DEVELOPMENT AGREEMENT
FOR SILVER HILLS SUBDIVISION

Whereas, Lifestyle Homes TND, LLC, a Nevada Limited Liability Company ("Landowner") having sole legal and equitable interest in the property referenced herein as Exhibit A and the subject of this agreement wishes to enter into an agreement with the governing body concerning the development of land as provided in NRS 278.0201 and Washoe County Development Code Article 814; and

Whereas, Washoe County, a political subdivision of the State of Nevada ("County") has the authority to execute such an agreement as authorized under NRS 278.0201; and

Whereas, both parties agree that the proposed development of the subject property as the Silver Hills Subdivision, Case No. ____________ is of such a scale and complexity that warrants the use of a development agreement.

Now, therefore, Landowner and County do hereby determine that the property defined herein as Exhibit A as may be more commonly called Silver Hills Subdivision Case No. ____________ shall be developed consistent with the standards, plans and procedures defined or referenced within this agreement (the "Agreement").


1.1 Property. Landowner is the owner of real property located in Washoe County known as Assessor’s Parcel Numbers 086-203-05, 086-232-31, 087-390-10 and 13 (the “Property”) totaling approximately 782 acres as more particularly described in Exhibit A, attached hereto, all of which are subject to the North Valleys Area Plan Element of the Washoe County Comprehensive Plan.

1.2 Project. The project that is the subject of this Agreement is a tentative map for a 680 lot single family detached home subdivision more particularly described in County application Case No. ____________ (the “Project”) and shown here as Exhibit B. Landowner agrees to develop the Property consistent with the Project as it was finally approved by County on ____________ 2009 and this Agreement. County agrees that it will work with Landowner in good faith to implement the approved Project consistent with the spirit and intent of this Agreement.
1.3 **Land Use Designation.** The Property has a land use designation of “Low Density Suburban” and is within the “Silver Knolls Suburban Character Management Area” of the North Valleys Area Plan Element of the Washoe County Comprehensive Plan.

2. **Agreement Concerning Development of the Property**

2.1 **Permitted Uses.** The Property shall be limited to single family dwellings as defined in Article 902 of the County Development Code. Uses that are customarily accessory to single family dwellings shall be permitted. Livestock, subject to the standards and limitations of the County, including the District Health Department, and the Homeowners Association for the Project shall be allowed within the Project.

Other than “cottage” industries or home based businesses controlled by the covenants, conditions and restrictions to be recorded against the Property by Landowner, no commercial, industrial or multi-family residential or non UBC manufactured home will be permitted within the Project. This prohibition shall not apply to any facility that may be erected to provide renewable energy such as, but not limited to, solar or wind energy.

2.2 **Density.** The density of development on the Property shall not exceed 1 dwelling unit per gross acre of land.

2.3 **Maximum Building Height and Size.** No dwelling within the Property shall exceed two (2) stories in height. Where any proposed dwelling within the Project will be adjacent to an existing single story dwelling along the external edge of the Property such dwelling shall be limited to one (1) story in height. Development is considered adjacent for the purposes of this section if it not separated by a road or minimum 30 foot landscape buffer.

The majority (i.e. over 50%) of the homes within the Project shall be one (1) story in height. Building sizes shall be as provided in Article 402 of the County Development Code.

2.4 **Lot Sizes.** In no case shall any lot within the Project be smaller than 21,780 square feet in size. In all cases 50% or more of the lots within the Project shall be at least 43,560 square feet in size.

2.5 **Maximum Number of Lots.** The total number of lots within the Project shall not exceed 680.

2.6 **Fencing.** With the submission of the first final map Landowner will provide a fencing plan detailing the location, height and type of any proposed fencing to be erected within the Project. Fencing limitations to be placed on all lots shall be included in the CC&Rs to be submitted to County with the final map. Said fencing plan shall be reviewed and approved by the County Design Review Committee prior to the approval of any final map. County shall assure that the review of the fencing plan by the Design Review Committee is prompt and does not depart from the spirit and intent of this Agreement.
Fencing shall primarily be “open view” consisting of, but not limited to, rail, wire mesh, wrought iron and barb wire (i.e. for livestock). The use of solid block or concrete walls will be limited to posts, pillars and similar uses and not be used for panel or wall sections. Opaque solid fencing shall be limited to dog runs and privacy areas around patios and shall not extend beyond the development pad created with the initial lot grading with each subdivision.

2.7 Landscape Plans. Prior to the recordation of the first final map for the Project, Landowner will submit landscape plans with designs that emphasize the use of native vegetation, with non-native and atypical vegetation integrated sparingly in landscaped areas. Landowner will offer at least two separate xeriscape options in front yard landscaping.

2.8 Setbacks. In order to provide a varied and interesting streetscape, front and side yard setbacks in any subdivision unit of the Project may vary from those established in Section 110.406.05.1 of County Code. Minimum setbacks will be defined with each final map and shall be determined based on minimizing grading and creating a varied streetscape. In no case will a front yard setback be less than 20 feet, a side yard setback less than 8 feet or a rear yard setback less than 30 feet.

2.9 Driveway Placement. Driveway placements on the same street shall be varied so as to avoid a homogenous appearance. Applications for final map approval shall include a plan(s) demonstrating compliance with this standard to the satisfaction of the County Director of Community Development.

2.10 Architecture. With each final map application the Landowner shall submit architectural plans for the final map phase demonstrating that no more than 10% of the homes in that phase will have the same architectural elevation.

2.11 Utilities. All homes within the Project shall be connected to community water and sewerage systems (as opposed to individual septic systems or individual wells on Lots); which community water and sewerage systems shall be constructed and financed as mutually agreed upon between County and Landowner, which financing may be through the establishment of a special assessment district or other statutorily based method of financing as may be agreed upon between County and Landowner.

2.12 Garages. Each home within the Project shall have a minimum of two (2) enclosed garage spaces.

2.13 Curbs, gutters and sidewalks. In order to maintain the rural character of the Silver Knolls community, no sidewalks will be constructed within the Project. Landowner may also provide roadside drainage ditches rather than curb and gutter. Where curb and gutter is provided it shall be “rolled curb”.

3
2.14 **Exterior Lighting.** Landowner will apply “dark sky” lighting practices in developing the Project. County will limit the amount of street lights required to be installed within the Project to the minimum necessary.

2.15 **Park Taxes.** Park taxes generated by the Project, estimated to be $680,000, will be used for improvements to the Silver Knolls Park. Specific park improvements will be determined after consultation with members of the Silver Knolls community, Landowner and lot owners within the Project.

2.16 **Open Space/Common Area.** Landowner agrees to participate in any cooperative effort to achieve an agreement on use, access, maintenance, ownership or other issues related to the collective open space, including that which is within the Project, that is in and around the Silver Knolls area. Participants in this process may include, but are not limited to, County, BLM, Silver Knolls Homeowners Association, City of Reno and the State of Nevada.

Unless otherwise determined through the process defined above, all common area within the Project will be maintained by the homeowners association formed for the Project.

Access to adjacent public lands will be provided consistent with Exhibit C “Silver Hills Open Space Access” included herein. Landowner will assure public pedestrian, equestrian and bicycle access at point 1 as shown on Exhibit C but will preclude motorized access at this location. In addition to allowing public pedestrian, equestrian and bicycle access, Landowner may also allow motorized access, with limitations, at access point 2 as shown on Exhibit C. Landowner reserves the right to limit all motorized access from the Project to public lands adjacent to the Property.

2.17 **Retention of native vegetation.** Grading for the Project will follow the concepts defined in Exhibits D and E attached hereto. Landowner will assure, through deed restrictions or other appropriate means, that no potable water is used within areas that are outside the building pad defined for each lot with the final map.

2.18 **Water Rights.** Landowner has designed Project to maximize lot sizes and retain undisturbed area within individual lots to conform to the desires of the community. In recognition of the public benefit of these design objectives and of minimizing the use of potable water consumption, County agrees to work with the Landowner to establish water right dedication duties for the Project that are based on the actual water demands of the Project. Further, once County has established such water demands or duties for the Project, County will cooperate with any effort by the Landowner to gain approval of such water duties by the Nevada State Engineer.

2.19 **Duration of Agreement.** This Agreement establishes vested rights in favor and for the benefit of the Project/Property on the terms and provisions set forth herein for the term of this Agreement, which term shall be valid for twenty years from the date of approval by the Washoe County Board of County Commissioners or until the last final map for the Silver Hills Subdivision (Case No. _____________) is recorded, whichever is earlier. By mutual written consent of the
this Agreement may be extended beyond 20 years if, at that time, all the lots within the Project have not been recorded.

2.20 **Time Frame for Filing Final Maps.** The first final map for the Project shall be filed with Washoe County within five (5) years of the date of approval of this Agreement. Subsequent filings shall be in accordance with NRS 278.360 as it is uniformly applied by County.

### 3. Miscellaneous Provisions

3.1 **Time is of the Essence.** All parties agree that time is of the essence in execution of this agreement.

3.2 **Assignment.** This Agreement shall be binding upon and inure to the benefit of all future successors in interest of Landowner and other owner(s) of the Property (exclusive of individual lot owners) in the development of the Project, provided such successor(s) shall assume the duties and obligations under this Agreement applicable to that portion of the Project owned by such successor(s).

3.3 **Entire Agreement.** This Agreement is the entire agreement and is the final expression of the parties with respect to the subject matter contained herein and supersedes all prior understandings with respect thereto.

3.4 **Waivers.** No waiver or any breach of any covenant or provision herein contained shall be deemed a waiver of any other proceeding or succeeding breach thereof or of any other covenant or provision herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of any other obligations or acts except those of the waiving party, which shall be extended by a period of time equal to the period of the delay.

3.5 **Modifications.** Modifications to this Agreement shall be defined as changes which are not in substantial compliance with the tentative map and this Agreement. Amendments, if any, shall be approved as provided in NRS 278.0205. Changes hereto which are in substantial compliance with the overall tentative map and this Agreement may be requested by Landowner and approved by the Director of Community Development. The Director of Community Development shall also decide whether or not a proposed change is in substantial compliance with the tentative map. Landowner may appeal an adverse decision of the Director of Community Development to the Board of County Commissioners by filing a written appeal with the Director of Community Development within twenty five (25) days of the adverse decision. No oral statements or representations subsequent to the execution of this agreement by either party are binding, and neither party shall have the right to rely on such oral statements or representations.
3.6 **Governing Law.** The parties acknowledge that this Agreement has been negotiated and entered into in the State of Nevada. The parties expressly agree that this Agreement shall be governed by, and interpreted under, and construed and enforced consistent with the laws of the State of Nevada and venue for any actions shall be in state district court for Washoe County, Nevada.

3.7 **Cooperation.** Any party shall, at the request of the other, at any time, execute and deliver to the requesting party all such instruments as may be reasonably necessary or appropriate to carry out or effectuate the purpose and intent of this agreement.

3.8 **Review by Counsel.** Parties acknowledge and agree that each has been given the opportunity to have this Agreement independently reviewed with legal counsel.

3.9 **Meaning of words.** Unless explicitly defined herein, all words are intended to have their plain and ordinary meanings or their meaning as defined in Article 902 of the Washoe County Development Code provided no wording shall be interpreted by any party to defeat or frustrate the implementation or completion of the Project.

3.10 **Effective Date.** The effective date for this Agreement shall be _______ 2009.

(SIGNATURES TO FOLLOW)
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of ____ 2009.

Landowner
Lifestyle Homes TND, LLC, a Nevada Limited Liability Corporation

By: ____________________________
Robert J. Lissner, Manager

County:
County of Washoe, a political subdivision of the State of Nevada, by It's Board of Washoe County Commissioners

By: ____________________________
David Humke, Chairman

Attest:

______________________________
Amy Harvey, County Clerk

State of Nevada )
 ) ss
County of Washoe )
This instrument was acknowledged before me on ____________________, 2009, by
Robert J. Lissner, Manager, Lifestyle Homes TND, LLC.

______________________________
Notary Public

My commission expires: ____________________

(3/16/09 Version)
EXHIBIT “A”
LEGAL DESCRIPTION

APN 087-203-05
THE SOUTHWEST QUARTER OF SECTION 24, TOWNSHIP 21 NORTH, RANGE 18 EAST, M.D.B.&M.


AND, ALSO EXCEPTING THEREFROM THE PARCEL OF LAND DESIGNATED AS PARCEL "B" BEING SHOWN ON SAID MAP AS "NOT A PART".

APN 087-232-31
THE NORTHWEST QUARTER; THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 24, TOWNSHIP 21 NORTH, RANGE 18 EAST, M.D.B.&M.

EXCEPTING THEREFROM ANY PORTION THEREOF LYING WITHIN THE BOUNDARIES OF "WASHOE RANCHES UNIT NO. 1, 2 AND 5", ACCORDING TO THE MAP THEREOF, FILED IN THE OFFICE OF THE COUNTY RECORDER OF WASHOE COUNTY, STATE OF NEVADA ON AUGUST 12, 1964, AUGUST 27, 1964 AND SEPTEMBER 18, 1968, RESPECTIVELY.

APN 087-390-10
A PARCEL OF LAND SITUATE WITHIN THE EAST HALF OF SECTION 23,
TOWNSHIP 21 NORTH, RANGE 18 EAST, MDM, WASHOE COUNTY, NEVADA
MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WESTERNLY RIGHT-OF-WAY
OF RED ROCK ROAD AND THE SOUTH LINE OF SAID SECTION FROM
WHICH THE SOUTHEAST CORNER OF SAID SECTION BEARS NORTH
88°00'52" EAST A DISTANCE OF 80.10 FEET;
THENCE WITH SAID SECTION LINE SOUTH 88°00'52" WEST A DISTANCE
OF 2584.75 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION;
THENCE WITH THE CENTER SECTION LINE OF SAID SECTION NORTH
00°48'19" EAST A DISTANCE OF 2718.57 FEET TO THE CENTER SECTION;
THENCE CONTINUING WITH SAID CENTER SECTION LINE NORTH
00°47'43" EAST A DISTANCE OF 2486.34 FEET TO THE NORTH QUARTER
CORNER OF SAID SECTION;
THENCE WITH THE NORTH LINE OF SAID SECTION NORTH 87°03'14" EAST
A DISTANCE OF 2594.37 FEET TO A POINT ON SAID RIGHT-OF-WAY;
THENCE WITH SAID RIGHT-OF-WAY SOUTH 00°52'40" WEST A DISTANCE
OF 2625.94 FEET;
THENCE SOUTH 00°52'43" WEST A DISTANCE OF 78.89 FEET;
THENCE DEPARTING SAID RIGHT-OF-WAY NORTH 89°07'17" WEST A
DISTANCE OF 290.40 FEET;
THENCE SOUTH 00°52'43" WEST A DISTANCE OF 250.00 FEET;
THENCE SOUTH 89°07'17" EAST A DISTANCE OF 290.40 FEET TO A POINT
ON SAID RIGHT-OF-WAY;
THENCE WITH SAID RIGHT-OF-WAY SOUTH 00°52'43" WEST A DISTANCE
OF 2303.98 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL THAT LAND DESCRIBED IN EXHIBIT "A" OF DEED
DOCUMENT 631016, RECORDED SEPTEMBER 21, 1979 IN BOOK 1432, PAGE 384
MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FROM WHICH THE SOUTHEAST CORNER OF SAID
SECTION BEARS SOUTH 79°32'24" EAST A DISTANCE OF 1165.52 FEET;
THENCE NORTH 89°08'48" WEST A DISTANCE OF 181.50 FEET;
THENCE NORTH 00°51'12" EAST A DISTANCE OF 100.00 FEET;
THENCE SOUTH 89°08'48" EAST A DISTANCE OF 183.24 FEET;
THENCE FROM A TANGENT WHICH BEARS SOUTH 04°08'56" WEST,
ALONG A CIRCULAR CURVE TO THE LEFT WITH A RADIUS OF 1054.82
FEET AND A CENTRAL ANGLE OF 03°17'44" AN ARC LENGTH OF 60.67
FEET;
THENCE SOUTH 00°51'12" WEST A DISTANCE OF 39.36 FEET TO THE
POINT OF BEGINNING.
ALSO EXCEPTING THEREFROM ALL THAT LAND DESCRIBED IN EXHIBIT "B" OF DEED DOCUMENT 631016, Recorder SEPTEMBER 21, 1979 IN BOOK 1432, PAGE 384 MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FROM WHICH THE SOUTHEAST CORNER OF SAID SECTION BEARS SOUTH 23°43'54" EAST A DISTANCE OF 917.01 FEET;
THENCE NORTH 08°48'38" WEST A DISTANCE OF 125.00 FEET;
THENCE NORTH 81°11'22" EAST A DISTANCE OF 50.00 FEET;
THENCE SOUTH 08°48'38" EAST A DISTANCE OF 50.00 FEET;
THENCE SOUTH 81°11'22" WEST A DISTANCE OF 30.00 FEET;
THENCE SOUTH 08°48'38" EAST A DISTANCE OF 75.45 FEET;
THENCE FROM A TANGENT WHICH BEARS SOUTH 83°47'41" WEST ALONG A CIRCULAR CURVE TO THE LEFT WITH A RADIUS OF 440.00 FEET AND A CENTRAL ANGLE OF 02°36'19" A DISTANCE OF 20.01 FEET TO THE POINT OF BEGINNING.

SAID PARCEL FURTHER DESCRIBED AS PARCEL 1 AS SHOWN IN SURVEYS RECORDED MARCH 04, 2004, AS INSTRUMENT NO. 3002373 ON FILE IN THE OFFICE OF THE COUNTY RECORDER, WASHOE COUNTY, NEVADA.

NOTE: THE ABOVE METES AND BOUNDS DESCRIPTION PREVIOUSLY APPEARED IN THAT CERTAIN DOCUMENT RECORDED MARCH 04, 2004 IN BOOK N/A OF OFFICIAL RECORDS AS INSTRUMENT NO. 3002372, WASHOE COUNTY, NEVADA.

APN 087-390-13
A PARCEL OF LAND SITUATE WITHIN A PORTION OF THE WEST 1/2 OF SECTION 23, TOWNSHIP 21 NORTH, RANGE 18 EAST, M.D.M., WASHOE COUNTY, NEVADA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTH QUARTER CORNER OF SAID SECTION 23, BEING MARKED BY A U.S.G.L.O. BRASS CAP MONUMENT DATED "1942", THENCE ALONG THE NORTH-SOUTH CENTERLINE OF SAID SECTION 23 SOUTH 00°47'43" WEST A DISTANCE OF 2496.34 FEET TO THE CENTER OF SAID SECTION 23, MARKED BY A 2" BRASS CAP MONUMENT SET IN CONCRETE STAMPED "RLS 1004", DATED "1975";
THENCE CONTINUING ALONG THE NORTH-SOUTH CENTERLINE OF SAID SECTION 23 SOUTH 00°48'19" WEST A DISTANCE OF 2718.57 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION 23, BEING MARKED BY A U.S.G.L.O. BRASS CAP MONUMENT DATED "1942";
THENCE ALONG THE SOUTH LINE OF SAID SECTION 23 SOUTH 88°00'16" WEST A DISTANCE OF 1999.57 FEET;
THENCE LEAVING SAID LINE NORTH 00°21'56" EAST A DISTANCE OF 2785.13 FEET TO THE EAST-WEST CENTERLINE OF SAID SECTION 23; THENCE NORTH 01°54'25" EAST A DISTANCE OF 2580.09 FEET TO THE NORTH LINE OF SAID SECTION 23; THENCE ALONG SAID LINE SOUTH 87°40'49" EAST A DISTANCE OF 1969.20 FEET TO THE POINT OF BEGINNING.

SAID PARCEL FURTHER DESCRIBED AS PARCEL 1 AS SHOWN IN SURVEYS RECORDED NOVEMBER 23, 2005 AS INSTRUMENT NO. 3312070 ON FILE IN THE OFFICE OF THE COUNTY RECORDER, WASHOE COUNTY, NEVADA.

NOTE: THE ABOVE METES AND BOUNDS DESCRIPTION PREVIOUSLY APPEARED IN THAT CERTAIN DOCUMENT RECORDED NOVEMBER 23, 2005 IN BOOK N/A OF OFFICIAL RECORDS AS INSTRUMENT NO. 3312069, WASHOE COUNTY, NEVADA.

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

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3-9-2009
NOTES
1. APPLIES TO THE FOLLOWING LOTS FOUND ON THE PRELIMINARY GRADING, DRAINAGE AND EROSION CONTROL PLAN FOR SILVER HILLS DATED MARCH 16, 2009:
   EAST SIDE LOTS: 1 THRU 37, 49 THRU 51, 54 THRU 73, 75, 76, 82, 84 THRU 109, 131 THRU 139, 142 THRU 150, 160 THRU 165, 168 THRU 175, AND 177 THRU 183.
2. ACTUAL LOT DETAILS MAY VARY WITH FINAL MAP AND FINAL CIVIL IMPROVEMENT DESIGN.

- Approx. Limits of Grading
- Native Vegetation to Be Preserved (varies)
- Cut or Fill Slope to Catch Existing Ground (varies)
- Limits of Pad
- 3:1 Cut or Fill Slope
- Building Footprint
- Lot Depth Varies (181.5’ at min. lot width)
- 60.00
- Right of Way
- Lot Width = 120’ min.
- Street

Exhibit D
Typical Lot Grading
1/2 Acre Lot

Scale 1” = 50’

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SUMMIT ENGINEERING CORPORATION
1405 MAE ANNE AVE., RENO, NV 89523
NOTES

1. APPLIES TO THE FOLLOWING LOTS FOUND ON THE PRELIMINARY GRADING, DRAINAGE AND EROSION CONTROL PLAN FOR SILVER HILLS DATED MARCH 16, 2009:
   EAST SIDE LOTS: 1 THRU 37, 49 THRU 51, 54 THRU 73, 75, 76, 82, 84 THRU 109, 131 THRU 139, 142 THRU 150, 160 THRU 165, 168 THRU 175, AND 177 THRU 183.
2. ACTUAL LOT DETAILS MAY VARY WITH FINAL MAP AND FINAL CIVIL IMPROVEMENT DESIGN.