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on 2-11-09

**CURTI RANCH PLANNING UNIT
DEVELOPMENT (PUD)
DEVELOPMENT STANDARDS HANDBOOK
for
LEWIS HOMES OF NEVADA
PROPERTIES WITHIN THE SOUTHEAST
NEIGHBORHOOD PLANNING AREA**

**PREPARED FOR
LEWIS HOMES OF NEVADA
PO BOX 11130
RENO, NV 89520**

AND

THE CITY OF RENO



WASHOE COUNTY RECORDER

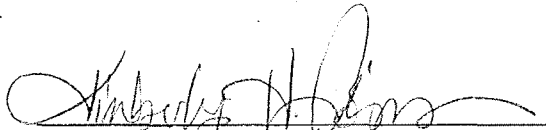
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KATHRYN L. BURKE, RECORDER

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PHONE (775) 328-3661
FAX (775) 325-8010

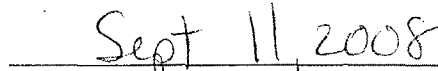
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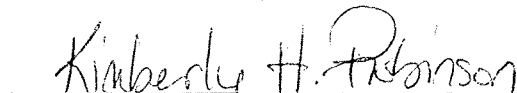
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Signature



Date



Printed Name

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INTRODUCTION

This handbook addresses development standards for Curti Ranch PUD. The property consists of 133± acres located in the southerly portion of the Southeast Neighborhood Plan. The project is a single family residential subdivision consisting of lots ranging in size from 6,000 to 12,000± square feet. This Plan replaces the Curti Ranch Two Final Development Agreement, dated February 27, 1998.

A. *Land Uses and Design Standards*

The parcels in Curti Ranch are designated HDS/4, HDS/5, or MDS/2.5 and will comply with standard zoning classifications SF6 or SF9 as shown on the table below. When specific requirements are not covered in the Curti Ranch handbook the Reno Municipal Code, as amended shall apply. (See Map 1 for land use designations)

Land Use and Zoning Standards Conversion Table:

Curti Ranch Land Use Designation	Zoning Standards
HDS/4	SF6
HDS/5	SF6
MDS/2.5	SF9

B. *Setback Requirements*

- B.1 Homes will conform to the setback requirements as outlined in the following table. On corner lots, all yards abutting street without common open space shall be considered as front yards. Otherwise, corner lots that abut common open space will be considered side yards.

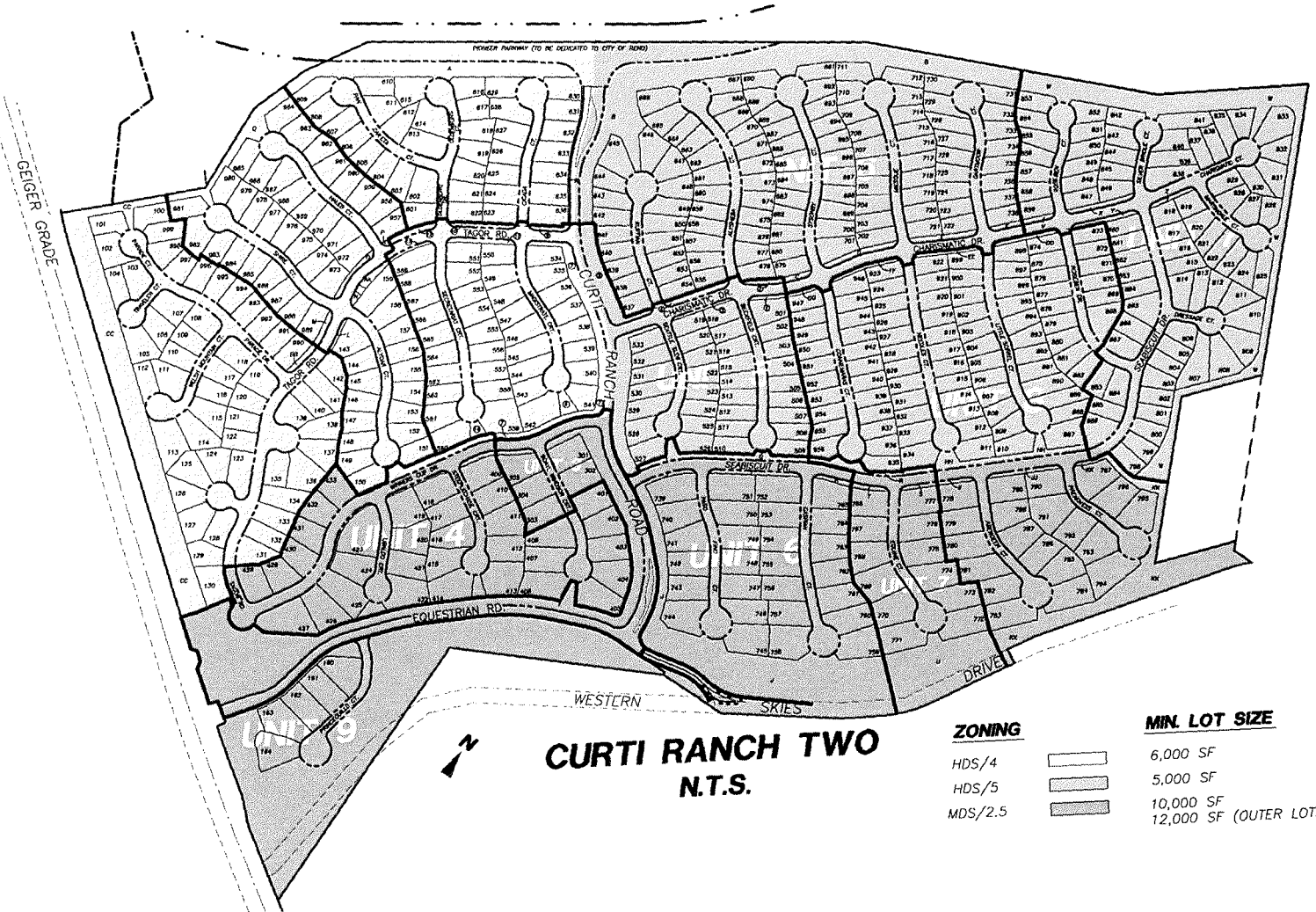
Residential Yard and Setback Dimensions:

Zoning Standard	Minimum Lot Size	Minimum Front Yard (ft.)	Minimum Side Yard (ft.)	Minimum Rear Yard (ft.)
SF6	6,000 sf.	15	5 (15)	15
SF9	10,000 - 12,000 sf.	30	8 (30)	30

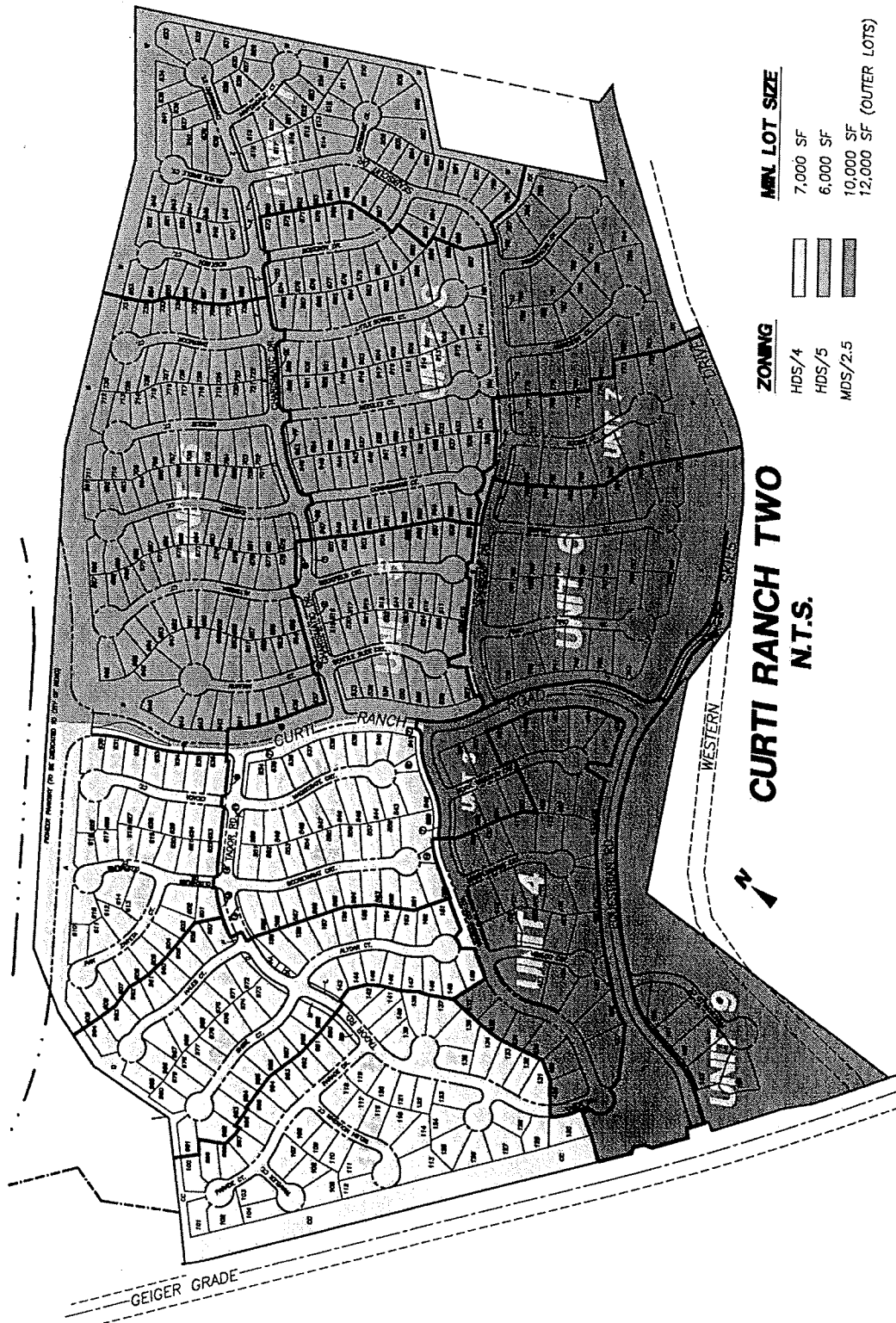
(Note: Setbacks in parenthesis apply to corner lots that are not adjacent to a common open space.)

- B.2 One and two story homes will not exceed 35 feet in height as measured from finished grade.

Map 1: Land Development



Map 1: Land Development



FINAL DEVELOPMENT AGREEMENT - CURTI RANCH TWO

COUNTY OF WASHOE

AND

LEWIS HOMES OF NEVADA

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LIST OF EXHIBITS

- Exhibit A - Legal Description
- Exhibit B - Map of the Property to Accompany Legal Description
- Exhibit C - Southeast Truckee Meadows Specific Plan (Land Use Plan)
- Exhibit D - List of Existing Development Approvals
- Exhibit D-1- Conditions of Approval for Amendments to Development Agreement
- Exhibit D-2- Conditions of Approval for Development Agreement
- Exhibit D-3- Conditions of Approval for Tentative Map
- Exhibit D-4- Conditions of Approval for Abandonment
- Exhibit D-5- Approval of Tentative Map
- Exhibit E - Site Plan
- Exhibit F - Development Standards Handbook
- Exhibit G - Declaration of Covenants, Conditions, Restrictions, Reservations and Easements
- Exhibit H - Transportation Improvements
- Exhibit I - Drainage Improvements
- Exhibit J - Open Space Plan and Improvements
- Exhibit K-1- Fair Share Infrastructure Financing and Allocation Agreement
- Exhibit K-2- Drainage Easement Agreement (sample)
- Exhibit L - Revocable Encroachment Permit (sample)
- Exhibit M - Memorandum of Final Development Agreement

FINAL DEVELOPMENT AGREEMENT - CURTI RANCH TWO
COUNTY OF WASHOE
AND
LEWIS HOMES OF NEVADA

THIS FINAL DEVELOPMENT AGREEMENT - CURTI RANCH TWO (hereinafter referred to as the "Agreement") is made and entered into this 12th day of February, 1998, by and between THE COUNTY OF WASHOE, NEVADA (hereinafter referred to as "County"), LEWIS HOMES OF NEVADA, a Nevada general partnership (hereinafter referred to as "Developer"), and HAROLD J. CURTI, BARBARA A. CURTI, and BARBARA A. CURTI, AS TRUSTEE OF THE UBALDO J. BIANCO FAMILY TRUST AGREEMENT DATED DECEMBER 8, 1975 (hereinafter referred to collectively as "Owner").

1. DEFINITIONS:

1.1 "Agreement" means this Development Agreement and includes all addenda and exhibits incorporated by reference and all amendments pursuant to Section 4.3 which become effective after the Effective Date.

1.2 "Assessment Financing" means any improvement district and/or assessment district bond programs established in accordance with the NRS to finance construction of any of the Project Infrastructure or Regional Infrastructure.

1.3 "Connection Fees" mean customary fees for connections to water and sewer systems.

1.4 "Code" means the Washoe County Development Code.

1.5 "Cost Based Fees" mean customary fees for issuance of building permits, plan checks, inspections, or the like which are based upon actual costs to County, including Rate Based Fees (defined in Section 1.33 below).

1.6 "County" means the County of Washoe, Nevada together with its successors and assigns.

1.7 "Developer" means Lewis Homes of Nevada, a Nevada general partnership, together with its successors in interest to all or any portion of the Property. The term "Developer", as used in this Agreement, shall not include Owner.

1.8 "Developers Agreement" means any agreement entered into between the County and any of the Other Developers (defined in Section 1.28 below) pursuant to NRS Section 278.0201 through 278.0207 which sets forth their mutual rights and obligations regarding development of any of the real property which is subject to the Southeast Truckee Meadows Specific Plan.

1.9 "Development" means the improvement of the Property for the purposes of completing the structures, improvements, and

December 19, 1997

facilities comprising the Project including, but not limited to: grading, the construction of the Project Infrastructure, Regional Infrastructure, and all public facilities related to the Project whether located within or outside the Property, the construction of all buildings and structures, and the installation of landscaping. "Development" further includes, without limitation, the use, maintenance, repair, or reconstruction of any building, structure, improvement or facility after the construction and completion thereof.

1.10 "Development Approvals" means all permits and other entitlements issued or approved by County for Development of the Property including, but not limited to:

- (a) Regional Plan amendments;
- (b) Specific plans and specific plan amendments;
- (c) Zoning;
- (d) Tentative and final subdivision and parcel maps;
- (e) Development Standards Handbooks and amendments thereto;
- (f) Conditional use permits;
- (g) Design review approvals; and
- (h) Grading and building permits.

"Development Approvals" includes the "Existing Development Approvals" and "Subsequent Development Approvals" as defined herein.

1.11 "Development Exactions" mean, except as otherwise provided in this Agreement, all exactions, in-lieu fees or payments (including but not limited to capital facilities fees, impact mitigation fees, and Development Impact Fees), dedications or reservation requirements, obligations for on-site or off-site improvements or construction requirements of a type not normally regarded as subdivision improvements (i.e., those having a direct nexus to the particular tract), mitigation measures in connection with environmental review, or impositions made under other rules, regulations, or official policies of the County.

1.12 "Development Standards Handbook" means the Development Standards Handbook for the Project approved by the County in accordance with Section 110.814.75(g) of the Code as further described in Section 6.2 below.

1.13 "Development Impact Fees" means all those fees, charges, financial exactions, or assessments which are or may be charged by the County pursuant to NRS Chapter 278B as a condition to any

development of the Property for Capital Improvements (as defined in NRS Section 278B.020).

1.14 "Discretionary Action" and "Discretionary Approval" means an action or approval which requires the exercise of judgment, deliberation, or a decision, including one which contemplates and authorizes the imposition of revisions or conditions, by County, including any board, commission, or department and any officer or employee thereof, in the process of approving or disapproving a particular activity, as distinguished from an activity which merely requires County, including any board, commission, or department and any officer or employee thereof, to determine whether there has been compliance with applicable statutes, ordinances, regulations, or conditions of approval.

1.15 "Dwelling Units" means single family residential dwelling units which shall be developed as part of the Project.

1.16 "Effective Date" means the date the County adopts an ordinance approving the execution of this Agreement in accordance with NRS Section 278.0203; provided the Agreement shall not bind the parties, or their successors-in-interest, until the Agreement is recorded in the Office of the Washoe County Recorder pursuant to Section 110.814.85 of the Code.

1.17 "Exhibits" shall mean the following documents attached to, and by this reference made a part of, this Agreement:

- Exhibit A - Legal Description of the Property
- Exhibit B - Map of the Property to Accompany Legal Description
- Exhibit C - Southeast Truckee Meadows Specific Plan (Land Use Plan)
- Exhibit D - List of Existing Development Approvals
- Exhibit D-1- Conditions of Approval for Amendments to Development Agreement
- Exhibit D-2- Conditions of Approval for Development Agreement
- Exhibit D-3- Conditions of Approval for Tentative Map
- Exhibit D-4- Conditions of Approval for Abandonment
- Exhibit D-5- Approval of Tentative Map
- Exhibit E - Site Plan
- Exhibit F - Development Standards Handbook

- Exhibit G - Declaration of Covenants, Conditions, Restrictions, Reservations and Easements
- Exhibit H - Transportation Improvements
- Exhibit I - Drainage Improvements
- Exhibit J - Open Space Plan and Improvements
- Exhibit K-1- Fair Share Infrastructure Financing and Allocation Agreement
- Exhibit K-2- Drainage Easement Agreement (sample)
- Exhibit L - Revocable Encroachment Permit (sample)
- Exhibit M - Memorandum of Final Development Agreement

1.18 "Existing Development Approvals" means all Development Approvals approved or issued on or before the Effective Date. Existing Development Approvals includes those Development Approvals identified on Exhibit "D" attached hereto and all other Development Approvals which are a matter of public record on the Effective Date. The Existing Development Approvals are incorporated herein as provisions of this Agreement.

1.19 "Existing Rules" means all Land Use Regulations in force and effect as of the Effective Date.

1.20 "Final Map" means a final tract map for the Project approved and recorded by the County pursuant to Chapter 278 of the NRS. Final Maps for the Project may be recorded in phases, each subdividing a portion of the Property covered by the Tentative Map, in accordance with NRS Section 278.360.

1.21 "Landscape Maintenance District" means a maintenance district or unit of assessment formed by the County pursuant to Chapter 601, Statutes of Nevada, 1997, and any amendments thereto.

1.22 "Land Use Regulations" means all ordinances, resolutions, codes, rules, regulations, and official policies of County legally adopted in accordance with all applicable laws which govern the Development of the Property, including, without limitation, the permitted use of land, the density or intensity of use, subdivision requirements, the maximum height and size of proposed buildings, the provisions for reservation or dedication of land for public purposes, all Development Exactions, the phasing or timing of Development, and standards for design, improvements, and construction.

1.23 "Maintenance Association" means the Curti Ranch Two Maintenance Association, Inc. as described in Section 6.3 herein.

1.24 "Master Plans" means, collectively, the Truckee Meadows Regional Plan, Washoe County Comprehensive Plan, and the Southeast

Truckee Meadows Area Plan, and all amendments thereto legally adopted and effective as of the Effective Date.

1.25 "Mortgagee" means any lender or other party providing financing secured by the Property or any portion thereof.

1.26 "NRS" means Nevada Revised Statutes.

1.27 "Owner" means, collectively, Harold J. Curti, Barbara A. Curti, and Barbara A. Curti, as Trustee of the Ubaldo J. Bianco Family Trust Agreement dated December 8, 1975.

1.28 "Other Developers" shall mean any persons or entities, excluding Developer, who develop all or any portion of the STM Land, exclusive of the Property.

1.29 "Preliminary Development Agreement" means Development Agreement Case No. DA5-1-95-Curti II, approved by the County on November 21, 1995 and amended on June 25, 1996.

1.30 "Project" means Developer's proposed Development of the Property pursuant to the Site Plan and the Development Approvals, as such Development may be further defined, enhanced or modified pursuant to the provisions of this Agreement. The Project marketing name shall be Curti Ranch.

1.31 "Project Infrastructure" shall mean the infrastructure necessary for development of the Project as described in Section 6.4 below.

1.32 "Property" shall mean the land subject to this Agreement as legally described in Exhibit "A" attached hereto and as shown on Exhibit "B" attached hereto.

1.33 "Rate Based Fees" mean Cost Based Fees which are calculated or determined as a percentage of value.

1.34 "Regional Infrastructure" means the infrastructure necessary for development of the STM Land as described in Section 6.5 below.

1.35 "Site Plan" means the final site plan for the Project approved by the County in accordance with Section 110.814.45 of the Code as further described in Section 6.1 below.

1.36 "Specific Plan" means the Southeast Truckee Meadows Specific Plan, and all amendments thereto, legally adopted and effective as of the Effective Date.

1.37 "State" means the State of Nevada.

1.38 "STM Drainage Plan" means the Southeast Truckee Meadows Flood Control Master Plan approved by the County on November 14, 1995.

1.39 "STM Land" means all of the real property covered by the Specific Plan, all as more particularly shown on Exhibit "C" attached hereto.

1.40 "STMGID" shall mean the Southeast Truckee Meadows General Improvement District.

1.41 "Subsequent Development Approvals" means all Development Approvals issued by the County after the Effective Date.

Subsequent Development Approvals include, without limitation, all excavation, grading, building, construction, encroachment, or street improvement permits, occupancy certificates, utility connection authorizations, Final Maps, and any other permits or approvals necessary, convenient, or appropriate for the grading, construction, marketing, use, and occupancy of the Project at such times and in such sequences as Developer may choose consistent with the Site Plan, Existing Development Approvals, and this Agreement.

1.42 "Subsequent Rules" means any new Land Use Regulations or any amendments to Existing Rules legally adopted and effective after the Effective Date.

1.43 "Tentative Map" means the Tentative Subdivision Map with Common Open Space, Case No. TM5-11-95 for Curti Ranch Two (approved by Washoe County Planning Commission on October 17, 1995 and reapproved on May 20, 1997). The Tentative Map name is Curti Ranch Two.

1.44 "Term" means the term of this Agreement together with any extensions agreed upon pursuant to Section 4.1 below.

1.45 "Usage Fees" mean customary fees charged for the use or consumption of potable and/or reused water, sewer service, or drainage service.

1.46 "Utility Division" means, and in the context of this Agreement is, the entity operating and managing the South Truckee Meadows General Improvement District (STMGID) and responsive to the STMGID Managing Board and Board of Trustees or its successor to the extent said successor is under the control or direction of County.

1.47 "Wholesale Transaction" means the bulk sale, transfer, conveyance, or assignment of all of the Property, or of a portion thereof which consists of land unimproved by Dwelling Units and, if the land is subject to a final tract map, containing at least five (5) residential lots. "Wholesale Transaction" shall not include any transfer to a public or quasi-public entity for public use, any transfer of "common elements" to an "Association" as those terms are defined in Chapter 116 of the NRS, or any transfer of the Property from Owner to Developer.

2. RECITALS: This Agreement is predicated upon the following facts:

December 19, 1997

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2.1 Statutory Authorization: County is authorized, pursuant to Sections 278.0201 through 278.0207 of the NRS, inclusive, and Section 110.814.00 through 110.814.95, inclusive, of the Code (collectively, the "Development Agreement Law") to enter into binding development agreements with persons having legal or equitable interests in real property located within the County to establish long range plans for the development of such property free from uncertainties to the greatest extent possible.

2.2 Interest of Developer in Property: The parties acknowledge that Developer has an equitable or legal interest in the Property. Developer is the fee owner of that portion of the Property described as "Fee Parcel" on Exhibit "A", and has an option ("Option") to purchase from Owner the remainder of the Property described as "Option Parcel" on Exhibit "A".

2.3 Intent of Parties: The parties desire to enter into this Agreement relating to the Development of the Property in conformity with the Development Agreement Law, and as otherwise permitted by law, to provide for public services, public uses, and urban infrastructure, to promote the health, safety, and general welfare of the County and its inhabitants, and to provide Developer with certain safeguards and rights.

2.4 Public Objectives: County acknowledges that certain public objectives which it wishes to attain will be furthered by this Agreement, including facilitating the implementation of the Master Plans, the Specific Plan, and the STM Drainage Plan. Completion of the Project will further the comprehensive planning objectives contained within the Master Plans, the Specific Plan, and the STM Drainage Plan, and provide public benefits, including the following:

- (a) Fulfilling long term economic and social goals for the Southeast Truckee Meadows area;
- (b) Providing planned residential development with quality design features;
- (c) Providing and improving an infrastructure and open space system coordinated with the future development of the Southeast Truckee Meadows region of the County;
- (d) Providing for both short-term construction employment and long-term permanent employment within the County;
- (e) Assuring the long-term viability of the economy of the County; and
- (f) Coordinating the phasing of public facilities with private development.

2.5 Preliminary Development Agreement. On November 21, 1995, the Board of County Commissioners for the County ("County Board") approved a preliminary development agreement for the

Property (the "Preliminary Development Agreement") in accordance with the Code, Case No. DA5-1-95 Curti Ranch Two.

2.6 County Board Hearing: All preliminary processing with regard to the Property and the Preliminary Development Agreement having been duly completed according to all applicable laws and regulations, on November 21, 1995, and amendment to the Preliminary Development Agreement having been approved on June 25, 1996, the County Board, having given notice as required by law, held a public hearing on Developer's application seeking approval of this Agreement and the execution hereof by the County.

2.7 County Board Findings: At its meeting specified in Section 2.8 below, the County Board found that this Agreement complies with the Development Agreement Law and is consistent with the Master Plans, the Specific Plan, the Preliminary Development Agreement, and all the other plans, policies, and regulations of the County, and that the execution hereof by and on behalf of the County is in the public interest and is lawful in all respects.

2.8 County Ordinance: On _____, 199__, the County Board adopted Ordinance No. _____ approving this Agreement and authorizing the execution hereof by duly constituted officers of the County.

3. EXHIBITS: All Exhibits to this Agreement are incorporated herein by this reference.

4. GENERAL PROVISIONS:

4.1 Term of Agreement: The term of this Agreement shall commence upon the Effective Date and shall expire fifteen (15) years after the Effective Date, unless extended by written amendment executed by the County and Developer.

4.2 Assignment: Subject to the limitations of this Section 4.2, the rights, benefits, and obligations of Developer under this Agreement may be transferred or assigned, in whole or in part.

(a) If such transfer, conveyance, or assignment by Developer is part of a Wholesale Transaction, Developer shall give the County at least thirty (30) days prior written notice. No notice need be given of any sale, transfer, conveyance, or assignment of any portion of the Property that does not involve a Wholesale Transaction, nor any sale, transfer, or conveyance of the Property by Owner to Developer pursuant to Developer's exercise of its Option. Except as expressly provided in subsection (b) below, an assignment or transfer shall not relieve Developer of its obligations hereunder. In addition, except as set forth in this Section 4.2 or in any agreement relating to an assignment or transfer of any parcel of the Property, the assignee or transferee of the Property shall not be subject to, nor shall Owner as to any

portion of the Property not purchased by Developer be subject to, any of Developer's monetary obligations hereunder nor be deemed to have assumed any of such obligations except that (i) the Property shall be subject to any liens created as a result of any Assessment Financing, and (ii) each such assignee/transferee as to the portion of the Property transferred, or Owner as to any portions of the Property not purchased by Developer, shall be responsible for paying any amounts imposed as a condition to the development of the portion of the Property so transferred or not purchased, respectively, which are due upon filing of maps, issuance of building permits, or some other event. In connection with each sale or transfer of a portion of the Property, Developer shall disclose the maximum Dwelling Units allocated to said property sold or transferred in an instrument recorded against the property so sold or transferred (e.g., by means of a deed, a tract declaration, a declaration of covenants, conditions and restrictions, or a memorandum or similar instrument).

(b) Notwithstanding anything in subsection (a) to the contrary, County shall release Developer from any obligations under this Agreement with respect to the portion of the Property transferred upon the full satisfaction by Developer of the following conditions:

(i) Developer no longer has a legal or equitable interest in the portion of the Property being transferred except for any rights applicable to purchase money financings or restrictive covenants or similar instruments recorded against the Property;

(ii) County has not received notice that Developer is then in material default under this Agreement;

(iii) The purchaser, transferee, or assignee agrees in writing to be bound by this Agreement and as it applies to the portion of the Property being transferred; and

(iv) The purchaser, transferee, or assignee provides County with assurances reasonably satisfactory to County concerning the performance of its obligations hereunder with respect to the parcel being acquired.

Following compliance by the transferring Developer (and the transferee where applicable) with the requirements of this Section 4.2(b), County agrees to look solely to the transferee for compliance by such transferee with the provisions of this Agreement as such provisions relate to the portion of the Property acquired by such transferee. "Compliance", as used in the preceding sentence, shall include, without limitation, compliance with reporting requirements and the payment of any dollar amounts owed.

(c) With respect to any permitted assignment pursuant to the provisions of this Section 4.2, County shall forthwith release Developer from its obligation under any subdivision agreements or other agreements or undertakings pertaining to the transferred portion of the Project, and release to Developer any bonds or other security posted to secure obligations under such agreements or undertakings, provided the transferee expressly assumes the obligations under such agreements and substitutes bonds or other security acceptable to County in place of the security to be released.

(d) Any amendment to this Agreement between the County and a transferee from Developer shall only affect the portion of the Property owned by such transferee, and a breach by any transferee shall only affect that portion of the Property owned by such transferee. Any such amendment shall require the written consent of Developer, so long as Developer has any legal or equitable interest in the Property.

(e) Notwithstanding anything contained in this Section 4.2, Developer has full discretion and authority to transfer or assign interests in the Property or portions thereof in connection with any financing transactions described in Section 10 below, including any transfer to an institutional lender as a result of a foreclosure or deed in lieu of foreclosure. Any lender acquiring the Property, or any portion thereof, as a result of foreclosure or a deed in lieu of foreclosure shall take such Property subject to the rights and obligations of Developer under this Agreement; provided, however, in no event shall such lender be liable for any defaults or monetary obligations of Developer arising under this Agreement prior to acquisition of title to the Property by such lender.

4.3 Amendment of Agreement: This Agreement may be amended from time to time by the mutual consent of the parties hereto in the manner permitted hereunder, which may require (among other things) the adoption of a County ordinance. Within the limits of the authority granted to him or her, County's Director of Community Development, or his or her designee, may make and approve minor modifications to this Agreement requested by Developer, provided, however, that such modifications and amendments do not affect the term of this Agreement, the permitted uses, density or intensity of uses, maximum height or size of buildings, or the provisions for reservation and dedication of land.

4.4 Enforcement: This Agreement is enforceable by either party notwithstanding any change (which, except for this Agreement, would otherwise be applicable) in any of County's Land Use Regulations regarding, for example, zoning, subdivisions, construction, growth-management, timing and phasing of Development, permitted uses of land, and the density and design of structures thereon.

4.5 Binding Effect of Agreement: Subject to Section 4.2 hereof, the burdens of this Agreement bind and the benefits of the

Agreement inure to the parties' respective successors in interest; provided neither the burdens nor benefits of this Agreement shall bind nor inure to Owner, or its successors or assigns, except Owner shall have all the rights and obligations of a Mortgagee under this Agreement as to any portion of the Property which Developer fails to purchase upon expiration of Developer's Option.

4.6 Relationship of Parties: It is understood that the contractual relationship between County and Developer is such that Developer is an independent contractor and not an agent of County for any purpose.

4.7 Notices: All notices, demands, and correspondence required or provided for under this Agreement shall be in writing and delivered in person, or dispatched by certified mail, postage prepaid, or by overnight courier. Notices required to be given to County shall be addressed as follows:

County Clerk
County of Washoe
P.O. Box 11130
Reno, NV 89520

Notices required to be given to Developer shall be addressed as follows:

Attn: Robert E. Lewis
Lewis Homes of Nevada
P.O. Box 11367
Reno, Nevada 89510

With a copy to:

Attn: W. Bradford Francke, Esq.
Lewis Homes Management Corp.
P.O. Box 670
Upland, CA 91785

Notice shall be deemed effective upon receipt. Either party may change its address by giving notice in writing to the other, and thereafter notices, demands and other correspondence shall be addressed and transmitted to the new address.

4.8 No Lien in Favor of County: No provision of this Agreement shall be deemed to create in favor of County a lien or encumbrance which would enable it to foreclose against the Property, or any portion thereof or interest therein.

4.9 Conflict of Agreement with State or Federal Laws: In the event that any conflicting State or Federal laws or regulations are enacted after the Effective Date which prevents or precludes compliance by County and/or Developer with one or more provisions of this Agreement or requires changes in the Site Plan, the following provisions shall apply:

(a) Notice and Copies: Either party, upon learning of any such matter, will provide the other party with written notice thereof and provide a copy of any such law, regulation, or policy, together with a statement of how any such matter conflicts with the provisions of this Agreement.

(b) Modification Conferences: The parties shall, within thirty (30) days, meet and confer in good faith and attempt to modify this Agreement to the minimum extent necessary to make it comply with any such State or Federal law or regulation, while remaining within the intent of this Agreement. In the meantime, Developer shall take reasonable actions to comply with such law or regulation.

(c) County Board Hearings: Regardless of whether the parties reach an agreement on the effect of any State or Federal law or regulation, the matter shall be scheduled for hearing before the County Board. County shall give not fewer than ten (10) days prior written notice of such hearing. The County Board, at such hearing, shall determine the minimum modification or suspension necessitated by such State or Federal law or regulation. Developer shall have the right to offer oral and written testimony at the hearing. Any suspension or modification ordered by the County Board pursuant to such hearing is subject to judicial review.

5. DEVELOPMENT OF THE PROPERTY:

5.1 Right to Develop: Subject to the terms of this Agreement, Developer shall have a vested right to develop the Property in accordance with, and to the extent of, the Site Plan and the Existing Development Approvals. Except as otherwise provided in this Agreement, the permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings, the provisions for reservation and dedication of land for public purposes, the phasing and timing of Development, the standards for the design, improvement, and construction of the Property, and other terms and conditions of Development applicable to the Project shall be those set forth in this Agreement, in the Site Plan, and in the Existing Development Approvals.

In the event Developer finds that a change in this Agreement, the Site Plan, or in the Existing Development Approvals is necessary or appropriate, Developer shall apply for a Subsequent Development Approval to effectuate such change and County shall process and act on such application in accordance with the Existing Rules, except as otherwise provided by this Agreement. If approved, any such change in the Existing Development Approvals shall be incorporated herein as an addendum to Exhibit "D", and may be further changed from time to time as provided in this Section. Unless otherwise required by law, as determined in County's reasonable discretion, a change to the Development Approvals shall be deemed "minor", and not require an amendment to this Agreement provided such change does not:

- (a) Alter the permitted uses of the Property as a whole;
- (b) Increase the density or intensity of use of the Property as a whole;
- (c) Increase the maximum height and size of permitted buildings; or
- (d) Delete a requirement for the reservation or dedication of land for public purposes within the Property as a whole.

5.2 Permitted Uses: The Property shall be used and developed for the following purposes:

- (a) Single Family Residential purposes;
- (b) Public uses, including streets, trails, and open space use; and
- (c) The use of Lot A as shown on the Site Plan for residential or commercial purposes subject to County's amendment of the Specific Plan in accordance with the Existing Rules. In the event an amendment to the Specific Plan is not so approved, Developer may redesign the Project in accordance with the Specific Plan to add an additional six (6) lots in either the MDS/2.5 or HDS/5.0 areas of the Site Plan, as further set forth in Section 6.1 below; and
- (d) All uses in accordance with the Site Plan, Development Approvals, and as specified or limited in this Agreement, and for such other uses as may be mutually agreed upon by the parties hereto in accordance with the Existing Rules (defined in Section 5.6) zoning ordinances. No use shall be permitted which is inconsistent with the Specific Plan.

5.3 Permitted Density of Development: The Property may be developed in accordance with the Site Plan and Existing Development Approvals, and to the density or level of intensity as provided therein, up to a maximum of 574 Dwelling Units.

5.4 Maximum Height and Size of Structures: The maximum height and size of structures to be constructed on the Property shall be as provided in the Development Standards Handbook, as modified by the provisions of this Agreement.

5.5 Land Area Ratios. The ratio of residential land areas within the Project to non-residential land areas is 66.7:1.

5.6 Rules, Regulations, Official Policies: The County's Land Use Regulations applicable to the Property and the Project, including, without limitation, all rules, regulations, ordinances, laws, and official policies governing Development, density, permitted uses, growth management, timing and phasing of Development, environmental considerations, design criteria, and

construction standards shall be the Land Use Regulations in force and effect upon the Effective Date (the "Existing Rules"), with the following exceptions:

(a) Application of Subsequently Enacted Rules, Regulations, etc.: County may hereafter, during the term of this Agreement, apply only those rules, regulations, ordinances, laws, and official policies promulgated or enacted after the Effective Date (the "Subsequent Rules") that are not in conflict with the Existing Rules. For the purposes of this Section, the term "does not conflict" means Subsequent Rules which: (i) do not modify the Site Plan or any Development Approvals, including, without limitation, the permitted land uses, the density or intensity of use, the phasing or timing of development of the Project, the maximum height and size of proposed buildings on the Property, provisions for dedication of land for public purposes, and standards for design, Development, and construction of the Project, except with respect to uniform codes as permitted below; (ii) do not prevent Developer from obtaining any Subsequent Development Approvals, including, without limitation, all necessary approvals, permits, certificates, and the like, at such dates and under such circumstances as the Developer would otherwise be entitled under the Existing Rules, as modified by this Agreement; (iii) do not prevent Developer from commencing, prosecuting, and finishing grading of the land, constructing public and private improvements, and occupying the Property, or any portion thereof, all at such dates and schedules as Developer would otherwise be entitled to do so by the Site Plan and Development Approvals, or (iv) except as may be imposed pursuant to subparagraph (b) hereinbelow, do not impose upon Developer restrictions, requirements, conditions or standards which are more burdensome, more expensive, or more onerous to satisfy than those in the Existing Development Approvals. Without limiting the foregoing, any Land Use Regulation limiting the rate or timing of development of the Property shall be deemed to conflict with the Site Plan and Development Approvals and shall therefore not be applicable to the Development of the Property. However, the foregoing limitations shall not preclude the application to the Property of (i) new or changed State or Federal laws or regulations, in which event the provisions of Section 4.9 of this Agreement are applicable, or (ii) Land Use Regulations expressly permitted under this Section 5.6, or (iii) Land Use Regulations otherwise acceptable to Developer, as noted by its written notice to County. Notwithstanding the limitations set forth in this Section, nothing herein shall be construed as preventing County from adopting new rules, regulations, and policies relating to uniform codes, or amendments thereto, such as the Uniform Building Code, or Uniform Fire Code (the "Uniform Codes"), which relate to public safety, are based on recommendations of multi-State professional organizations, and become applicable County-wide; provided, however, such rules, regulations and policies shall not apply to the development of the Project if they otherwise adversely conflict with the Development Approvals.

(b) County Fees: Except as expressly provided in this Agreement, this Agreement shall not prevent County from charging fees with respect to the Property and Developer's development of the Project which are in effect as of the Effective Date or which are adopted or increased by County after the Effective Date, including Cost Based Fees, Connection Fees, Usage Fees, fees necessary to allow County to participate in any Federal or State program providing matching funds or similar incentives if such program provides substantial public benefits or services, and infrastructure and subdivision surety costs associated with the Project, provided County agrees to impose such fees in a consistent manner on a County-wide, district-wide, or region-wide basis. Notwithstanding anything to the contrary in this Section 5.6 or the Agreement, Developer may challenge, protest and oppose the imposition of any such existing, new, or increased fees to the fullest extent permitted by law.

(c) Development Exactions: Except for the Development Exactions expressly provided in the Existing Development Approvals, Developer has not agreed to the imposition by County of any Development Exactions upon the Property or the Project and Developer may challenge, protest, and oppose the imposition of any such Development Exactions to the fullest extent permitted by law.

5.7 Time for Construction and Completion of Project: The phasing (i.e., order) of construction of the Project, including the on-site and off-site public improvements and private improvements, shall be subject to the phasing requirements set forth in this Agreement or the Existing Approvals (the "Phasing Plan"); provided, however, that the County's Director of Community Development or designee may require changes in the Phasing Plan if such changes are reasonably necessary to protect the public health or safety. Any phasing decision made by the Director of Community Development may be appealed to the County Planning Commission and any decision made by the Planning Commission to the County Board pursuant to the then-existing appeal provisions of the Code. In the event Developer shall request any deviation from the phasing requirements established in the Phasing Plan, Developer shall give the County written notice of such intended deviation, which notice shall include a revised Phasing Plan. County will notify Developer of any required change in the phasing of the providing of public facilities and/or dedication required by Developer's modification of its Phasing Plan within thirty (30) days after (i) Developer has submitted a notice with information which, in the good faith judgment of County, is sufficient to permit County to make the necessary analysis of the required change, or (ii) the date of approval of any tentative tract map for the rephased areas, whichever is the earlier. Any changes required by County shall be reasonably related to the changes in the phasing made by Developer. Except for the order of construction of the Project as set forth in the Phasing Plan, Developer shall have complete discretion as to the timing of the Development of the Project and any timetables or dates for the construction of all or portions of the Project set forth in this Agreement are estimates only and are subject to

change by Developer. The parties acknowledge that Developer cannot at this time predict with any degree of certainty when or the rate at which phases of the Project will be developed. Such decisions depend upon numerous factors which are not within the control of Developer, such as market orientation and demand, regional job growth, available financing, interest rates, absorption, completion of Regional Infrastructure, and other similar factors. Developer shall have the right to develop the Property at such rate and at such times as Developer deems appropriate within the exercise of its subjective business judgment, subject only to the Phasing Plan and neither Developer nor Owner shall have any liability to County in the event all or any portion of the Project is not completed by Developer, excepting liability under normal subdivision improvement agreements and related security instruments imposed by the County under the Existing Rules.

6. DEVELOPMENT PROGRAM:

6.1 Final Site Plan: County has, as part of its approval of this Agreement, approved a site plan (the "Site Plan") for the Property in accordance with Section 110.814.45 of the Code, which provides for the construction of a maximum of 574 Dwelling Units. The Site Plan is attached hereto as Exhibit E. Development of the Project and the Dwelling Units shall conform to the STM Plan standards for MDS/2.5, HDS/4.0, and HDS/5.0 areas in the STM Plan, except that the minimum lot size in the MDS/2.5 area, where not adjacent to Mira Loma Road, may be 10,000 sq. ft. as shown on the Tentative Map. In the event that County requires that Lot A, as identified on the Site Plan, be restricted to open space use, then Developer may increase the density within either the MDS/2.5 or HDS/5.0 areas of the Site Plan by a total of six (6) lots to achieve the maximum permitted density of 574 Dwelling Units as set forth in Section 5.2(c) above. The Site Plan includes a plan for the phasing of the Dwelling Units. The Development of the Project shall be in accordance with the Final Maps recorded for each phase of the Project. The Final Maps shall be in substantial conformance with the Tentative Map and the Site Plan.

6.2 Development Standards Handbook: County has, as part of its approval of this Agreement, concurrently approved a Development Standards Handbook ("Development Standards Handbook") for the Project in accordance with the Code. The Development Standards Handbook is attached to this Agreement as Exhibit "F". Development of the Project shall be in accordance with the Development Standards Handbook and County agrees to accept standards for design, improvement and construction for Development of the Property which are consistent with the Development Standards Handbook.

6.3 CC&R'S: County has, as part of its approval of this Agreement, concurrently approved a Declaration of Covenants, Conditions, Restrictions, Reservations and Easements for Curti Ranch Two (the "CC&R'S") in accordance with the Code in the form attached hereto as Exhibit "G". Development of the Project shall

be in accordance with the CC&R's. The CC&R's shall be recorded within five (5) days after recordation of the first final tract map for the Project, and each phase of the Project identified in subsequent final tract maps for the Project shall be annexed into the regime of the CC&R's within five (5) days after the recordation of each such subsequent final map. All phases of the Project shall be under the authority of the "Curti Ranch Two Maintenance Association", as defined in the CC&R's, and all phases of the Project shall be under the authority of the "Architectural Committee", as defined in the CC&R's, provided Developer shall not be required to form, or may dissolve, the Maintenance Association if all of the improvements maintained, or to be maintained by the Maintenance Association will be instead maintained by a Landscape Maintenance District or other public agency as approved by County. Developer may petition the County to form a Landscape Maintenance District to maintain any improvements which are otherwise to be maintained by the Maintenance Association pursuant to this Agreement.

6.4 Project Infrastructure. Developer shall, subject to Developer's rights set forth in Section 5.7 to control the rate and timing of Development of the Project, construct the following improvements and infrastructure (the "Project Infrastructure") to service the Project in accordance with (i) the pertinent Exhibits described below, (ii) the Existing Development Approvals and Subsequent Development Approvals, (iii) all plans and specifications to be approved by the County in accordance with this Agreement and the Existing Rules prior to the County's approval of the final tract map(s) for which the Project Infrastructure is a condition of approval, which plans and specifications shall be consistent with this Agreement and the Existing Development Approvals, and (iv) the Site Plan described below. Unless otherwise set forth in this Section 6.4 or otherwise in this Agreement, all of the Project Infrastructure shall be constructed at the sole cost and expense of Developer, and shall be dedicated to and maintained by the County in accordance with the procedures for dedication and maintenance set forth in the Existing Rules. Subject to Section 7.9 herein, Developer shall obtain or grant all easements required for the construction and maintenance of the Project Infrastructure to the satisfaction of the County Engineer:

(a) Circulation Improvements. The Project Infrastructure shall include the transportation/circulation improvements identified in Exhibit "H" hereto. The transportation/circulation improvements shall be constructed in accordance with the Site Plan identified in Exhibit "E" (Sheet 3) hereto.

(b) Sewer Improvements. The Project Infrastructure shall include the sewer improvements identified preliminarily in the Site Plan (Exhibit "E" - Sheet 8) and as further identified in the sanitary sewer report for the Project to be prepared by Developer and approved by County in accordance with Condition No. 27 of the Tentative Map. The sewer improvements shall be constructed in accordance with final sewer plans to be approved by the County as part of final subdivision map approval as each phase

of the Project is developed in accordance with the Site Plan identified in Exhibit "E" (Sheet 3). Based on the sanitary sewer report, the Project may utilize existing infrastructure modified to serve the complete Project buildout or be sewer to an extension of the Steamboat Interceptor. Based upon the results of an approved sanitary sewer report, there may be the opportunity for a portion of the Project to sewer to the existing CDB Sewer Line for the interim and possibly permanently. The Utility Division or STMGID, as applicable, shall be responsible for determining compliance with this condition. The Utility Division or STMGID, as applicable, would be responsible for any extension of the Steamboat Interceptor.

(c) Drainage Improvements. The Project Infrastructure shall include the drainage improvements identified preliminarily in Exhibit "I" hereto. The drainage improvements shall be constructed in accordance with final drainage plans to be approved by the County as part of final subdivision map approval as each phase of the Project is developed in accordance with the phasing plan identified in Exhibit "I" and in accordance with the Master Hydrology Report by Pyramid Engineers dated June 1997. The drainage improvements shall be dedicated to and maintained by the County, as directed by the County, in accordance with the procedures for dedication and maintenance set forth in the Existing Rules, provided the County, or a Landscape Maintenance District or other public agency as approved by the County, may, but is not required to, maintain the existing Chandler Ditch.

(d) Open Space Plan and Improvements. The Project Infrastructure shall include the open space improvements identified preliminarily in Exhibit "J" hereto. The open space improvements shall be constructed in accordance with final plans to be approved by the County as part of final subdivision map approval as each phase of the Project is developed in accordance with the Site Plan identified in Exhibit "E" (Sheets 3). The option of using a four (4) foot wide sidewalk on one side of local streets or a five (5) foot wide sidewalk on both sides of collector streets located within the County right-of-way as part of the path network shall be permitted by County. Those portions of the open space improvements integral to the design and function of the Project's drainage improvements, together with the equestrian trail, shall be dedicated to and maintained by the County, as directed by the County, in accordance with the procedures for dedication and maintenance set forth in the Existing Rules. All other open space improvements shall be dedicated to Washoe County and shall at the direction of County, either be (i) annexed to the Maintenance Association for maintenance by the Maintenance Association in accordance with the CC&R's and in accordance with a Revocable Encroachment Permit to be executed by County and Developer in a form similar to Exhibit "L" attached hereto, or (ii) maintained by a Landscape Maintenance District or other public agency approved by the County.

(e) Water Improvements. The Project Infrastructure shall include the water improvements identified preliminarily in

the Site Plan (Exhibit "E" (Sheet 8)). The water improvements shall be constructed in accordance with final plans to be approved by the County as part of final subdivision approval as each phase of the Project is developed in accordance with the Site Plan identified in Exhibit "E" (Sheet 3). The water improvements shall be dedicated to and maintained by the County or STMGID or another qualified water purveyor, as directed by the County, in accordance with the procedures for dedication and maintenance as set forth in the Existing Rules.

The utilization by Developer of any surface water rights appurtenant to the Property shall require that Developer:

(i) participate in the construction of a surface water treatment plant, or

(ii) participate in the legal formation of an assessment district or other financing mechanism for the development of a surface water treatment plant, or

(iii) participate in the approval of an infrastructure financing plan or agreement with Washoe County for water facilities utilizing surface water rights originating from Truckee River, Galena Creek, Whites Creek, and Steamboat Creek, prior to the approval of any final map where surface rights are planned for dedication.

Subject to the provisions of the Condition No. 24 of the Tentative Map (as said provisions were modified by Condition No. 10 to the Preliminary Development Agreement), any water rights dedicated by Developer to the County or other water purveyor to supply water to the Project shall be ground water rights, or surface water rights originating from the Truckee River, Galena Creek, Whites Creek, or Steamboat Creek, or water rights used in conjunction with an intertie and wholesale agreement with a qualified water purveyor, or any other source in accordance with the Regional Water Supply Study adopted by Washoe County and the Regional Governing Board.

(f) Public Utilities. Developer shall construct all utility improvements within the Project as and to the extent required by the applicable public utility purveyors, including, phone, electric, gas, and cable television, as necessary to service each Dwelling Unit within the Project. The purveyors shall be responsible for maintenance of the Utilities.

6.5 Regional Infrastructure: Developer agrees to participate in financing Developer's "fair share" of the costs of the construction of all regional transportation, drainage, sewer, water and open space improvements (the "Regional Infrastructure") necessary for development of the STM Land, pursuant to the Master Plans, Specific Plan, and STM Drainage Plan, in accordance with the

terms of that certain "Fair Share Infrastructure Financing and Allocation Agreement" in the form of Exhibit "K-1" and as follows:

(a) Circulation. Developer agrees to pay all fees required for development of the Property in accordance with the Site Plan under the Regional Road Impact Fee Program, Washoe County Ordinance No. 938, adopted October 10, 1995; provided Developer shall receive credit against such fees for those portions of the Project Infrastructure which are included in the Regional Road Impact Fee Capital Improvement Plan, as identified in Exhibit "H" (Sheets 6 and 7) hereto to the fullest extent permitted by, and in accordance with, the Regional Road Impact Fee Program.

(b) Open Space. County agrees that the Developer shall have no regional obligation concerning open space improvements except as provided in Section 6.4(d) herein, and except for payment of the County's applicable residential park construction tax pursuant to NRS Section 278.497 to 278.4987.

(c) Sewer. County agrees that the Developer shall have no regional obligation concerning sewer improvements except (i) Developer shall participate in a special assessment district, if applicable, to the extent the Project is benefitted, and with equitable treatment to all parties and properties within the proposed assessment district, inclusive of all benefitted properties within the Southeast Truckee Meadows Specific Plan, for the Steamboat Interceptor, unless an alternative funding mechanism is developed by agreement with County, and (ii) Developer shall pay the applicable sewer connection fee. Responsibility for design of any sanitary sewer pump stations, interceptors, and treatment and disposal facilities to accommodate the Project will rest with the Utility Division or STMGID, as applicable. The Utility Division or STMGID, as applicable, may either provide such design in-house, or select an outside consultant. When an outside consultant is to be selected, the Utility Division or STMGID, as applicable, and the Developer shall jointly select that consultant. Funding of the design and infrastructure in excess of the minimum requirements needed to serve the Development, as determined by accepted engineering calculations, shall be the responsibility of County or STMGID, as applicable. County or STMGID, as applicable, shall either participate monetarily at the time of design and/or shall credit an equivalent number of service hook-ups to the Developer at the time of recordation of the Final Map.

(d) Water. County agrees that the Developer shall have no regional obligation concerning water improvements except as provided in Section 6.4(e) herein, and except for payment of the County's applicable water connection fee. Responsibility for design of any domestic water supply wells, pumps, structures, controls, telemetry, storage tank, treatment facilities, transmission line and associated appurtenances to the edge of the Property, all necessary to supply water service to the Project, will rest with the Utility Division or STMGID, as applicable. The Utility Division or STMGID, as applicable, may either provide such design in-house, or select an outside consultant. When an outside

consultant is to be selected, the Utility Division or STMGID, as applicable, and the Developer shall jointly select that consultant. Funding of the design and infrastructure in excess of the minimum requirements needed to serve the Development, as determined by accepted engineering calculations, shall be the responsibility of County or STMGID, as applicable. County or STMGID, as applicable, shall either participate monetarily at the time of design and/or shall credit an equivalent number of service hook-ups to the Developer at the time of recordation of the Final Map.

(e) Drainage. Developer participated in the preparation of the STM Drainage Plan. Developer shall only be required to construct those regional drainage improvements identified in the STM Drainage Plan which are necessary for development of the Project, which improvements shall include either:

(i) A portion of the Curti/Caramella ditch (known as portions of ditches C-3 and C-4 in the Southeast Truckee Meadows Flood Control Master Plan) and a portion of the ditch necessary along Geiger Grade and through the Gene and Gary Curti Ranch to Steamboat Creek; or

(ii) A portion of the ditch necessary along Geiger Grade and through the Gene and Gary Curti Ranch to Steamboat Creek and a spreader basin along the westerly edge of Curti Ranch Two in a manner that would simulate as closely as possible the existing ten (10) year natural surface sheet flow pattern; or

(iii) Payment of storm drain impact fees only in accordance with the impact fee ordinance to be adopted by Washoe County and subject to the policies and procedures set forth therein, which are necessary for development of the Project as provided for in Section 6.4(c) and Exhibit "I".

These regional drainage improvements shall either be dedicated to Washoe County upon completion of each phase of construction of the Project, or dedicated in the aggregate upon completion of all these regional drainage improvements, at Developer's option. Upon dedication of the regional drainage improvements, the County shall maintain those improvements.

If necessary, Developer will obtain a drainage easement from those Other Property Owners affected by Developer's construction of the regional drainage improvements in a form similar to the Drainage Easement Agreement attached hereto as Exhibit "K-2".

If there is any inconsistency between the express terms of this Agreement and Exhibit "K-1", the terms of the Agreement shall control.

(f) Refunds/Credits. Appropriate refunds or credits, in accordance with the Existing Rules, will be granted to Developer by County for any Regional Infrastructure constructed or obtained by Developer as part of the Project.

(g) No County Enforcement. County is not responsible for enforcing the respective individual rights of the parties to Exhibit "K-1" herein.

6.6 Fire Protection. Consistent with the policies of the Southeast Truckee Meadows Specific Plan, Section 3, Public/Community Facilities & Services - Fire Protection Planning, the Developer shall voluntarily contribute towards necessary capital improvements to provide fire protection service to STM Land, in accordance with Exhibit "K-1" hereto. Further, County agrees that Developer shall have no further obligation concerning fire protection except as provided in this Section 6.6 and Exhibit "K-1" herein.

6.7 Postal Service. Developer shall furnish County with written evidence prior to recordation of each Final Map that Developer has discussed plans for the installation of mail delivery facilities within the Project with the U.S. Postal Service. Such facilities shall be included in the on-site development plans for the Project. Developer shall have no obligation to construct, or fund the construction of, such facilities.

7. COUNTY COOPERATION:

7.1 Cooperation and Implementation: County agrees that it will cooperate with and assist Developer to the fullest extent permitted by law to implement this Agreement. Subject to satisfactory completion by Developer of all required preliminary actions and payments of appropriate fees, County will timely process all Subsequent Development Approvals and take all steps necessary to implement this Agreement and facilitate the Development of the Project in accordance with the terms of this Agreement, including (but not limited to) the processing and checking of any and all subdivision maps, agreements, covenants, applications and related matters required under the conditions of this Agreement, building plans and specifications and any other plans necessary for the Development of the Property filed by Developer, and the issuance of all Subsequent Development Approvals necessary for the construction, use, and occupancy of the Property.

7.2 Agreement and Assurances on the Part of the County: In order to effectuate the provisions of this Agreement and as an inducement for Developer to obligate itself to carry out the covenants and conditions set forth herein, and in consideration for Developer doing so, County hereby agrees and assures Developer that Developer will be permitted to carry out and complete the entire Project on the Property, subject to the terms and conditions of this Agreement.

(a) Consistency with Existing Rules: County has made a finding that there are no Existing Rules that would prohibit or prevent the full completion and occupancy of the Project in accordance with the Site Plan and the Existing Development Approvals.

(b) Subsequent Discretionary Actions: With respect to any Discretionary Action or Discretionary Approval that is required subsequent to the execution of this Agreement, County agrees that it will not unreasonably withhold from Developer or unreasonably condition or delay any such Discretionary Action or Discretionary Approval, including, without limitation, building permits or any final tract or parcel map, which must be issued by County in order for the Project to proceed to construction and occupancy. In addition, no conditions shall preclude or otherwise limit Developer's ability to develop the Project in accordance with the height, density and intensity of use and size, number of stories and other specifications set forth in this Agreement nor otherwise conflict with any provision of this Agreement. Without limiting the foregoing, County agrees to process all tentative maps and final maps in a timely and expeditious manner.

(c) Term of Tentative Maps: Upon application by Developer, the term of any and all tentative maps may be extended by the County Planning Commission for consecutive periods of two (2) years each provided a Final Map is recorded before the expiration of each two (2) year period under NRS Section 278.360 or an application for a two (2) year tentative map extension has been approved by Washoe County. Such extension periods shall not extend beyond the scheduled termination date of this Agreement plus any extension otherwise allowable under applicable law.

7.3 Customary Improvements, Facilities and Services: County agrees to provide all customary public services to the Project, including fire and police protection, storm drain maintenance, open space maintenance (excepting those open space improvements to be maintained by the Maintenance Association or a Landscape Maintenance District as set forth in Section 6.4(d)), sewer and water service through County, and public building and road maintenance and other general public works services; said services shall be at least at a level equal to that generally provided within the remainder of the County and at a cost no greater than that charged by common purveyors of those services to other STM Land. Developer agrees to annex the Project into STMGID and to pay all applicable annexation fees as set forth in the Existing Rules.

7.4 Processing and Duration - Zoning: All zoning on the Property pursuant to the Existing Development Approvals shall remain in effect for fifteen (15) years unless amended at the request of Developer notwithstanding termination of this Agreement. County shall process all applications for changes in applicable zoning on the Property, or changes in Developer's Site Plan, the Existing Development Approvals, the Specific Plan, or the Master Plans in accordance with the Existing Rules, including all time requirements imposed by the Existing Rules, and County shall not unreasonably delay such processing. County shall not unreasonably withhold approval of such changes requested by Developer. Expiration or termination of this Agreement shall not constitute termination of any Existing Development Approvals or Subsequent Development Approvals approved for the Property.

7.5 Processing of Applications by County: County hereby agrees that it will accept from Developer and review, process, and approve applications for permits or other authorizations of entitlements related to the Property in accordance with the Existing Rules, and County shall not unreasonably delay such processing.

7.6 Cooperation in Securing Government Permits: Developer shall be required to submit appropriate applications and filings and otherwise satisfy procedural requirements for the issuance of any governmental permits which Developer must obtain from the County or any other governmental agency in connection with the Project. County will reasonably cooperate with Developer in causing all such permits to be issued. In addition, County shall reasonably cooperate with Developer in obtaining any permits, licenses, or other authorizations and taking any necessary actions which may be required to proceed with the Project. Developer will reimburse County for any direct out-of-pocket expenses reasonably incurred by County in assisting solely Developer in securing permits under this Agreement; provided, however, that Developer shall not be required to make any reimbursement for the salaries of County employees, or other general County administrative expenses.

7.7 County Cooperation Securing Financing: County will reasonably cooperate with Developer in securing take-out financing and financing for infrastructure improvements to the extent authorized by County ordinance or policy. Without limiting the generality of the foregoing, County will (i) cooperate to provide Assessment Financing if requested by Developer; (ii) cooperate with Developer in arranging future public financings as reasonably needed to construct the Regional Infrastructure; and (iii) seek reimbursement and/or fees to be paid to or for the specific benefit of Developer from the Other Developers, or other property owners in the County benefitting from any over-sized improvements, whether by way of oversize agreements and/or refunding agreements, or otherwise. Developer will reimburse County for any direct out-of-pocket expenses reasonably incurred by County in assisting solely Developer in securing financing under this Agreement; including reimbursement for County employees' salaries or other general County administrative expenses as allowed by law.

7.8 Other Development Agreements: If County enters into any Developer's Agreements covering other STM land which contain provisions concerning the term thereof, fees, financing programs, County participation in infrastructure and public facilities, or other provisions which are more favorable to such Other Developer(s) than the provisions of this Agreement are to Developer, then Developer shall be entitled to the benefit of such more favorable provisions. For purposes of making the foregoing determination, all matters which have measurable financial impact and can be liquidated to a dollar amount (e.g., fees and cash donations) shall be aggregated.

7.9 Right-of-Way Acquisitions: With respect to any interest in real property required by Developer in order to complete any

public street installation, or installation of sewer, water or drainage improvements, or any utility installations, or the installation of any other off-site facilities to be installed by Developer pursuant to this Agreement or in fulfillment of any and all conditions imposed in connection with the approval of any subdivision map prepared with respect to the Property and/or, as part of the required mitigation measures set forth in this Agreement, or in order to complete the improvements contemplated by the Site Plan or Existing Development Approvals (collectively, any "necessary interest"), Developer shall make a good faith effort to acquire the necessary interest by private negotiations at the fair market value of such interest. If, after reasonable efforts, Developer has been unable to acquire such interest, County shall offer to acquire the interest at fair market value and, if such offer has not been accepted within a reasonable time, County shall commence, and thereafter diligently prosecute to completion, proceedings to acquire, by power of eminent domain, the necessary interest. Developer shall provide to County all funding for the acquisition of the necessary interest (which shall include, without limitation, the acquisition funds, appraisal costs and attorneys fees). County further agrees that, in the event County enjoys any rights of Discretionary Approvals applicable to any development projects proposed by the owners of land which includes any necessary interest, County will require dedications by such landowners of the necessary interests as a condition to the granting of any such approvals, to the extent permitted by law. Nothing contained in this Section 7.9 shall be deemed to limit any rights of Developer under applicable provisions of law.

7.10 Cooperation With Government Agencies: County shall reasonably cooperate with Developer in any dealings with the U.S. Fish and Wildlife Service and other Federal, State and local governmental agencies concerning issues affecting the Project. Without limiting the generality of the foregoing, County shall use its best efforts to ensure that the actions taken and requirements imposed by such governmental agencies do not adversely impact upon the proposed development of the Project. Developer will reimburse County for any direct out-of-pocket expenses reasonably incurred by County in assisting solely Developer in connection with its dealings with governmental agencies as described above; provided, however, that Developer shall not be required to make any reimbursement for County employees' salaries or other general County administrative expenses. County shall keep Developer fully informed with respect to its communications with such agencies in matters materially affecting the Project.

7.11 Cooperation Concerning Utilities: County shall reasonably cooperate with Developer in any dealings with public and private districts, agencies and companies providing utilities to the Property with respect to issues affecting the Project, including, without limitation, STMGID. Without limiting the generality of the foregoing, County shall use its best efforts to ensure that the actions taken and requirements imposed by such districts, agencies, and companies do not adversely impact upon the proposed development of the Project. County shall keep Developer

fully informed with respect to its dealings with such entities in matters materially affecting the Project.

8. REVIEW:

8.1 Frequency of Reviews: As authorized by NRS 278.0205, at least once every twenty-four (24) months but no more often than once every twelve (12) months during the term of this Agreement, County shall review in the context of good faith and substantiality the extent of Developer's compliance with the terms of this Agreement. County in the course of such review shall have the burden of proving any assertions that the terms and conditions of this Agreement are not being complied with. Either party may address any requirement of this Agreement during the review; however, ten (10) days written notice of any requirement to be addressed shall be made by the requesting party. If at the time of review an issue not previously identified in writing is required to be addressed, the review at the request of either party shall be continued to afford sufficient time for response. County may impose upon Developer a fee for each such compliance review in an amount not to exceed \$500. County may also impose an additional fee for each such compliance review in an amount not to exceed \$500 for each transferee of Developer who acquires a portion of the Property in a Wholesale Transaction.

8.2 Opportunity to be Heard: Upon written request to County, Developer shall be permitted an opportunity to be heard orally and/or in writing before the County Board at a noticed public hearing regarding its performance under this Agreement.

9. DISPUTE RESOLUTION, UNAVOIDABLE DELAY, AND DEFAULT:

9.1 Arbitration. Any dispute arising from rights or obligations of this Agreement may be submitted to arbitration pursuant to the Commercial Rules of the American Arbitration Association and the Uniform Arbitration Act [NRS 38.015-38.205], including any disputes regarding consents or approvals to be given by a party. The decision of the arbitrator shall be final and binding on both parties. In the event of any judicial enforcement or confirmation proceeding required relating to an arbitration award, the prevailing party shall be entitled to all reasonable costs and attorneys' fees. Any arbitrator appointed pursuant to this section shall have recognized real estate or commercial law experience and shall be an "AV" rated attorney by Martindale-Hubbell.

9.2 Statutory Cancellation/Amendment. Notwithstanding Section 9.1 hereinabove, any proposed amendment or cancellation of this Agreement by the County, in whole or in part and without the mutual consent of the parties, shall be in accordance with NRS 278.0205. The County shall, after completing its review of the development of the Property pursuant to Section 8 of this

Agreement, provide Developer a description in writing, both detailed and specific, of any terms or conditions of the Agreement that have been allegedly breached by Developer and, where appropriate, the manner and period of time in which the breach may be corrected. Developer shall have ten (10) working days to either cure the breach or respond in writing to County, both detailed and specific, as to why it has not breached the Agreement.

If the breach is not cured or the parties are unable to reach a resolution with regard to matters put in issue pursuant to this Section, and prior to any publication of any notice of intention to amend or cancel pursuant to NRS 278.0205(2), there shall then be scheduled a meeting or meetings to be held within thirty (30) days between a representative of Developer and the County Manager to seek resolution short of amendment or cancellation. Absent resolution by such meeting or meetings, a written report of the results of said meeting or meetings, including a description of any remaining unresolved issues, shall be agreed upon and executed by both parties.

If there remain any unresolved issues, or if the resolution of any issue requires an amendment to this Agreement, the County shall proceed to either cancel or amend in accordance with NRS 278.0205(2). The written documentation required by this Section, and any other applicable material, shall be provided Developer and the governing body ten (10) days prior to the meeting at which the amendment and/or cancellation is to be considered by the Board of County Commissioners. Developer shall have the opportunity to be heard orally and/or in writing before the Board at that meeting.

Except as expressly permitted by NRS 278.0205, the County shall have no right to cancel or amend this Agreement without the express written consent of Developer.

9.3 Unavoidable Delays/Default By County. Neither party hereunder shall be deemed to be in default, and performance shall be excused, where delays or defaults are caused by war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, restrictions imposed or mandated by governmental entities other than County and entities providing utilities, enactment of conflicting State or Federal laws or regulations, new or supplementary environmental regulations, litigation, or similar matters beyond the control of the parties. The performance to be excused is that which is materially affected by such matters beyond the control of the party where performance is affected. Developer shall give County written notice of any delay subject to this Section and shall indicate the phases or areas of work that are affected by such delay. An extension of time shall be granted by County to be coextensive with the period of the delay or longer as may be mutually agreed by the parties.

In the event of a default by County of a material term of this Agreement, Developer shall be relieved of its obligations under the Agreement. If Developer elects to proceed with the

Project, in its discretion, it may seek enforcement of County's performance through administrative procedures, by arbitration, or by judicial intervention including, but not limited to, actions for specific performance and/or temporary or permanent injunctive relief, as Developer deems necessary.

9.4 Applicable Laws. Unless otherwise stated in this Agreement, this Agreement shall be construed and enforced in accordance with the laws of the State of Nevada.

10. MORTGAGE FINANCING:

10.1 Mortgagee Protection: The parties hereto agree that this Agreement shall not prevent or limit Developer in any manner, at Developer's sole discretion, from encumbering the Property or any portion thereof or any improvement thereon by one or more mortgages, deeds of trust, or other security devices securing financing with respect to the Property, without limitation on the size or nature of any such transaction, the amount of land involved, or the use of proceeds therefrom. County acknowledges that the Mortgagees providing such financing may request certain Agreement interpretations and modifications and agrees upon request, from time to time, to meet with Developer and representatives of such Mortgagees to negotiate in good faith any such request for interpretation or modification. County will not unreasonably withhold its consent to any such requested interpretation or modification provided such interpretation or modification is consistent with the intent and purposes of this Agreement. Any such Mortgagee shall be entitled to the following rights and privileges:

(a) Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage or deed of trust on the Property or any part thereof made in good faith and for value;

(b) The Mortgagee under any mortgage or deed of trust encumbering the Property, or any part thereof, which Mortgagee has submitted a request in writing to the County in the manner specified herein for giving notices, shall be entitled to receive written notification from County of any default by Developer in the performance of Developer's obligations under this Agreement;

(c) If County timely receives a request from a Mortgagee requesting a copy of any notice of default given to Developer under the terms of this Agreement, County shall provide a copy of that notice to the Mortgagee within five (5) days of sending the notice of default to the Developer. The Mortgagee shall have the right, but not the obligation, to cure the default during the remaining cure period allowed such party under this Agreement, but in no event less than thirty (30) days from Mortgagee's receipt of such notice of default; and

(d) Any Mortgagee (or its affiliate) who comes into possession of the Property, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or deed in lieu of such foreclosure, shall take the Property, or part thereof, subject to the terms of this Agreement; provided, however, that (i) in no event shall such Mortgagee be liable for any defaults or monetary obligations of Developer arising prior to acquisition of title to the Property by such Mortgagee, (ii) Mortgagee's rights shall be subordinate and subject to any liens on the Property as a result of any Assessment Financings, and (iii) in no event shall any such Mortgagee or its successors or assigns be entitled to a building permit or occupancy certificate until all fees due under this Agreement (relating to the portion of the Property acquired by such Mortgagee) have been paid to the County and until any other default applicable to such site has been cured.

10.2 Enforcement: County will execute and deliver to any Mortgagee or other interested person a certificate of compliance described in Section 10.3 below and such other documents as may be reasonably requested to acknowledge that this Agreement is in full force and effect, Developer is not in default hereunder, County has no lien on the Property which are subject to foreclosure, and County's rights under this Agreement are subordinate as set forth herein. Nothing herein, however, shall be deemed to relieve Developer of its obligations under this Agreement or its liability for failure to perform its obligations under this Agreement.

10.3 Certificate of Compliance: At any time during the term of this Agreement, any Mortgagee or other party may by written notice given by certified mail or by personal delivery request any party to this Agreement to confirm that to the best of such party's knowledge, no defaults exist under this Agreement or if defaults do exist, to describe the nature of such defaults and such other matters as are reasonable under the circumstances. Each party hereby agrees to provide a certificate to such lender or other party within ten (10) business days of the request therefor. The failure of any party to provide the requested certificate within such ten (10) business day period shall constitute a confirmation that to the best of such party's knowledge, no defaults exist under this Agreement.

11. MISCELLANEOUS:

11.1 Entire Agreement: This Agreement constitutes the entire understanding and agreement of the parties. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof. The designation of any provision herein as material does not create any inference that any other provision herein is immaterial.

11.2 Waivers: All waivers of the provisions of this Agreement must be in writing and signed by the appropriate officers of the County or Developer, as the case may be.

11.3 Recording; Amendments: Promptly after the Effective Date, a Memorandum of Final Development Agreement in the form of Exhibit "M" attached hereto shall be executed by Developer and County and recorded in the official records of Washoe County, Nevada in compliance with NRS Section 278.0203 and Section 110.814.85 of the Code. All amendments hereto must be in writing signed by the appropriate officers of the County and Developer, in a form suitable for recording in the Office of the County Recorder of Washoe County. Upon the completion of performance of this Agreement or its earlier revocation and termination, a Statement evidencing said completion or revocation signed by the appropriate officers of the County and Developer shall be recorded in the official records of Washoe County, Nevada.

11.4 Incorporation of Recitals: The recitals are specifically incorporated into this Agreement.

11.5 Invalidity: If any term, provision, covenant or condition of this Agreement shall be determined invalid, void or unenforceable, the remainder of this Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to perform taking into consideration the purposes of this Agreement. Notwithstanding the foregoing, the development rights set forth in Section 5 of this Agreement are essential elements of this Agreement and Developer would not have entered into this Agreement but for such provisions, and therefore in the event such provisions are determined to be invalid, void or unenforceable, this entire Agreement shall be terminable by Developer.

11.6 Release of Lot/Common Area: Notwithstanding any other provisions of this Agreement, this Agreement shall terminate with respect to any legal lot within the Property, and such lot shall be released and no longer be subject to this Agreement, without the execution or recordation of any further document, when a certificate of occupancy has been issued for a Dwelling Unit on such lot. This Agreement shall further terminate with respect to any lot designated in the Site Plan, this Agreement, or the Development Approvals for open space, or as on Maintenance Association "common element" upon completion of all improvements required for that lot as identified in the Development Approvals.

11.7 Time of Essence: Time is of the essence for each provision of this Agreement of which time is an element.

11.8 Further Actions: Each of the parties shall cooperate with and provide reasonable assistance to the other to the extent contemplated in the performance of all obligations under this Agreement and the satisfaction of the conditions of this Agreement. Upon the request of either party at any time, the other party shall promptly execute, with acknowledgment or affidavit if reasonably

required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of this Agreement or to evidence or consummate the transactions contemplated by this Agreement.

11.9 Headings: The headings to each section are inserted only as a matter of convenience and reference and in no way define, limit or describe the scope or intent of this Agreement, nor do they in any way affect this Agreement.

11.10 Interpretation: This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement, all parties having been represented by counsel in the negotiation and preparation hereof.

11.11 Section Headings: All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

11.12 Singular and Plural: As used herein, the singular of any word includes the plural.

11.13 No Third Party Beneficiaries: This Agreement is made and entered into for the sole protection and benefit of the parties and their successors and assigns. No other person shall have any right of action based upon any provision of this Agreement.

11.14 Successors in Interest: The burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to, all successors in interest to the parties to this Agreement. All provisions of this Agreement shall be enforceable as equitable servitudes and constitute covenants running with the land. Each covenant to do or refrain from doing some act hereunder with regard to development of the Property: (a) is for the benefit of and is a burden upon every portion of the Property; (b) runs with the Property and each portion thereof; and, (c) is binding upon each party and each successor in interest during ownership of the Property or any portion thereof.

11.15 Counterparts: This Agreement may be executed by the parties in counterparts, which counterparts shall be construed together and have the same effect as if all of the parties had executed the same instrument.

11.16 Project as a Private Undertaking: It is specifically understood and agreed by and between the parties hereto that the Development of the Project is a private development, that neither party is acting and the agent of the other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. No partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship

between County and Developer is that of a government entity regulating the development of private property and the owner of such property.

11.17 Attorney's Fees: If legal action is brought by either party against the other for breach of this Agreement, or to compel performance under this Agreement, the prevailing party shall be entitled to an award of reasonable attorneys' fees and costs in addition to all other relief to which it may be entitled.

11.18 No Personal Obligation/No Completion Obligation: This Agreement in and of itself does not represent a personal obligation of Developer, its partners, or the individual shareholders of such partners, its successors or assigns. Nothing herein contained shall in and of itself be deemed to create an obligation of the Developer, its successors or assigns to complete the development of the entire Project as contemplated, or any particular portion thereof.

11.19 County Cooperation: Where this Agreement requires that the County "cooperate" or "assist" Developer, the County shall be required to act in good faith and provide general assistance as reasonably possible but shall not be required to expend any funds (unless expressly stated herein) or to work exclusively for the benefit of the Project.

IN WITNESS WHEREOF, this Agreement has been executed by the parties on the day and year first above written, as authorized by Ordinance of the County Board, to be effective on and after the Effective Date hereof.

"Developer"

LEWIS HOMES OF NEVADA

By: Lois T. Brown
Authorized Agent

COUNTY OF WASHOE, NEVADA

By: Joanne Bond
Chairman

Attest: Judi Bailey
County Clerk

"Owner"

Harold J. Curti
HAROLD J. CURTI

Barbara A. Curti
BARBARA A. CURTI

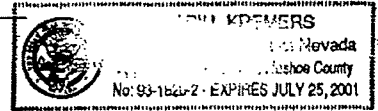
BARBARA A. CURTI, AS TRUSTEE OF THE UBALDO J. BIANCO FAMILY TRUST AGREEMENT DATED DECEMBER 8, 1975

By: Barbara A. Curti
Name: Barbara A. Curti
Title: Trustee

STATE OF NEVADA)
) SS.
COUNTY OF WASHOE)

This instrument was acknowledged before me, on _____, 199__, by Paul T. Braum, as Authorized Agent of Lewis Homes of Nevada who acknowledged that he or she executed the above instrument.

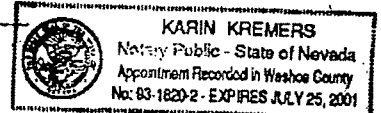
Karin Kremers



STATE OF NEVADA)
) SS.
COUNTY OF WASHOE)

This instrument was acknowledged before me, on Feb 12, 1998, by PAUL CURTIS, as (title/capacity), of Washoe County who acknowledged that he or she executed the above instrument.

Karin Kremers



STATE OF NEVADA)
) SS.
COUNTY OF WASHOE)

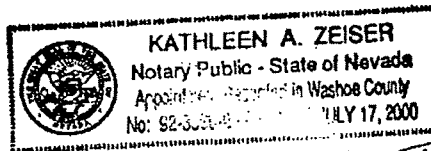
This instrument was acknowledged before me, on Feb 19, 1998, by Harold J. Curti acknowledged that he executed the above instrument.

Harold J. Curti

STATE OF NEVADA)
) SS.
COUNTY OF WASHOE)

This instrument was acknowledged before me, on Feb 19, 1998, by Barbara A. Curti who acknowledged that she executed the above instrument.

Barbara Curti



Kathleen A. Zeiser

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

This instrument was acknowledged before me, on Feb 19, 1998, by Barbara A. Curti, as Trustee of the Ubaldo J. Bianco Family Trust Dated December 8, 1975 who acknowledged that she executed the above instrument.

Barbara A. Curti

WBF:sw
9491G1359-2.RED



Kathleen A. Zeiser