APN 010-041-16
APN 010-041-38
APN 010-041-52
APN 010-041-71
APN 010-041-70
APN 010-041-75
APN 010-041-76

LATE MATERIAL
Item #: 21A
Meeting Date: 10/19/17

RECORDING REQUESTED BY, AND WHEN RECORDED, MAIL TO:

Carson City Community Development Department
c/o Lee Plemel, Community Development Director
108 E. Proctor Street
Carson City, NV 89701

The undersigned hereby affirms 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)

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT ("**Agreement**") is made and entered into on this _____ day of _____, 2017, by and between CARSON CITY, a consolidated municipality and political subdivision of the State of Nevada (the "**City**") and the MYERS FAMILY EXEMPT TRUST; THE ARRAIZ FAMILY 1993 TR 10/18/93; RD LOMPA LLC, a Nevada limited liability company; LOMPA RANCH EAST HILLS LLC, a Nevada limited liability company; and Terrasas & Tripp LLC, a Nevada limited liability company; and any of their successors and assigns (collectively, the "**Developer**"), as developer of that certain area of real property known as LOMPA RANCH NORTH SPECIFIC PLAN AREA ("**Plan Area**") and which is more particularly described below. Developer and the City may be collectively referred to herein as the "**Parties**" and each may be referred to individually as a "**Party**."

WHEREAS, the City is authorized, pursuant to Nevada Revised Statutes ("**NRS**") Chapter 278 and the provisions of the Carson City Municipal Code to enter into an agreement with any person having a legal or equitable interest in land concerning the development of that land; and

WHEREAS, it is deemed that the execution of this Agreement is both necessary and in the best interest of the City;

NOW, THEREFORE, in consideration of the aforesaid premises, and for good and valuable consideration and the mutual covenants, conditions and promised herein contained, the Parties mutually agree as follows:

TERM OF AGREEMENT

This Agreement shall be effective upon the date that a fully executed original of this Agreement is recorded in the Carson City Clerk-Recorder's office ("**Effective Date**"**).** Pursuant to this Agreement, Developer agrees that the development of the Plan Area must be diligently pursued. Developer further agrees that unless an extension of time is granted by the City, the approvals referenced herein below shall expire if construction of site improvements as described in Section II of this Agreement have not commenced by March 16, 2021. If construction of such site improvements have commenced by March 16, 2021, this Agreement shall automatically extend indefinitely and remain in full force and effect unless terminated or amended by mutual agreement of the City and Developer, or their successors or assigns, in such manner as provided in this Agreement, for the portions of the property for which the termination or amendment of this Agreement is applicable.

RECITALS

1. The Plan Area comprises 251.31 acres of real property, more or less, owned by Developer and located in Carson City, Nevada, and is more particularly described in the document attached herewith as Exhibit "A," which is incorporated herein by this reference. Developer intends to develop the Plan Area as a mixed-use community ("**Project**") in different stages (each separate stage a particular "**Phase**") with one or more other developers anticipated to develop each Phase (each a "**Phase Developer**"), subject to amendment from time to time, but at all times consistent with all ordinances, codes, rules, regulations and official policies of the City, legally adopted in accordance with all applicable laws which govern the Project, including, without limitation, the

applicable provisions of NRS and the Carson City Municipal Code ("**CCMC**"), the terms and provisions of this Agreement and the Plan Area development handbook ("**Handbook**"), all of which together set forth the permitted use of land, the density or intensity of use, subdivision requirements, the maximum height and size of proposed buildings, parking requirements, the provisions for reservation or dedication of land for public purposes, the phasing or timing of development and the standards for design, improvements, and construction (collectively, the "**Existing Rules**"). Except as otherwise specifically set forth herein, it is hereby agreed that the "Existing Rules" applicable to the Project and governing the permitted uses of the Project, density and standards for design, improvements and construction are those in effect at the time this Agreement is made.

2. On March 17, 2016 the City, acting by and through the Carson City Board of Supervisors ("**Board**"), adopted the Handbook which sets forth policies, conditions and guidelines to provide a general framework for incorporating the following uses within the Plan Area: "Single-Family—6,000 square feet (SF6)," "Multi-Family Duplex (MFD)," "Multi-Family Apartments (MFA)," "Neighborhood Business (NB)" and "General Commercial (GC)," as these uses are described in Title 18 of CCMC.

3. On April 21, 2016, Ordinance No. 2016-6, Bill No. 105 was recorded as Document No. 463802 ("**Zoning Map Ordinance**"), effectuating a Zoning Map Amendment for the Plan Area for the following uses: "Single-Family 6,000 (SF6)," "Multi-Family Duplex (MFD)," "Multi-Family Apartment (MFA)," "Neighborhood Business (NB)" and "General Commercial (GC)," as these uses are described in Title 18 of CCMC. The Zoning Map Ordinance is incorporated herein by this reference.

4. On March 16, 2017, the Board approved a tentative map application, marked as TSM-17-005, for the development of One Hundred and Eighty-Nine (189) single-family detached units ("**PHASE 1**") for development within a portion of the Plan Area, specifically on that parcel designated APN 010-041-70. The Notice of Decision, concurrently approved by the Board on March 16, 2017, reflects the approval of the Tentative Subdivision Map and establishes enumerated

conditions of approval imposed upon Developer ("**Conditions of Approval**"). The Notice of Decision and the Conditions of Approval are incorporated herein by this reference.

5. Developer and the City believe and hereby agree that it is mutually beneficial to enter into a development agreement pursuant to NRS 278.0201 to 278.0207, inclusive, and CCMC for ensuring the development of the Project in accordance with this Agreement, the Existing Rules and all development approvals issued by the City as of the Effective Date of this Agreement, including, without limitation, the aforementioned Conditions of Approval, Handbook, Zoning Map Ordinance and this Agreement (collectively, the "**Existing Approvals**").

6. Developer and the City hereinafter intend to have the provisions of this Agreement govern the development activities of the Project and all Phases in the Plan Area.

I.

PROJECT CHARACTERISTICS

The Plan Area encompasses 251.31 acres of real property, more or less, with zoning approved for "Single-Family--6,000 (SF6)," "Multi-Family Duplex (MFD)," "Multi-Family Apartment (MFA)," "Neighborhood Business (NB)" and "General Commercial (GC)," as these terms are defined in CCMC, on various portions of the real property. The Plan Area also includes open space, parks and trails to serve the development and the entire City community, connecting to the City's existing and planned trail network system. The development of the Plan Area will be in compliance with the architectural and design standards incorporated into the Handbook.

PHASE 1 of the Project is a single-family residential development within the "Single-Family—6,000 (SF6)" zoning designation together with all of the uses accessory and customarily incidental to this zoned use.

PHASE 1 of the Project will be comprised of One Hundred and Eighty-Nine (189) single-family dwelling units, open space and common areas, as set forth in the Existing Approvals. The density is 3-8 dwelling units per acre.

II.

ADMINISTRATION OF THE PROJECT

THE PROJECT AND THE PLAN AREA shall be developed in accordance with the Existing Approvals and subject to the following characteristics and requirements:

2.1 PHASING. Developer and the City agree that this Agreement must be fully executed before the issuance of any construction permits within the Plan Area. The Project and the Plan Area will be developed in phases and in accordance with Chapter 4 of the Handbook, captioned as "Phasing Plan" ("**Phasing Plan**"). The Phasing Plan is a summary of conditions and obligations of Developer, the provisions of which, as they exist on the Effective Date of this Agreement, are hereby incorporated by reference to supersede and replace Chapter 4 of the Handbook.

The Phasing Plan is based upon and summarizes the provisions set forth in the following documents ("**Phasing Plan Documents**"), prepared by or for Developer and which were submitted to the City:

A. LRN – Development & Infrastructure Phasing Plan, dated December 23, 2016 and received by the City on January 3, 2017;

B. Supplement to LRN – Development & Infrastructure Phasing Plan, dated January 21, 2017 and received by the City on January 23, 2017;

C. LRN - Development & Infrastructure Phasing Plan, dated March 15, 2017 and received by the City on March 20, 2017;

D. LRN – Development & Infrastructure Phasing Plan, dated May 23, 2017 and received by the City on May 30, 2017;

E. Drainage Master Plan, dated January 11, 2017 and received by the City on January 13, 2017;

F. Drainage Master Plan: Addendum, dated January 23, 2017 and received by the City on January 23, 2017;

G. Drainage Master Plan, dated March 1, 2017 and received by the City on March 20, 2017;

H. Drainage Master Plan, dated June 1, 2017 and received by the City on June 2, 2017;

I. LRN – Water Feasibility Study, dated March 15, 2017 and received by the City on March 20, 2017;

J. LRN – Water Feasibility Study, dated May 30, 2017 and received by the City on May 23, 2017;

K. Traffic Impact Study, dated January 3, 2017 and received by the City on January 13, 2017;

L. Traffic Impact Study, dated January 20, 2017 and received by the City on January 23, 2017;

M. Traffic Impact Study, dated March 9, 2017 and received by the City on March 16, 2017;

N. Traffic Impact Study, dated March 9, 2017 and received by the City on June 5, 2017;

O. LRN – Sanitary Sewer Feasibility Study, dated January 11, 2017 and received by the City on January 13, 2017;

P. LRN – Sanitary Sewer Feasibility Study, dated March 15, 2017 and received by the City on March 20, 2017;

Q. LRN – Sanitary Sewer Feasibility Study, dated May 23, 2017 and received by the City on May 30, 2017;

R. Preliminary Geotech Report, dated October 2016 and received by the City on January 13, 2017; and

S. Aquatic Resources Delineation Report, dated October 2016 and received by the City on January 13, 2017.

These aforementioned Phasing Plan Documents are hereby incorporated by this reference. The Phasing Plan, together with the Phasing Plan Documents, set forth detailed provisions relating to the Project and the Plan Area for a coordinated approach to infrastructure and the timing of improvements, including, without limitation, the timing of specific on-site and off-site improvements for parks and trails, sanitary sewer service, water service, storm water management and roadways. Developer understands and hereby expressly agrees that the Phasing Plan: (1) is an integral part of

the Handbook; (2) is exclusively particular to the Project; (3) shall not be superseded, amended or modified by the terms of this Agreement; and (4) except for minor revisions approved in the discretion of the City's staff, may only be amended or modified upon amendment or modification of the Handbook.

Any of the final maps, development or improvement plans undertaken by Developer may proceed concurrently with subsequent project review and approvals to expedite the time frames for approval and recording. So long as the terms of this Agreement are adhered to, nothing herein shall restrict the overlapping of phasing, concurrent developments or a change in the development phasing sequence or the creation of separate master associations for the West and East sides of the Project.

2.2 FINAL MAP FINANCIAL ASSURANCES. The approval of each anticipated final map of the Project and the Plan Area shall require: (1) a performance bond or other form of security that is authorized by CCMC and approved by the Board to ensure completion of all or any portion of the public improvements associated with said final map equal to one hundred and fifty percent (150%) of the engineer's approved cost estimate; (2) an appraisal of any land to be dedicated to the City, prepared by a Member of the Appraisal Institute ("**MAI appraiser**"); and (3) a title report and a policy of title insurance issued by a person authorized to issue title insurance under NRS Chapter 692A. Developer, at its discretion and option and except as otherwise provided in this Agreement, may install any such public improvements associated with any final map prior to the map's recordation in lieu of posting such security. Improvements associated with any Conditional Letter of Map Revision from the Federal Emergency Management Agency of the U.S. Department of Homeland Security as described in the Phasing Plan must be constructed in conjunction with the first construction permits and may not be secured for in lieu of construction. Any assurance provided shall be periodically reduced in accordance with City approval such that the entire assurance will be exonerated on final completion of improvement construction, except for a ten percent (10%) retention in accordance with CCMC 17.11.015.

2.3 FURTHER COVENANTS. The City shall not require any payments, contributions, economic concessions or other conditions for approvals, contemplated within or by this Agreement other than as provided herein, or as otherwise provided in the Existing Approvals. Nothing set forth in this paragraph is to be construed to prohibit the City from imposing any of its standard permit fees.

2.4 FIRE PROTECTION AND MITIGATION FEES. The Carson City Fire Department currently services the Lompa Ranch North area from Fire Station #51 located on Stewart Street in Carson City. As development occurs within the Project boundary and surrounding areas, an additional facility and additional equipment may be needed to ensure adequate levels of service as a result of the new development. In accordance with this purpose, the following standards are established for the Plan Area and incorporated herein to this Agreement:

A. As individual projects and subdivisions are submitted, the Carson City Fire Department shall review development plans in context with existing service limitations to ensure adequate levels of service are maintained.

B. The Carson City Fire Department has the ability to condition projects to comply with applicable sections of NRS, CCMC and Existing Approvals. ~~ensure adequate levels of service are maintained for the Plan Area. Such conditions include, without limitation, requiring fire sprinklers for new homes including the use of fire resistant building materials, upgrading existing equipment or purchasing new equipment and making other improvements.~~

C. To assist in funding ~~new~~ fire facilities within the area, including a fire station, upgrades to existing equipment or the purchase of new equipment, Phase Developers within the Plan Area shall work with the Carson City Fire Department to participate in a program to be implemented by the City which will provide for funds, to be paid at time of building permit, that ~~are~~ may be dedicated to fire improvements. In the absence of a City-wide impact fee program at the time of building permit submittal for improvements to be constructed in the Plan Area, each Phase Developer shall pay the City:

i. $1000 per dwelling unit in single-family or multi-family residential development.

ii. $1 per square foot of business, industrial, commercial or lodging facilities.

The Board reserves the right to use this fee to offset the cost to the City of other facilities that is incurred as a result of the impacts of the proposed development.

D. In lieu of and as an alternative to the fire fee, it may be possible for Phase Developers within the Plan Area to work with the Carson City Fire Department to determine if other mitigation measures are available. Such measures may include, without limitation, the provision by Phase Developers of improvements such as paving and utility extensions and the construction of new facilities. The cost of any such improvements shall be credited back to any applicable fire fee. This alternative shall be reviewed by the Board ~~of Supervisors~~ on a case-by-case basis dependent on the current needs and demands of the Carson City Fire Department.

E. Except as otherwise provided herein, this Agreement shall not exempt development in the Plan Area from any non-fire protection-related impact fee program adopted post-approval of this Agreement.

2.5 SCHOOLS. The following standards have been developed in conjunction with the Carson City School District ("**CCSD**"):

A. A new school site, a minimum of 10 acres in size ("**school site**") was reserved to meet future enrollment needs upon the adoption of the Handbook by the Board on March 17, 2016 ("**School Reserve Date**"). The school site is located on the west side of Interstate 580, central to the project site near the current terminus of Robinson Street. The site is generally depicted in the document attached herewith as Exhibit "B" which is incorporated herein by this reference.

B. The school site shall be made available to CCSD for purchase prior to the issuance of the 700th residential certificate of occupancy, but not later than June 30, 2019, subject to Developer acquiring the school site. The Developer shall provide written notice of availability and of compliance with the requirements of subparagraph C, below (the "**Notice of Availability and of Compliance**"), not later than June 30, 2019.

C. The Developer shall pay and be responsible for creating the 10 acre parcel that is to be conveyed to CCSD. Developer agrees to coordinate with the Phased Developers at no additional cost to CCSD to provide access and utilities necessary for the development of the 10 acre school site as the adjacent phases are constructed within the Plan Area.

D. All residential development within the Plan Area shall be required to provide and update at least annually by March 1 of each year, beginning March 1, 2018, estimated student enrollment projections to the CCSD for review.

E. The Developer shall work with the CCSD to participate in the School Facilities Master Plan Update process, provide information and respond to inquiries to ensure that needs identified within the Plan Area are addressed.

F. Upon receipt of the Notice of Availability and of Compliance, CCSD shall have three (3) years within which to give written notice of its intent to acquire the school site property ("**Notice of Intent to Acquire**"). Upon issuance of the Notice of Intent to Acquire, the Developer and CCSD shall:

i. Establish an escrow for the purchase of the school site property with Capital Title Company of Nevada or, if Capital Title Company of Nevada is no longer in existence, a mutually agreed upon title company ("**Escrow Agent**"), and close Escrow within 120 days from the opening of Escrow;

ii. Obtain a policy of title insurance in an amount of the Purchase Price of the school site, insuring that title to the school site is free and clear of all liens, claims, and encumbrances, subject only to real property taxes not yet due, and any easements, dedications, and other matters not affecting the use or development of the school site. Developer shall pay and be responsible for the cost of the standard owners title insurance policy, for the recording fees and transfer taxes, and all other reasonable costs necessary to convey title to the school site to CCSD;

iii. Convey title to the school site property by Grant Deed executed by the owner of the school site as Grantor, to CCSD as Grantee. The Purchase Price for the school site shall not exceed $2,000,000, and shall be subject to appraisal by a Nevada MAI appraiser familiar with real

property values in Carson City, and appraised as of the date of issuance of the Notice of Intent to Acquire. The Purchase Price shall be paid as follows:

(a) To assist in funding the acquisition, construction or expansion of school facilities within the Plan Area, at the time of building permit submittal, Phase Developers within the Plan Area shall pay CCSD a school Donation Fee equal to $1,000 per dwelling unit (each a "**Donation Fee**" and collectively the "**Donation Fees**") in single-family or multi-family residential development for the purpose of acquiring the 10 acre school site within the Plan Area. Based upon Developer's projections for the Plan Area, a total of $1,850,000 will be raised from Donation Fees. Accordingly, in no event will the out-of-pocket cost to CCSD for the school site ever exceed $150,000, or the difference between the appraised value of the school site (not to exceed $2,000,000) and $1,850,000, whichever is less. In the event the school site is appraised higher than $2,000,000, Developer agrees to donate the increase in value to CCSD so the out-of-pocket cost is not more than $150,000. Further, in no event will CCSD be responsible for a failure by any Phase Developer to pay the school Donation Fees.

(b) At the close of escrow, and on or before July 1 of each year thereafter from the close of escrow, the CCSD shall pay over to the Developer or its assignee the total of the Donation Fees it has received. No interest shall be charged by or paid to the Developer.

(c) At the end of ten (10) years from the School Reserve Date, the CCSD shall pay to the Developer or its assignee the amount of the out-of-pocket purchase price remaining to be paid, not exceeding $150,000, and any collections of Donation Fees thereafter received by the CCSD from the Plan Area shall continue to be paid to Developer until such time that the Developer has been paid a total of $2,000,000, inclusive of the $150,000 paid by CCSD. Thereafter, all collections of the Donation Fee, if applicable, shall belong to CCSD.

(d) In the event that there is a change in the law such that a school impact fee is permitted to be assessed and collected, the Parties agree that the Phased Developers shall not be required to pay any more or permitted to pay any less than the Donation Fee provided for herein.

2.6 DEDICATION OF LAND IN LIEU OF RESIDENTIAL CONSTRUCTION TAX. The Parties agree that the City is authorized by Nevada law to either require a dedication of land for park and playground purposes pursuant to NRS 278.4979 or to impose a residential construction tax ("**RCT**") pursuant to NRS 278.4983 and 278.4985 for the purpose of raising revenue to provide neighborhood parks, facilities and the improvement of facilities, as these terms are defined in NRS 278.4983, that are necessary or desirable as the result of the Project, but the City may not require both dedication and collection of RCT. Pursuant to this understanding, Developer agrees to cooperate with the City and shall enter into one or more mutually acceptable agreements, separate from this Agreement, for the design, construction and eventual dedication to the City of lands for neighborhood parks along with the voluntary deposit by Developer of money that would otherwise have been collected as RCT into an escrow account managed by a person other than the City until such time the dedication of land is completed. In consideration of the receipt of such escrowed funds from Developer, the City agrees that it shall not collect RCT from Phase Developers on units from which the RCT would otherwise have been collected. The agreement required by this paragraph must include, at a minimum:

A. A requirement establishing that Developer, at its sole expense, must design and construct, in accordance with the Existing Rules, any parks and related improvements, including, without limitation, related facilities, as set forth in the Handbook;

B. Provisions for the concurrent collection of money from Developer in an amount that would otherwise have been collected as RCT in accordance with NRS Chapter 278 for deposit into an escrow account during the construction of improvements, including, without limitation, a defined methodology and accounting procedure for the withdrawal of such collected amounts by Developer, as the required improvements are being constructed, to offset the cost of said improvements, including the valuation of the land to be dedicated;

C. Terms which allow for the posting by Developer of a performance bond or other security to assure the construction and dedication of the parks and related improvements and facilities; and

D. Provisions for the dedication of the land upon the successful completion of all improvements.

Upon mutual consent, Developer and the City may enter into one or more separate agreements to establish separate escrow accounts for the construction and dedication of the park improvements and facilities on the West Side of the Project, separate and apart from the park improvements and facilities on the East Side of the Project.

2.6.1 MAINTENANCE OF NEIGHBORHOOD PARKS AND PUBLIC AREAS WITHIN THE PLAN AREA. Developer shall establish a maintenance or similar association for the perpetual funding of costs and expenses associated with the maintenance and general upkeep of all neighborhood parks and public areas, including facilities and the improvement of facilities, as these terms are defined in NRS 278.4983, within the Project and Plan Area in accordance with the Existing Rules. Developer agrees such maintenance and general upkeep are intended to be an ongoing duty of Developer and any of its successors or assigns, and that these duties must be expressly stated in: (1) the covenants, conditions and restrictions that are created for the Project and Plan Area; and (2) a mutually acceptable maintenance agreement, separate from this Agreement, between Developer and the City. The maintenance agreement required by this paragraph must be fully executed by the Parties before Developer surrenders control of any maintenance or similar association as the declarant under the provisions of NRS Chapter 116 and must also include, at a minimum:

A. Standards for maintenance, including, without limitation, standards for plant health, trails, mitigation of noxious and invasive weeds, litter control, park infrastructure, safety inspections and park equipment;

B. Provisions for facilities and the improvement of facilities, infrastructure preservation and modifications to park lands; and

C. Provisions for maintenance and general upkeep of all public areas within the Project and Plan Area.

2.6.2 SEPARATE ASSOCIATION. Nothing contained in this Agreement shall preclude the Developer from creating separate master associations for the West Side and the East Side of the

Plan Area, each of which associations will manage, administer and be responsible for the development, financing, construction, maintenance and repair of the improvements and facilities situated in their respective portion of the Plan Area, as specified herein.

2.7 MUTUAL COOPERATION. The City shall, in accordance with this Agreement, cooperate with Developer for Developer to obtain all necessary approvals, permits or to meet other requirements which are or may be necessary to implement PHASE 1 and the Plan Area approval as provided for in this Agreement. Nothing contained in this paragraph, however, shall require the City or its employees to function on behalf of Developer nor shall this Agreement be construed as an implicit pre-approval of any further actions required by the City.

2.8 NON-PARTICIPATION BY ONE (1) OR MORE PARTY. If one or more Phase Developers does not comply with the terms of this Agreement, either voluntarily or by non-action, only the parcels owned by such Phase Developer shall be impacted by the Phase Developer's lack of compliance and all remaining Phases will continue to be subject to the Existing Approvals, as set forth herein. Developer and the City agree that so long as a Phase Developer performs all obligations under the Existing Approvals in accordance with the Existing Rules, as they relate to its respective Phase, that Phase Developer will not be prohibited from pulling building permits and developing its Phase regardless of the status of the other Phases.

III.

DEFAULTS, REMEDIES, TERMINATION

3.1 GENERAL PROVISIONS. Subject to extensions of time by mutual consent in writing, the failure or unreasonable delay by a Party in performing any term or provision of this Agreement shall constitute a default. In the event of an alleged default or breach of any terms or conditions of this Agreement, the Party alleging such default or breach shall give the other Party not less than thirty (30) days' notice in writing to cure ("**Cure Period**"), specifying the nature of the alleged default or breach and the manner in which the default or breach may be satisfactorily cured. During any such ~~thirty (30) day cure period~~Cure Period, the Party to whom the notice to cure has

been issued shall not be considered in default for purposes of termination, or institution of legal proceedings, or issuances of any building or improvement permit.

After notice and expiration of the thirty (30) day period, the non-defaulting Party to this Agreement may, at its option, institute legal proceedings pursuant to this Agreement. Following notice of intention to terminate, the matter shall be scheduled for consideration and review by the City in a public hearing.

Following consideration of the facts and evidence presented in the public hearing, either Party alleging the default by the other Party may give written notice of termination of this Agreement to the other Party, provided that such termination shall be subject to the terms and conditions of paragraph 2.8 above.

Evidence of default or grounds for amendment or cancellation of this Agreement may also arise in the course of periodic review of this Agreement made pursuant to NRS 278.0205. If either Party determines that the other Party is in default following the completion of the normal periodic review, said Party may give written notice of termination of this Agreement as set forth in this paragraph, specifying in the notice the alleged nature of the default, and potential actions to cure said default where appropriate. If the alleged default is not cured within sixty (60) days or within such longer period specified in the notice, or if the defaulting Party waives its right to cure such alleged default, this Agreement shall be deemed terminated, provided that such termination shall be subject to the terms and conditions of paragraph 2.8 above and the provisions of NRS 278.0205 and 278.02053.

It is hereby acknowledged and agreed that any portion of the Project or Plan Area which is the subject of a final map shall not be affected by or jeopardized in any respect by any subsequent default affecting the Project or the Plan Area and that any Phase Developer who is not in default shall be entitled to continue with the development of the improvements contemplated by the final map. In the event the City fails to accept, review, approve or issue necessary permits or entitlements for use in a reasonably timely fashion ~~as defined by this Agreement~~, or as otherwise agreed to in writing by the Parties, the City agrees that Developer shall be free to exercise any legal

or equitable remedies available to Developer under the laws of the State of Nevada, and shall not be obligated to proceed with or complete the Project or the Plan Area, or any Phase thereof, nor shall resulting delays in Developer's performance constitute grounds for termination or cancellation of this Agreement.

Notwithstanding any other provision of this Section and in the furtherance of facilitating a cooperative effort between the Parties for the successful completion of the Project and Plan Area in accordance with this Agreement, either Party may, at its sole discretion, extend the time for the other Party to cure an alleged default without waiving any rights or remedies.

3.2 ENFORCED DELAY, EXTENSION OF TIME OF PERFORMANCE. In addition to the specific provisions of this Agreement, performance by either Party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, walk-outs, riots, floods, earthquakes, avalanches, inclement weather, fires, casualties, acts of God, governmental restrictions imposed or mandated by other governmental entities not parties to this Agreement, enactment of conflicting state or federal laws or regulations, new or supplementary environmental regulation, litigation, or similar bases for excused performance. If written notice of such delay is given to the City within thirty (30) days of the commencement of such delay, an extension of time for such cause shall be granted in writing for the period of the enforced delay, as may be mutually agreed upon. In addition to any other rights or remedies, either Party may institute legal action to cure, correct or remedy any default, to enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation. The City shall not be held liable to Developer for consequential, exemplary, incidental, or punitive damages as a result of its failure to review or approve permits and entitlements in a timely manner. The City will not waive, and instead intends to assert, all available defenses under NRS Chapter 41 to limit liability as a political subdivision of the State of Nevada. Developer expressly agrees that the City is under no legal or equitable obligation to enter into this Agreement and that the City elects to be party to this Agreement as a discretionary act in furtherance of its governmental policies relating to the development of housing within Carson City.

IV.

RIGHT TO DEVELOP

4.1. Unless otherwise modified with this Agreement, or with future modifications to this Agreement, Developer agrees to develop the Project in compliance with the Existing Rules and Existing Approvals. The City agrees that Developer has an entitlement for the development of the Project in accordance with, and to the extent of, the Existing Approvals and in accordance with the Existing Rules. During the term of this Agreement, the rules, regulations, ordinances, management, timing and phasing of development, density, permitted uses, growth, environmental considerations, design criteria and construction standards applicable to the Project shall be solely the Existing Rules, subject only to the following:

A. Subsequently Enacted Rules. Pursuant to NRS 278.0201, the City may apply rules, resolutions, regulations, ordinances, and official policies to the Project that are promulgated, adopted or enacted by the City after the Effective Date~~, provided that such subsequent rules, resolutions, regulations, laws or policies do~~ that do not conflict with the Existing Approvals and the Existing Rules in effect as of the Effective Date, except that any subsequent action by the City must not prevent the development, construction, design or use of the Project as would otherwise be allowed under the Existing Approvals and the Existing Rules.

B. City Fees. Except as specifically set forth herein, this Agreement does not prohibit the City from charging any fee with respect to the Project that is already in effect on the Effective Date or which is adopted or increased by the City after the Effective Date if: (1) the City agrees to impose such a fee in a consistent manner on all those served by the infrastructure or service to which the fee relates; and (2) the City establishes a process by which to issue to Developer appropriate credit or reimbursement for fees collected from Developer for capital improvement costs under circumstances where such costs have been otherwise offset by Developer. In no event shall City increase the fees set forth in paragraph 2.4 or the quantity of land to be dedicated pursuant to paragraph 2.5 or 2.6 of this Agreement during the term of this Agreement. Developer hereby

reserves the right to challenge, protest and oppose the imposition of any such existing, new, or increased fees to the fullest extent permitted by law.

C. Limitation on Development Exactions. Except as expressly provided in this Agreement or the Existing Approvals, the City may not, for the purpose of mitigating an adverse impact on Carson City created by development unrelated to the Project, impose upon Developer any requirement for dedication of land, construction or improvement of public facilities, payment of fees, or making of any other contribution. Pursuant to the Existing Approvals, Developer agrees that a covenant to run with each parcel within the Project and Plan Area is hereby created, and that this covenant must be ~~further incorporated into every deed for~~ separately documented. ~~and~~ After the specific language of this covenant has been reviewed and approved by the City, the separate document which sets forth the covenant must be recorded against each parcel before any sale or conveyance to the home-buying public for the purpose of expressly ~~consenting to the creation of~~ acknowledging the City's right to implement assessments via a maintenance district ~~or other similar instrument by the City~~ pursuant to CCMC ~~at the time of such implementation,~~ and to maintain lands and amenities within the Project and Plan Area if the homeowners' or other maintenance association established by Developer ceases to exist or otherwise no longer operates.

V.

MISCELLANEOUS

5.1 EXISTING APPROVALS AND EXISTING RULES. The development of the Plan Area must comply with all Existing Approvals and Existing Rules in accordance with this Agreement. All Phase final maps must comply with and be recorded in accordance with the Existing Rules and Existing Approvals. The development of the Project must at all times proceed in accordance with the objectives of Title 17 of CCMC. If any provision of this Agreement is deemed by mutual consent of the Parties or a court of competent jurisdiction to be in conflict with the Conditions of Approval, the Conditions of Approval shall prevail.

5.2 APPLICABLE LAW AND ATTORNEYS' FEES. This Agreement shall be construed and enforced in accordance with the laws of the State of Nevada. If any legal action is brought by either Party relating to this Agreement or to enforce any provision herein, the prevailing party of such action shall be entitled to reasonable attorney's fees, court costs and such other costs as may be fixed by the court.

5.3 SUCCESSORS AND ASSIGNS. The Parties hereto agree that the terms and conditions of this Agreement shall bind and inure to the benefits of the Parties' successors and assigns.

5.4 ENTIRE AGREEMENT. This Agreement, including all Exhibits incorporated herein, constitute the entire understanding between the Parties with respect to the subject matter hereof, and supersedes all other agreements, written or oral, between the Parties with respect to such subject matter.

5.5 HOLD HARMLESS AND INDEMNIFICATION. Developer hereby agrees to, and shall hold the City, its elective and appointive boards, commissions, officers, agents and employees, harmless from any liability for damage or claims for property damage which may arise from or relate to the negligence or misconduct of Developer or Developer’s contractors, subcontractors, agents or employees under this Agreement, as well as any such damage or injury to the extent caused by or arising as a result of Developer’s breach of this Agreement. Developer agrees to, and shall defend the City, its elective and appointive boards, commissions, officers, agents and employees from any suits or actions at law or in equity for damage caused or alleged to have been caused by reason of the aforesaid negligence, misconduct or breach. The foregoing Indemnity does not apply to: (1) the actions of the City or its elective and appointive boards, commissions, officers, agents or employees; or (2) Developer’s failure to commence development of the Project.

5.6 PROJECT AS PRIVATE UNDERTAKING. It is specifically understood and agreed by and between the Parties hereto that the Project and Plan Area is a private development and no partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship between the City and Developer is that of a government entity regulating the

development of private property within the parameters of applicable law and the owner of such private property.

5.7 FURTHER ASSURANCES. In the event of any legal action instituted by any third party or other government entity or official challenging this Agreement, the City and Developer shall cooperate and use their best efforts in defending any such action. The Parties hereby agree to perform, execute and deliver, or cause to be performed, executed and delivered, any and all such further actions or documents as may be reasonably required to consummate fully the transactions contemplated hereunder.

5.8 COMPLIANCE WITH NRS 278.0201. The City and Developer hereby acknowledge and agree to the following in connection with NRS 278.0201 and the applicable provisions of CCMC:

A. The land to which this Agreement applies is the Project, and Developer has a legal interest therein by virtue of its fee ownership of the Project;

B. This Agreement shall be in effect during the term of this Agreement; and

C. The permitted uses on the Project, the density or intensity of its use, the maximum height and size of the proposed buildings allowed thereon, and any provisions for the dedication of any portion of the Project for public use are as set forth in the Existing Approvals and the Existing Rules.

5.9 AMENDMENTS.

A. Generally. Except as set forth in paragraph 5.9(b) below, this Agreement shall not be amended, in whole or in part, except by a joint written agreement of Developer and the City adopted in accordance with NRS 278.0201 through 278.0207, inclusive, and applicable provisions of the Existing Rules.

B. Unilateral Amendment by the City. As provided in NRS 278.0205, the City is authorized under state law to unilaterally amend or cancel, in whole or in part, this Agreement without consent of Developer if the City undertakes a periodic review of the Project at least once every 24 months and makes certain findings as required by NRS 278.0205. Such a unilateral

amendment or cancellation pursuant to NRS 278.0205 must also be made in accordance with the notice and hearing requirements set forth in NRS 278.02053.

5.10 Notices. All written notices or demands of any kind which either Party hereto may be required or may desire to serve on the other in connection with this Agreement must be served by personal service, by registered or certified mail, recognized overnight courier service or facsimile transmission. Any such notice or demand so to be served by registered or certified mail, recognized overnight courier service or facsimile transmission must be delivered with all applicable delivery charges thereon fully prepaid and, if the Party so to be served is Developer, addressed to Developer as follows:

Blackstone Development Group
6262 N. Swan Rd., Ste. 120
Tucson, AZ 85718

OR

Blackstone Development Group
439 Plumb Lane
Reno, NV 89509

Telephone No.: (775) 352-4200
Email: jgm@blackstonedevelopmentgroup.com

and, if the Party so to be served is the City, addressed to the City as follows:

Carson City Planning Division
108 E. Proctor Street
Carson City, NV 89701
Telephone No.: (775) 887-2180
Fax No.: (775) 887-2278
Email: planning@carson.org

If a notice is given pursuant to a provision of paragraph 2.5 of this Agreement and the Party so to be served is Developer, addressed to Developer in the manner set forth above, and if the Party so to be served is the CCSD, addressed to the CCSD as follows:

Carson City School District
1402 W. King Street
Carson City, NV 89703

ATTN: Superintendent of Schools

Service of any such notice or demand so made by personal delivery, registered or certified mail, recognized overnight courier or facsimile transmission shall be deemed complete on the date of actual delivery as shown by the addressee's registry or certification receipt or, as to facsimile transmissions, by "answer back confirmation" (provided that a copy of such notice or demand is delivered by any of the other methods provided above within one (1) business day following receipt of such facsimile transmission), as applicable, or at the expiration of the third (3rd) business day after the date of dispatch, whichever is earlier in time. Either Party hereto may from time to time, by notice in writing served upon the other as aforesaid, designate a different mailing address to which or a different person to whose attention all such notices or demands are thereafter to be addressed.

5.11 COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

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

5.13 PRECEDENCE. In the event of any conflict or inconsistency between this Agreement, any Existing Approval or any subsequent agreement or approval, the following order of precedence shall be used to reconcile the conflict or discrepancy:

(a) The Conditions of Approval, except as to the fees and dedication obligations set forth in Section II of this Agreement, which shall, in all respects take precedence over all other Existing Approvals or any subsequent agreement or approval.

(b) This Agreement (subject to subparagraph 5.13(a) above).

(c) The Handbook.

(d) The Zoning Map Amendment Ordinance.

Effective this __ day of _____, 2017.

EXHIBITS:

A. Lompa Ranch North Specific Plan Area (Plan Area) Vicinity Map

B. School Site Map

DEVELOPER:

MYERS FAMILY EXEMPT TRUST

By: _____
Joshua Myers
Trustee

CARSON CITY:

CARSON CITY, a consolidated municipality

By: _____
ROBERT CROWELL
Mayor

THE ARRAIZ FAMILY EXEMPT TRUST

By: _____
Print Name: _____
Its: Trustee

RD LOMPA LLC, a Nevada limited liability company

By: RHNV Investment Limited Partnership,
a Nevada general partnership
Its: Manager

By: _____
Print Name: _____
Its: General Partner

LOMPA RANCH EAST HILLS LLC, a Nevada limited liability company

By: _____
Print Name: _____
Its: _____

TERRASAS & TRIPP LLC, a Nevada limited liability company

By: _____
Print Name: _____
Its: _____

Approved as to form:

CARSON CITY DISTRICT ATTORNEY

By: _____

_____

STATE OF)
: ss.
COUNTY OF)

On _____, 2017, personally appeared before me, a notary public, _____

_____, personally known (or proved) to me to be the person who's name is subscribed to the foregoing instrument, who acknowledged to be that he is the Managing Member, of Blackstone NV, LLC, a Nevada Limited liability company, and who further acknowledged to me that he executed the foregoing Development Agreement on behalf of said company.

_____
NOTARY PUBLIC

STATE OF)
: ss.
COUNTY OF)

On _____, 2017, personally appeared before me, a notary public, _____

_____, personally known (or proved) to me to be the person who's name is subscribed to the foregoing instrument, who acknowledged to be that he is the Trustee of

The Arraiz Family Exempt Trust, and who further acknowledged to me that he executed the foregoing Development Agreement on behalf of said trust.

_____
NOTARY PUBLIC

STATE OF)
: ss.
COUNTY OF)

On _____, 2017, personally appeared before me, a notary public, _____, personally known (or proved) to me to be the person who's name is subscribed to the foregoing instrument, who acknowledged to be that he is the General Partner of RHNV Investment Limited Partnership, a Nevada partnership, Manager of RD Lompa, LLC, a Nevada limited liability company, and who further acknowledged to me that he executed the foregoing Development Agreement on behalf of said company.

_____
NOTARY PUBLIC

STATE OF)
: ss.
COUNTY OF)

On _____, 2017, personally appeared before me, a notary public, _____, personally known (or proved) to me to be the person who's name is subscribed to the foregoing instrument, who acknowledged to be that he is the _____ of Lompa Ranch East Hills LLC, a Nevada Limited liability company, and who further acknowledged to me that he executed the foregoing Development Agreement on behalf of said company.

NOTARY PUBLIC

STATE OF)
: ss.
COUNTY OF)

On _____, 2017, personally appeared before me, a notary public, _____ _____, personally known (or proved) to me to be the person who's name is subscribed to the foregoing instrument, who acknowledged to be that he is the _____ of Terrasas & Tripp LLC, a Nevada Limited liability company, and who further acknowledged to me that he executed the foregoing Development Agreement on behalf of said company.

_____
NOTARY PUBLIC

STATE OF)
: ss.
COUNTY OF)

This instrument was acknowledged before me on _____, 2017, by Robert Crowell, as Mayor of CARSON CITY, a consolidated municipality.

_____
NOTARY PUBLIC