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10/08/2007

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Official Record

Requested By

STEWART TITLE OF NEVADA

Lyon County - NV

Mary C. Milligan - Recorder

WHEN RECORDED RETURN TO:

APN'S SEE ATTACHED

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

AVIGATION AND HAZARD EASEMENT DEED

THIS AVIGATION AND HAZARD EASEMENT DEED ("Easement Deed") is made this 28th day of September 2007, by LAKEMONT LEGADO, LLC, a Delaware limited liability company ("Grantor") to DAYTON VALLEY AIRPORT, LLC, a Nevada limited liability company ("Grantee").

RECITALS

A. Grantor is the owner of that certain real property located in the County of Lyon, State of Nevada, more particularly described in Exhibit A attached hereto, which is shown generally and identified on the map attached hereto as Exhibit C (hereinafter called "Grantor's Property").

B. Grantor's Property is located in the vicinity of the Dayton Valley Airport, a privately owned public use airport on certain real property located in the County of Lyon, State of Nevada, more particularly described in Exhibit B attached hereto, which is shown generally and identified on the map attached hereto as Exhibit C (the "Airport"). Grantee is the owner of the Airport.

C. Grantor desires to grant the easements, rights of way and other rights which are provided for herein for the use of the Airport.

1. Grant of Avigation Easement. In consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantor, for itself and its successors and assigns, does hereby grant, bargain, sell, and convey unto the Grantee, its successors and assigns, for the use and benefit of the public, the following easements, rights and servitudes, which shall be appurtenant to the Airport, and in gross to all public users of the Airport (collectively, the "Avigation Easement"):

1.1. Passage of Aircraft. A perpetual non-exclusive easement and right of way for the unobstructed use and passage of all types of aircraft (as hereinafter defined), in and through the airspace above Grantor's Property above an imaginary surface ("Easement Surface"), which consists in the aggregate of the Approach Surface, Horizontal Surface, Transition Surface and Conical Surface areas as described, shown and identified on Exhibit D attached hereto, to an infinite height above said Easement Surface.

1.2. Hazards and Incidental Effects. A perpetual non-exclusive easement and right of way over Grantor's Property, for all things which may be alleged to be incident to or resulting from the use and enjoyment of said easement, including, but not limited to the right to cause in all airspace above or in the vicinity of the surface of Grantor's Property such noise, vibrations, electronic interference, fumes, deposits of dust or other particulate matter, fuel particles (which are incidental to the normal operation of said aircraft), fear, interference with sleep and communication and any and all other effects that may be alleged to be incident to or caused by the ownership, operation or maintenance of the Airport, operation of aircraft over or in the vicinity of Grantor's Property or in landing at or taking off from, or operating at or on the Airport, or operating at or on any real property with access for aircraft to the Airport is hereby granted.

1.3. Definition of Aircraft. As used herein, the term "aircraft" shall mean any and all types of aircraft, whether now in existence or hereafter manufactured and developed, to include, but not limited to, jet aircraft, propeller driven aircraft, civil aircraft, military aircraft, commercial aircraft, helicopters and all types of aircraft or vehicles, now in existence or hereafter developed, regardless of existing or future noise levels, for the purpose of transporting persons or property through the air, by whoever owned or operated.

2. Conditions and Restrictions.

2.1. Covenant of Non-Obstruction. Grantor, for itself, its successors, and assigns, does hereby agree that for and during the life of this Avigation Easement, Grantor will not hereafter erect, permit the erection or growth of, or permit or suffer to remain upon Grantor's Property any building, structure, tree or other object extending into the airspace above the Basement Surface.

2.2. Right to Prevent Obstruction. Grantor, for itself, its successors, and assigns further hereby grants to the Grantee the continuing right to prevent the erection or growth upon Grantor's Property of any building, structure, tree, or other object extending into the airspace above the Basement Surface, and to remove or cause to have removed such obstruction from said airspace, or at the sole option of the Grantee, as an alternative, to mark and light as obstructions to air navigation, any such building, structure, tree or other objects now upon, or which in the future may be upon Grantor's Property which extends into said airspace, together with the right of ingress to, egress from, and passage over Grantor's Property for the above purpose.

2.3. Changes at Airport. The rights, easements, benefits, waivers, covenants, conditions and agreements granted hereunder, including the Avigation Easement, shall be appurtenant to and for the benefit of the Airport, including any additions or changes thereto wherever located, hereafter made by the Grantee, subsequent owner of the Airport or their successors and assigns, guests, and invitees, including any and all persons, firms, or corporations operating aircraft to or from the Airport. The rights, easements, benefits, waivers, covenants, conditions and agreements granted hereunder, including the Avigation Easement, shall continue notwithstanding any increase or other changes in the boundaries, volume of operations, noise, or pattern of air traffic at the Airport.

2.4. Waiver and Release. Grantor, for itself and all purchasers, administrators, executors, successors and assigns to the Grantor's Property, at any time, and in perpetuity, do hereby fully waive, remise, and release any right of cause of action which they may have now or that may otherwise accrue in the future against Grantee, its successors and assigns, due to such noise, vibrations, electronic interference, fumes, deposits of dust or other particulate matter, fuel particles (which are incidental to the normal operation of said aircraft), fear, interference with sleep and communication and any and all other effects that may be alleged to be incident to or caused by the ownership, operation or maintenance of the Airport, operation of aircraft over or in the vicinity of Grantor's Property or in landing at or taking off from, or operating at or on the Airport, or operating at or on any real property with access for aircraft to the Airport.

2.5. Covenants Binding On and Benefiting Successive Owners and Assigns. The parties intend that all rights, easements, benefits, waivers, covenants, conditions and agreements granted hereunder, including the Avigation Easement, shall run with the land of Grantor's Property and the Airport, and any grantee, successor or assign of Grantor who acquires any estate or interest in or right to use the Grantor's Property shall be bound hereby and subject hereto for the benefit of the Airport and for the benefit of Grantee, and any successor or assign of Grantee, including, without limitation, the tenants and licensees of Grantee and all public users of the Airport.

3. General Provisions.

3.1. Attorneys' Fees. Should Grantor or Grantee or any of their respective successors or assigns retain counsel to enforce any of the provisions herein or protect their interests in any matter arising under this Easement Deed, or to recover damages by reason of any alleged breach of any provision of this Easement Deed, the losing party in any action pursued in a court of competent jurisdiction shall pay to the prevailing party all costs, damages, and expenses incurred by the prevailing party, including, but not limited to, attorneys' fees and costs incurred in connection therewith.

3.2. Interpretation. No provision of this Easement Deed is to be interpreted for or against any party because that party or that party's legal representative drafted such provision.

3.3. Waiver. No violation or breach of any provision of this Easement Deed may be waived unless in writing. Waiver of any one breach of any provision of this Easement Deed shall not be deemed to be a waiver of any other breach of the same or any other provision of this Easement Deed.

3.4. Severability. In the event that any one or more covenant, condition, right or other provision contained in this Easement Deed is held to be invalid, void or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Easement Deed and shall in no way affect, impair or invalidate any other covenant, condition, right or other provision contained in this Easement Deed.

3.5. Additional Documents. In addition to the documents and instruments to be delivered as provided in this Easement Deed, Grantor or its successors and assigns, as the case may be, shall, from time to time at the request of Grantee, execute and deliver to grantee such

other documents and shall take such other action as may be reasonably required to carry out more effectively the terms of this Easement Deed.

3.6. Governing Law. This Easement Deed has been negotiated and entered into in the State of Nevada, and shall be governed by, construed and enforced in accordance with the statutory, administrative and judicial laws of the State of Nevada.

3.7. Integration. This Easement Deed, including the exhibits, constitutes the final, complete and exclusive statement of the parties relative to the subject matter hereof and there are no oral or parol agreements existing between Grantor and Grantee relative to the subject matter hereof which are not expressly set forth herein and covered hereby.

IN WITNESS WHEREOF, the Grantor has hereunto executed this Easement Deed as of the date first set forth above.

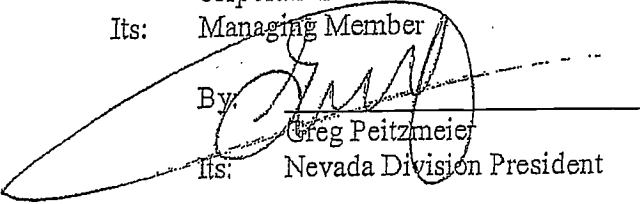
GRANTOR:

LAKEMONT LEGADO, LLC, a Delaware limited liability company

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

Its: Managing Member

By:


Greg Peitzmeier

Its:

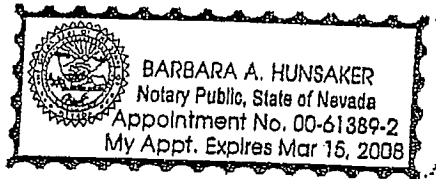
Nevada Division President

STATE OF NEVADA)
)
COUNTY OF WASHOE)

On October 1, 2007, before me, Barbara A. Hunsaker, personally appeared Craig Reitzmaier, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Barbara A. Hunsaker
NOTARY PUBLIC



STATE OF NEVADA)
)
COUNTY OF WASHOE)

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

WITNESS my hand and official seal.

NOTARY PUBLIC

CONSENT OF LIENHOLDER
AND SUBORDINATION OF LIEN

The undersigned beneficiary under that certain Construction Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing ("Deed of Trust") recorded September 15, 2006, as Instrument No. 390913, of the Official Records of Lyon County, Nevada, consents to all the provisions contained in the attached Avigation and Hazard Easement Deed, dated September 28, 2007, by and between Lakemont Legado, LLC, as Grantor, Dayton Valley Airport, LLC, as Grantee ("Easement"), and agrees that the lien of the Deed of Trust shall be junior and subordinate and subject to said Easement. By executing the Consent of Leinholder and Subordination of Lien, the undersigned does not intend to and does not subordinate the lien of the Deed of Trust to any matter other than to said Easement.

Dated: October 3, 2007.

LEGADO 551 LP, a Delaware limited partnership

By: Legado 551 GP LLC, a Delaware limited liability company, its general partner

By: David Van
Name: David Van
Title: Vice President

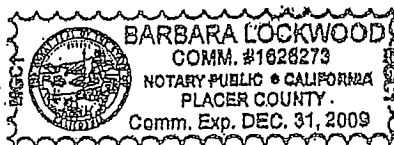
ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
)ss.
COUNTY OF PLACER)

On OCTOBER 3, 2007, before me, BARBARA LOCKWOOD, personally appeared DAVID VAN,

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

WITNESS my hand and official seal



Barbara Lockwood
(SIGNATURE OF NOTARY)

EXHIBIT "A"
DESCRIPTION OF GRANTOR'S PROPERTY

EXHIBIT "A"
LAKEMONT LEGADO, LLC
LEGAL DESCRIPTIONS

APN 016-361-68

Parcel A as shown on the Official Plat of The Lakes at Dayton Valley Village 9 ~ Phase 1A, File No. 402920, filed in the Official Records of Lyon County, Nevada on March 22, 2007

APN 029-601-01 thru 27, 029-602-01 thru 12, 029-603-01, & 029-603-12

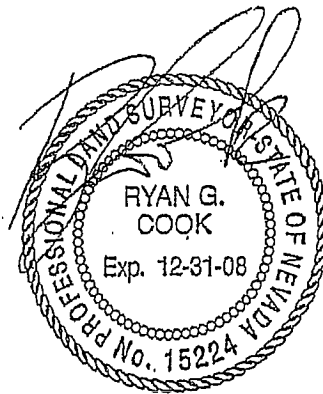
COMMON AREA PARCEL C, COMMON AREA PARCEL D, PALMER DRIVE (private road), HAMILTON WAY (private road), KEETLY DRIVE (private road), MAZE AVENUE (private road), EGAN AVENUE (private road), JOBE DRIVE (private road), Lot 183, Lot 198, Lot 199, Lot 222 thru 246, and Lot 260 thru 270 as shown on the Official Plat of The Lakes at Dayton Valley Village 9 ~ Phase 1A, File No. 402920, filed in the Official Records of Lyon County, Nevada on March 22, 2007.

APN 029-602-13 thru 22, 029-603-02 thru 15, 029-604-01 thru 24, & 029-605-01 thru 06

COMMON AREA PARCEL A, COMMON AREA PARCEL B, MAZE AVENUE (private road), PAGE DRIVE (private road), KEETLY DRIVE (private road), JOBE DRIVE (private road), THOMPSON AVENUE (private road), Lots 172 thru 182, Lots 184 thru 197, Lots 200 thru 213, and Lots 247 thru 259 as shown on the Official Plat of The Lakes at Dayton Valley Village 9 ~ Phase 1B, File No. 402921, filed in the Official Records of Lyon County, Nevada on March 22, 2007.

Description Prepared By:
Ryan G. Cook, PLS 15224
Summit Engineering Corp.
5405 Mae Anne Avenue
Reno, Nevada 89523

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9-28-07

EXHIBIT "B"

DESCRIPTION OF THE DAYTON VALLEY AIRPORT

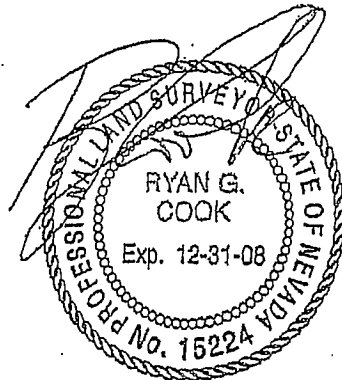
EXHIBIT "B"
DAYTON VALLEY AIRPORT
LEGAL DESCRIPTION

APN 016-363-21

Parcel 4A-1 of the Amended Map of Boundary Line Adjustment, File Number 137734, filed in the Official Records of Lyon County, Nevada, on November 26, 1990; subsequently amended by Certificate of Amendment, Document Number 139244, of said Official Records.

Description Prepared By:
Ryan G. Cook, PLS 15224
Summit Engineering Corp.
5405 Mae Anne Avenue
Reno, Nevada 89523

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9-28-07

EXHIBIT "C"

MAP SHOWING GRANTOR'S PROPERTY AND DAYTON VALLEY AIRPORT

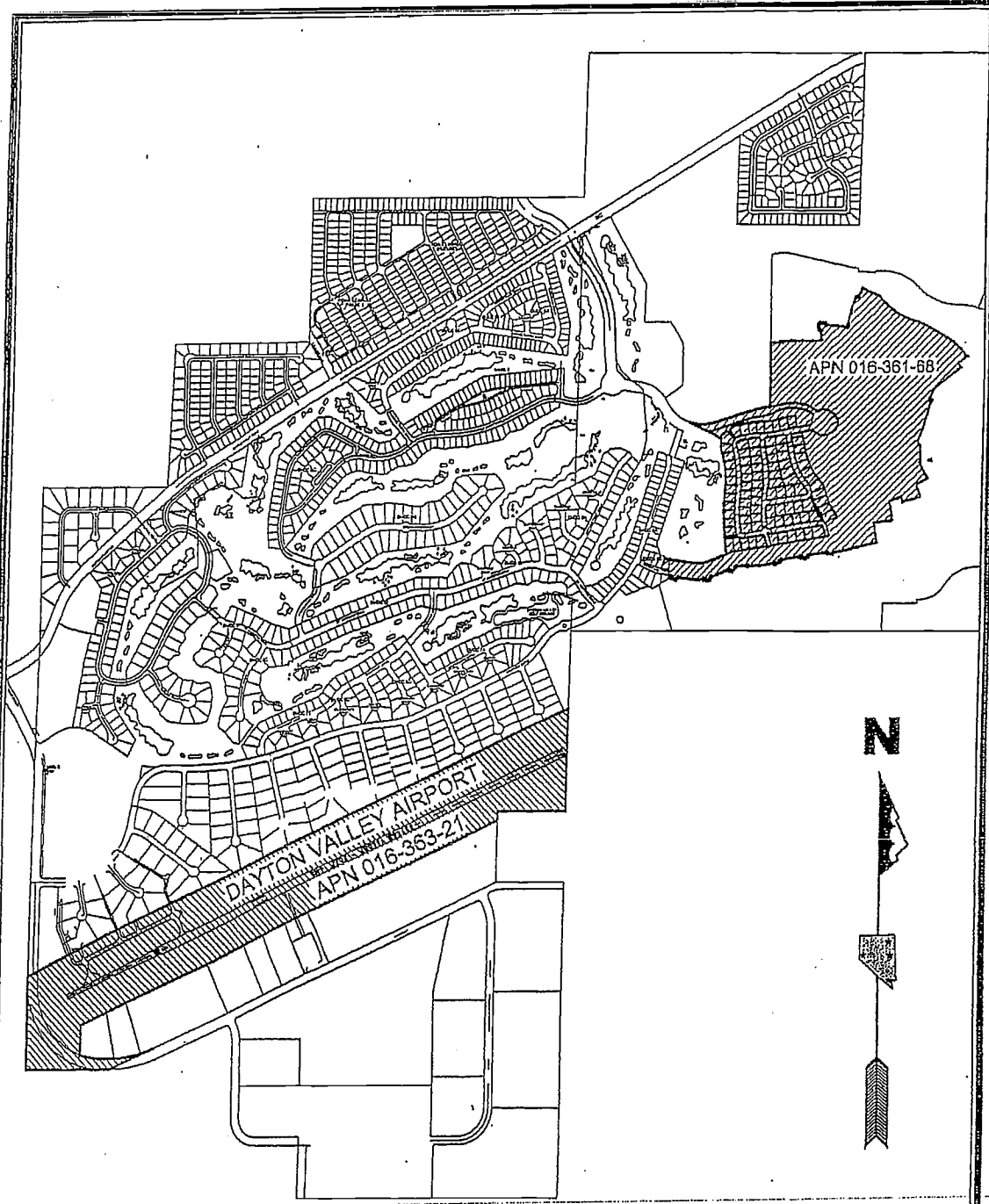


EXHIBIT "C"
 DISPLAY TO ACCOMPANY
 LEGAL DESCRIPTIONS

DAYTON VALLEY AIRPORT
 SCALE: 1"=1500'
 1:06 PM * 28-SEP-2007



SHEET
 1
 OF
 1

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APN 016-361-68

APN 029-601-09

APN 029-604-24

APN 029-604-12

APN 029-601-22

EXHIBIT "C.1"
DISPLAY TO ACCOMPANY
LEGAL DESCRIPTIONS

DAYTON VALLEY AIRPORT

SCALE: 1"=300'

1:14 PM * 28-SEP-2007




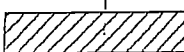
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EXHIBIT "D"

DESCRIPTION AND MAP OF EASEMENT SURFACE

 CONICAL SURFACE
 (20:1 FROM HORIZ. SURFACE)
 HORIZONTAL SURFACE
 (ELEV=4562.00)

B. 9
17 16

N14769372.01
E2357686.42

N1476885.54
E2357690.23

N

N 00° 34' 35" E

17 16

APPROACH SURFACE
ELEV=4820.00

STA. 40+60.00
APPROACH SURFACE=
HORIZ. SURFACE
ELEV=4562

HORIZONTAL SURFACE
 - 5000' RADIUS FROM CENTER
 AND END OF PRIMARY SURFACE
 - 150' ABOVE ESTABLISHED
 AIRPORT ELEVATION
 (PER CFR, TITLE 14, PART 77.26)

HORIZ.
SURFACE
ELEV=4562.00

APPROACH SURFACE
 - STARTS AT END OF PRIMARY SURFACE
 - 5000' LONG
 - SAME WIDTH AS PRIMARY SURFACE AT BEG.
 - EXPANDS UNIFORMLY TO 1250' WIDE AT END
 - VERTICAL SLOPE OF 20:1 FOR 5000'
 (PER CFR, TITLE 14, PART 77.25)

LINE WHERE TRANSITIONAL SURFACE
MEETS HORIZONTAL SURFACE

CONICAL SURFACE
 - EXTENDS 4000' FROM HORIZONTAL SURFACE
 - 20:1 UPWARD VERTICAL SLOPE
 (PER CFR, TITLE 14, PART 77.25)

STA. 2+00.00
 ELEV=4368.0
 END RUNWAY
 ELEV=4369.0

STA. 0+00.00
 N14762853.36
 E2352257.95

PRIMARY SURFACE
 - STARTS 200' FROM END OF RUNWAY
 - 250' ON EITHER SIDE OF RUNWAY
 CENTERLINE
 - ELEVATION EQUAL TO NEAREST
 POINT ON RUNWAY
 (PER CFR, TITLE 14, PART 77.25)

TRANSITIONAL SURFACE
 - 7:1 UPWARD SLOPE FROM SIDES
 OF PRIMARY SURFACE AND
 APPROACH SURFACE

BASIS OF ELEVATION
NGVD29

BASIS OF ELEVATION
 NEVADA STATE PLANE
 COORDINATE SYSTEM
 WEST ZONE (NAD 83/94)

DAYTON VALLEY AIRPARK
 AIRPORT IMAGINARY
 SURFACE DISPLAY

EXHIBIT "D"
 SCALE: 1"=1000'
 Copyright SUMMIT ENG 2007



SHEET
 1
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