owner, consistent with Section 4.2(i), shall be deemed to have assigned all of the Owner's rights under this Section to the occupants of the Unit (who may extend the privilege of use and enjoyment to their guests, employees, and invitees), and during such time the Owner shall have no right to make use of the Areas of Common Responsibility. Notwithstanding any aforementioned extension or assignment, each Owner shall at all times be responsible for any and all activities of its employees, customers, tenants, guests and invitees using the Areas of Common Responsibility.

(b) **Indemnification.** Each Owner shall indemnify, protect, defend and hold harmless Declarant, without limitation, on any claims arising from the negligence or willful misconduct of that Owner, its employees, customers, tenants, guests, or invitees, for damages sustained on the Areas of Common Responsibility and Connected Limited Common Elements, except to the extent any such claims arise from the gross negligence or willful misconduct of Declarant. Similarly, each Owner shall indemnify, protect, defend and hold harmless the Association, without limitation, on any claims arising from the negligence or willful misconduct of that Owner, its employees, customers, tenants, guests, or invitees, for damages sustained on the Areas of Common Responsibility and Connected Limited Common Elements, except to the extent any such claims arise from the negligence or willful misconduct of the Association, and shall reimburse the Association for any damage to the Areas of Common Responsibility caused intentionally or negligently by such Owner or its employees, customers, tenants, guests, or invitees.

(c) **Reservation and Grant of Common Elements Easements in Favor of Declarant and Participating Developers.**

(i) **Declarant.** Without limiting any other rights of Declarant herein, Declarant hereby reserves unto itself such easements over, through and under the Common Elements (including the Connected Limited Common Elements) as may be reasonably necessary to (i) discharge Declarant's obligations under this Declaration, (ii) exercise any rights of Declarant described in Section 10.2, (iii) construct any Improvement, complete any Improvement, replace any Improvement, perform any maintenance, or make any repair Declarant deems desirable on the Common Elements or any Private Area owned by Declarant, (iv) complete any Improvement or make any repair on the Common Elements necessary for the provision of adequate access, support and drainage for the Units or Areas of Common Responsibility, and (v) such access as may be required to enjoy any of the foregoing rights.

(ii) **Participating Developers.** Without limiting any other rights of a Participating Developer herein, Declarant hereby reserves unto each Participating Developer such easements over, through and under the Common Elements (including the Connected Limited Common Elements) as may be reasonably necessary to (i) discharge such Participating Developer's obligations under this Declaration, or (ii) exercise any rights of such Participating Developer described in Section 10.2, or (iii) complete any Improvement on any Private Area owned by such Participating Developer (subject to the terms of Article 5 hereof).

(d) **Future Encumbrance and Conveyance of Common Elements.**

(i) **Future Encumbrance By Declarant.** Declarant hereby reserves unto itself the right to grant unto third parties easements and rights of way on, over, through and under the Common Elements for the purpose of constructing, erecting, operating, using, or maintaining on the Common Elements, at any time: (i) roads, streets, trails, walks, driveways, vehicle parking areas, parkways, and park areas; (ii) utility lines, utility facilities, poles, wires, or conduits for transmission of electricity, telephonic communication or cable or master antenna television for any portion of the Property and the necessary apparatus incident thereto; and (iii) public and/or private sewers, sewage disposal systems, storm drains, land drains and pipes, channels, retention/detention basins, water systems, sprinkling systems, water, heating and gas lines or pipes, and any and all equipment and other apparatus relating thereto; provided, however, that in exercising the foregoing right, Declarant shall not grant or create any right that would unreasonably interfere with the quiet use and enjoyment of any Connected Limited Common Element. The Association does hereby agree to execute and deliver and does hereby irrevocably constitute and appoint Declarant as its lawful attorney in fact to execute and deliver any and all documents, agreements, deeds, instruments or assignments that may be necessary to effectuate any grant described herein, and any and all remuneration, credits or reimbursement that may result or arise from or in connection with any dedication, transfer and conveyance described in this Section shall be paid, credited or reimbursed solely to Declarant. The rights reserved by Declarant in this Section shall permanently expire upon expiration of Declarant's Development Rights under Section 10.3.

(ii) **Future Encumbrance By the Association.** Subject to the Board's duty to exercise business judgment on behalf of the Association and its Members, the Board may grant unto third parties easements, licenses, and rights of way on, over, through and under the Common Elements; provided, however, that prior to granting any such easement over Limited Common Elements, Owners representing a majority of the Units to which such Limited Common Elements are allocated have approved such action. The Association shall also have the right to convey and encumber the Common Elements from time to time, upon approval of sixty six percent (66%) of the Voting Power of the Association; provided, however, that if the relevant Common Elements are Limited Common Elements, any such conveyance or encumbrance must also be approved by a majority of the votes allocated to the Units to which such Limited Common Elements are allocated.

12.2 Additional Easement Rights.

(a) **Construction Access Easement.** Declarant hereby reserves for itself a temporary, non-exclusive easement over the Property for such access, ingress and egress as may be necessary for Declarant to complete or inspect any work or Improvement on the Property, or to make any repair or replacement Declarant deems necessary or appropriate to any Improvement on the Property, or to modify any completed Improvement on the Property to correct any defect therein or to make such Improvement conform to Declarant's governmentally approved plans for such Improvement; provided that, in exercising the rights reserved under this Section, Declarant shall (i) except in the event of emergency, provide reasonable notice to the Owner or the

Association, as applicable, (ii) not unreasonably interfere with any non-Declarant Owner's use and enjoyment of his or her Private Area, and (iii) promptly repair, at Declarant's expense, any damage resulting from such entry. The easement reserved by Declarant in this Section shall permanently expire one (1) year from the date Declarant's Development Rights expire under Section 10.3.

(b) **Encroachment Easements.** Declarant hereby reserves over each Unit and each portion of the Common Elements reciprocal easements for the purpose of accommodating and maintaining any encroachment which occurs due to engineering errors, errors in original construction, settlement, or shifting of structures, minor overhangs (such as for HVAC units or roof extensions), minor encroachments of demising walls onto Common Area as engineered and built in the original construction of Units, or any other cause as long as the encroachment remains. In the event a Unit, Common Elements, or any Improvement thereon is partially or totally destroyed, and then repaired and rebuilt, minor encroachments over adjoining Units and/or Common Elements shall be permitted and there shall be valid easements for the maintenance of the encroachments as long as they shall exist. Notwithstanding the preceding sentence, in no event shall a valid easement exist pursuant to this Section in favor of Declarant, an Owner, or the Association if the encroachment occurred due to the willful misconduct of such party.

(c) **Drainage and Support Easements.** Declarant hereby reserves over the Common Elements and each Unit reciprocal easements for drainage, and sublateral and subjacent support, according to the drainage patterns, grading requirements, and/or building plans created or required by the grading and/or building plans for the Property approved by the City or the Authority, as applicable, as well as the actual, natural, and existing patterns for drainage. Declarant hereby further reserves over the Common Elements and each Unit, for the Annexable Property, easements for drainage according to the drainage patterns created or required by the grading plans and/or building plans for the Property approved by the City and/or the Authority, as well as the actual, natural, and existing patterns for drainage.

(d) **Construction Impacts Easement.** During development of the Property, the construction of streets, utilities, structures and other Improvements (generally, the "Construction") will produce substantial dust, noise, light (during nighttime hours) and other adverse impacts ("Impacts") within the Property to Owners and their guests, tenants, invitees and licensees which may be alleged in the future to constitute a nuisance or otherwise impair the use and enjoyment of the Areas of Common Responsibility, Units, and Improvements thereon. The term "Impacts" is intended to be construed liberally to include all adverse consequences of Construction activity which might be an annoyance or nuisance, particularly without limitation dust and noise. An easement is hereby reserved by Declarant, from each Unit and the Common Elements, for itself and each Participating Developer, and their respective agents, to cause such Impacts to occur.

(e) **Solid Waste Collection Easement.** Declarant hereby reserves over the Common Elements constituting private streets and driveways for each solid waste collection company (e.g., Waste Management) providing service to the Property, a perpetual, non-exclusive easement for such ingress and egress as may be necessary or useful in the ordinary course of its

trash collection service to Units within the Property, as well as a perpetual, non-exclusive easement for such trash collection.

(f) **Sidewalk Easement.** Declarant hereby reserves over the improved sidewalks on each Unit, for the benefit of each Unit and the Association, a perpetual, non-exclusive easement for pedestrian ingress and egress.

(g) **Easements for Utility Services.**

(i) **Community Water and Sewer.** Declarant hereby reserves over the Common Elements, for the City and each public or quasi-public utility delivering water and/or sewer service to the Property, a perpetual, non-exclusive easement for the installation, construction, improvement, repair, replacement, use, and maintenance of any community water and/or sanitary sewer system facilities or improvements required pursuant to the Development Agreements, Plans, Design Standards, or other approvals issued by the City or the Authority in connection with the development of the Property, and for such ingress and egress as may be necessary or useful in exercising such rights.

(ii) **Utilities.** Declarant hereby reserves over the Common Elements (including the Connected Limited Common Elements), for the benefit of utility providers serving the Property, a perpetual, non-exclusive easement for the installation, construction, improvement, repair, replacement, use, and maintenance of any utility facilities or improvements required pursuant to the Development Agreements, Plans, Design Standards, Plans, or other approvals issued by the City or the Authority in connection with the development of the Property, and for such ingress and egress as may be necessary or useful in exercising such rights.

(iii) **Minimal Interference.** All work associated with the exercise of the easements described in this subsection (g) shall be performed in such a manner as to minimize interference with the use and enjoyment of the Common Elements (including the Connected Limited Common Elements). Upon completion of the work, the party exercising the easement right shall restore the property disturbed, to the extent reasonably possible, to its condition prior to the commencement of the work. Notwithstanding the foregoing, nothing herein shall modify or alter any rights or obligations of any party benefitted or burdened by the easements in this subsection (g) to the extent such rights or obligations are more specifically covered in a separate document relating to such rights and obligations.

(h) **Association Easement for Maintenance and Enforcement.** Declarant hereby reserves, for the benefit of the Association, a perpetual, non-exclusive easement over the Property for such access and use as the Association may require in performing its maintenance obligations or exercising its maintenance rights hereunder (including, without limitation, under Section 6.3 or Section 6.4 above as to Units, and any maintenance or activity required under any Supplemental Declaration). Additionally, Declarant hereby reserves, for the benefit of the Association, a perpetual, non-exclusive easement over the Property, for the purpose of ensuring compliance with and enforcing the Governing Documents (including, without limitation, the exercise of the Association's rights under Section 14.2(b)(iii)(C) below). In exercising the rights

reserved under this Section, the Association shall (i) except in the event of emergency or as to routine activities in relation to Unit maintenance under Section 6.3, provide reasonable notice to the Owner, (ii) not unreasonably interfere with any Owner's use and enjoyment of his or her Private Area, and (iii) promptly repair, at the Association's expense, any damage resulting from such entry (it being understood that the maintenance work or corrective action being taken by the Association in connection with such entry shall not be deemed damage resulting from such entry). Notwithstanding the foregoing, the Association's rights hereunder shall not come into existence as to a particular Unit until such time as Declarant has conveyed the Unit to a third party.

(i) **Emergency Vehicle Access.** Declarant hereby reserves over the Common Elements (including, without limitation, any emergency vehicle access gate), for the City, the Authority, and emergency ambulance service providers, a perpetual, non-exclusive easement for access, ingress, and egress of emergency vehicles and emergency service personnel serving the Property and Owners and occupants therein.

(j) **Shared Improvement Easement.** Declarant hereby reserves over each Private Area, for the benefit of each adjoining Private Area, a perpetual, non-exclusive easement for support of Shared Improvements, and for such access and use as the Owner of such Private Area may require to maintain, repair, replace, and/or reconstruct any Shared Improvement, or in otherwise exercising the rights granted and meeting the obligations imposed under Sections 6.1 and 6.4 above. Absent an emergency, in exercising the rights reserved under this Section 12.2(j), an Owner shall provide at least twenty-four (24) hours advance notice to the Owner of the Private Area to be entered upon. Any exercise of rights hereunder shall be undertaken so as to not unreasonably interfere with an Owner's use and enjoyment of his or her Private Area.

(k) **Easements Created By Plat.** Without limiting any other easement rights created herein, each Unit and Common Area within the Property shall be subject to, and there is hereby reserved, any easement which is identified and described as encumbering that Unit or Common Area on the Plat pursuant to which such Unit and/or Common Area, as applicable, was created. Without limiting the foregoing, Declarant hereby reserves over any "Private Street" area on a Plat, for Declarant and the Association, a perpetual, non-exclusive easement for the installation, construction, maintenance, use, repair and replacement of such roadway, curb and gutter, street lighting, fencing, utility, landscaping and drainage improvements as Declarant or the Association may now or hereafter deem necessary or useful in accordance with the Plans.

(l) **Community Systems Easement.** Declarant hereby reserves for itself over the Property a perpetual, nonexclusive easement for the installation and maintenance (including the right to read meters, service or repair lines and equipment, and to do everything and anything necessary to properly maintain and furnish) of the Community Systems and the facilities pertinent and necessary to the same. Declarant shall have the right, but not the obligation, to install and provide the Community Systems and to provide the services available through the Community Systems to any and all Units within the Property. Neither the Association nor any Owner shall have any interest therein. Any or all of such services may be provided either directly through the Association and paid for as part of the Assessments or directly to Declarant, any Affiliate of Declarant, or a third party, by an Owner who receives the services. The Community Systems shall

be the property of Declarant unless transferred by Declarant, whereupon any proceeds of such transfer shall belong to Declarant. Declarant shall have the right but not the obligation to convey, transfer, sell or assign all or any portion of the Community Systems or all or any portion of the rights, duties or obligations with respect thereto, to the Association or to any other person or entity. The rights of Declarant with respect to the Community Systems installed by Declarant and the services provided through such Community Systems are exclusive, and no other person may provide such services through the Community Systems installed by Declarant without the prior written consent of Declarant. In recognition of the fact that interruptions in cable television and other Community Systems services will occur from time to time, no person or entity described above shall in any manner be liable, and no user of any Community System shall be entitled to any refund, rebate, discount or offset in applicable fees for any interruption in Community Systems services, regardless of whether or not same is caused by reasons within the control of the then-provider of such services. However, the provision of the services available through the Community Systems installed by Declarant shall be nonexclusive, and the Association may permit any third party to install and provide Community Systems and services through the Carson Tahoe Executive Park Community, provided the Community Systems shall be constructed and installed by such third party and on such nonexclusive terms and conditions as the Association may determine; provided, however, that such other Community Systems and services shall not affect or modify the rights of Declarant.

(m) **Common Wall Easements.** Declarant hereby reserves over the Common Elements and each Unit reciprocal easements for each neighboring Unit as necessary to discharge the maintenance obligations or otherwise exercise the rights set forth in Section 6.1(d) hereof.

(n) **Limited Common Elements Easement.** Declarant hereby reserves, for the benefit of each Unit, a perpetual, non-exclusive easement over each Limited Common Element allocated to that Unit for such access and use as the Owner of such Unit may require in exercising its rights and meeting its obligations hereunder in relation to such Limited Common Element.

(o) **Signage Facilities Easement.** Without limiting any other easement rights created herein, Declarant hereby reserves for itself a perpetual, non-exclusive easement over the Common Elements for the installation, construction, improvement, repair, replacement, use, and maintenance of signage facilities or improvements, including, without limitation, monument signage and/or pylon signage for purposes of advertising various businesses and operators within the Property, and for such ingress and egress as may be necessary or useful in exercising such rights. Declarant further reserves the right to sell, assign, and/or lease signage space and/or its easement rights hereunder from time to time. In the event of a partial transfer of Declarant's rights hereunder in connection with the sale of a Unit, such transfer shall be void unless made in a written, Recorded instrument executed by Declarant, whereupon such partial assignment shall be deemed a permanent, non-exclusive allocation to the Unit of a right to inclusion on the monument and/or pylon signage in the Areas of Common Responsibility, subject to the reasonable discretion of the Board as to form and content, and to the extent allowed under the initial executed, Recorded assignment from Declarant.

(p) **Access Easements for Annexable Property.** Declarant hereby reserves

over all improved streets and roadways within the Property a perpetual, non-exclusive easement for access, ingress and egress, drainage, and utilities, without limitation, water, sewer, power, and telecommunications, for the benefit of the Annexable Property, whether or not such real property is made subject to this Declaration. The easements reserved herein shall be of a scope sufficient to allow for development upon the Annexable Property of a density and use consistent with any entitlements and other approvals issued by the City and/or the Authority from time to time for such real property.

Declarant agrees that it and its successors or assigns shall be responsible for any damage caused to the Common Area as a result of its actions in connection with the development of such property. Declarant further agrees that if the easements in this subsection (p) are put to permanent use as to a portion of the Annexable Property, and such real property is not made subject to this Declaration, Declarant and its successors or assigns as to such real property shall enter into a reasonable agreement with the Association to reasonably share the cost of any maintenance performed by the Association on the Common Areas burdened by such easements.

12.3 Miscellaneous Rights.

(a) **ARC's Right to Inspect.** Any member or authorized consultant of the ARC, or any authorized officer, employee or agent of the Association may enter upon any Unit or Area of Common Responsibility at any reasonable time after notice to the relevant Applicant, without being deemed guilty of trespass, in order to inspect any structural addition, alteration or Improvement constructed or under construction thereon to determine whether the work has been or is being built in compliance with the ARC's approval (including all terms and conditions thereof).

(b) **Rights to Stormwater Runoff, Effluent and Water Reclamation.** Declarant hereby reserves for itself and its designees all rights to ground water, surface water, storm water runoff, and effluent located or produced within the Property, other than storm water runoff impounded or otherwise detained by an Owner on such Owner's Unit, and each Owner of a Unit and the Association agrees, by acceptance of a deed to real property within the Property, that Declarant shall retain all such rights. Such rights shall include the reservation of an easement over the Property for access, and for installation and maintenance of facilities and equipment to capture and transport such water, runoff, and effluent, excluding those areas of a Unit improved with any building or other structure, and subject to the requirement that Declarant, following any such entry, expeditiously repair and restore any portion of the Unit and/or improvements, landscaping, or vegetation thereon to its/their condition prior to the exercise of such rights (except as modified by Declarant in connection with installation of the aforementioned facilities and equipment). The rights created in this Section shall survive termination of this Declaration.

(c) **Right to Indemnification For Roads and Storm Water Pollution .** Each Owner (including, without limitation, each Participating Developer) shall indemnify, protect, defend and hold harmless Declarant, each Affiliate of Declarant, and their respective contractors, without limitation, on any claims, damage, loss, liability, expense, or fine arising from (i) any damage caused by such Owner to any right-of-way or taxiway owned and/or maintained by the

City, the Authority, or any other public agency, and (ii) any pollutants (including debris, sediments, soils, and/or chemicals) discharged into the Property's stormwater drainage system as a result of any activity, construction, maintenance, or improvement (including installation of landscaping and landscaping maintenance) conducted or located upon such Owner's Unit.

(d) **Right to Notice of Defect Claims.** Neither the Association nor any Owner shall retain or allow the retention of an expert for the purpose of inspecting the design or construction of any Improvement within the Property in connection with or in anticipation of any potential or pending claim, demand, or litigation involving such design or construction unless Declarant and any builder involved in the design or construction have been first notified in writing and given an opportunity to meet with the Association or the Owner, as applicable, to discuss the Association's or Owner's concerns, as applicable, and conduct their own inspection and possible curative efforts pursuant to the rights reserved in Section 12.2(a).

(e) **Reservation of Rights to Name and Marks.** Notwithstanding anything else herein to the contrary, no Owner may use the name "Carson Tahoe Executive Park" or "CTE Development, LLC", or the logo or mark of either of these, in any advertisement or promotional material of any kind or nature whatsoever without first obtaining the prior written consent of Declarant. Declarant hereby reserves all rights associated with the names "Carson Tahoe Executive Park", "CTE Development, LLC", and the logo and/or mark of each, and expressly reserves the right to use such names in relation to other real estate developments undertaken by Declarant, its subsidiaries, and each Affiliate of Declarant.

(f) **Covenant Not to Object to Development.** Each person or entity that acquires any interest in the Property acknowledges that the Carson Tahoe Executive Park Community is a planned community, the development of which is likely to extend over several years, and that changes in the Development Agreements, the Plans, the Design Standards, and other governmental approvals for the Property may occur as the development of the Carson Tahoe Executive Park Community proceeds. Each such person or entity therefore agrees not to protest, challenge or otherwise object to changes made or proposed by Declarant in the Development Agreements, the Plans, the Design Standards, and other governmental approvals or allowed uses for the Property, except to the extent such changes relate specifically to the Plat applicable to the Unit in which such person or entity holds an interest.

(g) **Entry Gates.** During such time as Declarant is conducting sales and construction of Units, Declarant shall have the right to have the entry gates serving the Carson Tahoe Executive Park Community, if any, remain open 24-hours per day, seven days per week.

12.4 Self-Operative Provisions. The rights and easements granted or reserved herein for Units, Common Elements, Areas of Common Responsibility, and any other real property shall be deemed automatically created, modified, or terminated, as applicable, as such Units, Common Elements, Areas of Common Responsibility, and/or other real property are added to, converted under, or withdrawn from the jurisdiction of this Declaration.

12.5 Connected Limited Common Elements.

(a) **Allocation of Connected Limited Common Elements.** Declarant hereby allocates to each Unit the Connected Limited Common Elements physically attached to the Occupied Space on such Unit or otherwise designed to serve exclusively the Occupied Space on such Unit.

(b) **Owner Rights to Connected Limited Common Elements.** Each Owner shall have, and Declarant and the Association hereby grant to each Owner, the right, appurtenant to such Owner's Unit, to the exclusive use and enjoyment in, to, and throughout the Connected Limited Common Element allocated to that Unit pursuant to Section 12.5(a) or pursuant to a Supplemental Declaration, which exclusive right shall include the right to ingress, egress, support, drainage, and all other appropriate purposes consistent with the Development Agreements, Plans, Design Standards, other development approvals issued by the City or the Authority, as applicable, and the ordinary use of such items and/or areas in commercial developments comparable to the Property. The foregoing right is, in each instance, subject to the following:

(i) All easements, covenants, liens, limitations, and other items of record or apparent against the Connected Limited Common Element at the time the Unit to which it is allocated is conveyed to the first non-Declarant Owner thereof, or created in the deed by which such conveyance is made, but excluding the easement rights reserved under Section 12.1(a) above;

(ii) The Governing Documents, including, without limitation, the provisions herein regarding Shared Improvements, and the Board's right to adopt and enforce the Rules as provided in Article 3 (subject to the limitation on the Board's rights as set forth in Section 3.4(f));

(iii) The indemnity obligations relative to such Connected Limited Common Element set forth in Section 12.1(b) above;

(iv) The terms and provisions of the Access Permit;

(v) Declarant's rights under Section 12.1(d) above; and

(vi) The Association's rights under Section 12.1(d) above.

An Owner's rights under this Section 12.5 shall extend to its tenants, guests, employees, and invitees; provided, however, that if the Owner of a Unit does not occupy the Unit, then the Owner, consistent with Section 4.2(i), shall be deemed to have assigned all of the Owner's rights under this Section to the occupants of the Unit (who may extend the privilege of use and enjoyment to their guests, employees, and invitees). Notwithstanding any aforementioned extension or assignment, each Owner shall at all times be responsible for any and all activities of its employees, customers, tenants, guests and invitees using the Connected Limited Common Element allocated to such Owner's Unit

(c) **Transfer of Rights.** The Connected Limited Common Element Allocation to a Unit under Section 12.5(a) or pursuant to a Supplemental Declaration shall be appurtenant to such Unit, and shall not be assigned, transferred, pledged, hypothecated, conveyed, or alienated in

any way except on a transfer of title to such Unit, and then only to the transferee. Any attempt to make a prohibited transfer shall be void. Any transfer of title or interest to a Unit shall operate automatically to transfer the appurtenant Connected Limited Common Element to the new owner(s).

PART FIVE: COMMUNITY RELATIONSHIPS

Creating a commercial center, as opposed to a mere subdivision, requires that those within a commercial center work together to resolve disputes amicably. It also requires a commitment to respect the rights of those outside the community who have regular interactions with the commercial center. The Articles in this Part Five establish rules and rights for facilitating positive interactions for those within the Carson Tahoe Executive Park Community, as well as those who have regular dealings with the Carson Tahoe Executive Park Community.

Article 13 **Rights of Lenders**

13.1 Owner Encumbrance. Any Owner may encumber such Owner's Unit, all rights appurtenant thereto (including, without limitation, its rights under Section 12.5 above), and the Improvements thereon with a Deed of Trust.

13.2 Priority Issues.

(a) **First Deeds of Trust.** Any party who acquires title to a Unit pursuant to the judicial or non-judicial foreclosure remedies provided in a First Deed of Trust on that Unit shall take the Unit free of any claims for unpaid assessments or Association charges against such Unit other than those for which the Association holds a prior lien under NRS 116.3116 to 116.31168, inclusive; provided, however, that after the foreclosure of said First Deed of Trust, such Unit shall remain subject to this Declaration; and the amount of all subsequent assessments, installments of assessments not yet due, penalties, fees, charges, late charges, fines, interest, and other amounts due to the Association shall be assessed, collected, and enforced as provided herein.

(b) **Non-First Deeds of Trust.** Any party who acquires title to a Unit pursuant to the judicial or non-judicial foreclosure remedies provided in a Deed of Trust that is not a First Deed of Trust on that Unit shall take the Unit and its related rights hereunder subject to this Declaration and to all unpaid assessments, unpaid installments thereof, and unpaid penalties, fees, charges, late charges, fines, interest, or other amounts due to the Association, which shall be assessed, collected, and enforced as provided herein. The Unit shall further be subject to all subsequent assessments, installments of assessments not yet due, penalties, fees, charges, late charges, fines, interest, and other amounts due to the Association shall be assessed, collected, and enforced as provided herein.

(c) **Breach of Covenants.** A breach by an Owner of any of the provisions of this Declaration, shall not defeat or render invalid the lien of any Deed of Trust made in good faith and for value as to the Property or any portion thereof; provided, however, the provisions of this

Declaration shall be binding upon the Owners whose title thereto is acquired under foreclosure, trustee's sale, or otherwise.

13.3 Notice to Eligible Mortgage Holders. Each Beneficiary shall be entitled to become an "Eligible Mortgage Holder" pursuant to the provisions of this Declaration by notifying the Association of its name, address and the address of the Unit encumbered by the Deed of Trust which it holds in the manner provided in Section 16.3 below. Such notification shall be deemed to be a request with respect to such Unit 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 Property, the Unit, or the Unit's allocated Connected Limited Common Elements; 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 and in the manner prescribed in Section 16.3 below. Nothing herein shall limit any other notice rights to which a Beneficiary is entitled under NRS 116.3116 to 116.31168, inclusive.

13.4 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 Beneficiaries of First Deeds of Trust in the case of a distribution to Owners of insurance proceeds or condemnation awards.

13.5 Appearance at Meetings. Because of its financial interest in the Property, a Beneficiary of a 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.

13.6 Examination of Records. Each Beneficiary 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 14

Dispute Resolution and Enforcement of Governing Documents

14.1 General. The failure of a Bound Party to perform its obligations under the Governing Documents, as and when due, shall constitute a default by such Bound Party under this Declaration.

14.2 Remedies.

(a) **Non-Association Remedies.** In the event of a Bound Party's default under Section 14.1, each other Bound Party, except for the Association, shall have, on its own behalf, the power and authority to pursue any remedy available at law or in equity against such defaulting

Bound Party, all of which shall be cumulative (but subject to the terms of Section 6.1(c)(vi) as to Shared Improvements).

(b) **Association Remedies.** In the event of a Bound Party's default under Section 14.1, the Association, shall have, on its own behalf, the power and authority to enforce liens, remove vehicles parked in violation of the Governing Documents, impose fines and construction penalties, undertake corrective actions to cure the default of the defaulting Bound Party, and pursue any other remedy available at law or in equity against such defaulting Bound Party, all of which shall be cumulative, but subject to the following terms and conditions:

(i) **Assessments.** In enforcing its lien for delinquent assessments and all other amounts owed to the Association, the Board shall comply with the provisions of Section 9.3 above;

(ii) **Removal of Vehicles.** In directing the removal of vehicles parked in violation of the Governing Documents, removal shall be done in accordance with the requirements of NRS 487.038, and the Association shall, at least forty-eight (48) hours before having the vehicle removed, post written notice of the impending removal and the basis thereof in a conspicuous place on the vehicle, or otherwise provide such information to the owner or operator of the vehicle orally or in writing; provided, however, that no such prior notice or information shall be required if the vehicle (i) is blocking a fire hydrant, fire lane or parking space designated for the handicapped, or (ii) poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the Owners or occupants of the Property;

(iii) **Remedies Requiring Notice and Hearing.** Prior to exercising any of the following remedies, each of which the Association is hereby empowered and authorized to pursue, the Association shall provide the relevant defaulting Bound Party with notice and hearing. The Association shall be deemed to have provided a defaulting Bound Party with notice and hearing if it provides such party with (1) a notice of the relevant violation, which notice specifies the alleged violation, the propose action required for its cure, the amount of any proposed fine or penalty, and the date, time and location of the proposed hearing on the alleged violation, and (2) a reasonable opportunity to contest the violation at a Board hearing.

Notwithstanding the foregoing, as to subsections (A) and (B) below, if the relevant default has not been cured within fourteen (14) days after the Board's imposition of the applicable suspension and/or fine, such default shall be deemed a continuing default, and thereafter the Board may impose further suspensions and additional fines until the default is cured, all without further notice and hearing.

(A) **Suspension of Voting Rights and Use of Areas of Common Responsibility.** The Association shall have the power and authority to suspend, for a reasonable time, an Owner's voting rights and/or right to use any of the Areas of Common Responsibility, including, without limitation, rights arising under the Access Permit; provided, however, that any such suspension shall not apply to a Connected Limited Common Element or to

an area used for automobile parking, or for automotive or pedestrian ingress or egress to go to or from such Owner's Private Area.

(B) **Fines.** The Association shall have the power and authority to assess monetary penalties and fines. The fine for any default must be commensurate with the severity of the default, as determined by the Board in its reasonable discretion, and must not exceed the dollar-amount thresholds that would otherwise apply were the Carson Tahoe Executive Park Community subject to the Act.

(C) **Corrective Action.** The Association shall have the power and authority to take such corrective action as is necessary to cure any default existing on or within a Private Area, any of the Areas of Common Responsibility, or any Improvements thereon, including, without limitation, a failure to meet any maintenance obligation arising under Article 6 hereof; provided, however, that such power and authority shall extend only to a default that remains uncured more than thirty (30) days after such default has been the subject of a hearing referenced in this initial paragraph of this Section 14.2(b)(iii). All costs incurred by the Association in connection with corrective action hereunder shall be reimbursed to the Association promptly by the Owner of the relevant Private Area. None of the Association, the Board, or any of the Association's agents or employees shall be liable for any damage which may result from any work performed by the Association to cure a default.

(D) **Construction Penalty.** Following the expiration of Declarant's right to appoint the ARC under Section 5.1, the Association shall have the power and authority to assess and collect a construction penalty for failure to adhere to a schedule established by the ARC.

(iv) **Civil Actions.** Prior to commencing any Major Controversy, the Board shall first hold a vote of the Members, whereupon: (i) if Members representing a majority of the Voting Power of the Association vote in favor of pursuing such Major Controversy, then the Board shall be authorized to proceed to institute, prosecute, maintain, and/or intervene in the Major Controversy, and (ii) otherwise, the proposed Major Controversy shall not be pursued.

14.3 Expenses and Attorneys' Fees. The prevailing party in any legal proceeding relating to a claim under Section 14.1 shall be entitled to receive from each non-prevailing opposing party reimbursement for such prevailing party's reasonable expenses in preparing for and prosecuting such action, including reasonable attorneys' fees, expert fees, and consultant fees.

14.4 No Implied Waiver. The failure to enforce or delay in enforcement of the provisions of any covenant, condition, or restriction contained in the Governing Documents shall not constitute a waiver of any right to enforce any such provisions or any other provisions of the Governing Documents.

14.5 Mandatory Arbitration Provisions.

(a) **Arbitration of Disputes.** Notwithstanding any other provision herein to the contrary, each Owner, the Association, and Declarant hereby covenant and agree that any claim, controversy, cause of action, claim for relief, liability or dispute between any Claimant or Claimants, on the one hand, and a Developing Party or Developing Parties, on the other hand, arising out of or relating in any way to the Property, including, without limitation, claims for breach of contract, express or implied, breach of warranty, strict liability, negligence, nuisance, statutory violation, misrepresentation and fraud (including claims in any manner relating to or arising out of a constructional defect) (each, a “**Claim**” and collectively, the “**Claims**”), shall first be submitted to mediation and, if not settled during mediation, shall thereafter be resolved, as such Claimant’s sole and exclusive remedy, by submitting such Claim to binding arbitration pursuant to the Federal Arbitration Act (9 U.S.C. § 1, *et seq.*), and (ii) only to the extent not inconsistent with the Federal Arbitration Act, the Uniform Arbitration Act of 2000 as adopted in Nevada as NRS 38.206 through 38.248, inclusive. Each Claimant hereby waives any right such Claimant may have to bring an action in court on any Claim, including, but not limited to, any such right of Claimant may have to become a party to a class action claim.

(b) **Rules For the Arbitration Proceeding.** Claims shall be resolved in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association (“**AAA**”), the AAA’s supplementary procedures for commercial construction disputes (collectively, the “**Construction Industry Rules**”) and the terms of this Section 14.5. In the event the provisions of this Section 14.5 are inconsistent with the Construction Industry Rules, the Construction Industry Rules shall control. If the matter proceeds to arbitration, discovery shall be allowed pursuant to the Nevada Rules of Civil Procedure (“**NRCP**”). In the event any provision of NRCP pertaining to discovery is inconsistent with the Construction Industry Rules, such provisions of NRCP shall prevail. Arbitration of any matter pursuant to this Section 14.5 shall not be deemed a waiver of the attorney/client or attorney/work product privilege in any manner.

(c) **Arbitrator.** The dispute constituting a Claim shall be heard and determined by a single neutral arbitrator who has expertise in the area of the dispute. The arbitrator shall be appointed within sixty (60) days from the date one party receives a request from the other party to arbitrate the Claim. In selecting the arbitrator, the provisions of the Construction Industry Rules shall apply.

(d) **Joinder of Parties.** The parties may join other parties as provided in the Construction Industry Rules. For example, a Developing Party may include other Developing Parties, such as its contractor and any and all subcontractors and suppliers, in the arbitration.

(e) **Location of Arbitration.** The venue of the arbitration shall be in a location in Carson City, Nevada, or Washoe County, Nevada. Unless the parties agree otherwise, the arbitration shall commence, be conducted, and conclude promptly in accordance with the Construction Industry Rules.

(f) **Award.** The arbitrator is authorized to provide all recognized remedies available in law or in equity for the Claims, except that the arbitrator shall have no authority to award punitive or consequential damages. The award of the arbitrator shall be accompanied by

detailed written findings of fact and conclusions of law, and shall include a written summary of the issues in controversy, a description of the award and an explanation of the reasons for the award. The arbitrator's award shall be final and judgment and may be confirmed, entered and enforced in any court having jurisdiction over the matter.

(g) **Strict Confidentiality.** Except as may be required by law or for confirmation of the award, neither of the parties nor the arbitrator may disclose the existence, content or results of the arbitration hearing without the prior written consent of both parties and such content and results are strictly confidential.

(h) **Arbitration Costs and Attorneys' Fees.** Any costs to initiate arbitration shall be advanced by the party initiating the arbitration, but the costs of arbitration shall ultimately be borne by the non-prevailing party and, if there is more than one non-prevailing party, in such proportions as the arbitrator may determine. The prevailing party or parties in such arbitration shall be entitled to recover all costs and expenses incurred in preparation for and prosecution or defense of such action, including, but not limited to, costs of arbitration, reasonable attorneys' fees, expert fees, and consultant fees from the non-prevailing party or parties in such amounts as the arbitrator shall determine.

(i) **Statute of Limitations.** The arbitration must be filed within the statute of limitations applicable to the relevant Claim.

(j) **Covenant Running With the Land.** The arbitration provisions set forth in this Section 14.5, as with all other terms and provisions of this Declaration, shall run with the Property and every portion thereof or interest therein as a covenant running with the land and an equitable servitude and shall benefit and be binding upon the Owners, Declarant, the Association, and their successors and assigns.

(k) **Third-Party Beneficiaries.** Notwithstanding anything else herein to the contrary, each Developing Party not otherwise bound by this Declaration shall be deemed an intended third-party beneficiary of the terms of this Section 14.5.

(l) **Notice.** Each Claimant, by agreeing to have any Claim decided by arbitration as provided by in this Section 14.5 is giving up any rights such Claimant might possess to have the Claim litigated in a court, including a jury trial, as well as rights to appeal and to join with other Claimants in a class action. If a Claimant refuses to submit to arbitration, such Claimant may be compelled to arbitrate under applicable law. Each Claimant, by acceptance of ownership of a portion of the Property, agrees for such Claimant and such Claimant's heirs, personal representatives, successors and assigns, to keep, observe, comply with and perform all of the provisions of this Declaration, including this Section 14.5, and specifically authorizes this Section 14.5, and acknowledges its agreement thereto.

Article 15
Disclosures

15.1 Security and Charging Station Disclaimer. Access to the Carson Tahoe Executive Park Community may be gated or otherwise restricted, security services and/or Charging Stations may be obtained through the Association, its affiliates, Manager, Declarant, and/or their respective successors or assigns, and said parties may, but shall not be required to, enter into contracts for the provision of alarm/monitoring services through the Community Systems, or for the provision of Charging Stations. DECLARANT, EACH AFFILIATE OF DECLARANT, THE ASSOCIATION, MANAGER, AND THEIR RESPECTIVE SUCCESSORS OR ASSIGNS DO NOT GUARANTEE OR WARRANT, EXPRESSLY OR IMPLIEDLY, SECURITY WITHIN THE PROPERTY, OR THE MERCHANTABILITY OR FITNESS FOR USE OF ANY ALARM/MONITORING SERVICES OR CHARGING STATIONS, OR THAT ANY SECURITY SERVICES WILL PROVE TO BE ADEQUATE OR EFFECTIVE, PREVENT INTRUSIONS, AVOID COMPROMISE OR CIRCUMVENTION BY THIRD PARTIES, OR OTHERWISE NOTIFY AUTHORITIES OF FIRES OR OTHER OCCURRENCES, OR THE CONSEQUENCES OF SUCH OCCURRENCES, REGARDLESS OF WHETHER OR NOT THE SERVICES ARE DESIGNED TO PREVENT AND/OR MONITOR SAME. EVERY OWNER OR OCCUPANT OF THE PROPERTY, WHETHER OR NOT RECEIVING ALARM/MONITORING SERVICES THROUGH THE COMMUNITY SYSTEMS OR UTILIZING CHARGING STATIONS, ACKNOWLEDGES THAT DECLARANT, EACH AFFILIATE OF DECLARANT, THE ASSOCIATION, MANAGER, AND ANY SUCCESSOR OR ASSIGN ARE NOT INSURERS OF THE OWNER'S OR OCCUPANT'S PROPERTY OR THE PROPERTY OF OTHERS LOCATED IN THE PRIVATE AREA AND WILL NOT BE RESPONSIBLE OR LIABLE FOR LOSSES, INJURIES OR DEATHS RESULTING FROM SUCH OCCURRENCES. NONE OF DECLARANT, EACH AFFILIATE OF DECLARANT, THE ASSOCIATION, MANAGER, OR ANY SUCCESSOR OR ASSIGN SHALL BE LIABLE TO PERSONS LIVING IN OR VISITING THE PROPERTY FOR CONDUCT RESULTING FROM ACTS OF THIRD PARTIES.

It is extremely difficult and impractical to determine the actual damages, if any, which may proximately result from a failure on the part of an alarm/monitoring service provider or Charging Station service provider, if any, to perform any of its obligations with respect to alarm/monitoring services or Charging Station services, and, therefore, every Owner or occupant of property receiving alarm/monitoring services through the Community Systems or utilizing a Charging Station agrees that Declarant, each Affiliate of Declarant, Manager, the Association, any successor or assign assumes no liability for loss or damage to property or for personal injury or death to persons due to any reason, including, without limitation, failure in transmission of an alarm, interruption of alarm/monitoring service, failure to respond to an alarm, or failure of a Charging Station to fully or safely charge an Electric Vehicle because of (a) any failure of the Owner's alarm/monitoring system or of a Charging Station, (b) any defective or damaged equipment, device, line or circuit, (c) negligence, active or otherwise, of the alarm/monitoring service provider, Charging Station service provider, or their respective officers, agents or employees, or (d) fire, flood, riot, war, act of God or other similar causes which are beyond the control of the alarm/monitoring service provider or Charging Station service provider, as

applicable. Every owner or occupant of a Private Area obtaining alarm/monitoring services through the Community Systems or utilizing a Charging Station further agrees for itself and its tenants, customers, employees, guests, invitees, and licensees that if any loss or damage should result from a failure of performance or operation, or from defective performance or operation, or from improper installation, monitoring or servicing of the system, as applicable, or from negligence, active or otherwise, of the alarm/monitoring service provider or Charging Station service provider, or their respective officers, agents, or employees, the liability, if any, of the Declarant, each Affiliate of Declarant, Manager, the Association, or their respective successors or assigns for loss, damage, injury or death shall be limited to a sum not exceeding Two Hundred Fifty U.S. Dollars (\$250.00), which limitation applies irrespective of the cause or origin of the loss or damage and notwithstanding that the loss or damage results directly or indirectly from negligent performance, active or otherwise, or non-performance by an officer, agent or employee of Declarant, each Affiliate of Declarant, the Association, Manager, or their respective successors or assigns of any of same. Further, in no event will Declarant, each Affiliate of Declarant, Manager, the Association, or their respective successors or assigns be liable for consequential damages, wrongful death, personal injury or commercial loss.

In recognition of the fact that interruptions of Community Systems services and/or Charging Station services will occur from time to time, no person described above shall in any manner be liable, and no user of the Community Systems or a Charging Station shall be entitled to any refund, rebate, discount or offset in applicable fees, for any interruption in Community Systems services or Charging Station services, as applicable, regardless of whether or not same is caused by reasons within the control of the then-provider of such services.

15.2 Public Facilities. Each Owner, by acceptance of a deed to a Unit, acknowledges that there is no assurance made by Declarant, any Affiliate of Declarant, the City, or the Authority that any public facility not in existence will ever be built. Public facilities are under the control of governmental agencies that have the power to change their plans, including selling or exchanging sites. Neither Declarant nor any of Affiliate of Declarant has the power to fix sites for public facilities or to stop sites from being moved from one location to another.

15.3 Rockery Wall Rodent Disclosure. Each Owner, by acceptance of a deed to a Unit, acknowledges that rockery walls within the Property, if any, provide a favorable habitat for wild rodents such as ground squirrels, chipmunks, and others that can acquire plague through the bite of an infected flea. The rock surface provides an urban interface with these wild rodents. There is a risk of disease transmission to humans and domestic animals, especially cats. For this reason the public should not handle any wild rodents. An awareness of this risk by those occupying developments having rockery walls will reduce the risk of disease transmission.

15.4 View Obstructions. Each Owner, by accepting a deed to a Unit, hereby acknowledges that any construction or installation by Declarant, the Association, or a Participating Developer may impair the view of such Owner, and hereby consents to such impairment. No representation or warranties, covenants or agreements are made by Declarant or the Association or their agents, with respect to the presence or absence of any current or future view, scene or location advantage from any portion of a Private Area within the Property. The view, scene or

location advantage may be adversely affected currently or in the future by construction or changes to the following, including, without limitation, new structures and facilities, utility facilities, landscaping, Areas of Common Responsibility, public facilities, streets, neighborhood amenities and other activities, Airport facilities, development or occurrences whether on other land, including without limitation, on adjacent and nearby Private Areas. No representations, warranties, covenants or agreements are made by Declarant, the Association or their agents concerning the preservation or permanence of any view, scene or location advantage for a Private Area. The Association and Declarant are not responsible or liable for any impairment of such view, scene or location advantage for any perceived or actual loss of value of the lot resulting from such impairment. Owners are solely responsible for analyzing and determining all risks concerning the current and future value of any view, scene or location advantage and the potential or existing impairment thereof and the risks of preserving the view, scene or location advantage.

15.5 The Airport. Each Owner, by acceptance of a deed to a Unit, acknowledges that such Owner is aware of (i) the proximity of the Airport, (ii) that the Property is located directly underneath the flight path of airplanes taking off from and landing at the Airport, and (iii) that operations and air traffic at the Airport may expand, contract, and/or change in the years to come (including, without limitation, the initiation of new special events, such as air races). Each Owner understands that the foregoing facts may have an effect on the value and suitability of the Property for certain commercial uses, and at a minimum will result in greater noise impacts (including, without limitation, jet noise and small aircraft noise) and air quality impacts (including, without limitation, through diffusion of jet fuel and aviation gasoline burn-off) for the Property than might otherwise be experienced in locations not in close proximity to airports or within flight paths for airports. Furthermore, these negative impacts may increase with growth, contraction, or other changes in air traffic and airport operations in the future. Neither Declarant nor any Participating Developer, nor any of their respective affiliates makes any representation, warranty or guaranty regarding impacts to the Property given its proximity to the Airport or air traffic or the scope or nature of future operations at the Airport, and each Owner agrees to hold harmless Declarant, each Participating Developer, and their respective officers, directors, employees and agents or any of them, from any liability for all injury, damage, costs or expenses caused to Owner and Owner's customers, employees, guests, tenants, and property by impacts related to the Property's proximity to the Airport and/or air traffic, and impacts related to future changes in operations at the Airport.

15.6 No Obligation of City or Authority to Maintain. Each Owner, by acceptance of a deed to a Unit, acknowledges that neither the City nor the Authority has responsibility, and shall not assume any responsibility, for the maintenance of any private hard surface areas that may be located within the Property. Furthermore, neither the City nor the Authority shall accept for dedication as public any streets within the Property unless those streets meet the City and/or the Authority standards, as applicable, in effect at the time of the offer of dedication.

15.7 Charging Stations. The Association may install, construct, remove, re-install, replace, repair, use, operate, and/or maintain, directly or through a third-party vendor, Charging Stations in the Areas of Common Responsibility. In the event the Association provides Charging Stations, each Owner within the Carson Tahoe Executive Park Community, and its tenants, guests and invitees, agrees to provide the Association and its third-party providers with such information

as may be necessary or required for the use and/or operation of such Charging Stations (including, among other things, biographical information and financial information (e.g. credit card information) for establishing a user profile and billing account for any service managing use of the Charging Stations, and mobile phone and email contact information for the purpose of providing alerts regarding use of the Charging Stations, all of which may be maintained over the internet and/or through an online portal or platform). Each Owner, and its employees, customers, tenants, guests and invitees acknowledge that while the Association's expenses incurred with physically maintaining the Charging Stations, if any, will be General Common Expenses, different methods may be used to charge for individual use of a Charging Station, including, without limitation, (i) an individual or monthly fee charged by the third-party service provider operating the Charging Stations, (ii) an individual use fee charged by the Association, (iii) a Limited Common Expense allocated by the Association among Owners who wish to make Charging Stations available to employees, tenants, customers, guests or invitees; or (iv) a General Common Expense allocated by the Association among all Owners by virtue of the fact that ability to use a Charging Station, whether or not actually used by an Owner, is or could be of benefit to each Owner and its employees, tenants, customers, guests or invitees. Each Owner, and its employees, tenants, customers, guests and invitees acknowledge that use of the Charging Stations may require independently contracting with a third-party service retained or licensed by the Association for operation of the Charging Stations, and neither Declarant nor the Association shall be in any way responsible, financially or otherwise, for any issues related to the commercial arrangements between said service-provider and an Owner, its employees, tenants, customers, guests or invitees, including, without limitation, issues of payment for service fees or technological issues related to use of such service-providers software or systems.

Without limiting Section 15.1 above, which shall be deemed to apply to the Association's provision of any Charging Station, each Owner and occupant within the Carson Tahoe Executive Park Community acknowledges and agrees that any available Charging Station is provided as an accommodation by the Association, and that neither Declarant nor the Association shall be responsible in any way, and each is hereby released from liability for any damage to any vehicle, and any loss or liability suffered by an owner or occupant of any vehicle, resulting from the use or attempted use of any Charging Station, including, without limitation, loss, damage, injury, or liability resulting from a defect in the design, construction, or operation of a Charging Station, or from a flaw, deficiency, or data breach associated with any computer program, mobile application (or "app"), or software used in connection with the operation of any Charging Station. Furthermore, each Owner hereby agrees to indemnify, protect, defend, and hold harmless the Association from any and all claims and/or liability associated with any injury arising from its use, or use by any of its employees, tenants, customers, guests or invitees, of any Charging Station.

15.8 Mold. Each Owner, by acceptance of a deed or otherwise acquiring title to a Unit, acknowledges and agrees that there is, and will always be, the presence of certain biological organisms within the Unit. Most typically, this will include the common occurrence of mold, fungi, mildew or other mycotoxins, and each Owner understands and agrees that there is no method for completely eliminating the development of molds, fungi, mildew or other mycotoxins. Mold and other mycotoxins tend to proliferate in warm, wet areas, and, as such, it is each Owner's responsibility to maintain its Unit so as to avoid the accumulation of moisture and/or mold and

other mycotoxins within the Unit. Such mitigation matters should include, without limitation, the frequent ventilation of the Unit, removal of standing water on any balcony areas, if any, prompt repair of any leaks which permit water intrusion into the Unit, and prompt repair of plumbing leaks within the Unit (irrespective of who may have caused any such leaks). Each Owner also understands that the presence of indoor plants may also increase moisture and/or mold and other mycotoxins. Also, the propping of large pieces of furniture against wall surfaces may lead to mold or other mycotoxin accumulation. It is the responsibility of each Owner to monitor and maintain its Unit so as to mitigate and avoid the conditions which are likely to lead to the existence and/or growth of mold and/or other mycotoxins. In the event that mold or other mycotoxins do appear and/or grow within the Unit, it is also the Owner's responsibility to promptly and properly treat such mold and mycotoxins to minimize the spreading thereof and/or unhealthy conditions likely to arise as a result thereof. Such measures frequently include, but are not limited to, cleaning mold-affected surfaces with chlorine bleach. Each Owner is responsible to learn how to clean any affected Improvements.

Further, each Owner is hereby advised that certain molds, mildew, mycotoxins and/or fungi may be, or if allowed to remain for a sufficient period may become, toxic and potentially pose a health risk. By acquiring title to a Unit, each Owner shall be deemed to have assumed the risk associated with molds, mildew, mycotoxins and/or fungi and to have released Declarant from any and all liability resulting from same, including, without limitation, any liability for incidental or consequential damages (which may result from, without limitation, the inability to possess the Unit, inconvenience, moving costs, costs of temporary lodging, storage costs, loss of time, lost wages, lost opportunities and/or personal injury). Without limiting the generality of the foregoing, leaks, wet flooring and moisture will contribute to the growth of mold, mildew, fungus or spores. EACH OWNER, BY ACCEPTANCE OF A DEED OR OTHERWISE ACQUIRING TITLE TO A UNIT, SHALL BE DEEMED TO HAVE AGREED THAT DECLARANT IS NOT RESPONSIBLE, AND HEREBY DISCLAIMS ANY RESPONSIBILITY FOR, ANY ILLNESS OR ALLERGIC REACTIONS WHICH MAY BE EXPERIENCED BY THE OWNER, ITS CUSTOMERS, EMPLOYEES, GUESTS, TENANTS AND/OR INVITEES AS A RESULT OF MOLD, MILDEW, FUNGUS, SPORES OR OTHER MYCOTOXINS. IT IS THE OWNER'S RESPONSIBILITY TO KEEP ITS UNIT CLEAN, DRY, WELL-VENTILATED AND FREE OF CONTAMINATION.

15.11 Surrounding Uses. Each Owner, by acceptance of a deed to a Unit, acknowledges that other properties located within the vicinity of the Property may be developed in the future with alternative land uses, and that existing land uses are always subject to change. In particular, as of the Effective Date, there may be vacant or lightly developed properties around the Property that may be developed as, among other things, recreational, residential, and commercial developments/uses of varying intensities. Such future developments/uses may cause negative impacts in and around the Property, including, without limitation, increases in noise, light, odors, air-pollutants, and traffic.

None of Declarant, the Association, or any Participating Developer has any obligation to provide insurance, indemnity or other protection to Owners or occupants within the Property, or their tenants, employees, guests or invitees, from any of the aforementioned negative impacts.

Furthermore, no representations or warranties of any kind have been or are being made with respect to the continued existence, use, physical condition, operation or regulation of any properties located within the vicinity of the Property. Each Owner, by acceptance of a deed to a Unit, expressly assumes the risk of damage from activities conducted on properties located with the vicinity of the Property, including activities detrimental to the use and enjoyment of Owner's property.

Each Owner agrees to hold harmless Declarant, each Participating Developer, and their respective officers, directors, employees and agents or any of them, from any liability for all injury, damage, costs or expenses caused to Owner and Owner's employees, customers, guests, tenants, and property by any activity on or in connection with the current or future use and/or development of any property located in the vicinity of the Property.

15.12 Availability of Telephone, Cable and Internet Services. Telephone, cable and internet services may not be available to Occupied Spaces at the time of closing. Each potential Owner is advised to contact the appropriate service provider to verify the status of telephone, cable and internet services at the time such Owner intends to acquire title to its Unit.

15.13 Availability of Cellular Service. None of Declarant, the Association, or any Participating Developer makes any representation or warranty concerning the availability or quality of cellular phone service in or around the Carson Tahoe Executive Park Community. Each potential Owner is advised to contact such potential Owner's cellular service provider to verify the availability and quality of cellular service in and around the Carson Tahoe Executive Park Community.

15.14 Access Permit. The Airport access rights made available to the Association and its Members under the Access Permit constitute one of the key benefits to ownership of real property within the Carson Tahoe Executive Park Community. **It must be emphasized that the Access Permit constitutes a discretionary agreement between the Association and the Authority.** This Declaration imposes upon Owners and the Association certain obligations intended to ensure ongoing compliance with the Access Permit, and the Association intends to vigorously enforce these obligations so as to prevent any breach of the Access Permit that might jeopardize the right of the Association and its Members thereunder. Nevertheless, it is possible that in the future the Authority may seek to terminate or amend the Access Permit, either with or without cause, or may elect not to extend the Access Permit upon ordinary expiration of its term. Each Owner agrees to hold harmless Declarant, each Participating Developer, and their respective officers, directors, employees and agents or any of them, from any liability for all injury, damage, costs or expenses caused to Owner and Owner's employees, customers, guests, tenants, and property as a result of any termination or amendment of the Access Permit, or resulting from the Authority's or the Association's election not to extend the term of the Access Permit upon expiration thereof.

PART SEVEN: GENERAL PROVISIONS

Article 16
General Provisions

16.1 Amendment. This Declaration may be amended by vote or agreement of not less than a majority of the Voting Power of the Association but subject to the following:

(a) Declarant shall have the right to amend this Declaration unilaterally prior to the close of the first sale of a Unit;

(b) Declarant shall have the right to amend this Declaration unilaterally through recordation of Supplemental Declarations, as allowed pursuant to the terms hereof;

(c) Declarant shall have the right to amend a Supplemental Declaration unilaterally prior to the close of the first sale of a Unit covered by that Supplemental Declaration;

(d) Following the close of the first sale of a Unit covered by a Supplemental Declaration, the provisions of that Supplemental Declaration may be amended only by the vote or agreement of (i) a majority of the Voting Power of the Association, (ii) a majority of the votes allocated under the Declaration to the Units covered by such Supplemental Declaration, (iii) Declarant, until Declarant's Development Rights expire under Section 10.3, Declarant, which consent must be evidenced in writing, and (iv) if such amendment relates to the use or development restrictions specific to a particular Unit covered by such Supplemental Declaration, the Owner of that Unit, evidenced in writing;

(e) No amendment to this Declaration may remove, revoke, or modify any right or privilege of Declarant or a Participating Developer without the respective prior written consent of Declarant or the relevant Participating Developer, as applicable;

(f) Section 14.2(b)(iv) may not be amended or deleted at any time without the express prior written approval of both: (1) Members representing not less than seventy-five percent (75%) of the Voting Power of the Association, and (2) not less than seventy-five percent (75%) of the total voting power of the Board; and any purported amendment or deletion of said Section, or any portion hereof, without both of such express prior written approvals shall be void;

(g) If an amendment relates to less than all of the Connected Limited Common Elements, such amendment shall require both the approval of a majority of the Voting Power of the Association and the express prior written approval of Owners of a majority of the Units to which the impacted Connected Limited Common Elements are allocated; and no amendment may alter the dimensions or exclusive use rights of an Owner to the Connected Limited Common Elements allocated to such Owner's Unit without both that Owner's prior written consent and the approval of a majority of the Voting Power of the Association;

(h) Sections 6.3 and 6.4, and the provisions herein related thereto, may not be amended or deleted at any time with the express prior written approval of Declarant, until such time as Declarant no longer owns any portion of the Property; and

(i) Section 14.5 may not be amended or deleted at any time without the express prior written approval of both: (1) Members representing not less than seventy-five percent (75%) of the Voting Power of the Association, and (2) Declarant; and any purported amendment or deletion of said Section, or any portion hereof, without both of such express prior written approvals shall be void.

All amendments shall be Recorded. No action to challenge the validity of an amendment may be brought more than one year after the amendment is Recorded, unless the challenge is brought under Section 16.1(e), in which case the limitation period shall be five (5) years after the amendment is Recorded. If an Owner consents to any amendment, it will be conclusively presumed that such Owner has the authority to consent and no contrary provision in any Deed of Trust or contract between such Owner and any third party will affect the validity of such amendment.

16.2 Termination of Former Owner's Liability for Assessments. Upon the conveyance, sale, assignment, or other transfer of a Unit to a new Owner, the transferring Owner shall not be liable for any assessments levied, or non-delinquent installments of previously levied assessments, with respect to such Unit first coming due after notification of the Association of such transfer in the manner provided in Section 16.3 and the payment of a transfer fee as provided in Section 9.4. 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.

16.3 Notices. All notices hereunder to the Association or the Board shall be sent by email, 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 Units. Until the Owners are notified otherwise, all notices to the Association or to the Board shall be addressed as follows:

Carson Tahoe Executive Park Community Association
c/o CTE Development, LLC
3700 Barron Way, Suite 2
Reno, Nevada 89511

All notices given by the Association to any Owner shall be delivered either by hand delivery, by mail, or by electronic mail. If the relevant delivery is by mail to a Member, it must be directed to the Member at the mailing address of such Member's Unit or to any other mailing address designated in writing by such Member, and if the relevant delivery is by electronic mail, it must be directed to the Member at the electronic mail address designated in writing by such Member. All notices to Eligible Mortgage Holders shall be sent by registered or certified mail, return receipt requested, at the address to which such Eligible Mortgage Holder has last requested that notice be sent by notifying the Association in the manner provided in this Section. All notices shall be deemed to have been received within seventy-two (72) hours after the mailing thereof, except emails, which shall be deemed delivered upon the earlier of receipt of an electronic delivery

confirmation or twenty-four (24) hours after electronic mailing thereof, and notices of change of address which shall be deemed to have been given when actually received.

16.4 Approvals. Any consent or approval by the Board or ARC shall be in writing.

16.5 Construction and Severability; Singular and Plural; Titles.

(a) **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.

(b) **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.

(c) **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.

(d) **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.

(e) **Interpretation.** The Association, acting through the Board, shall have sole right and authority to interpret any of the provisions of this Declaration, which interpretation shall, so long as the same is reasonable, be conclusive.

16.6 Grantee's Acceptance. Each grantee or purchaser of any Unit within the Property shall, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from Declarant or a subsequent owner of such Unit, accept such deed or contract upon and subject to each and all of the provisions of this Declaration and to the jurisdiction, rights, powers, privileges and immunities of Declarant and of the Association. By acceptance, such grantee or purchaser shall for himself (his heirs, personal representatives, successors and assigns) covenant, consent and agree to and with Declarant, and to and with the grantees and subsequent owners of each of the other Units in the Property, to keep, observe, comply with and perform all of the provisions of this Declaration and shall further agree to the continuation to completion of the Property and all parts and projected Units therein in substantially the manner heretofore approved by the City or the Authority.

[Signatures and Acknowledgements on Following Pages]

IN WITNESS WHEREOF, Declarant has executed this Declaration as of the date of notarization of its authorized representative's signature below, but to be effective for all purposes as of the Effective Date.

DECLARANT:

CTE DEVELOPMENT, LLC,
a Nevada limited liability company

By: _____

James Pickett

Its: Manager

STATE OF NEVADA)
)
COUNTY OF [_____])

This instrument was acknowledged before me on _____, 2023, by James Pickett as Manager of CTE Development, LLC, a Nevada limited liability company.

Notary Public
My Commission Expires: _____

EXHIBIT "A"
Legal Description of the Property

All that certain lot, piece or parcel of land situate in Carson City, State of Nevada, described as follows:

[_____];

BUT EXPRESSLY EXCLUDING THEREFROM any portion of any Common Area, street or drive shown thereon now or hereafter accepted for dedication by Carson City, Nevada.

EXHIBIT B
Legal Description of The Annexable Property

All that certain lot, piece or parcel of land situate in Carson City, State of Nevada, described as follows:

[NTD: Remainder parcel(s) from initial final map];

21682113_v2

Summary: an ordinance amending provisions relating to Carson City Airport rules and regulations.

BILL NO. 105

ORDINANCE No. 2024 - _____

AN ORDINANCE RELATING TO CARSON CITY AIRPORT RULES AND REGULATIONS; REVISING AIRPORT RULES AND REGULATIONS TO ALLOW IMPOSITION OF FEES FOR SECURED AIRPORT ACCESS AND ESTABLISHING LIABILITY INSURANCE REQUIREMENTS FOR AIRCRAFT; REVISING VARIOUS PROVISIONS RELATING TO THROUGH-THE-FENCE OPERATIONS; AND PROVIDING OTHER MATTERS PROPERLY RELATED THERETO.

The Board of Supervisors of Carson City does ordain:

SECTION I:

That Title 19 (AIRPORT RULES AND REGULATIONS), Chapter 19.02 (AIRPORT RULES AND REGULATIONS), Section 19.02.020.050 (PUBLIC USE) is hereby amended (**bold, underlined text** is added, [~~stricken~~] text is deleted) as follows:

19.02.020.050 – PUBLIC USE. (Art. 2, § 2.090 of the Carson City Charter; The Airport Authority Act for Carson City, Chapter 844 Statutes of Nevada 1989)

The Airport shall be open for public use at all hours of the day, subject to regulation or restriction due to weather, the conditions of the landing area, the presentation of special events and like causes, as may be determined by the Airport Manager or Airport Authority and revocation of the right to use for violation of these rules and regulations as herein provided. **The Airport Authority may institute a gate card or other control system for secured access of persons, vehicles and aircraft to the Airport with fees to cover the costs of operation.**

SECTION II:

That Title 19 (AIRPORT RULES AND REGULATIONS), Chapter 19.02 (AIRPORT RULES AND REGULATIONS), Section 19.02.020.200 (GENERAL) is hereby amended (**bold, underlined text** is added, [~~stricken~~] text is deleted) as follows:

19.02.020.200 - GENERAL. (Art. 2, § 2.090 of the Carson City Charter; The Airport Authority Act for Carson City, Chapter 844 Statutes of Nevada 1989)

1. Every person operating an aircraft shall comply with and operate such aircraft in conformity with these rules and regulations, and all pertinent rules, regulations, orders and rulings of the FAA and Department of Homeland Security. **All aircraft and ultralight vehicles based at the Airport must, prior to taxiing, being towed, being pushed or otherwise being put in**

motion at the Airport, be covered by liability insurance maintained by the owner or operator of the aircraft or ultralight vehicle, as determined by the Airport Authority. The insurance shall be in a minimum amount of coverage, as determined by the Authority, and shall name the Authority as an additional insured.

2. So long as the Airport is an uncontrolled airport, all pilots of arriving and departing aircraft having radio equipment permitting two-way communications should monitor the AWOS frequency (119.925) to obtain current weather information and airport advisories, monitor UNICOM (123.00) for traffic advisories and broadcast position reports upon entering the airport traffic area.

3. A traffic pattern chart may be posted on the Airport webpage, www.flycarsoncity.com, to provide additional information to pilots.

4. The taxiing, traffic and landing rules of this chapter may be deviated from upon the authorization of a control tower when established on the Airport.

5. In the event any aircraft is wrecked or damaged to the extent that it cannot be moved under its own power, the Airport Manager shall be immediately notified. Subject to governmental investigations and inspections of the wreckage, the owner or pilot of the wrecked or damaged aircraft, or the owner's agent or legal representative shall, as soon as reasonably possible, obtain the necessary permission for removal of the aircraft and thereupon shall promptly remove such aircraft from all landing areas, taxiways, ramps, tie-down areas, and all other traffic areas and ~~placed or stored~~ **placed or stored** where designated by the Airport Manager. No such wrecked or damaged aircraft shall be permitted to remain exposed to the general public of the Airport. In the event the owner of the aircraft fails for any reason to remove the wrecked or damaged aircraft from the Airport as may be requested by the Airport Manager, or to remove it from the traffic areas as herein indicated, the Airport Manager may cause the removal and storage, or disposal of such wrecked or damaged aircraft at the expense of the aircraft owner.

SECTION III:

That Title 19 (AIRPORT RULES AND REGULATIONS), Chapter 19.03 (THROUGH-THE-FENCE AIRCRAFT OPERATION), Section 19.03.010 (Definitions) is hereby amended (**bold, underlined text** is added, ~~stricken~~ text is deleted) as follows:

19.03.010 – Definitions. (Art. 2, § 2.090 of the Carson City Charter; The Airport Authority Act for Carson City, Chapter 844 Statutes of Nevada 1989)

Definitions as used in this chapter are:

1. “Authority” means the Carson City Airport Authority.

2. “Airport” means the Carson City Airport Facility (KCXP), identified pursuant to The Airport Authority Act for Carson City, Chapter 844 Statutes of Nevada 1989, and operated by the Authority, including all Authority owned improvements and equipment existing or to be developed.

~~[2-]~~**3.** “Board” means the Carson City Board of Supervisors.

~~[3-]~~**4.** “City” means the city of Carson City, **Nevada.**

~~[4-]~~**5.** “Permittee” means the entity, be it a person, ~~[corporation or partnership]~~ **corporation, partnership, limited liability company, or Association** that applies for and is granted an ~~[access privilege permit]~~ **Access Privilege Permit** by the Authority.

[5. “Access privilege permit”] **6. “Access Privilege Permit”** is a document whereby the Authority grants a privilege to a [permittee who is actually doing business on a tract of land adjoining the airport public landing area to gain access to the landing area solely for aircraft used incidental to such business. Said access privilege permit may be transferred to a successor in interest of the permittee so long as the successor in interest is also the owner of real property adjacent to the Airport and reports the transfer of the permit to the Authority. The Authority reserves the right to relocate its taxiways so long as access to the taxiway is accorded to the permittee. The permittee has the duty to maintain its accessway in accordance with Section 19.03.070 and to indemnify the city and the authority pursuant to Section 19.03.160 of this chapter.] **Permittee to gain secure access from fee simple land contiguous to Airport to the landing area of the Airport.**

7. “Adjacent Hangar Association”, “AHA” or “Association” means a common-interest community association that is contiguous to the Airport and includes multiple hangars as part of its development and association.

8. “FAA” means the Federal Aviation Administration of the United States Department of Transportation.

SECTION IV:

That Title 19 (AIRPORT RULES AND REGULATIONS), Chapter 19.03 (THROUGH-THE-FENCE AIRCRAFT OPERATION), Section 19.03.020 (Access privileges) is hereby amended (**bold, underlined text** is added, [~~stricken~~] text is deleted) as follows:

19.03.020 – Access [~~privileges.~~] privileges; eligibility; issuance; transfer; duties. (Art. 2, § 2.090 of the Carson City Charter; The Airport Authority Act for Carson City, Chapter 844 Statutes of Nevada 1989)

1. Access Privilege. Access Privilege Permits [Airport access permits] shall be limited to one per parcel [and to the industrial zoned land adjoining the airport boundary north and east of the airport.] **of real property.**

(a) Access Privilege Permits granted to an Association shall encompass and be applicable to every member of that Association that meets the requirements of this Chapter.

(b) The security gate or other method of entry and the corresponding control devices must be approved in advance by the Authority consistent with 19.02.020.050. With regard to AHAs, such control will be issued by the Authority to those members of the Association in compliance with this Chapter.

2. Eligibility. An Access Privilege Permit is eligible to be granted to a potential Permittee upon fulfilling each of the following conditions:

(a) Permittee is a landowner, including an Association and on behalf of its members, of any real property which is located to the north or east of the Airport. The Permittee’s real property must be contiguous to the Airport to allow access to the Airport or, in the circumstance of an Association, the real property of the Association, including its common area, is contiguous to the Airport. Each member of an Association is a Permittee under the Access Privilege Permit granted to that Association so long as each Association member occupies real property that is contiguous with the real property of the Association and has an ownership interest in the real property of the Association contiguous to the Airport and

over which access to the Airport is granted. Such member must construct (or have constructed) a hangar on its real property.

(b) Permittee is doing business on such real property and the business of the Permittee must not be engaged in the business of a commercial aeronautical activity to the public.

(c) Permittee's use or storage of an aircraft and access to the public landing area of the Airport is incidental to the Permittee's business.

(d) All Permittees and their access to the Airport is subject to the conditions and criteria of the FAA relative to through-the-fence access.

(e) For an Association, each of its members must individually meet and maintain the eligibility requirements stated in paragraphs (a)-(d), inclusive, of this subsection.

(f) For an Association, the Association must adopt rules and regulations that ensure compliance with and, at a minimum, are as restrictive as any rules and regulations of this Chapter 19.03 and any rules and regulations of the Airport, as they may be amended from time to time.

3. Issuance. All Access Privilege Permits shall be memorialized by a written agreement between the Permittee and Authority that complies with all FAA standards for such agreements and these regulations set forth in Chapter 19.03.

4. Transfer. An Access Privilege Permit may be transferred to a successor in interest of the Permittee so long as the successor in interest is also the successor in interest of the same real property, and reports the transfer of the Access Privilege Permit to the Authority, and obtains written consent from the Authority for such transfer, which shall not be unreasonably withheld.

5. Duties.

(a) The Authority reserves the right to relocate its taxiways so long as access to the taxiway is accorded to the Permittee.

(b) The Permittee has the duty to maintain its accessway in accordance with Section 19.03.070 and to indemnify the City and the Authority pursuant to Section 19.03.160 of this chapter.

(c) Permittee will not engage in any activity or conduct on or about the Airport or Permittee's own real property which would interfere with Airport operations or funding consistent with FAA requirements.

SECTION V:

That Title 19 (AIRPORT RULES AND REGULATIONS), Chapter 19.03 (THROUGH-THE-FENCE AIRCRAFT OPERATION), Section 19.03.030 (Number of aircraft) is hereby amended (**bold, underlined text** is added, [~~stricken~~] text is deleted) as follows:

19.03.030 – Number of aircraft. (Art. 2, § 2.090 of the Carson City Charter; The Airport Authority Act for Carson City, Chapter 844 Statutes of Nevada 1989)

The number of aircraft is limited to no more than four [(4)] resident aircraft per [parcel owned by the permittee. A permittee may apply to the Authority for more aircraft per parcel,] Access Privilege Permit which are based at the real property of the Permittee, except that if Permittee is an Association, then the number of aircraft is limited to no more than four

resident aircraft per member of the Association. A Permittee may apply to the Authority to increase the number of allowed aircraft, which increase may be granted by the Authority for good cause.

SECTION VI:

That Title 19 (AIRPORT RULES AND REGULATIONS), Chapter 19.03 (THROUGH-THE-FENCE AIRCRAFT OPERATION), Section 19.03.040 (Method of access) is hereby amended (**bold, underlined text** is added, [~~stricken~~] text is deleted) as follows:

19.03.040 – Method of access. (Art. 2, § 2.090 of the Carson City Charter; The Airport Authority Act for Carson City, Chapter 844 Statutes of Nevada 1989)

In order to promote [~~airport~~] **Airport** safety and security the Authority shall not allow an excessive number of through-the-fence accessways entering onto a taxiway. The access points to a taxiway shall be located and coordinated by [~~permittees~~] **Permittees** and the Authority in such a way as to allow joint use of [~~one (1) accessway~~] **accessways** between adjoining parcels or [~~owners.~~] **owners in order to avoid an excessive number of accessways.** The Authority shall have discretion to limit a [~~permittee~~] **Permittee** access through an existing [~~access-way~~] **accessway** if the Authority finds that [~~airport~~] **Airport** safety and security so requires.

In addition, except through existing taxiways, there shall be no midfield access permitted to the runway unless [~~and until the northside parallel taxiways are constructed and until~~] said access is approved by the **Authority and the** FAA.

SECTION VII:

That Title 19 (AIRPORT RULES AND REGULATIONS), Chapter 19.03 (THROUGH-THE-FENCE AIRCRAFT OPERATION), Section 19.03.050 (Revocation for cause—Procedures) is hereby amended (**bold, underlined text** is added, [~~stricken~~] text is deleted) as follows:

19.03.050 – Revocation for cause—Procedures. (Art. 2, § 2.090 of the Carson City Charter; The Airport Authority Act for Carson City, Chapter 844 Statutes of Nevada 1989)

1. An [~~access-privilege permit~~] **Access Privilege Permit** may be revoked for good cause by the Authority. Good cause for such revocation shall include, but is not limited to any act committed by [~~permittee~~] **Permittee**, or permitted or caused by a [~~permittee~~] **Permittee** in conjunction with the access privilege which act is in violation of any law, ordinance or FAA regulation. **Good cause also includes a Permittee failing to pay an access fee within fifteen days of notification that such fee has not been paid.**

2. Any [~~permit~~] **Access Privilege Permit** issued pursuant to the provisions of this [~~chapter~~] **Chapter** may be revoked in the following manner:

[~~a. The Airport Manager may revoke the permit if the permittee fails to pay the permit fee within fifteen (15) days of notification that such fee has not been paid.~~]

(a) In the situation of an immediate emergency, security or safety issue, the Airport Manager can temporarily suspend any Access Privilege Permits for such time as reasonably necessary to protect the safety of the Airport. As soon as reasonably practical the Airport Manager must declare in writing to all Permittees the nature and description of the immediate emergency, security or safety issue and a good faith estimate of the time period that the Access Privilege Permits will be temporarily suspended.

~~[b.]~~**(b)** The Authority may, on its own motion or initiative, or upon **verified** complaint of any person, institute proceedings to revoke ~~[a permit]~~ **an Access Privilege Permit** by mailing **or delivering** a complaint setting forth the alleged ~~[reason for such permittee as shown by his application or by a supplemental application filed pursuant to the provisions hereof.]~~ **reasons for revocation to such Permittee.**

~~[e.]~~**(c)** The ~~[permittee]~~ **Permittee** shall, within ten (10) days of the date of **service of** such ~~[mailing]~~ **complaint**, file with the secretary of the Authority a written answer to such complaint, under oath.

~~[d.]~~**(d)** The Authority shall fix a day and time for a hearing at which the ~~[permittee]~~ **Permittee** will be given an opportunity to be heard. **To the extent the Permittee resolves the issues of the complaint to the satisfaction of the Authority, the Authority may dismiss the complaint.**

~~[e.]~~**(e)** If the ~~[permittee]~~ **Permittee** fails to file a written answer within the time required, or if the ~~[permittee]~~ **Permittee** fails to appear at the place and time designated for the hearing, the Authority may order the ~~[privilege permit]~~ **Access Privilege Permit** revoked **or suspended.**

~~[f. The Authority shall,]~~ **(f) If the complaint is not otherwise resolved, satisfied or dismissed, the Authority may,** within fifteen ~~[(15)]~~ days after the date of such hearing, enter its order to ~~[refuse or]~~ revoke **or suspend** the ~~[permit]~~ **Access Privilege Permit.** The ~~[permittee]~~ **Permittee** shall be allowed to operate until the order is entered and ~~[mailed]~~ **delivered** to the ~~[permittee]~~ **Permittee** at ~~[his]~~ **its** last known address **or contact information.**

~~[g. As]~~ **(g) In the situation of an immediate emergency, security or safety issue, the Authority may, as** an alternative to the procedure outlined in the foregoing subsections, ~~[the Authority may,]~~ on its own initiative or upon the **verified** complaint of any person, require the ~~[permittee]~~ **Permittee** to appear before the Authority at a time and place fixed by the Authority to show cause, why ~~[his privilege permit]~~ **its Access Privilege Permit** should not be revoked. The hearing shall not be less than five ~~[(5)]~~ days from the date of service upon the ~~[permittee]~~ **Permittee** of the order by mailing a copy of the order to ~~[him]~~ **the Permittee** at ~~[his]~~ **its** last known address or place of business, or by making personal service upon ~~[him]~~ **the Permittee** thereof. The failure by the ~~[permittee]~~ **Permittee** to appear at the time and place designated by the Authority shall, in and of itself, constitute sufficient grounds for revocation **or suspension** of the ~~[permit]~~ **Access Privilege Permit.**

~~[h.]~~**(h)** There shall be no reopening or review of the proceedings whatsoever by the ~~[authority]~~ **Authority** except when it subsequently appears to the satisfaction of the Authority that the ~~[permittee's]~~ **Permittee's** failure to answer or appear was due to matters beyond ~~[his]~~ **its** control, and not through negligence on the part of the ~~[permittee]~~ **Permittee.**

~~[i.]~~**(i)** In all proceedings under this ~~[chapter]~~ **Chapter** the Authority shall have the right to subpoena witnesses and documents, and all witnesses thus subpoenaed shall attend at the time and place appointed therein, and failure to attend at the time and place appointed in the subpoena may be regarded by the Authority as contempt thereof, and a finding by the Authority to such effect shall be duly reported to the ~~[sheriff for immediate disposition thereon, and shall constitute prima~~

~~facie evidence of contempt in any municipal court of the City;~~ **District Attorney's Office for pursuit of any applicable remedies. Upon a proper judicial determination,** the penalty for each such offense shall be a fine of not less than ~~[ten dollars (\$10.00)]~~ **one hundred dollars (\$100.00)** nor more than five ~~[hundred dollars (\$500.00)]~~ and shall be accompanied by incarceration of not less than two (2) days nor more than thirty (30) days.] **thousand dollars (\$5,000.00).**

(j) For revocation proceedings against an Association, as the Permittee, that is premised upon the actions or inactions of a member of that Association and not the Association itself, the Authority will first provide written notice to the Association and permit the Association thirty (30) days to resolve the complaint with its member or take all other remedies available to the Association under the rules and regulations of the Association as against that member. If the complaint or issue remains unresolved to the satisfaction of the Authority within the thirty (30) day time period, the Authority may initiate revocation actions against the Association following the procedural steps outlined above in this Section.

3. In addition to the other remedies provided in this ~~[chapter,]~~ **Chapter** the Carson City ~~[district attorney's office]~~ **District Attorney's Office** is authorized to petition the district court for an injunction restraining any ~~[permittee]~~ **Permittee** from conducting through-the-fence access without a valid ~~[permit]~~ **Access Privilege Permit** or written agreement with the Authority.

SECTION VIII:

That Title 19 (AIRPORT RULES AND REGULATIONS), Chapter 19.03 (THROUGH-THE-FENCE AIRCRAFT OPERATION), Section 19.03.060 (Fees) is hereby amended (**bold, underlined text** is added, ~~[stricken]~~ text is deleted) as follows:

19.03.060 – Fees. (Art. 2, § 2.090 of the Carson City Charter; The Airport Authority Act for Carson City, Chapter 844 Statutes of Nevada 1989)

~~[The following]~~ **1. An annual** access fee shall be assessed against the ~~[permittee. An annual fee in the amount of:]~~ **Permittee. The Airport Authority shall assess annual fees following the method approved by the FAA based on Airport operational and maintenance costs divided by square footage of hangar space:**

~~I. — For properties with hangars, the greater of a fee of seven hundred fifty dollars (\$750.00) or thirty six cents (\$0.36) per square foot times the square footage of the hangar space located on the permittee's property.~~

~~II. — For properties with hangars and aircraft parked outside of the hangar, one hundred twenty five dollars (125.00) per aircraft so parked, in addition to the fee in subsection 1 above.~~

~~III. — For each property with a hangar, the fee shall be offset by the amount of real property taxes received by the Airport Authority on said hangar. In the event that the property taxes so received exceed the fees in subsection 1 and 2 above, the property tax will be considered full payment for the annual fee.~~

~~IV. — For properties without hangars and with an access permit and no access being presently used, six hundred twenty five dollars (\$625.00).~~

~~V. — For properties without hangars and with aircraft parked on said properties, seven hundred fifty dollars (\$750.00), plus one hundred twenty five dollars (\$125.00) per each aircraft beyond the first aircraft.~~

— The annual fee for the easement may be adjusted from time to time, to reflect the cost of airport maintenance and the amount of hangar space and aircraft parking.]

(a) For single permittees who are manufacturers with corporate aircraft the fee will be based on the square footage of the hangar and offset by the amount of real property taxes received by the Airport Authority on said hangar.

(b) For AHA developments the fee will be based on the square footage of the hangar and will not be offset by the real property taxes received by the Airport Authority on such hangars.

(c) For permittees who either have no hangar or park aircraft that cannot be regularly parked inside the hangar, the Authority may use a flat fee for the outside stored aircraft.

2. The annual fee for the Access Privilege Permit may be adjusted from time to time, pursuant to the methodology approved by the FAA that reflects the costs of usage of the Airport, and may be calculated by dividing the Airport operational and maintenance costs by the amount of hangar space. Alternatively, adjustments may be made, but no more than annually, and any increase to the rates of the annual fee may be set to reflect the percentage change reflected by the Consumer Price Index for the preceding one-year period. The annual fee will be based on a snapshot of the Permittee's status, hangars on the properties and the resident aircraft based at the property as of January 15 of each year, or if hangars are constructed midyear, then beginning on the 3-month anniversary of completion of the hangar construction.

SECTION IX:

That Title 19 (AIRPORT RULES AND REGULATIONS), Chapter 19.03 (THROUGH-THE-FENCE AIRCRAFT OPERATION), Section 19.03.070 (Accessway construction) is hereby amended (**bold, underlined text** is added, [~~stricken~~] text is deleted) as follows:

19.03.070 – Accessway construction. (Art. 2, § 2.090 of the Carson City Charter; The Airport Authority Act for Carson City, Chapter 844 Statutes of Nevada 1989)

The [~~permittee~~] **Permittee** shall be required to construct, **if non-existing**, and maintain the accessway [~~on airport~~] **to the Airport** property in a safe, secure condition and in a state equal to the taxiway the access adjoins.

[~~Upon application for a permit, the permittee~~] **In the event the Permittee is required to construct an accessway that adjoins to the Airport's taxiway, the Permittee** shall submit engineering and design plans to the **Authority and the** City for review and approval **as part of the construction permitting process**. All taxiways will be designed in accordance with FAA design standards and construction specifications, including centerline marking.

SECTION X:

That Title 19 (AIRPORT RULES AND REGULATIONS), Chapter 19.03 (THROUGH-THE-FENCE AIRCRAFT OPERATION), Section 19.03.080 (Accessway completion date) is hereby amended (**bold, underlined text** is added, [~~stricken~~] text is deleted) as follows:

19.03.080 – Accessway completion date. (Art. 2, § 2.090 of the Carson City Charter; The Airport Authority Act for Carson City, Chapter 844 Statutes of Nevada 1989)

Upon entering an agreement for [~~access permits, permittees~~] **an Access Privilege Permit, Permittees** shall complete the accessway and all amenities pertinent to the [~~permit within six (6) months of approval of the agreement~~] **Access Privilege Permit within a reasonable timeline agreed upon** by the Authority **and the Permittee and in accordance with any phased construction schedule. The Authority may extend any construction completion deadline of an accessway for good cause.**

SECTION X:

That Title 19 (AIRPORT RULES AND REGULATIONS), Chapter 19.03 (THROUGH-THE-FENCE AIRCRAFT OPERATION), Section 19.03.090 (Security) is hereby amended (**bold, underlined text** is added, [~~stricken~~] text is deleted) as follows:

19.03.090 – Security. (Art. 2, § 2.090 of the Carson City Charter; The Airport Authority Act for Carson City, Chapter 844 Statutes of Nevada 1989)

Each [~~permittee~~] **Permittee** shall provide security of the accessway to prevent vehicular and pedestrian access to the [~~airport lands~~] **Airport**. The [~~airport manager~~] **Airport Manager**, or any other officer designated by the Authority is authorized and empowered to determine the existence of a breach of security of the accessway [~~permit.~~] **Access Privilege Permit**. Whenever the Airport Manager, or any other officer designated by the Authority shall determine that a breach of security exists, he shall give notice of said breach to the [~~permittee~~] **Permittee**. In the event that the Airport Manager, or any other officer designated by the Authority is required to give a second notice of breach to the [~~permittee~~] **Permittee**, then in that event the notice shall direct the [~~permittee~~] **Permittee** to appear before the Authority at its next regularly scheduled meeting to show cause why the [~~access permit~~] **Access Privilege Permit** should not be revoked **pursuant to Section 19.03.050.**

SECTION XI:

That Title 19 (AIRPORT RULES AND REGULATIONS), Chapter 19.03 (THROUGH-THE-FENCE AIRCRAFT OPERATION), Section 19.03.100 (Prohibition of certain aeronautical uses and fuel facilities) is hereby amended (**bold, underlined text** is added, [~~stricken~~] text is deleted) as follows:

19.03.100 – Prohibition of certain aeronautical uses and fuel facilities. (Art. 2, § 2.090 of the Carson City Charter; The Airport Authority Act for Carson City, Chapter 844 Statutes of Nevada 1989)

No [~~property with access~~] **Permittee with an Access Privilege Permit** shall be allowed to carry on any of the aeronautical uses specified in the Carson City Airport Rules and Regulations contained in Title 19, Chapter 19.02 of this code, [~~regarding sale of fuel, parts, service or maintenance of aircraft. Private fuel facilities shall be allowed to permittees for their own private~~]

consumption as long as said facilities are installed and maintained in accordance with all applicable federal, state, city laws, ordinances and codes. For all fuel consumed by permittees, they shall pay a gallonage fee to the Authority at the same rates the fixed base operators pay to the Authority for fuel sold by their facilities.] **including but not limited to, sale of fuel, parts, service or maintenance for aircraft.**

SECTION XII:

That Title 19 (AIRPORT RULES AND REGULATIONS), Chapter 19.03 (THROUGH-THE-FENCE AIRCRAFT OPERATION), Section 19.03.110 (Further development) is hereby amended (**bold, underlined text** is added, [~~stricken~~] text is deleted) as follows:

19.03.110 – Further development. (Art. 2, § 2.090 of the Carson City Charter; The Airport Authority Act for Carson City, Chapter 844 Statutes of Nevada 1989)

The Authority reserves the right to further develop or improve the landing areas of the [~~airport~~] **Airport** as it sees fit, regardless of the desires and views of the [~~permittee~~] **Permittee**, without interference or hindrance.

SECTION XIII:

That Title 19 (AIRPORT RULES AND REGULATIONS), Chapter 19.03 (THROUGH-THE-FENCE AIRCRAFT OPERATION), Section 19.03.120 (Repair of airport) is hereby amended (**bold, underlined text** is added, [~~stricken~~] text is deleted) as follows:

19.03.120 – Repair of airport. (Art. 2, § 2.090 of the Carson City Charter; The Airport Authority Act for Carson City, Chapter 844 Statutes of Nevada 1989)

The Authority reserves the right to maintain and repair the [~~airport~~] **Airport** as it feels best suited for the public.

SECTION XIV:

That Title 19 (AIRPORT RULES AND REGULATIONS), Chapter 19.03 (THROUGH-THE-FENCE AIRCRAFT OPERATION), Section 19.03.130 (Permits subordinate to other agreements) is hereby amended (**bold, underlined text** is added, [~~stricken~~] text is deleted) as follows:

19.03.130 – Permits subordinate to other agreements. (Art. 2, § 2.090 of the Carson City Charter; The Airport Authority Act for Carson City, Chapter 844 Statutes of Nevada 1989)

Access Privilege Permits shall be subordinate to the provisions of any agreement between the Authority and the United States, relative to the development, operation or maintenance of the [~~Carson City~~] Airport.

SECTION XV:

That Title 19 (AIRPORT RULES AND REGULATIONS), Chapter 19.03 (THROUGH-THE-FENCE AIRCRAFT OPERATION), Section 19.03.140 (Compliance with federal aviation regulations) is hereby amended (**bold, underlined text** is added, [~~stricken~~] text is deleted) as follows:

19.03.140 – Compliance with federal aviation regulations. (Art. 2, § 2.090 of the Carson City Charter; The Airport Authority Act for Carson City, Chapter 844 Statutes of Nevada 1989)

The [~~permittee~~] **Permittee** shall comply with Part 77 of the Federal Aviation Regulations regarding structure and height of facilities incident to the [~~permit.~~] **Access Privilege Permit.**

SECTION XVI:

That Title 19 (AIRPORT RULES AND REGULATIONS), Chapter 19.03 (THROUGH-THE-FENCE AIRCRAFT OPERATION), Section 19.03.150 (Right to flight) is hereby amended (**bold, underlined text** is added, [~~stricken~~] text is deleted) as follows:

19.03.150 – Right to flight. (Art. 2, § 2.090 of the Carson City Charter; The Airport Authority Act for Carson City, Chapter 844 Statutes of Nevada 1989)

The Authority reserves the right of its successors and assigns for the use or benefit of the public's right to flight and aircraft passage in the air space above the [~~permittee's~~] **Permittee's** property.

SECTION XVII:

That Title 19 (AIRPORT RULES AND REGULATIONS), Chapter 19.03 (THROUGH-THE-FENCE AIRCRAFT OPERATION), Section 19.03.160 (Hold harmless and indemnification) is hereby amended (**bold, underlined text** is added, [~~stricken~~] text is deleted) as follows:

19.03.160 – Hold harmless and indemnification. (Art. 2, § 2.090 of the Carson City Charter; The Airport Authority Act for Carson City, Chapter 844 Statutes of Nevada 1989)

Permittee shall indemnify and hold the City and the Authority harmless against any damage, loss or liability that may occur due to [~~permittee's~~] **Permittee's** negligence to maintain the **Permittee's** accessway [~~permits as required.~~] **which is subject to the Access Privilege Permit.**

SECTION XVIII:

That Title 19 (AIRPORT RULES AND REGULATIONS), Chapter 19.03 (THROUGH-THE-FENCE AIRCRAFT OPERATION), Section 19.03.170 (Repair of accessway) is hereby

amended (**bold, underlined text** is added, [~~stricken~~] text is deleted) as follows:

19.03.170 – Repair of accessway. (Art. 2, § 2.090 of the Carson City Charter; The Airport Authority Act for Carson City, Chapter 844 Statutes of Nevada 1989)

The [~~permittee~~] **Permittee** shall repair or perform maintenance on the accessway [~~permit~~] **utilized by Permittee** upon written notice from the Authority to proceed at the [~~permittee's~~] **Permittee's** sole expense.

SECTION XIX:

That Title 19 (AIRPORT RULES AND REGULATIONS), Chapter 19.03 (THROUGH-THE-FENCE AIRCRAFT OPERATION), Section 19.03.180 (Assurances by permittee) is hereby amended (**bold, underlined text** is added, [~~stricken~~] text is deleted) as follows:

19.03.180 – Assurances by [~~permittee.~~] Permittee. (Art. 2, § 2.090 of the Carson City Charter; The Airport Authority Act for Carson City, Chapter 844 Statutes of Nevada 1989)

Every [~~permit~~] **Access Privilege Permit** issued pursuant to this [~~chapter~~] **Chapter** shall contain the following assurances by the [~~permittee:]~~ **Permittee:**

1. The [~~permittee~~] **Permittee** for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does covenant and agree (in the case of lease add "as a covenant running with the land") that in the event facilities are constructed, maintained or otherwise operated on the said property described in the [~~permit~~] **Access Privilege Permit** for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the [~~permittee~~] **Permittee** shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

2. The [~~permittees,]~~ **Permittee,** for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does covenant and agree (in the case of leases add "as a covenant running with the land") that: (1) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that the [~~permittee~~] **Permittee** shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

3. That in the event of breach of any of the above nondiscrimination covenants, the Authority shall have the right to terminate the [~~permit~~] **Access Privilege Permit** and hold the same as if said [~~permit~~] **Access Privilege Permit** had never been made or issued. This provision does

not become effective until the procedures of 49 CFR Part 21 are followed and completed including expiration of appeal rights.

4. Permittee shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided, that the [permittee] **Permittee** may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

5. Non-compliance with [~~Provision~~] **Subsection** 4 above shall constitute a material breach thereof and in the event of such noncompliance the [City] **Authority** shall have the right to terminate the [permit] **Access Privilege Permit** without liability therefore or at the election of the Authority or the United States either or both said governments shall have the right to judicially enforce provisions.

6. Permittee agrees that it shall insert the above given provisions in any [permit] **Access Privilege Permit** by which [permittee] **Permittee** grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public on the premises subject to the [permit.] **Access Privilege Permit**.

7. The [permittee] **Permittee** assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to [~~insure~~] **ensure** that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The [permittee] **Permittee** assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The [permittee] **Permittee** assures that it will require that its covered suborganizations provide assurance to the [permittee] **Permittee** that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR 152, Subpart E, to the same effort.

8. The [permittee] **Permittee** by accepting [~~a permit~~] **an Access Privilege Permit** agrees for itself, its successors and assigns that it will not make use of the premises in any manner which might interfere with the landing and taking off of the aircraft from [~~Carson City~~] **the** Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, the City [~~reserves~~] **and the Authority reserve** the right to enter upon the premises and cause the abatement of such interference at the expense of the [permittee] **Permittee**.

9. The [permittee] **Permittee** by accepting [~~a permit~~] **an Access Privilege Permit** agrees for itself, its successors and assigns that it will not make use of the premises in any manner which might interfere with the landing and taking off of the aircraft from [~~Carson City~~] **the** Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, the City [~~reserves~~] **and the Authority reserve** the right to enter upon the premises and cause the abatement of such interference at the expense of the [permittee] **Permittee**.

SECTION XX:

That Title 19 (AIRPORT RULES AND REGULATIONS), Chapter 19.03 (THROUGH-THE-FENCE AIRCRAFT OPERATION), Section 19.03.190 (Severability) is hereby amended (**bold, underlined text** is added, [~~stricken~~] text is deleted) as follows:

19.03.190 – [~~Severability~~] Controlling authority; severability. (Art. 2, § 2.090 of the Carson

City Charter; The Airport Authority Act for Carson City, Chapter 844 Statutes of Nevada 1989)

1. The regulations set forth in this Chapter 19.03 shall be the controlling and exclusive regulations of all prospective Access Privilege Permits applied for and granted following the adoption of these regulations for through-the-fence access to the Airport and hereby supersedes and replaces all prior regulations adopted by the City or Authority controlling such through-the-fence access rights, including any regulations, “Through-The-Fence Regulations” or the “Through-The-Fence Aircraft Operation Permit Policy dated April 8, 1982” referenced in certain land property records relating to the John D Winter’s Trust for property in proximity to the Airport.

2. Nothing in this [chapter] Chapter shall impair the rights of existing [permittees] Permittees who have written contracts or Access Privilege Permits or equivalent with the [City:] City or Authority. However, to the extent existing [permittees] Permittees wish to obtain the benefits of this [chapter:] Chapter, they must in writing agree to accept all the provisions [hereof:] hereof and confirm adoption hereto.

3. In case any one [(1)] or more of the sections, subsections, clauses, or provisions of this [chapter] Chapter or the application thereof to any circumstances, shall for any reason be held to be unconstitutional or invalid, such unconstitutionality or invalidity shall not affect any other sections or provisions of this [chapter:] Chapter.

SECTION XXI:

That no other provisions of the Carson City Municipal Code are affected by this ordinance.

PROPOSED on _____, 2024.

PROPOSED by Supervisor _____.

PASSED on _____, 2024.

VOTE: AYES: SUPERVISORS: _____

NAYS: SUPERVISORS: _____



January 15, 2024

FlyCarsonCity.com

Carson City Airport Manager's Report Prepared by Corey Jenkins

Managers' Report

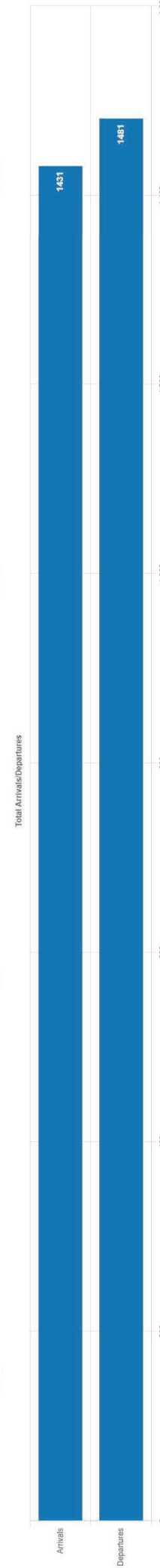
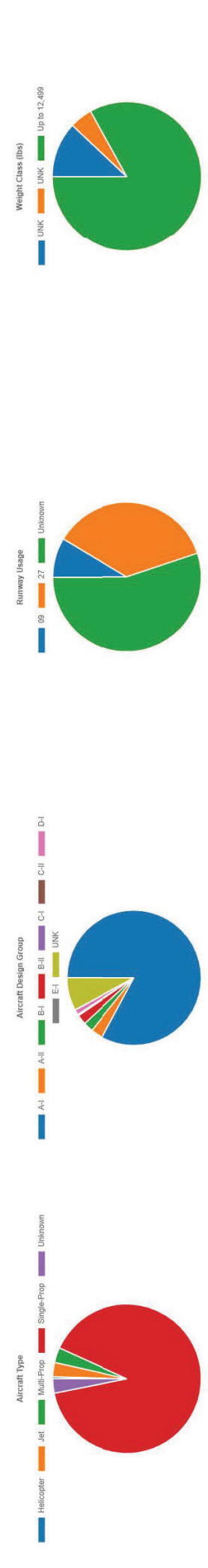
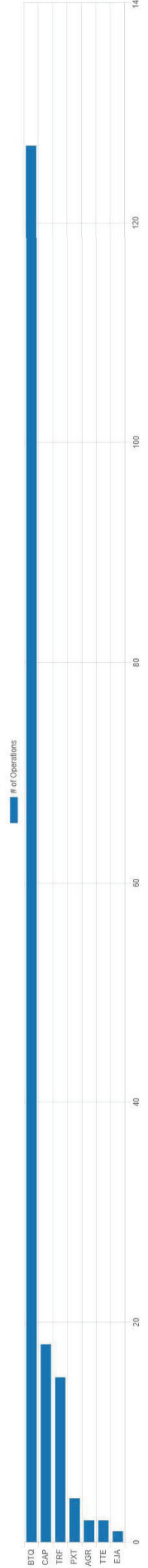
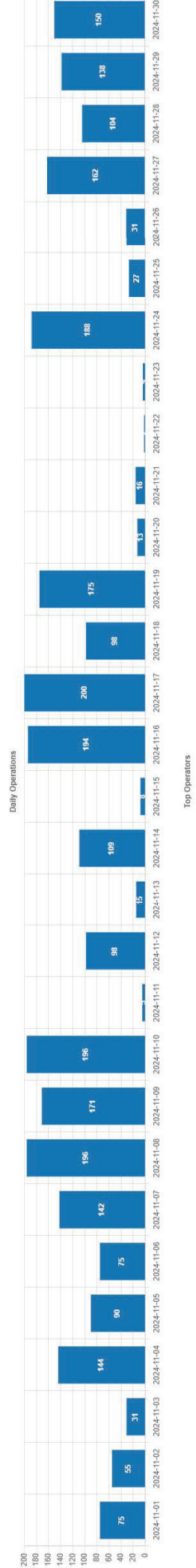
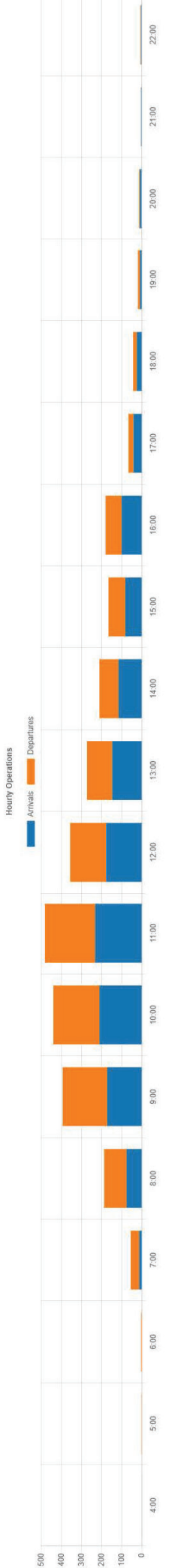
- Pavement Maintenance
 - Airport Operations and Maintenance are progressing with the next phase of pavement maintenance.
 - We have an agreement with Wood Rodgers to prepare the specifications and bidding documents for the upcoming phases of pavement maintenance, which will likely be carried out over the next two years.
- Airport Emergency Planning Meeting
 - The Airport hosted an Emergency Planning Workshop and Tabletop Exercise, engaging all private and public groups that may be involved in a large-scale emergency response at the airport.
 - Jon Bakkedahl, the Emergency Manager with Carson City, facilitated the meeting extremely well, providing valuable insights for all parties involved.
 - We will be updating our Emergency Plan to include a muster area, along with a few other enhancements.
- Neighborhood Development East of the Airport
 - Last month, during a Master Project Review meeting with the city, I learned about a new neighborhood being developed east of the airport.
 - The neighborhood is situated uphill from the airport and may pose a potential issue due to its proximity to protected airspace.
 - The developer has agreed to execute an Avigation Easement to address any concerns.
- FAA ACIP Acceptance
 - We have received a letter from the FAA confirming acceptance of our Airport Capital Improvement Plan (ACIP).
 - We are well-positioned to receive funding for three AIP projects:
 - RSA Drainage Improvements
 - Main Apron Rehabilitation
 - Master Plan Forecasting Update, in support of a runway extension
- Comprehensive CPI Audit
 - A comprehensive CPI audit was completed for all ground leases that had an increase this year, resulting in a 6% CPI adjustment.
 - Some findings from the audit:
 - Most leases saw a slight reduction in rates due to retroactive federal adjustments to CPI over time.
 - A few leases had increased rates, likely due to previous errors.
 - None of the changes were significant in nature.
 - I will continue conducting this audit annually to capture any retroactive CPI adjustments from the federal government.

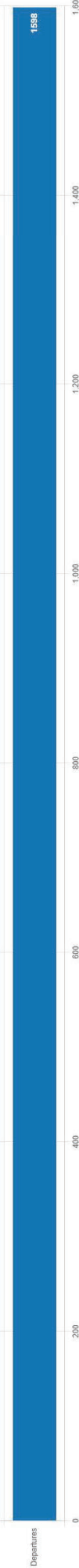
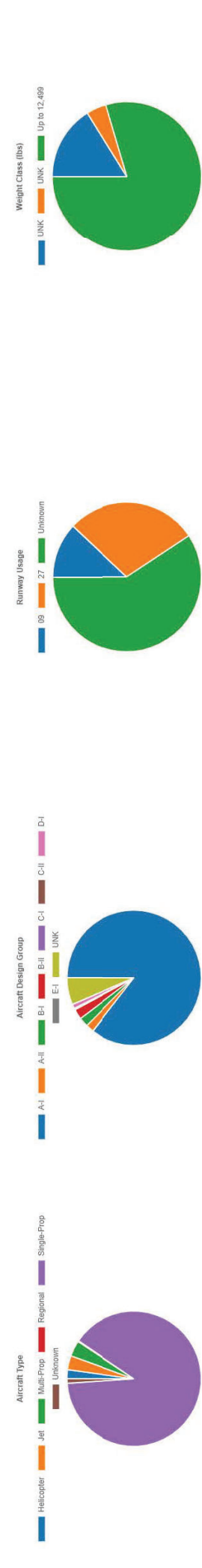
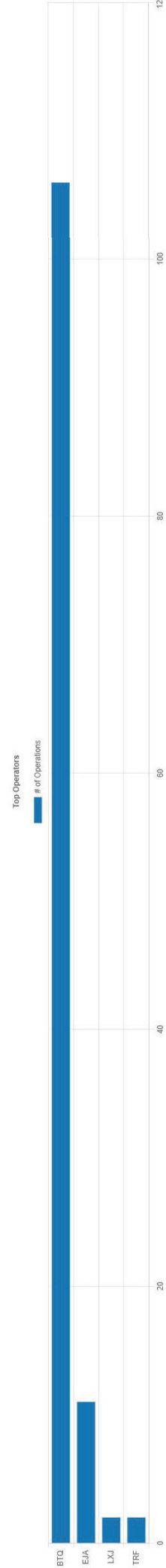
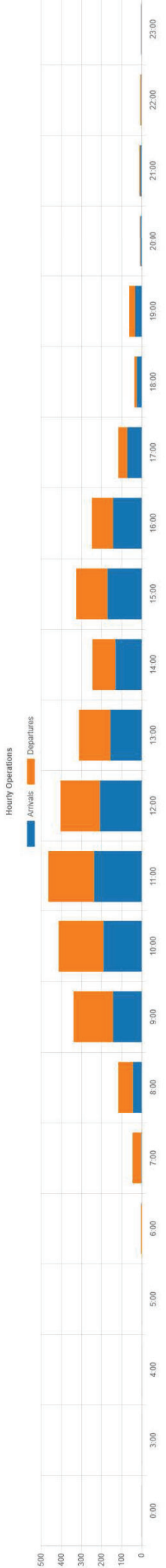
Fuel Flowage

| Total | | | | | | | |
|--------------|------------|-------|--------------|---------|----------------|------------------|---------------|
| | Self-Serve | | Full-Service | | Total Combined | | % Change |
| Month | 100LL | Jet A | 100LL | Jet A | Gallons | Fuel Flowage Fee | Annual Change |
| January-24 | 5932 | 1389 | 2655 | 10751 | 20727 | \$ 1,036.36 | 97% |
| February-24 | 6355 | 637 | 1343 | 13511 | 21847 | \$ 1,092.34 | 12% |
| March-24 | 7206 | 353 | 2737 | 13374.9 | 23670 | \$ 1,183.51 | 52% |
| April-24 | 9776 | 334 | 3489 | 8998 | 22598 | \$ 1,129.89 | 5% |
| May-24 | 10401 | 1540 | 4241 | 28959 | 45141 | \$ 2,257.05 | 57% |
| June-24 | 10481 | 1471 | 4720 | 12459 | 29132 | \$ 1,456.59 | 9% |
| July-24 | 11100 | 739 | 5188 | 21112 | 38139 | \$ 1,906.95 | 13% |
| August-24 | 10902 | 1359 | 4781 | 25886 | 42929 | \$ 2,146.44 | 21% |
| September-24 | 7290 | 2432 | 4306 | 17146 | 31175 | \$ 1,558.73 | -17% |
| October-24 | 9702 | 4232 | 4435 | 18067 | 36436 | \$ 1,821.82 | 46% |
| November-24 | 5934 | 241 | 2963 | 14209 | 23347 | \$ 1,167.37 | -5% |
| December-24 | 7734 | 834 | 3105 | 15591 | 27264 | \$ 1,363.21 | -8% |
| Total | 102816 | 15562 | 43964 | 200064 | 362406 | \$ 18,120.28 | 18% |

Aircraft Operations

| 2024 ADS-B Airport Operations | | | | |
|-------------------------------|----------|------------|------------------|---------------|
| Month | Arrivals | Departures | Total Operations | Annual Change |
| January-24 | 1457 | 1483 | 2940 | 32% |
| February-24 | 1295 | 1265 | 2560 | -27% |
| March-24 | 1238 | 1242 | 2480 | 0% |
| April-24 | 4312 | 4312 | 8624 | 68% |
| May-24 | 4251 | 4261 | 8512 | 62% |
| June-24 | 2493 | 2481 | 4974 | -18% |
| July-24 | 2320 | 2533 | 4853 | -25% |
| August-24 | 1952 | 2237 | 4189 | -20% |
| September-24 | 1457 | 1674 | 3131 | -53% |
| October-24 | 1574 | 1842 | 3416 | -55% |
| November-24 | 1431 | 1481 | 2912 | -55% |
| December-24 | 1589 | 1598 | 3187 | -45% |
| Total | 25369 | 26409 | 51778 | -18% |





Carson City Airport Authority-2

Balance Sheet Comparison

As of December 31, 2024

| | TOTAL | | |
|--------------------------------------|------------------------|-------------------------|----------------------|
| | AS OF DEC 31, 2024 | AS OF DEC 31, 2023 (PY) | CHANGE |
| ASSETS | | | |
| Current Assets | | | |
| Bank Accounts | | | |
| 1075 LGIP-Deferred | 432,333.98 | 410,048.91 | 22,285.07 |
| 1077 LGIP- General Fund | 1,657,045.83 | 1,572,204.10 | 84,841.73 |
| 3099 Gen. Fund #1162 | 311,481.24 | 260,403.84 | 51,077.40 |
| 3199 Petty Cash | -1,770.00 | 100.00 | -1,870.00 |
| Total Bank Accounts | \$2,399,091.05 | \$2,242,756.85 | \$156,334.20 |
| Accounts Receivable | | | |
| 2000 Accounts Receivable - Operating | 374,458.34 | 182,787.55 | 191,670.79 |
| Total Accounts Receivable | \$374,458.34 | \$182,787.55 | \$191,670.79 |
| Other Current Assets | | | |
| 1499 Undeposited Funds | 8,243.89 | 27,487.79 | -19,243.90 |
| 2001 AR offset | -19,337.00 | -19,337.00 | 0.00 |
| 2010 Due From Other Government | 389,578.87 | 389,578.87 | 0.00 |
| 2010.1 Audit Adjustment to AR | -332,044.00 | -332,044.00 | 0.00 |
| 2011 Accrued Interest Receivable | 6,252.37 | 6,252.37 | 0.00 |
| 2020 Grants Receivable-CY | 0.00 | 0.00 | 0.00 |
| 2100 Prepaid Expenses | 1,000.00 | 1,000.00 | 0.00 |
| CTE Reimbursement Funds | -22,877.50 | 10,640.00 | -33,517.50 |
| Grumman HU-16C Lien | 0.00 | 0.00 | 0.00 |
| Total Other Current Assets | \$30,816.63 | \$83,578.03 | \$ -52,761.40 |
| Total Current Assets | \$2,804,366.02 | \$2,509,122.43 | \$295,243.59 |
| Fixed Assets | | | |
| 2120 land | 146,542.03 | 146,542.03 | 0.00 |
| 2125 Machinery & Equipment | 750,566.73 | 750,566.73 | 0.00 |
| 2126 Fencing | 911,661.46 | 911,661.46 | 0.00 |
| 2130 Vehicle | 807,877.35 | 807,877.35 | 0.00 |
| 2198 Accumulated Depreciation | -466,021.36 | -466,021.36 | 0.00 |
| 2201 Tractor | 153,046.00 | 153,046.00 | 0.00 |
| Total Fixed Assets | \$2,303,672.21 | \$2,303,672.21 | \$0.00 |
| Other Assets | | | |
| 2300 Provided for LT Obligations | 271,786.33 | 271,786.33 | 0.00 |
| 2305 NPV of Airport Leases | 7,242,012.00 | 7,242,012.00 | 0.00 |
| 2810 Pension Requirement | 415,612.04 | 415,612.04 | 0.00 |
| Total Other Assets | \$7,929,410.37 | \$7,929,410.37 | \$0.00 |
| TOTAL ASSETS | \$13,037,448.60 | \$12,742,205.01 | \$295,243.59 |

Carson City Airport Authority-2

Balance Sheet Comparison

As of December 31, 2024

| | TOTAL | | |
|--|------------------------|-------------------------|----------------------|
| | AS OF DEC 31, 2024 | AS OF DEC 31, 2023 (PY) | CHANGE |
| LIABILITIES AND EQUITY | | | |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts Payable | | | |
| 3000 Accounts Payable | 59,600.65 | 90,619.08 | -31,018.43 |
| Total Accounts Payable | \$59,600.65 | \$90,619.08 | \$ -31,018.43 |
| Credit Cards | | | |
| 6321 Home Depot | -485.20 | 1,332.75 | -1,817.95 |
| 6328 NSB Credit Card Rick 9053 | 510.20 | 244.12 | 266.08 |
| 6329 NSB CC Corey 9061 | 286.29 | 469.23 | -182.94 |
| Total Credit Cards | \$311.29 | \$2,046.10 | \$ -1,734.81 |
| Other Current Liabilities | | | |
| 2101 Payroll Liability | 4,062.54 | 1,971.54 | 2,091.00 |
| 2102 Accrued Compensated Absences | 8,917.28 | 8,917.28 | 0.00 |
| 2115 Accrued Expenses | 21,000.00 | 21,000.00 | 0.00 |
| 3030 Audit Adj to AP | 4,102.00 | 4,102.00 | 0.00 |
| 3090 Pension Requirement-Liab | 360,736.00 | 360,736.00 | 0.00 |
| 3271 Current Portion of LTD | 12,734.00 | 12,734.00 | 0.00 |
| Total Other Current Liabilities | \$411,551.82 | \$409,460.82 | \$2,091.00 |
| Total Current Liabilities | \$471,463.76 | \$502,126.00 | \$ -30,662.24 |
| Long-Term Liabilities | | | |
| 3085 Net Pension Liability | 447,813.00 | 447,813.00 | 0.00 |
| 3100 Leases Advances | 26,556.00 | 26,556.00 | 0.00 |
| 3110 Deferred Inflows- Leases | 6,872,722.00 | 6,872,722.00 | 0.00 |
| 3200 Mayes-Lease Transactions | 301,509.83 | 307,749.83 | -6,240.00 |
| 3250 Gonzalez Deferred Lease | 232,855.89 | 232,855.89 | 0.00 |
| 3260 Goni Deferred Lease | 0.00 | 0.00 | 0.00 |
| 6325 Tractor US Bank | -13,243.00 | -13,243.00 | 0.00 |
| Total Long-Term Liabilities | \$7,868,213.72 | \$7,874,453.72 | \$ -6,240.00 |
| Total Liabilities | \$8,339,677.48 | \$8,376,579.72 | \$ -36,902.24 |
| Equity | | | |
| 4200 Fund Balance | 2,548,313.52 | 2,548,313.52 | 0.00 |
| 4999 Retained Earnings | 1,973,373.89 | 1,711,686.00 | 261,687.89 |
| 4999.1 GWFS to Fund FS adjustments | -38,223.00 | -38,223.00 | 0.00 |
| Net Income | 214,306.71 | 143,848.77 | 70,457.94 |
| Total Equity | \$4,697,771.12 | \$4,365,625.29 | \$332,145.83 |
| TOTAL LIABILITIES AND EQUITY | \$13,037,448.60 | \$12,742,205.01 | \$295,243.59 |

Carson City Airport Authority-2

Profit and Loss Comparison

July - December, 2024

| | TOTAL | | |
|--|---------------------|----------------------|--------------------|
| | JUL - DEC, 2024 | JUL - DEC, 2023 (PY) | CHANGE |
| Income | | | |
| 5010 Real/Personal Property Tax | | | |
| 5010.1 Aircraft | 95,691.54 | 95,691.54 | 0.00 |
| 5010.2 Building | 78,293.04 | 78,293.04 | 0.00 |
| Total 5010 Real/Personal Property Tax | 173,984.58 | 173,984.58 | 0.00 |
| 5050 AIRPORT LEASES | | | |
| 5050H Hanger Lease | 36,000.00 | 36,000.00 | 0.00 |
| 5051 Land Leases | 130,194.96 | 124,971.20 | 5,223.76 |
| 5052 Tower Leases | 36,532.74 | 36,468.68 | 64.06 |
| 5053 Lease-Mayes | 3,120.00 | 3,120.00 | 0.00 |
| Total 5050 AIRPORT LEASES | 205,847.70 | 200,559.88 | 5,287.82 |
| 5150 Tie Down Fees | 4,553.00 | 5,018.00 | -465.00 |
| 5151 Gate Card Fees | 160.00 | 1,305.00 | -1,145.00 |
| 5155 Parking Fees | 653.63 | 324.83 | 328.80 |
| 5200 Committed-Fuel Flowage Fees | 12,133.46 | 8,640.63 | 3,492.83 |
| 5201 Committed-Jet Fuel Tax | 1,378.64 | 1,061.88 | 316.76 |
| 5300 Class II FBO Fees | 2,700.00 | 4,800.00 | -2,100.00 |
| 5404 Rock Materials Sales | 48,915.85 | 36,246.24 | 12,669.61 |
| 5500 Interest Income | 53,025.39 | 40,029.21 | 12,996.18 |
| 5999 Uncategorized Income | 803.10 | | 803.10 |
| Total Income | \$504,155.35 | \$471,970.25 | \$32,185.10 |
| GROSS PROFIT | \$504,155.35 | \$471,970.25 | \$32,185.10 |
| Expenses | | | |
| 6019 Charitable Contribution | 1,070.00 | 1,365.75 | -295.75 |
| 6165 Job Supplies | | 48.14 | -48.14 |
| 6169 Taxes & Licenses | | 280.00 | -280.00 |
| 6300 Operating Expenses | | | |
| 6130 Dues | 370.00 | 1,210.00 | -840.00 |
| 6135 Memberships | | 95.00 | -95.00 |
| 6137 Conferences | 855.00 | | 855.00 |
| 6190 Office Expence-PC Software | 488.59 | 817.55 | -328.96 |
| 6200 Office Expenses -PC Hardware | 5.25 | 88.20 | -82.95 |
| 6211 Meals and Entertainment | 890.08 | 367.39 | 522.69 |
| 6218 Marketing and Website | 1,152.15 | 1,094.10 | 58.05 |
| 6369 Travel | 1,229.76 | | 1,229.76 |
| Total 6300 Operating Expenses | 4,990.83 | 3,672.24 | 1,318.59 |
| 6301 Utilities | | | |
| 6238 Stormwater Discharge Permit | | 4.06 | -4.06 |
| 6302 Phone & Internet | 3,410.37 | 2,042.06 | 1,368.31 |

Carson City Airport Authority-2

Profit and Loss Comparison

July - December, 2024

| | TOTAL | | |
|------------------------------------|---------------------|----------------------|-----------------------|
| | JUL - DEC, 2024 | JUL - DEC, 2023 (PY) | CHANGE |
| 6303 Electric | 6,953.64 | 9,473.10 | -2,519.46 |
| 6304 Gas | 96.73 | 254.89 | -158.16 |
| 6305 Water | 1,107.83 | 1,300.63 | -192.80 |
| 6306 Carson City Landfill | 669.24 | 633.10 | 36.14 |
| Total 6301 Utilities | 12,237.81 | 13,707.84 | -1,470.03 |
| 6308 Office Expenses and Supplies | 845.92 | 621.71 | 224.21 |
| 6309 Legal | 46,502.50 | 22,672.50 | 23,830.00 |
| 6310 Security | 3,200.93 | 1,975.94 | 1,224.99 |
| 6311 CCAA printing | | 428.08 | -428.08 |
| 6312 Data Storage | 245.90 | 272.08 | -26.18 |
| 6313 Insurance | 1,364.00 | 4,653.00 | -3,289.00 |
| 6314 Auditing | 27,876.25 | | 27,876.25 |
| 6314A Accounting/Bullis | 14,070.00 | 10,026.00 | 4,044.00 |
| 6314B Accounting/Tmcdbooks | | 6,900.00 | -6,900.00 |
| 6315 Contract Services/Appraisals | 7,000.00 | | 7,000.00 |
| 6316 Bank Charges/Square Chgs | 484.84 | 215.41 | 269.43 |
| 6317 Airport Equipment Maintenance | 12,007.76 | 4,698.63 | 7,309.13 |
| 6317.5 AWOS III Service Charges | 5,936.00 | 6,620.00 | -684.00 |
| 6318 Facility Maintenance | 7,946.67 | 3,810.08 | 4,136.59 |
| 6319 Airfield Maintenance | 20,000.74 | 19,359.32 | 641.42 |
| 6319.5 Gate Maintenance | | 5,011.29 | -5,011.29 |
| 6350 Labor Expense | | | |
| 6351 Salaries | 141,968.15 | 91,793.08 | 50,175.07 |
| 6352 Healthcare | 32,804.40 | 20,192.19 | 12,612.21 |
| 6353 PERS Retirement Contribution | 54,108.44 | 27,344.15 | 26,764.29 |
| 6354 Nevada Payroll | 735.00 | 627.25 | 107.75 |
| 6355 Workers Compensation | 4,061.87 | 878.27 | 3,183.60 |
| 6363 Voya/Deferred Comp | 630.00 | | 630.00 |
| 6476 Uniforms | 484.82 | 612.74 | -127.92 |
| Total 6350 Labor Expense | 234,792.68 | 141,447.68 | 93,345.00 |
| 6600 Bad Debt Transaction | | 900.00 | -900.00 |
| 6999 Uncategorized Expense | -0.10 | | -0.10 |
| 9100 Interest Expense | | 527.98 | -527.98 |
| QuickBooks Payments Fees | 257.91 | | 257.91 |
| Total Expenses | \$400,830.64 | \$249,213.67 | \$151,616.97 |
| NET OPERATING INCOME | \$103,324.71 | \$222,756.58 | \$ -119,431.87 |
| Other Income | | | |
| 5001 NDOT Grant Reimbursement | | 19,722.00 | -19,722.00 |
| 7000 Open House | | | |
| 7001.1 Open House Income FYE 2024 | 7,700.00 | 2,500.00 | 5,200.00 |

Carson City Airport Authority-2

Profit and Loss Comparison

July - December, 2024

| | TOTAL | | |
|---|---------------------|-------------------------|---------------------|
| | JUL - DEC, 2024 | JUL - DEC, 2023 (PY) | CHANGE |
| 7001.2 Open House Expense FYE 2024 | -7,191.21 | -1,118.26 | -6,072.95 |
| Total 7000 Open House | 508.79 | 1,381.74 | -872.95 |
| 8000 Discounts | 9.94 | | 9.94 |
| FAA AIP Grant Revenue | | | |
| 6035 AIP #36 Construct SRE Building | | | |
| 6035.2 6035 AIP #36 Construct SRE Building Expense | | -12,470.00 | 12,470.00 |
| Total 6035 AIP #36 Construct SRE Building | | -12,470.00 | 12,470.00 |
| 6036 AIP #37 Acquire Snow Removal Equipment | 196,454.26 | 180.00 | 196,274.26 |
| 6036.2 AIP #37 Acquire Snow Removal Equipment Expense | -7,733.00 | -180.00 | -7,553.00 |
| Total 6036 AIP #37 Acquire Snow Removal Equipment | 188,721.26 | 0.00 | 188,721.26 |
| 6041 AIP #42 Approach Lighting System Phase 2 PAPI and MALSF | | | |
| 6041.1 AIP #42 Approach Lighting System Phase 2 PAPI and MALSF Rev | | 61,416.62 | -61,416.62 |
| 6041.2 AIP #42 Approach Lighting System Phase 2 PAPI and MALSF Expense (deleted) | | -60,520.00 | 60,520.00 |
| Total 6041 AIP #42 Approach Lighting System Phase 2 PAPI and MALSF | | 896.62 | -896.62 |
| 6042 AIP #43 Approach Lighting System Phase 3 PAPI and MALSF | | | |
| 6042.1 AIP #43 Approach Lighting System Phase 3 PAPI and MALSF Revenue | 193,344.40 | 44,712.19 | 148,632.21 |
| 6042.2 AIP #43 Approach Lighting System Phase 3 PAPI and MALSF Expense | -217,687.02 | -59,383.50 | -158,303.52 |
| Total 6042 AIP #43 Approach Lighting System Phase 3 PAPI and MALSF | -24,342.62 | -14,671.31 | -9,671.31 |
| 6044 AIP #44 SRE Construct Auxiliary Building | | | |
| 6044.1 6044 AIP #44 SRE Construct Auxiliary Building Revenue | 2,807.43 | 2,927.81 | -120.38 |
| 6044.2 AIP #44 SRE Construct Auxiliary Building Expense | -5,705.20 | -48,079.50 | 42,374.30 |
| Total 6044 AIP #44 SRE Construct Auxiliary Building | -2,897.77 | -45,151.69 | 42,253.92 |
| Total FAA AIP Grant Revenue | 161,480.87 | -71,396.38 | 232,877.25 |
| Total Other Income | \$161,999.60 | \$ -50,292.64 | \$212,292.24 |
| Other Expenses | | | |
| 6020 FAA Engineering and Construction | 19,780.20 | | 19,780.20 |
| CCAA Funded Capital Projects | | | |
| 6400 Capital Project | | | |
| 6418 FOD Boss Purchase | | 6,949.00 | -6,949.00 |
| Total 6400 Capital Project | | 6,949.00 | -6,949.00 |
| 6413 Taxiway Sign Panels | | 1,217.68 | -1,217.68 |
| 6414 Terminal Building Architectural Renderings | 31,237.40 | 12,892.25 | 18,345.15 |
| 6416 New Terminal Door Improvements with Access Control | | 7,556.24 | -7,556.24 |
| Total CCAA Funded Capital Projects | 31,237.40 | 28,615.17 | 2,622.23 |
| Total Other Expenses | \$51,017.60 | \$28,615.17 | \$22,402.43 |
| NET OTHER INCOME | \$110,982.00 | \$ -78,907.81 | \$189,889.81 |
| NET INCOME | \$214,306.71 | \$143,848.77 | \$70,457.94 |