

OFFICIAL RECORD

Requested By:
DC/COMMUNITY DEVELOPMENT

Assessor's Parcel Number: N/A

Date: MARCH 14, 2011

Recording Requested By:

Douglas County - NV
Karen Ellison - Recorder
Page: 1 Of 48 Fee: 0.00
BK-0311 PG- 2776 RPTT: 0.00



Name: JEANE COX, COMMUNITY DEVELOPMENT

Address: _____

City/State/Zip: _____

Real Property Transfer Tax: \$ N/A

AGREEMENT #2011.046

(Title of Document)

FILED

2011.046

2011 MAR 14 PM 3: 09

DOUGLAS COUNTY

SECURITY AND IMPROVEMENT AGREEMENT

***** SUBDIVISION/PARCEL MAP REFERENCE DATA *****

THAN CLERK
[Signature]

FINAL MAP NO. N/A ("Final Map" herein)

TENTATIVE PARCEL MAP/SUBDIVISION NO. (If Applicable) N/A ("Project" herein)

DEVELOPER:

James J. "Butch" Peri

(Name of Person or Business Entity)

P.O. Box 18708

(Street Address)

Reno, NV 89511

(City) (State) (Zip)

PLANNING COMMISSION APPROVAL DATE (If Applicable) _____

BOARD OF COMMISSIONERS APPROVAL DATE (If Applicable) 01/07/10

ADMINISTRATIVE HEARING PANEL APPROVAL DATE (If Applicable) _____

SITE IMPROVEMENT PERMIT NO. 00663 ("Improvement Plans" herein)

ESTIMATED COSTS: IMPROVEMENTS: \$ 277,581

FORM OF IMPROVEMENT SECURITY: Cash
 Certificate of Deposit
 Letter of Credit

NAME AND ADDRESS OF ISSUER OF ~~LETTER OF CREDIT~~ CERTIFICATE OF DEPOSIT

Wells Fargo Bank

(Name of Person or Business Entity)

5340 Kietzke Lane, Suite 200

(Street Address)

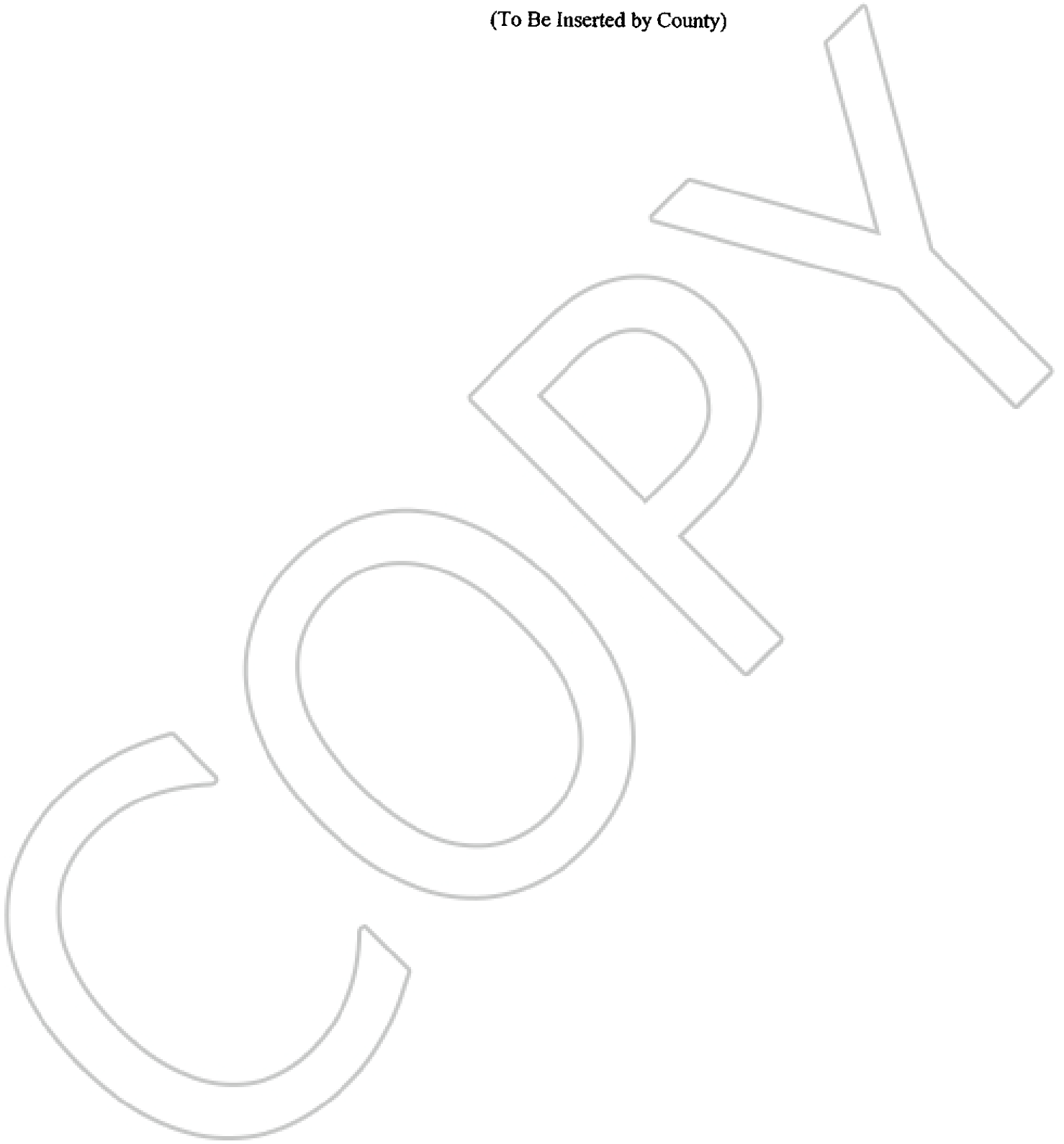
Reno, NV 89511

(City) (State) (Zip)

EFFECTIVE DATE OF AGREEMENT: 01/13/10

Recording Date of ~~Final Map~~ Development Agreement 2010.003

(To Be Inserted by County)



Assessor's Parcel Number: N/A

Recording Requested By:

Name: Cynthia Gregory, Deputy District Attorney

Address: _____

City/State/Zip: _____

Mail Tax Statements to:

Name: _____

Address: _____

City/State/Zip: _____

Please complete Affirmation Statement below:

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

-OR-

I the undersigned hereby affirm that this document submitted for Recording contains the social security number of a person or persons as required by law: _____ (state specific law)

Cynthia Gregory
Signature (Print name under signature)

Deputy District Attorney
Title

Correction Agreement - Re-recording to include Exhibits A-L to Development Agreement

(Title of Document)

If legal description is a metes & bounds description furnish the following information:

Legal description obtained from: _____ (Document Title), Book: _____ Page: _____
Document # _____ recorded _____ (Date) in the Douglas County Recorders Office.

-OR-

If Surveyor, please provide name and address:

This page added to provide additional information required by NRS 111.312 Sections 1-4.

(Additional recording fees apply)

DEVELOPMENT AGREEMENT

Between
DOUGLAS COUNTY,
a political subdivision of the State of Nevada
P.O. Box 218
Minden, NV 89423
(775)782-9821
(Hereafter referred to as "COUNTY")

And
PERI ENTERPRISES, LLC
a Nevada Limited Liability Company
Post Office Box 35
Yerington, NV 89447
(775) 852-3640
Hereafter referred to as "OWNER"

BK- 0311
PG- 2780
0779958 Page: 5 Of 48 03/15/2011

1. RECITALS

1.1 COUNTY and OWNER are authorized, pursuant to Nevada Revised Statutes 278.0201 to 278.0207, inclusive, and Douglas County Code 20.400.010 to 20.400.060, to enter into a binding development agreement, (hereafter "Agreement") 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.

1.2 OWNER privately owns real property north of Pinenut Road, east of US 395 and southeast of the proposed Muller Parkway, in Douglas County, State of Nevada, APNs 1220-11-002-003, 1220-11-002-002, 1220-11-001-040, 1220-10-701-009 and 1220-11-002-001 as more particularly described in the attached Exhibit "A", (hereafter referred to as the "PROPERTY"). OWNER's interest in the PROPERTY is described in Exhibit "A-1" attached and incorporated by reference.

1.3 The PROPERTY currently has a Master Plan designation of Commercial, Receiving Area and Agriculture. OWNER currently has an application for an amendment to the Douglas County Master Plan to change the land use of the PROPERTY, (i) from Receiving Area (RA) to Commercial (C) on approximately 37.75 acres on a portion of APNs 1220-11-002-002 and 1220-11-001-040; (ii) from Agriculture (AG) to Commercial (C) on approximately 20.15 acres on a portion of APNs 1220-11-001-040, 1220-11-002-003 and 1220-11-002-002; and (iii) amend the Transportation Element and Maps to relocate Pinenut Road as it intersects with the proposed Muller Parkway. Additionally the OWNER is seeking a zoning map amendment for general commercial zoning over the entire area described above, as well as on APNs 1220-10-701-009 and 1220-11-002-001 and an application for the abandonment of a portion of Pinenut

Road. All of the applications are anticipated to be heard during the next Master Plan cycle. This Agreement does not constitute COUNTY approval of the OWNER's master plan, zoning and abandonment applications. COUNTY retains the right in its sole and absolute discretion to approve, conditionally approve or deny any development applications presented by the OWNER.

1.4 Both Parties would benefit from this Agreement. OWNER would receive a valuable land use designation over the PROPERTY which would allow OWNER to pursue commercial development; however pursuant to this Agreement, the OWNER would be required to provide significant public improvements, in lieu of providing Transfer Development Rights (TDR) as anticipated under the current land use designation of the property. The new and additional on-site and off-site public improvements would provide a benefit to the residents of Douglas County. The public improvements, as set forth in this Agreement, will be constructed as a result of the master plan amendments rather than a final map, the public improvements are anticipated to be commenced within three (3) years and completed within seven (7) years, and OWNER and COUNTY will work cooperatively to address storm-flood water plans in this area.

1.5 County additionally acknowledges that certain public objectives it wishes to attain will be furthered by this Agreement, including facilitating the implementation of the Master Plan: Transportation Element by the dedication of approximately 6.01 net acres of additional land for Pinenut Road re-aligned, dedication of approximately 5.8 acres for Muller Parkway, and construction of approximately 3.75 lane miles of public improvements. The benefits of this Agreement will further the comprehensive planning objectives contained in the Master Plan: Transportation Element and provide public benefits such as fulfilling long term economic goals for the County, providing important public improvements, opportunity for commercial development, short-term construction employment and long-term permanent employment, and coordinating the implementation of the County transportation plan and anticipated storm-flood water master plan element.

1.6 COUNTY and the OWNER recognize construction of public improvements are not required as conditions to Master Plan amendments, but are typically required with commercial subdivision/planned development maps. If the Master Plan amendments, zoning map amendments and abandonment are approved or conditionally approved the OWNER anticipates the commercial area of the PROPERTY being developed as a shopping center/retail use and the adjacent property with the receiving area land use designation being developed as an office/business park. In order to facilitate the master plan amendments and subsequent development, the OWNER agrees to finance, design, construct, warranty, dedicate and maintain the new and additional on-site and off-site public improvements as set forth in this Agreement.

1.7 OWNER understands and agrees that development of the PROPERTY, pursuant to the proposed land use designations, will create a need for new and additional on-site and off-site public improvements to serve the PROPERTY, including but not limited to: realignment of Pinenut Road; construction of Muller Parkway between U.S. Highway 395 (hereafter US 395) and the north-west property line of APN 1220-11-001-040; construction of an intersection at Muller Parkway/Pinenut Road re-aligned, including traffic control devices and public

improvements; and modification of the intersection at US 395/Pinenut Road including modifications to the current traffic control devices, landscaping, public improvements and dedication of additional land for traffic lanes.

The Parties desire to enter into this Agreement, which will provide for the rights and responsibilities between the COUNTY and OWNER, including new and additional on-site and off-site public improvements to serve the PROPERTY.

NOW THEREFORE, in consideration of the foregoing, the COUNTY and OWNER agree as follows:

2. SELECTED DEFINITIONS

2.1 "Public improvements" means roadway improvements or facilities either on-site or off-site for streets and traffic as defined and required by the Douglas County Design Criteria and Improvements Standards, Douglas County Code and any future storm-flood water Master Plan regulations. Improvements include, but are not limited to, all rights-of-way, land dedications, streets, utilities, curbs, gutters, medians, parkways, landscaping, pedestrian and bike paths, sidewalks, street lights, storm drains, storm-flood water improvements, traffic signals or directional devices, together with any appurtenant structures or facilities.

2.2 "Master Plan" means the Douglas County Master Plan adopted April 18, 1996 by Resolution 96R-17, as amended from time to time.

2.3 "OWNER" means Peri Enterprises, LLC, and other persons or entities or associations which hold any legal or equitable interest in the Property. "OWNER" also includes any successors-in-interest to any or all of the foregoing. This Agreement may not be assigned unless approved of by the COUNTY in writing.

3. DESCRIPTION OF MASTER PLAN AMENDMENTS, ZONING MAP AMENDMENTS AND ABANDONMENT

3.1 Current Property Description: The OWNER owns approximately one hundred and fifty-one (151) acres adjacent to US 395 in Gardnerville, Nevada, northeast of the intersection with Riverview Drive and north of Pinenut Road. A portion of the acreage contains the PROPERTY, see Exhibit "A", APNs 1220-11-002-003, 1220-11-002-002, 1220-11-001-040, 1220-10-701-009 and 1220-11-002-001. The PROPERTY contains the southerly portion of the Muller Parkway alignment; Muller Parkway and its intersection with Pinenut Road realigned; Muller Parkway and its intersection with US 395; and, a portion of Pinenut Road east of US 395, including the portion of Pinenut Road proposed to be abandoned.

3.2 Current and Proposed Master Plan Land Use Designations. A portion of the PROPERTY currently has Master Plan land use designations of Receiving Area and Agriculture, see Exhibit "B" attached and incorporated by reference. OWNER currently has an application

for an amendment to the Douglas County Master Plan to change the land use on a portion of the PROPERTY, (i) from Receiving Area (RA) to Commercial (C) on approximately 37.75 acres on a portion of APNs 1220-11-002-002 and 1220-11-001-040; (ii) from Agriculture (AG) to Commercial (C) on approximately 20.15 acres on a portion of APNs 1220-11-001-040, 1220-11-002-003 and 1220-11-002-002. The proposed land use is depicted on Exhibit "C", attached and incorporated by reference.

3.3 Current and Proposed Zoning Designations. The PROPERTY on APNs 1220-11-002-003, 1220-11-002-002 and 1220-11-001-040 is currently zoned Agricultural-19 acre minimum (66.77 acres) and on APNs 1220-10-701-009 and 1220-11-002-001 Office Commercial (3.67 acres). The current zoning is depicted in Exhibit D, attached and incorporated. OWNER currently has an application to amend the zoning maps for the PROPERTY so the approximately 61.57 acres will be zoned General Commercial (GC) consistent with the proposed Commercial (C) land use designations. The proposed zoning is depicted on Exhibit "E", attached and incorporated by reference.

3.4 Master Plan Transportation Element and Abandonment. As part of the OWNER's Master Plan amendment application, there is also a request to amend the Transportation Element and Transportation Plan to re-align Pinenut Road as it intersects with the proposed Muller Parkway. The realignment is necessary due to the current alignment of Muller Parkway where it intersects with US 395 and current Douglas County Design Standards. The proposed amendment(s) to the Transportation Element and Transportation Plan are depicted in Exhibit "F", attached and incorporated by reference. Upon the Master Plan amendment to the Transportation Element and Transportation Plan for Pinenut Road, the dedication of Pinenut Road re-aligned, and upon the construction and maintenance of Pinenut Road re-aligned, the COUNTY will no longer require the existing portion of Pinenut Road, just east of US 395, as it will no longer be used for public use, street or roadway purposes and thus should be abandoned. The current location of Pinenut Road, the proposed re-alignment of Pinenut Road, and area to be abandoned are depicted on Exhibit "G".

3.5 Development of the PROPERTY is currently planned to include a variety of commercial uses, but no residential uses. The PROPERTY may be developed to the density and intensity permitted by existing and future development approvals. Future development and improvements of the PROPERTY, including the maximum height and size of proposed buildings will be determined with future development applications.

4. OWNER OBLIGATIONS/PUBLIC IMPROVEMENTS

4.1 Upon final COUNTY approval or conditional approval of the OWNER's applications for master plan amendments, zoning map amendments and abandonment for the PROPERTY as described above in Section 3, OWNER will dedicate, finance, design, construct and maintain the public improvements as outlined in this Section and Agreement.

4.2 OWNER agrees to dedicate, in fee, to COUNTY for public use, street, highway, and drainage purposes the section of Muller Parkway, a minimum 105 feet in width, approximately 5.8 acres, generally described in Document 0658212, Book 1005, Page 8588 and generally depicted in Exhibit "H" attached hereto and incorporated by reference. OWNER also agrees to dedicate additional land to accommodate public improvements based on the final design of the improvements.

4.3 OWNER agrees to dedicate, in fee, to COUNTY for public use, street, highway, and drainage purposes the section of Pinenut Road re-aligned through the PROPERTY, a minimum 80 feet in width, approximately 6.01 acres, generally described in the attached drawing, "Proposed Pinenut Road Realignment" hereafter referred to as Exhibit "G" attached hereto and incorporated by reference. OWNER will dedicate, in fee, to COUNTY for public use, street, highway, and drainage purposes land necessary for a cul-de-sac at the easterly terminus of the Pinenut Road area proposed to be abandoned. OWNER also agrees to dedicate additional land to accommodate public improvements based on the final design of the improvements. Additionally, OWNER will be solely responsible for obtaining and dedicating, in fee, to the COUNTY land from the adjoining parcel currently owned by Barton Healthcare Systems, APN 1220-10-601-004, which is necessary for the Muller Parkway/Pinenut Road Intersection.

4.4 OWNER will cause good and sufficient instrument(s) to be executed and delivered to effectuate the conveyances and dedications as described above in paragraphs 4.2 and 4.3 simultaneously with its amended Master Plan application. COUNTY will review the instruments of dedication concurrently with its review of the OWNER's Master Plan amendments, zoning map amendments and abandonment. Upon COUNTY approval of the Master Plan amendments, the COUNTY will take immediate action to review the conveyances and dedications. If the instruments are accepted they will be acknowledged by the COUNTY and immediately recorded.

4.5 OWNER will finance, design, construct, maintain and warranty the following public improvements:

(a) Muller Parkway: As shown on Exhibit "T", attached and incorporated by reference, construct four lanes on Muller Parkway between US 395 and Pinenut Road re-aligned; and construct two lanes on Muller Parkway between Pinenut Road re-aligned and the north-west property line of APN 1220-11-001-040. The design, including construction drawings, must include all public improvements required for the ultimate build-out configuration.

(b) Pinenut Road: Re-alignment of Pinenut Road, as shown on Exhibit "G" in accordance with Douglas County Design Criteria and Improvement Standards as shown on Exhibit "J" titled "PINENUT ROAD RE-ALIGNMENT" attached hereto and incorporated by reference. The design, including construction drawings, must include all public improvements required for the ultimate build-out configuration.

(c) Muller Parkway/Pinenut Road Intersection: Construct at least a single lane roundabout or other traffic control device, such as a traffic signal, leaving sufficient land to

accommodate an ultimate dual lane roundabout with a right-turn bypass lane as shown on Exhibit "K" attached hereto and incorporated by reference. The design, including construction drawings, must include all public improvements required for the ultimate build-out configuration.

(d) US 395/Muller Parkway Intersection: As shown on Exhibit "L", attached and incorporated by reference, construct the Muller Parkway approach to provide a right-turn lane, through lane, and dual left-turn lanes.

4.6 Commencement and Completion Periods. OWNER must commence and complete construction of the public improvements, which are the subject of this Agreement, as follows:

(a) The improvements described in Section 4.5, including the incorporated exhibits and any site improvement permit requirements must be commenced within three (3) years of the effective date of final COUNTY approval of the proposed Master Plan amendments, as described in Section 3 and this Agreement.

(b) All of the improvements described in Section 4, including all of the incorporated exhibits, must be completed, operational and have been issued a notice of completion, within seven (7) years of the effective date of final COUNTY approval of the proposed Master Plan amendments, as described in Section 3 of this Agreement.

(c) If OWNER fails to complete all of the public improvements in accordance with the time frame designated in subsection (b) above, OWNER must provide COUNTY with 376 "Transfer Development Rights." The COUNTY may choose to enforce the purchase of "Transfer Development Rights" as a lien on the PROPERTY. Additionally, before a certificate of occupancy for any structure built on any portion of the PROPERTY may be issued, all of the public improvements described in section 4 must be completed and receive a notice of completion.

4.7 Standards and Code. Commencement and completion of the public improvements must conform to the applicable requirements of Nevada Revised Statutes and the Douglas County Code.

4.8 Applicable Ordinances, Resolutions And Regulations. The OWNER shall comply with all ordinances and fees adopted by the COUNTY now and in the future. Development of the PROPERTY must comply with all applicable County ordinances and Title 20 of the Douglas County Code.

4.9 Additional public improvements will be needed as the region is developed. These improvements include, but are not limited to, widening Muller Parkway to four lanes north of Pinenut Road, including curb, gutter and sidewalk improvements, to the north-west property line of APN 1220-11-001-040, constructing the additional lanes through the roundabout or traffic control device at the Muller Parkway/Pinenut Road re-aligned intersection, and sidewalk

improvements adjacent to Pinenut Road. The COUNTY is not responsible for any public improvements required for development of the area. The OWNER, its assigns and future development(s) will be responsible for the public improvements. Any development of the approximately 18.68 acres of Receiving Area (RA) located on APN 1220-11-001-040 will require the OWNER, its assigns or successors, to construct and warranty the additional public improvements delineated above, including full frontage improvements.

5. WARRANTY AND MAINTENANCE

5.1 Warranty. OWNER warrants that all public improvements constructed or installed pursuant to this Agreement will be free from defects in material, construction, and design for one (1) calendar year from the date the public improvement is accepted by the COUNTY, as certified by a notice of completion issued by the County Engineer. The acceptance procedure will work in the following manner:

5.1.1 At the completion of roadway improvements specified by the COUNTY, OWNER must request in writing that the COUNTY inspect the completed public improvements.

5.1.2 The COUNTY must then conduct the requested inspection within twenty (20) calendar days of receipt of the request for inspection. Each request for inspection must be in writing, delivered personally or sent by certified mail (postage prepaid, return receipt requested), or by a recognized courier, and addressed to the COUNTY as set forth in Section 14. Each request for inspection is deemed to have been received: (1) when delivered, if delivered personally; (2) on the third business day after the date of mailing if mailed by certified mail; or (3) on the date officially recorded as delivered according to the record of delivery if delivered by courier.

5.1.3 The public improvements to be inspected must be ready and prepared for inspection and must not be covered up or otherwise obscured or concealed. If the public improvements are covered up, obscured, or are otherwise concealed, OWNER shall uncover and make them ready for inspection at OWNER's expense. The time for COUNTY inspection begins after the OWNER makes the improvements available for inspection.

5.1.4 If the COUNTY finds the public improvements or any portion thereof to be unacceptable, the COUNTY must describe the defective work or materials in writing and set forth a reasonable time in which OWNER must remedy such defective work or materials. Upon completion of such remedy the OWNER may request in writing another inspection and such inspection must be conducted in accordance with the provisions of this Section 5.1.

5.1.5 If the COUNTY fails to conduct the requested inspection within the time period set forth in section 5.1.2 above, the one (1) calendar year warranty period begins to run twenty (20) calendar days from receipt of the request for inspection. Each request for inspection must be in writing, delivered personally or sent by certified mail (postage prepaid, return receipt requested), or by a recognized courier, and addressed to the COUNTY as set forth in Section 14.

Each request for inspection is deemed to have been received by the Party to whom it was addressed (1) when delivered, if delivered personally; (2) on the third business day after the date of mailing if mailed by certified mail; or (3) on the date officially recorded as delivered according to the record of delivery if delivered by courier. The COUNTY still retains the right to inspect and to accept the public improvements during the one (1) year warranty period.

5.2 Maintenance. Owner must maintain all public improvements for the warranty period specified in section 5.1 of this Agreement. Upon notice from the COUNTY that a public improvement has not been maintained or is in need of repair or modification during the warranty period, OWNER shall expeditiously maintain, repair or modify the roadway improvement; provided, however, that OWNER shall not be responsible to repair or replace improvements damaged by persons other than OWNER or its contractors, representatives, employers, or agents. The OWNER shall post a warranty bond or other form of security acceptable to the COUNTY for the warranty period. The amount of the warranty bond/security must be equal to an amount established by an approved engineer's estimate for cost of replacement of improvements. The issuer of the warranty bond/security must be acceptable to the COUNTY.

6. COUNTY'S OBLIGATIONS

6.1 Right of Entry for Public Improvements. COUNTY shall provide the OWNER with a right of entry, to allow access to the area dedicated to the COUNTY as described in Section 4 and other areas deemed necessary by the COUNTY; ability to construct the public improvements, facilities and infrastructure as described in Section 4.5 and depicted in the incorporated Exhibits; and the right of entry shall provide other provisions necessary to protect the COUNTY from liability for work undertaken by the OWNER or its agents including indemnification provisions.

6.2 Storm-Flood Water Master Plan. The PROPERTY will likely be subject to the COUNTY's anticipated Storm-Flood Water Master Plan. The COUNTY shall include the OWNER in the discussion and formation of the COUNTY's Storm-Flood Water Master Plan. COUNTY shall cooperate with the OWNER regarding anticipated regulations that may effect the construction of the public improvements in Section 4.

6.3 Periodic Review. The COUNTY must review the terms or conditions of the Agreement at least once every twenty-four (24) months to ensure that OWNER has complied with the terms of this Agreement. Upon completion of this review the COUNTY must notice the OWNER in writing of the results of the review. Within thirty (30) days of mailing the written notice to the OWNER, the COUNTY must place a copy of the results of the review on the agenda of the Board of County Commissioners for Douglas County, Nevada, for consideration and action. If the Board determines that OWNER has not complied with the terms of this Agreement, the Board may cancel or amend this Agreement as provided in NRS 278.0205 and Douglas County Code section 20.400.060.

7. COOPERATION

The OWNER and COUNTY agree they will cooperate with each other in the implementation of this Agreement.

8. FURTHER COUNTY APPROVALS

Commercial Subdivision Map/Planned Development/Development Applications. The COUNTY retains authority to review, in accordance with NRS 278.320, *et seq.*, NRS Chapter 278A, and Douglas County Code, future development applications, tentative map(s) and final map(s), and to approve, conditionally approve or disapprove any future development application(s), tentative map(s) or final map(s) consistent with the applicable law.

9. CONSISTENT WITH MASTER PLAN

The COUNTY agrees that the terms of this Agreement are consistent with the Master Plan, as amended from time to time.

10. TERM

The term of this Agreement will be ten (10) years from the effective date of approval, or until all formal obligations have been satisfied, whichever is later. The term may be extended by written agreement of the Parties.

11. BINDS ONLY PARTIES AND SUCCESSORS-IN-INTEREST

The terms of this Agreement bind only the Parties to this Agreement and their successors, grantees, and assigns. This Agreement is made and entered into for the sole protection and benefit of the Parties and their successors and assigns. This Agreement does not create, and may not be construed as creating, any third-party rights of action in any other person or entity.

12. EVENTS OF DEFAULT

12.1 Default Procedure. In the event of an alleged default or breach of any material terms or conditions of this Agreement, the Party alleging a default or breach must give the other Party not less than ninety (90) days notice in writing, which must specify the nature of the alleged default and the manner in which the default may be satisfactorily remedied. After notice and expiration of the ninety (90) day period, the non-defaulting party to this Agreement, at its option, may determine that the default has been cured or may institute legal proceedings pursuant to this Agreement. If the COUNTY is the non-defaulting party, it may give notice of intent to terminate pursuant to NRS 278.0205; if the default is not of the type that could reasonably be cured within ninety (90) days, no action against the defaulting party may be taken during such time that the defaulting party is diligently working to cure the default. If notice of intent to terminate is given by the COUNTY, the matter must be scheduled for consideration and review

by the Board of County Commissioners. OWNER will have the opportunity to be heard orally or in writing before the Board of County Commissioners prior to any unilateral termination by County. Following consideration of the facts and evidence presented in the review before the Board of County Commissioners, the COUNTY may give written notice of termination of this Agreement to OWNER.

12.2 Events of Default. The following constitute events of default under this agreement:

- (a) OWNER's failure to commence or complete construction in accordance with section 4.6 of this Agreement. OWNER may not be deemed to be in default, and timely performance will be excused, where delays or defaults are caused by war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, restrictions imposed by governmental entities other than the COUNTY or by entities providing utilities, enactment of new and conflicting state or federal laws or regulations, litigation, or similar matters beyond the control of OWNER. OWNER must give the COUNTY written notice of any such delay and must indicate the phases or areas of work that are affected by the delay.
- (b) OWNER's failure to remedy any defective construction of any improvement, facility, or utility that is found to be defective within the one (1) year warranty period and of which OWNER is notified by the COUNTY in writing as outlined in this Agreement.
- (c) The OWNER's insolvency, the appointment of a receiver for the OWNER or the filing of a voluntary or involuntary petition in bankruptcy court regarding OWNER.
- (d) The completion of any foreclosure proceedings with respect to any lien against the PROPERTY or any conveyance of the PROPERTY in lieu of foreclosure.
- (e) A material breach by OWNER or by the COUNTY of any provision of this Agreement.
- (f) An action taken by the COUNTY which is not related to health, safety or welfare, and which directly and substantially affects OWNER's rights under this Agreement.

13. REMEDIES

13.1 Monetary Damages. The COUNTY and the OWNER agree that neither party would have entered into this Agreement if it were to be liable for damages under or with respect to this Agreement, except for the amounts obligated in this Agreement. Accordingly, the COUNTY and the OWNER may pursue any remedy at law or equity available for breach, except that the COUNTY will not be liable to the OWNER or to any other person for any monetary damages whatsoever. COUNTY and OWNER shall bear their own costs and attorney's fee, in

any dispute regarding or arising from this Agreement.

13.2 Upon COUNTY approval or conditional approval of the OWNER's master plan amendment(s), zoning map amendment(s) and abandonment, the COUNTY may sue for specific performance and the installation of those facilities that are necessary to health, safety or welfare if OWNER defaults under this Agreement and fails or refuses to perform as required in this Agreement.

14. NOTICES

All notices under this Agreement shall be sent, via in writing, delivered personally or sent by certified mail (postage prepaid, return receipt requested), or delivered by a recognized courier, and addressed to the COUNTY as set forth below. Each request for inspection is deemed to have been received by the Party to whom it was addressed (1) when delivered, if delivered personally; (2) on the third business day after the date of mailing if mailed by certified mail; or (3) on the date officially recorded as delivered according to the record of delivery if delivered by courier.

County: Director
Community Development Department
Post Office Box 218
Minden, Nevada 89423

Copy to: District Attorney
District Attorney's Office
Post Office Box 218
Minden, NV 89423

Owner: Peri Enterprises, LLC
Post Office Box 35
Yerington, NV 89447

Copy to: T. Scott Brooke, Esq.
Brooke Shaw Zumpf
1590 Fourth Street, Suite 100
Minden, Nevada 89423

15. HOLD HARMLESS

Regardless of the coverage provided by any insurance, OWNER agrees to indemnify and save and hold the COUNTY, its agents and employees harmless from any and all claims, causes of action or liability arising from the performance of this Agreement by OWNER or OWNER's agents or employees. OWNER shall indemnify and save and hold the COUNTY, its officials, employees, and authorized representatives and their employees harmless from and against any and all suits; actions, legal or administrative proceedings, arbitrations, claims, demands,

damages, liabilities, attorney fees, court costs, interest, and expenses of whatsoever kind or nature, including those arising out of injury to, or death of, OWNER's agents or employees, or third parties, whether arising before or after completion of the work under this Agreement, that are in any manner caused, occasioned, or contributed to in whole or in part by reason of any negligent act, negligent omission, or fault or willful misconduct, whether active or passive, of OWNER or of anyone who is acting under OWNER's direction or control or on its behalf in connection with the performance of this Agreement. Notwithstanding any provision to the contrary, OWNER's indemnity and hold harmless obligations shall not apply in the event of the sole negligence, whether active or passive, or the willful misconduct of the COUNTY.

16. MERGER

This Agreement constitutes the entire understanding of the Parties and all prior negotiations and understandings are merged into this Agreement. This Agreement does not modify any presently existing conditions of approval for the PROPERTY.

17. AMENDMENTS

This Agreement may be amended by the Parties by a written agreement that is adopted by the COUNTY through an ordinance in compliance with NRS 278.020 through 278.0207, inclusive. It is possible minor modifications to the planned alignment of Muller Parkway or Pinenut Road, subject to the agreement of the Parties, may be requested. Minor modifications to the alignment(s) shall be governed by NRS 244.276. Within the limits granted by the County Code, the director of Community Development may make and approve minor modifications to this Agreement that are requested by OWNER.

18. SEVERABILITY

It is declared to be the intention of the Parties that the sections, paragraphs, sentences, clauses, and phrases of this Agreement, or of the County ordinance adopting same, are severable. If any phrase, clause, sentence, paragraph, or section of this Agreement, or of the County ordinance adopting same, is declared unconstitutional or invalid by a valid and final judgment of a court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Agreement, or of the County ordinance adopting same.

19. CONDITION OF AGREEMENT

This Agreement does not constitute COUNTY approval of the OWNER's Master Plan, zoning and abandonment applications as outlined in Section 3. COUNTY retains the right in its sole and absolute discretion to approve, conditionally approve or deny any development applications presented by the OWNER. However, the OWNER's obligations under this Agreement are specifically conditioned on the COUNTY approving or conditionally approving the OWNER's Master Plan, zoning and abandonment applications, see Section 3. OWNER has

no obligation hereunder until that occurrence. In the event that COUNTY does not approve the pending Master Plan amendments, zoning map amendments and road abandonment, as presented or as modified or conditioned, and as acceptable to OWNER, this Agreement shall terminate, and the OWNER and COUNTY may choose to commence discussion for an agreement on different terms. Upon OWNER's acceptance of COUNTY's approval or conditional approval of the applications as outlined in Section 3, the OWNER must dedicate, finance, design, construct, maintain and warranty all of the public improvements designated under the terms of this Agreement and incorporated Exhibits.

20. EFFECTIVE DATE

This Agreement is effective as of the effective date of the County ordinance that adopts this Agreement.

21. RECITALS AND EXHIBITS

The Recitals and all Exhibits to this Agreement are incorporated herein by this reference.

22. LAW AND FORUM

The laws of Nevada shall govern the interpretation and enforcement of this Agreement. OWNER and COUNTY agree that the Ninth Judicial District Court, located in Douglas County, Nevada, will be the forum for any litigation arising as a result of this Agreement.

23. REPRESENTATION

OWNER and COUNTY acknowledge and agree that prior to entering into this Agreement appropriate legal advice and counsel was sought and that both OWNER and COUNTY made a voluntary informed decision to enter into this Agreement in good faith.

24. AUTHORITY

The individuals executing this Agreement and the instruments referenced herein on behalf of each party and the partners, officers or trustees of each party, if any, have the legal power, right, and actual authority to bind each party to the terms and conditions of these documents.

DOUGLAS COUNTY

By: 
Name: Michael Olson
Title: Chair, County Commission

Date: January 7, 2010

PERI ENTERPRISES, LLC

By: James Butch Peri
Name: James "Butch" Peri
Title: Member
Date: 1/7/10

By: _____
Name: David Peri
Title: Member
Date: _____

ATTEST:
TED THRAN, Douglas County Clerk
Ted Thran

BY: Lauren Sudeck
CLERK TO THE BOARD

State of Nevada)
)ss:
COUNTY of Douglas)

This instrument was acknowledged before me on this 7th day of Jan., 2010, by
James Peri, on behalf of Peri Enterprises, LLC.

Leann M. Teter
Notary Public
NOTARY PUBLIC
STATE OF NEVADA
County of Douglas
No. 03-81138-5 LEANN M. TETER
My Appointment Expires April 15, 2011

State of _____)
)ss:
COUNTY of _____)

This instrument was acknowledged before me on this _____ day of _____, 200____, by
David Peri, on behalf of Peri Enterprises, LLC.

Notary Public

LIST OF EXHIBITS

- EXHIBIT "A"- Legal Description of PROPERTY**
- EXHIBIT "A-1"-OWNER's Legal and Equitable Interest in the PROPERTY**
- EXHIBIT "B"-Current Master Plan Land Use Map**
- EXHIBIT "C"-Proposed Master Plan Land Use Map**
- EXHIBIT "D"- Current Zoning**
- EXHIBIT "E"- Proposed Zoning**
- EXHIBIT "F"- Proposed Amendment(s) to the Master Plan Transportation Element**
- EXHIBIT "G"-Pinenut Road: Existing, Realigned & Portion Proposed to be Abandoned**
- EXHIBIT "H"- Drawing from the Muller Parkway Easement by Peri Enterprises, LLC.**
- EXHIBIT "I"- Muller Parkway Design**
- EXHIBIT "J"- Pinenut Road Design**
- EXHIBIT "K"- Muller Parkway/Pinenut Road Intersection**
- EXHIBIT "L"-US 395/Muller Parkway Intersection**

1304-003-09
Revised:11/10/09
09/29/09
Page 1 of 2

EXHIBIT 'A'
DESCRIPTION
PROPOSED MASTER PLAN AMENDMENT & ZONE CHANGE
(From Receiving Area & Agricultural to Commercial & from A-19 to GC)
(Being a portion of A.P.N.'S 1220-11-001-040, 1220-11-002-002 & 003)

All that real property situate in the County of Douglas, State of Nevada, described as follows:

A parcel of land located within a portion of Sections 10 & 11, Township 12 North, Range 20 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at a 5/8" rebar with aluminum cap PLS 3519 at an angle point in the northerly boundary of Adjusted Parcel 3 per the Record of Survey to Support a Boundary Line Adjustment for Peri Enterprises, LLC filed for record October 19, 2005 in the office of Recorder, Douglas County, Nevada as Document No. 658211;

thence South 09°38'55" West, 1268.58 feet to a point on the easterly line of the Muller Parkway easement as described in a deed to Douglas County filed October 19, 2005 in said office of Recorder in Book 1005, at Page 8588, the POINT OF BEGINNING;

thence North 11°04'11" East, 231.44 feet;
thence along the arc of a curve to the right, having a radius of 166.00 feet, central angle of 66°04'34" and arc length of 191.44 feet;
thence North 77°08'45" East, 114.78 feet;
thence along the arc of a curve to the right, having a radius of 860.00 feet, central angle of 67°17'41" and arc length of 1010.08 feet;
thence South 29°56'32" East, 1219.80 feet;
thence along the arc of a curve to the left, having a radius of 690.00 feet, central angle of 18°40'04" and arc length of 224.81 feet;
thence along the arc of a reverse curve to the right, having a radius of 50.00 feet, central angle of 139°10'45" and arc length of 121.46 feet to a point on the northerly line of Pinenut Road;

thence along said northerly line of Pinenut Road the following courses:

North 89°25'51" West, 1009.94 feet;
North 89°13'51" West, 474.76 feet;
Along the arc of a curve to the right, having a radius of 320.00 feet, central angle of 44°28'30" and arc length of 248.40 feet;
North 44°45'21" West, 806.75 feet to a point on said easterly line of the Muller Parkway easement;

1304-003-09
Revised: 11/10/09
09/29/09
Page 2 of 2

thence along said easterly line of the Muller Parkway easement the following two courses:

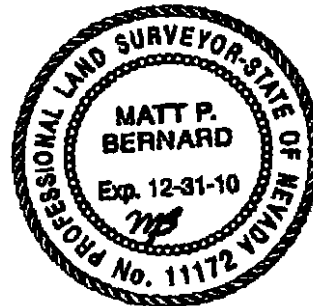
North 45°14'39" East, 184.29 feet;
Along the arc of a curve to the left, having a radius of 1052.50 feet, central angle of 34°10'28" and arc length of 627.77 feet to the POINT OF BEGINNING, containing 57.90 acres, more or less.

The above-described parcel of land represents a portion of A.P.N.'S 1220-11-001-040, 1220-11-002-002 & 003, and is not intended for inclusion in a document conveying fee ownership. To do so is a violation of state law and/or local ordinance.

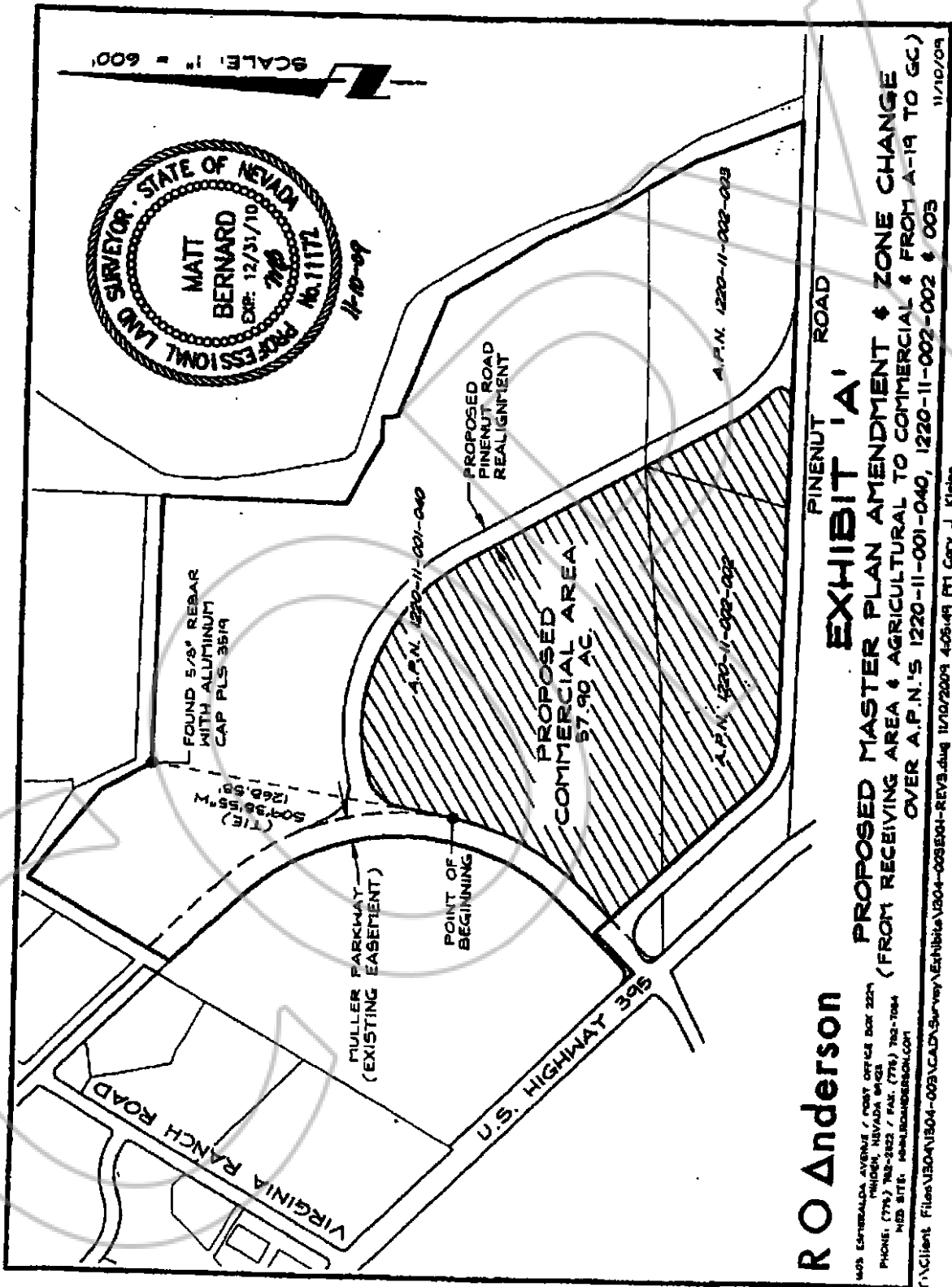
The Basis of Bearing of this description is South 44°45'21" East, the easterly right-of-way line of U.S. Highway 395 as shown on the Record of Survey to Support a Boundary Line Adjustment for Barton Healthcare System, Park Cattle Company & Sierra Nevada SW Enterprises filed for record August 31, 2008 in said office of Recorder as Document No. 683421.

Note: Refer this description to your title company before incorporating into any legal document.

Prepared By: R.O. ANDERSON ENGINEERING, INC.
P.O. Box 2229
Minden, Nevada 89423



11-10-09



STATE OF NEVADA
 PROFESSIONAL LAND SURVEYOR
 MATT BERNARD
 Exp: 12/31/10
 No. 111171
 11-10-09

R O Anderson
 1405 ESTERDALE AVENUE / POST OFFICE BOX 2204
 PRIDEN, NEVADA 89321
 PHONE: (775) 762-2823 / FAX: (775) 762-1284
 WEB SITE: RO-ANDERSON.COM
 Client Files\1304\1304-003\CAD\Survey\Exhibits\1304-003E304-REVS.dwg 11/10/2009 4:05:48 PM Cary J. Klebe 11/10/09

EXHIBIT 'A'
PROPOSED MASTER PLAN AMENDMENT & ZONE CHANGE
 (FROM RECEIVING AREA & AGRICULTURAL TO COMMERCIAL & FROM A-19 TO GC)
 OVER A.P.N.'S 1220-11-001-040, 1220-11-002-002 & 003

1304-003-09
09/29/09
Page 1 of 2

EXHIBIT 'A'
DESCRIPTION
PROPOSED ZONE CHANGE
(From Office Commercial to General Commercial)
(A.P.N.'S 1220-10-701-009 & 1220-11-002-001)

All that real property situate in the County of Douglas, State of Nevada, described as follows:

A parcel of land located within a portion of Sections 10 & 11, Township 12 North, Range 20 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at a 5/8" rebar with aluminum cap PLS 3519 at an angle point in the northerly boundary of Adjusted Parcel 3 per the Record of Survey to Support a Boundary Line Adjustment for Perf Enterprises, LLC filed for record October 19, 2005 in the office of Recorder, Douglas County, Nevada as Document No. 658211;

thence South 06°02'19" West, 2665.14 feet to the southwest corner of A.P.N. 25-160-31 as shown on the Record of Survey for BDB Enterprises, LLC filed for record January 22, 1998 in said office of Recorder as Document No. 430943, said point also falling on the easterly line of U.S. Highway 395;

thence along said easterly right-of-way line of U.S. Highway 395 the following four courses:

North 41°33'35" West, 85.16 feet;
North 45°06'36" West, 52.91 feet;
North 44°41'34" West, 609.28 feet;

Along the arc of a curve to the right, having a radius of 34.80 feet, central angle of 90°00'00" and arc length of 54.66 feet to a point on the right-of-way line of Pinenut Road;

thence along said right-of-way line of Pinenut road the following three courses:

Along the arc of a curve to the right, having a radius of 148.25 feet, central angle of 90°00'00" and arc length of 232.87 feet;

South 44°45'21" East, 669.96 feet;

Along the arc of a curve to the right, having a radius of 390.00 feet, central angle of 44°05'56" and arc length of 300.17 feet;

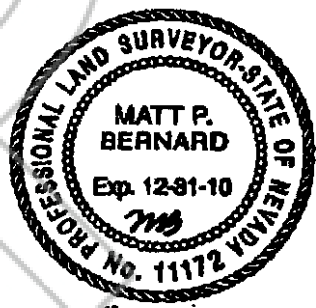
thence North 88°51'17" West, 428.32 feet to the POINT OF BEGINNING, containing 3.67 acres, more or less.

1304-003-09
09/29/09
Page 2 of 2

The Basis of Bearing of this description is South 44°45'21" East, the easterly right-of-way line of U.S. Highway 395 as shown on the Record of Survey to Support a Boundary Line Adjustment for Barton Healthcare System, Park Cattle Company & Sierra Nevada SW Enterprises filed for record August 31, 2006 in said office of Recorder as Document No. 683421.

Note: Refer this description to your title company before incorporating into any legal document.

Prepared By: R.O. ANDERSON ENGINEERING, INC.
P.O. Box 2229
Minden, Nevada 89423



11-10-09

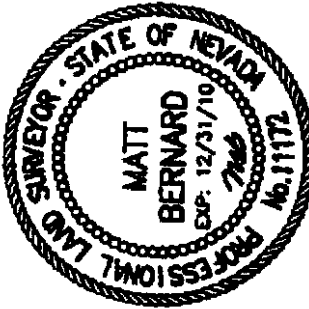
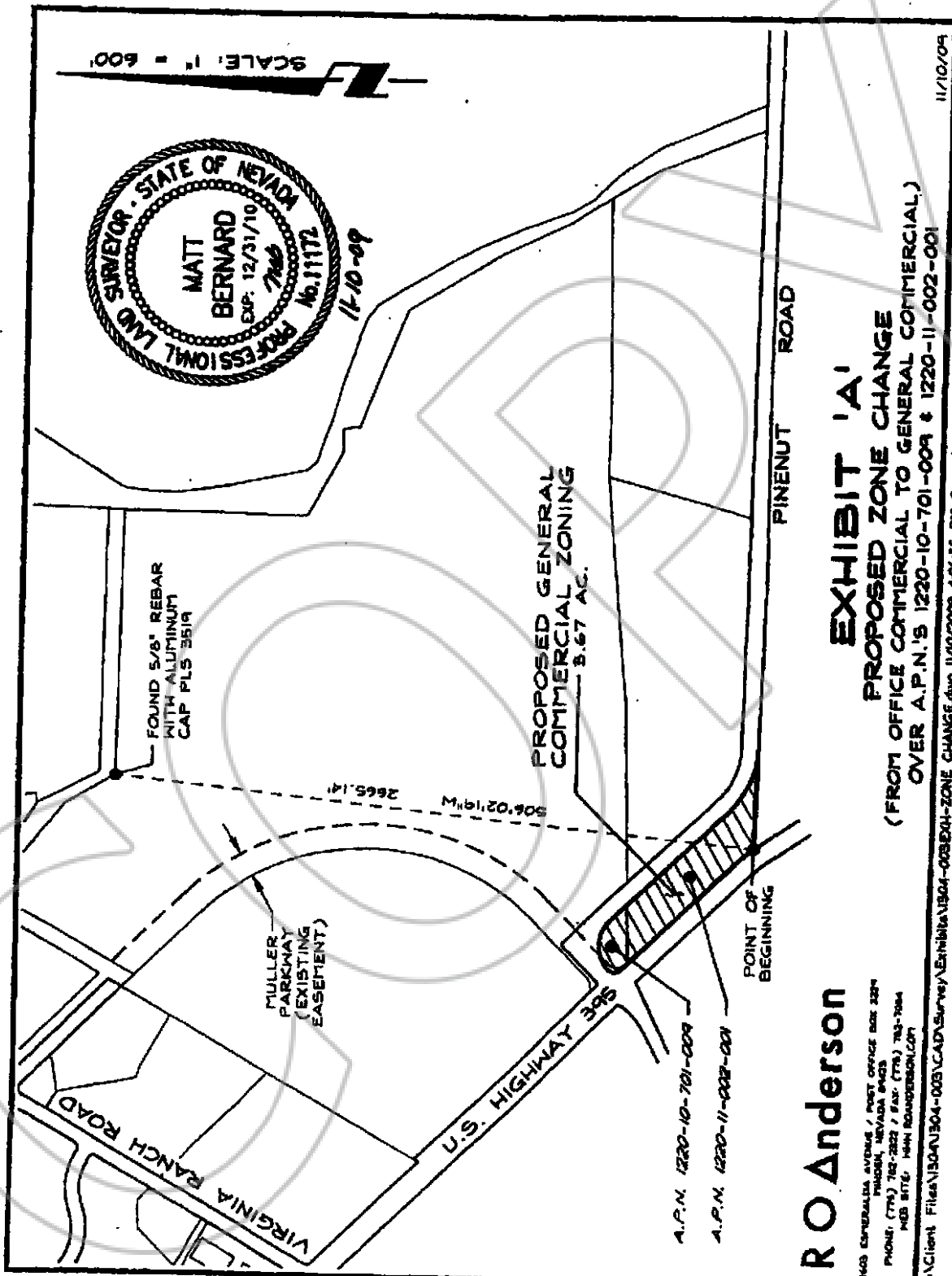


EXHIBIT 'A'
PROPOSED ZONE CHANGE
 (FROM OFFICE COMMERCIAL TO GENERAL COMMERCIAL)
 OVER A.P.N.'S 1220-10-701-009 & 1220-11-002-001

R O Anderson
 1403 ESPERANZA AVENUE / POST OFFICE BOX 2287
 PINOYA, NEVADA 89423
 PHONE: (775) 782-2822 / FAX: (775) 782-7884
 MOB SITE: 782-2822
 T:\Client Files\1304\1304-003\CAD\Survey\Exhibits\1304-003\EXH-ZONE CHANGE.dwg 11/10/09 4:06:56 PM Cory J. Klisch

11/10/09

Development Agreement Exhibit A-1

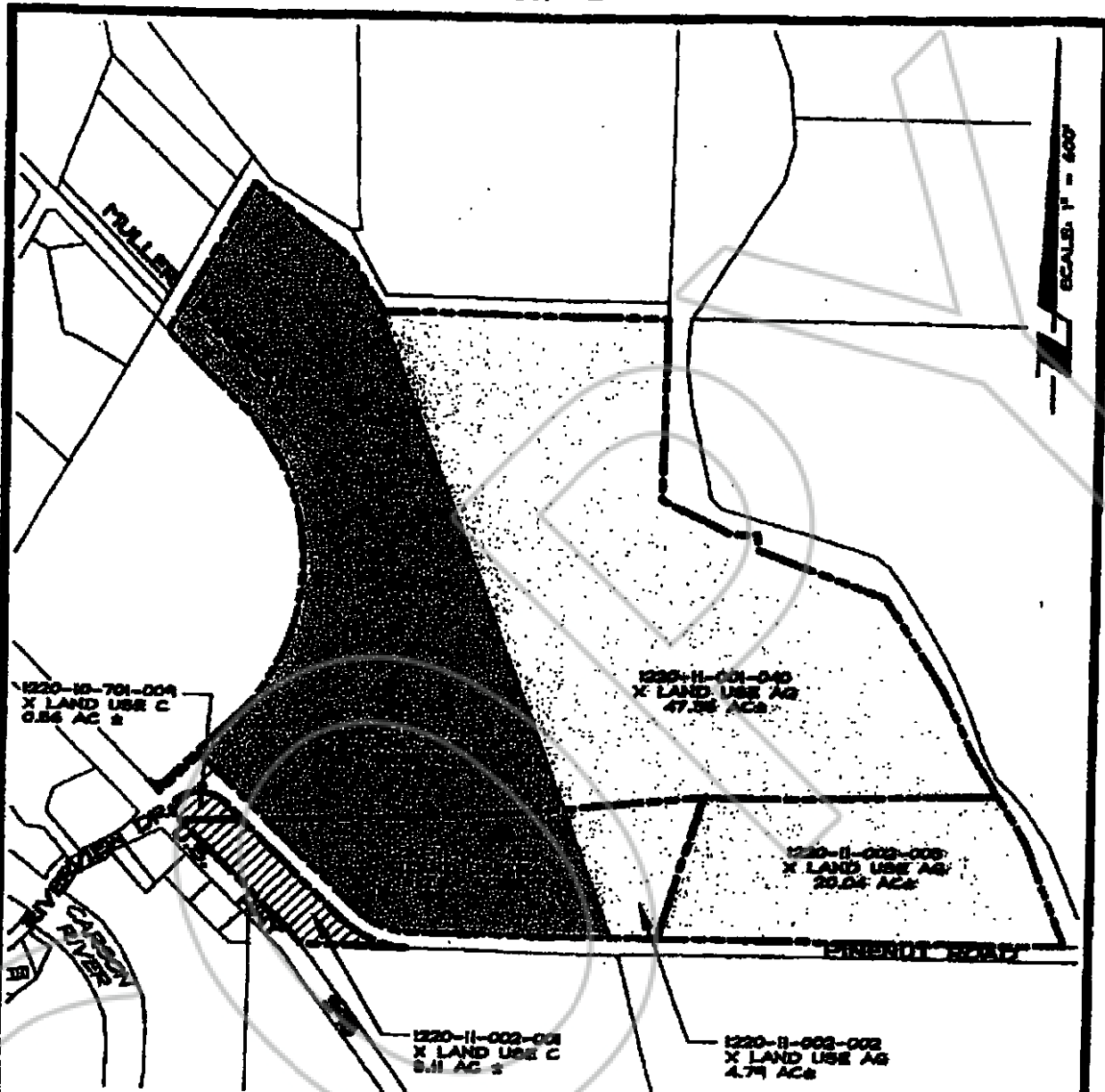
Owners' Interest

Peri Enterprises, LLC ownership interest in Assessor's Parcel Nos. 1220-10-701-009, 1220-11-001-040, 1220-11-002-001, 1220-11-002-002 and 1220-11-002-003, is fee simple.

COPY



Exhibit "B"



Y:\Clients - Files\1304\1304-003\CAD\Planning\Exhibits\1304-003 MPA EX EIA.dwg 11/9/2009 11:17:26 AM Mark A. Mills

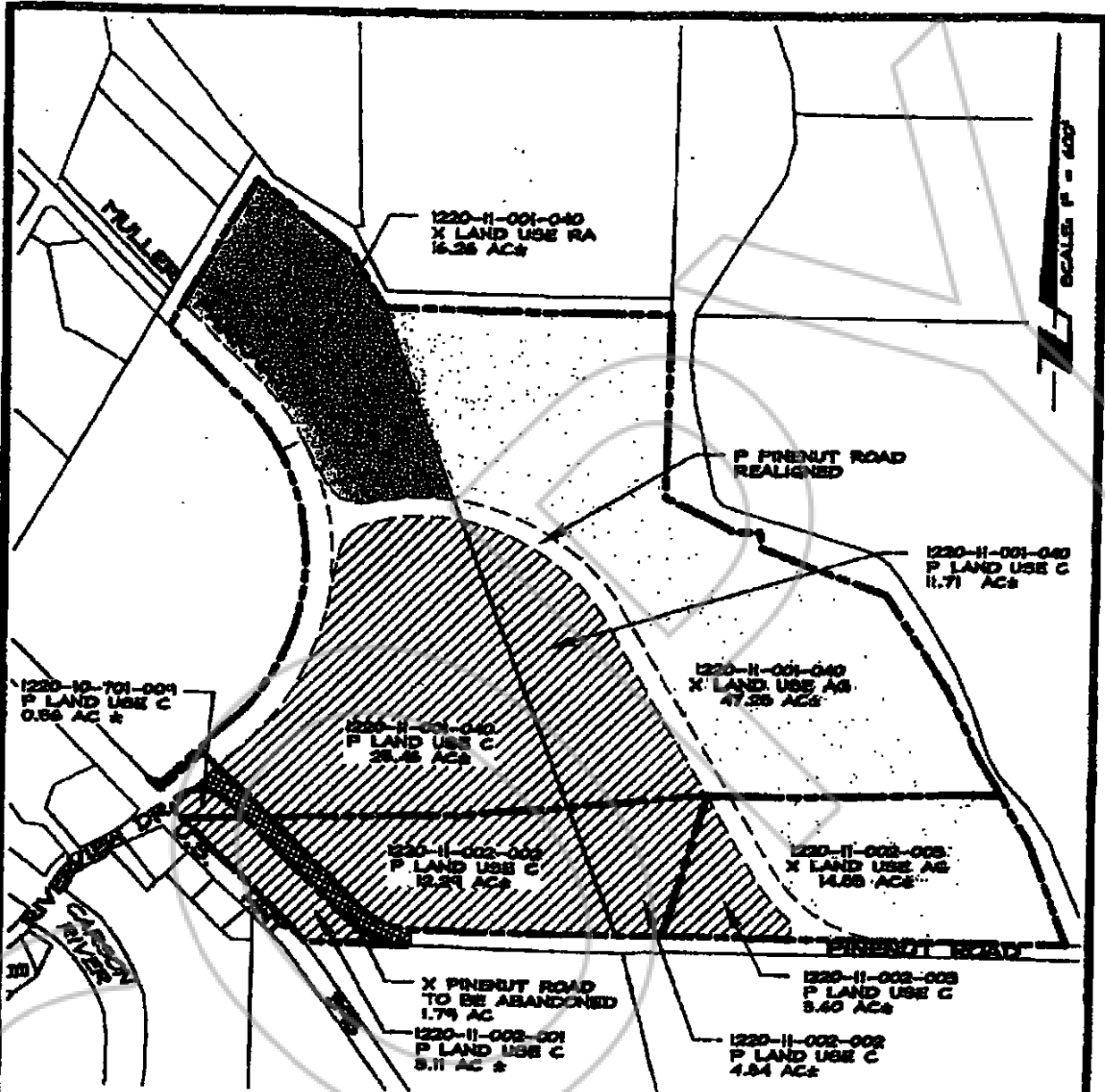
LEGEND:

- AG
- C
- RA
- ROW

R.O. Anderson
 1603 EMERALDA AVENUE / POST OFFICE BOX 2229
 MINDEN, NEVADA 89423
 PHONE: (775) 782-2522 / FAX: (775) 782-7084
 WEB SITE: ROANDERSON.COM

PERI ENTERPRISES
MASTER PLAN AMENDMENT
EXISTING LAND USE
 1304-003 11/16/09

Exhibit "C"



LEGEND:

	AG		X PINENUT ROAD TO BE ABANDONED
	C		ROW
	RA		

R.O. Anderson

1605 EMERALDA AVENUE / POST OFFICE BOX 2224
 RENO, NEVADA 89423
 PHONE (775) 782-2322 / FAX (775) 782-7004
 WEB SITE: WWW.ROANDERSON.COM

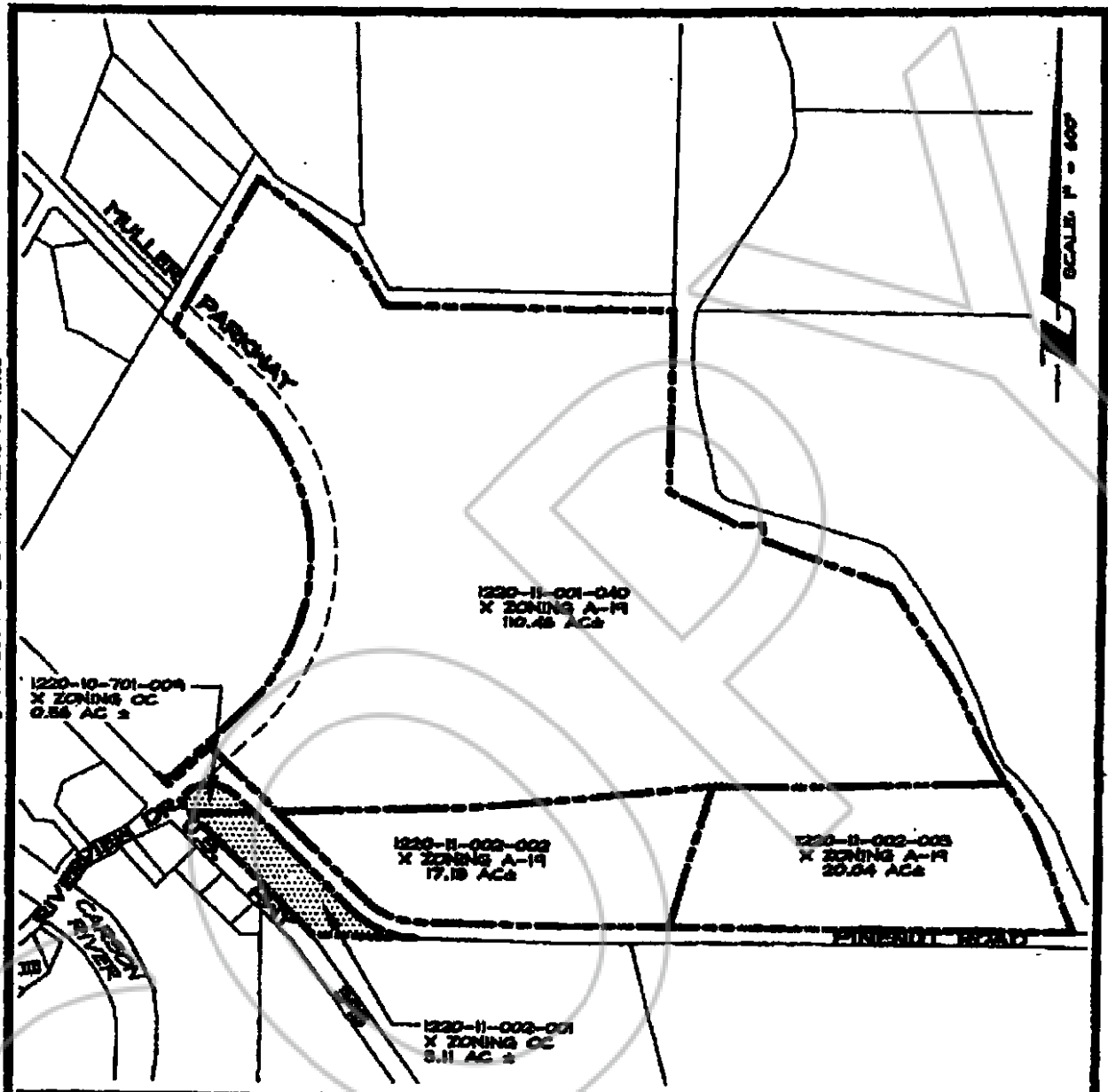
**PERI ENTERPRISES
 MASTER PLAN AMENDMENT
 PROPOSED LAND USE**

1304-001

11/16/09

T:\Client Files\1304-001\CAD\Planning\Exhibits\1304-001 MPA EX BLD.dwg 11/9/2009 2:06:28 PM Marie A. Hules

Exhibit "D"



Y:\Client Files\1804\1804-008\CAD\Planning\Exhibits\1804-008 MPA EX Bld.dwg 11/16/2009 11:24:04 AM Martin A. Hulse

LEGEND:

- A-19
- OC
- ROW

R.O. Anderson

1605 EMERALDA AVENUE / POST OFFICE BOX 2224
MINDEN, NEVADA 89425
PHONE: (775) 782-2322 / FAX: (775) 782-7064
WEB SITE: WWW.ROANDERSON.COM

PERI ENTERPRISES
MASTER PLAN AMENDMENT
EXISTING ZONING

1804-008 11/16/09

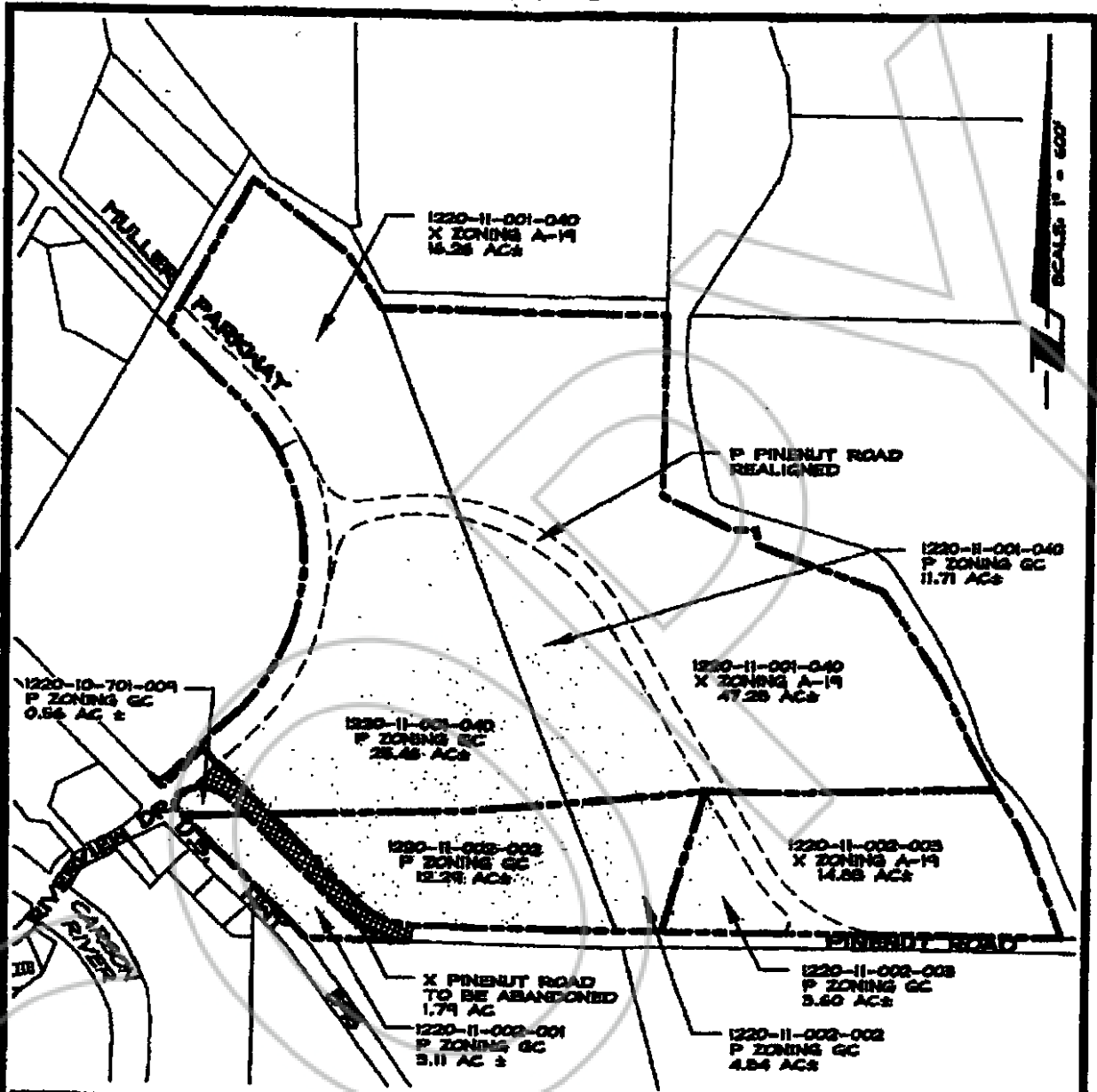


BK- 0311
PG- 2805



BK- 0210
PG- 2249

Exhibit "E"



LEGEND:

- [Solid line] A-19
- [Dashed line] GC
- [Cross-hatched] X PINENUT ROAD TO BE ABANDONED
- [Dotted] ROW

Y:\Client\Files\1304\1304-003\CAD\Planning\Exhibits\1304-003 MPA EX Bldg 11/19/2009 PM Marie A. Hulac

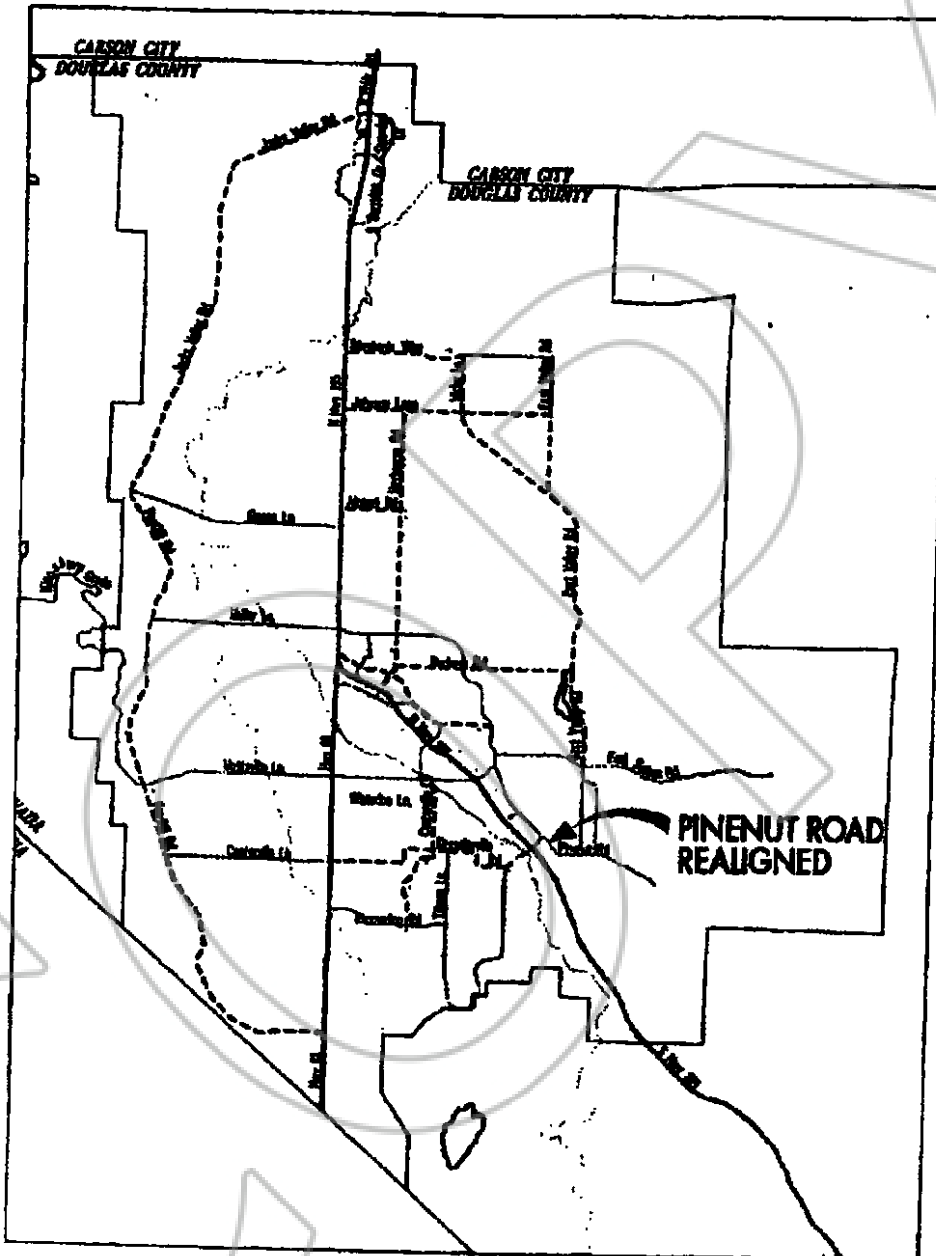
R.O Anderson
 1609 ESPERALDA AVENUE / POST OFFICE BOX 2221
 MINDEN, NEVADA 89423
 PHONE: (775) 782-2322 / FAX: (775) 782-7084
 WEB SITE: WWW.ROANDERSON.COM

PERI ENTERPRISES
MASTER PLAN AMENDMENT
PROPOSED ZONING
 1304-003 11/16/09



Exhibit "F"

DOUGLAS COUNTY MASTER PLAN



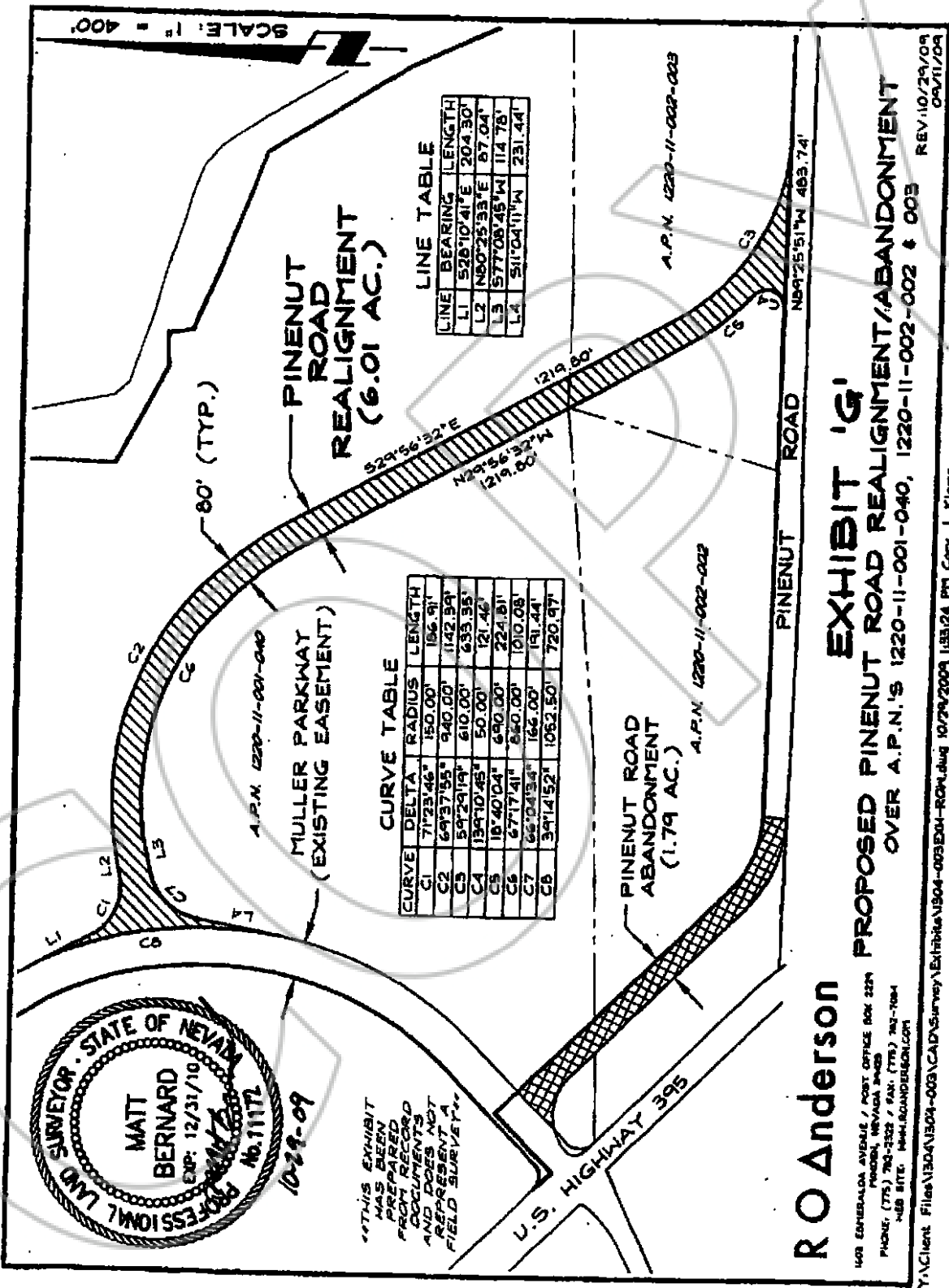
REVISIONS
PC 88-98, 9/2008
DOC 2008-02, 11/2008

CARSON VALLEY AREA - STREET AND HIGHWAY PLAN

TRANSPORTATION PLAN

ARTERIAL		COLLECTOR	
Principal	—————	Major	- - - - -
Minor	—————	Minor	—————

M.A.G.I.C.
Metropolitan Area Geographic Information Center
Scale 1" = 3 Miles
Print Date: 02/11/10
Figure 12.46



LINE TABLE

LINE	BEARING	LENGTH
L1	S28°10'41"E	204.30'
L2	N80°25'33"E	87.04'
L3	S77°08'25"W	114.78'
L4	S11°04'11"W	231.44'

CURVE TABLE

CURVE	DELTA	RADIUS	LENGTH
C1	71°23'46"	150.00'	186.91'
C2	69°37'55"	940.00'	1142.59'
C3	59°29'19"	610.00'	635.35'
C4	139°10'45"	50.00'	121.46'
C5	18°40'04"	690.00'	224.81'
C6	67°17'41"	840.00'	1010.08'
C7	66°04'34"	166.00'	191.44'
C8	39°14'52"	1052.50'	720.97'

STATE OF NEVADA
 PROFESSIONAL LAND SURVEYOR
MATT BERNARD
 EXP: 12/31/10
 No. 11112
 10-29-09

"THIS EXHIBIT HAS BEEN PREPARED FROM RECORD DOCUMENTS AND DOES NOT REPRESENT A FIELD SURVEY."

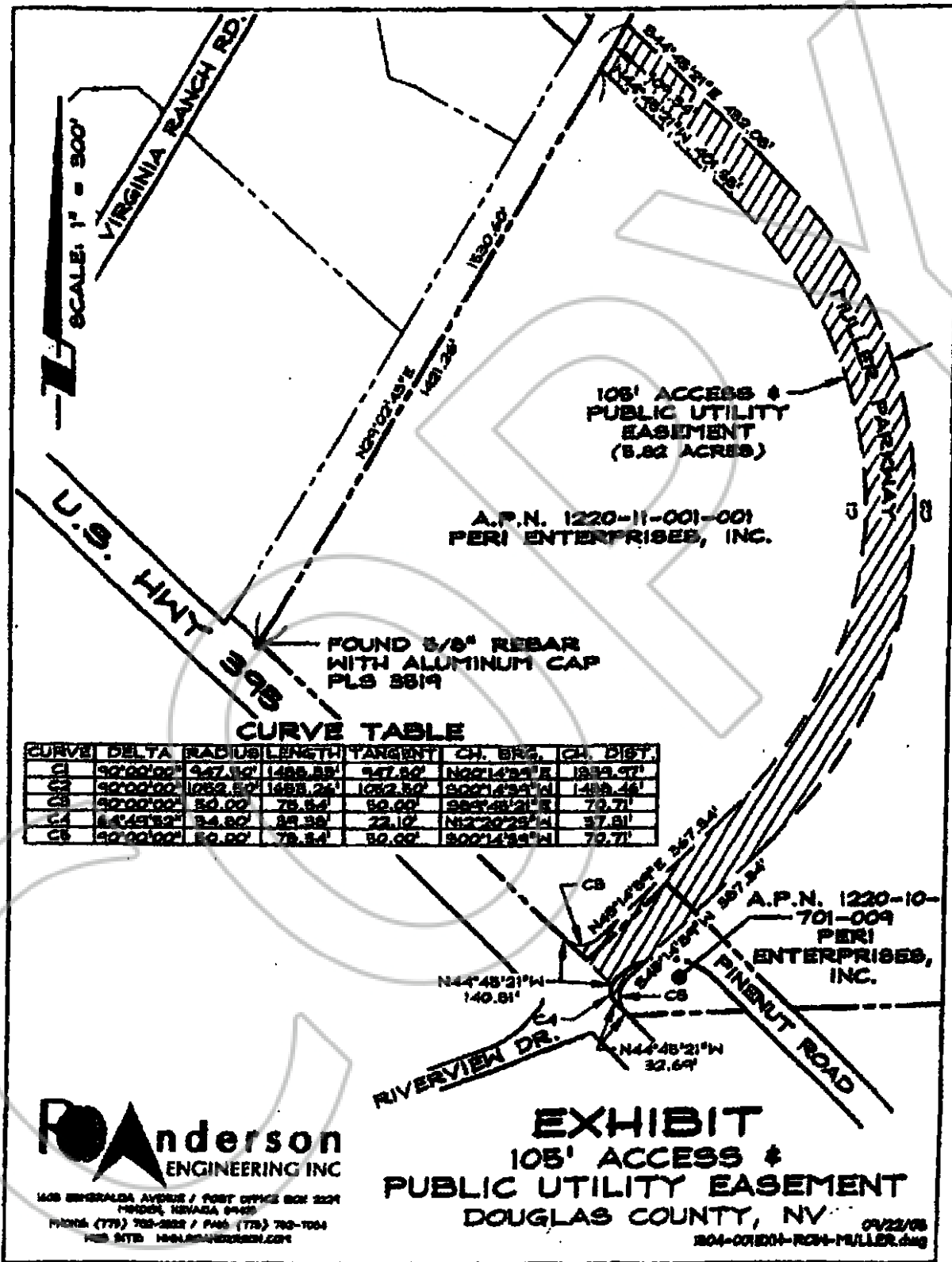
R O Anderson
 1408 EDWARDS AVENUE / POST OFFICE BOX 2274
 PRAIRIE, NEVADA 89048
 PHONE: (775) 782-2322 / FAX: (775) 782-7884
 WEB SITE: WWW.ROANDERSON.COM

EXHIBIT 'G'
PROPOSED PINENUT ROAD REALIGNMENT/ABANDONMENT
 OVER A.P.N.'S 1220-11-001-040, 1220-11-002-002 & 003

REV. 10/29/09
 09/11/09

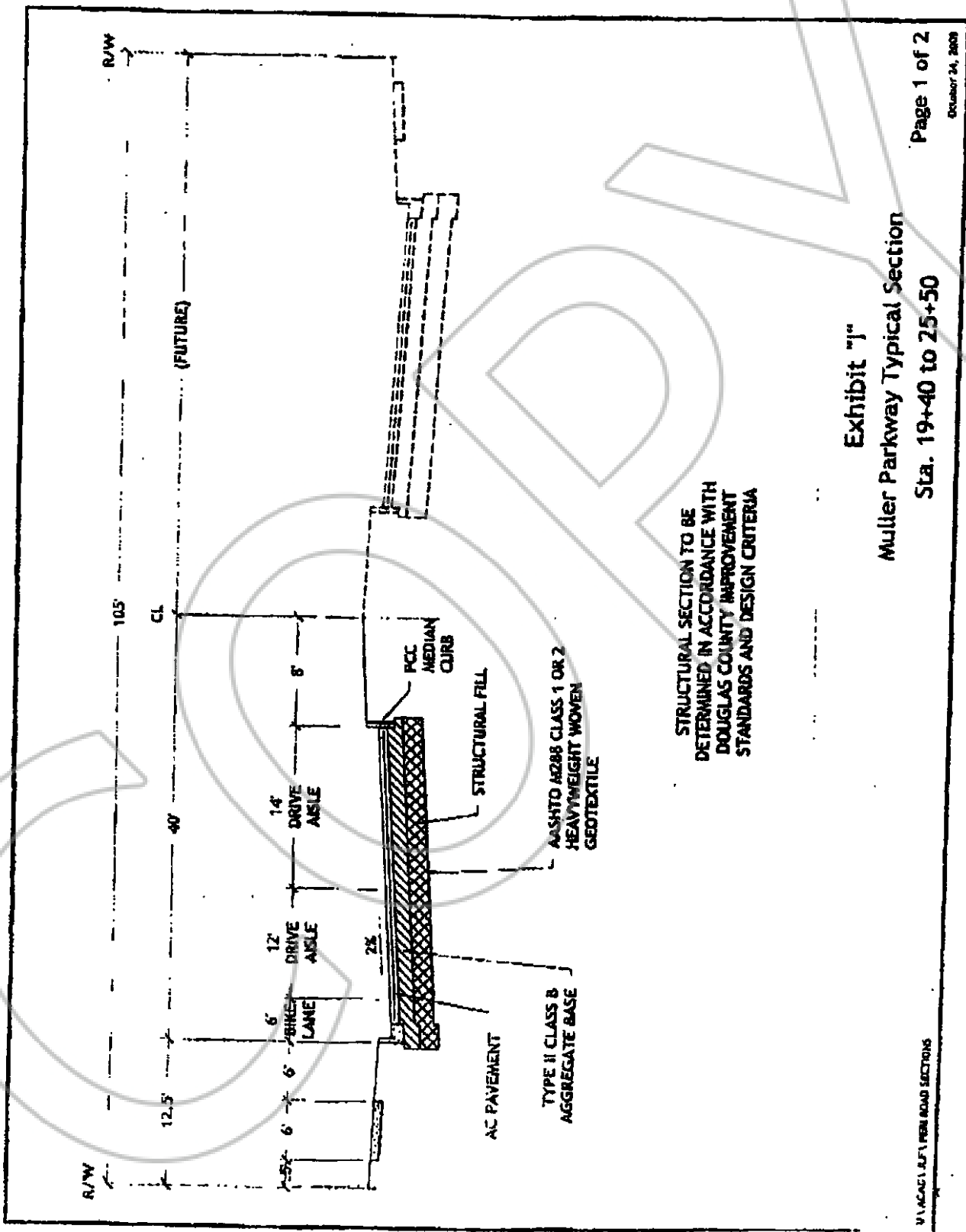
Client: Files\1304\1304-003\CAD\Survey\Exhibit\1304-003\1079958.dwg 10/29/2009 1:35:24 PM Cory J. Klans

Exhibit "H"



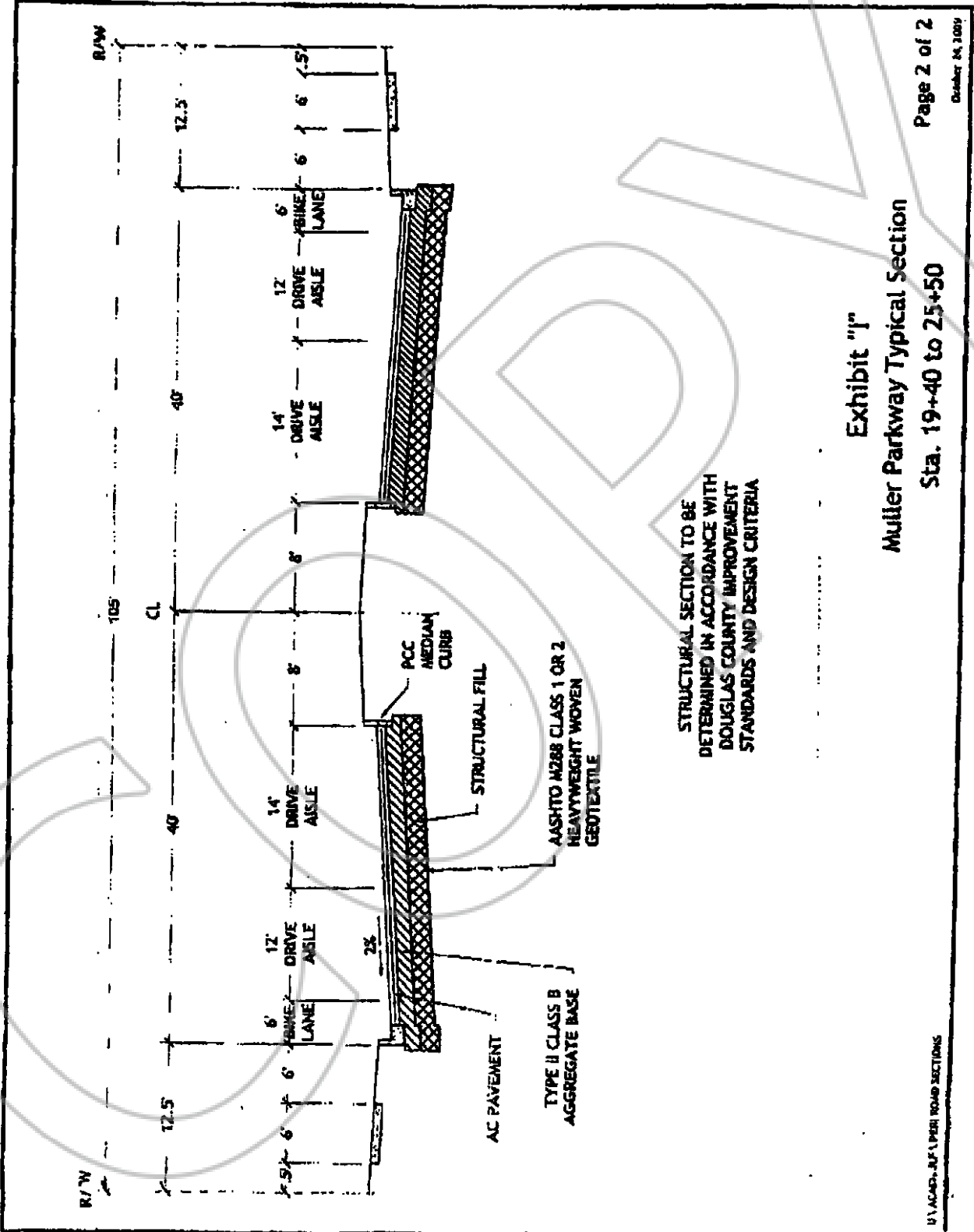
Anderson
 ENGINEERING INC
 1608 GENERALA AVENUE / POST OFFICE BOX 2224
 HENDER, NEVADA 89002
 PHONE (775) 792-2822 / FAX (775) 792-1004
 WEB SITE WWW.ANDERSONENR.COM

EXHIBIT
105' ACCESS &
PUBLIC UTILITY EASEMENT
DOUGLAS COUNTY, NV
 02/22/08
 204-001201-PCN-MULLER.dwg



STRUCTURAL SECTION TO BE DETERMINED IN ACCORDANCE WITH DOUGLAS COUNTY IMPROVEMENT STANDARDS AND DESIGN CRITERIA

Exhibit "J"
Muller Parkway Typical Section
Sta. 19+40 to 25+50



STRUCTURAL SECTION TO BE
 DETERMINED IN ACCORDANCE WITH
 DOUGLAS COUNTY IMPROVEMENT
 STANDARDS AND DESIGN CRITERIA

Exhibit "J"
Muller Parkway Typical Section
Sta. 19+40 to 25+50

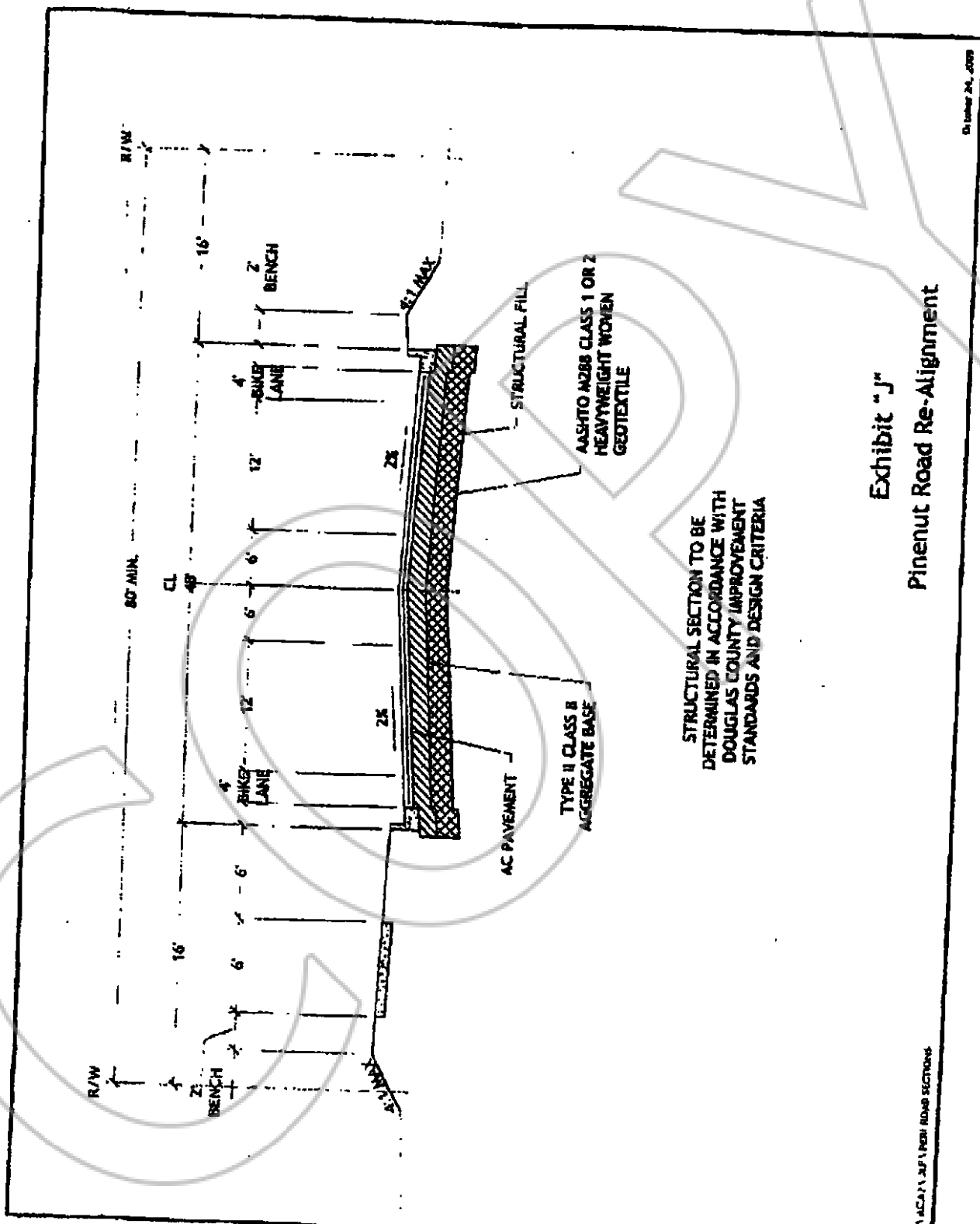
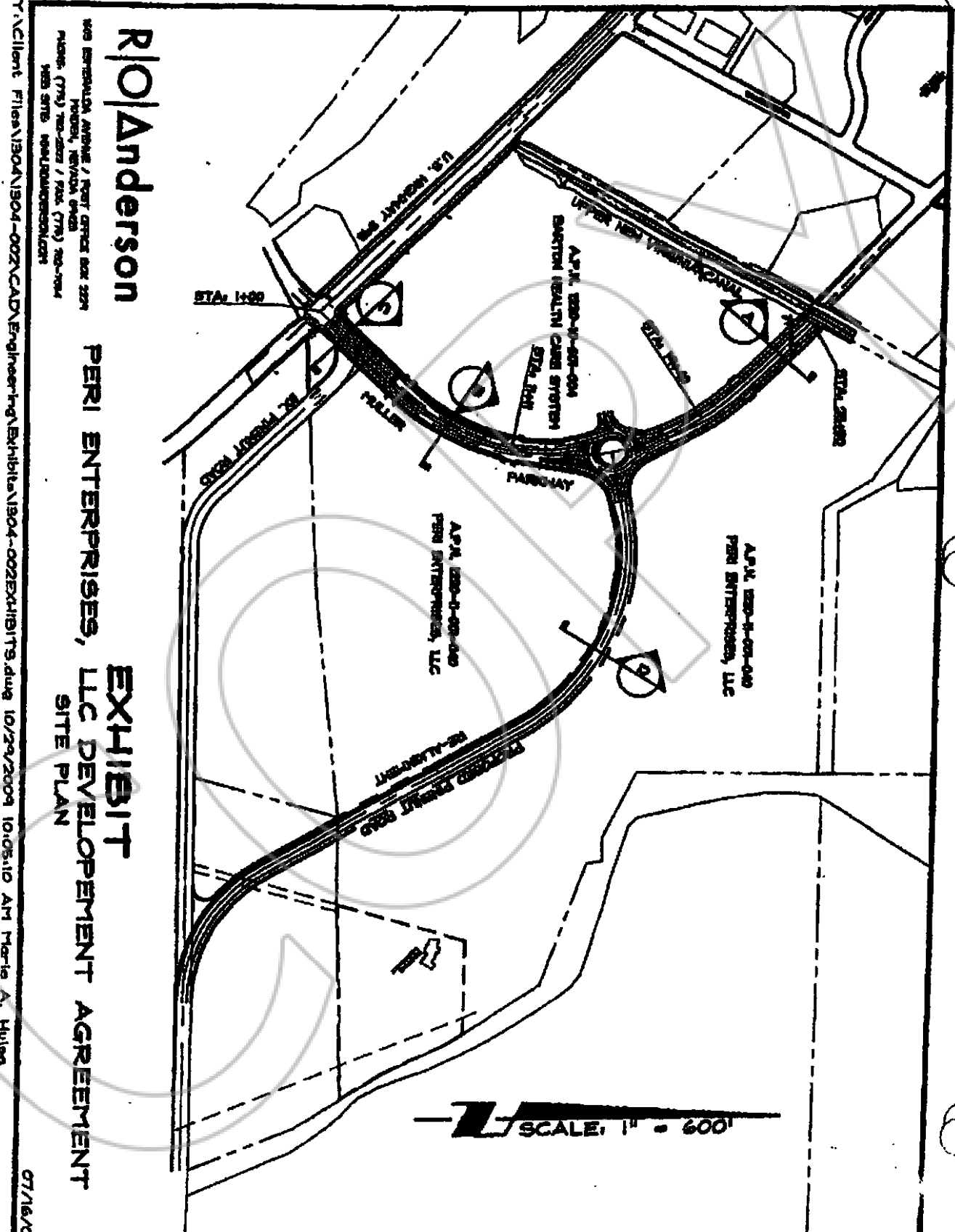


Exhibit "J"
Pinenut Road Re-Alignment

IN ACCORDANCE WITH LOCAL ROAD SECTIONS

03/15/2011

Exhibit "K"



R/O Anderson

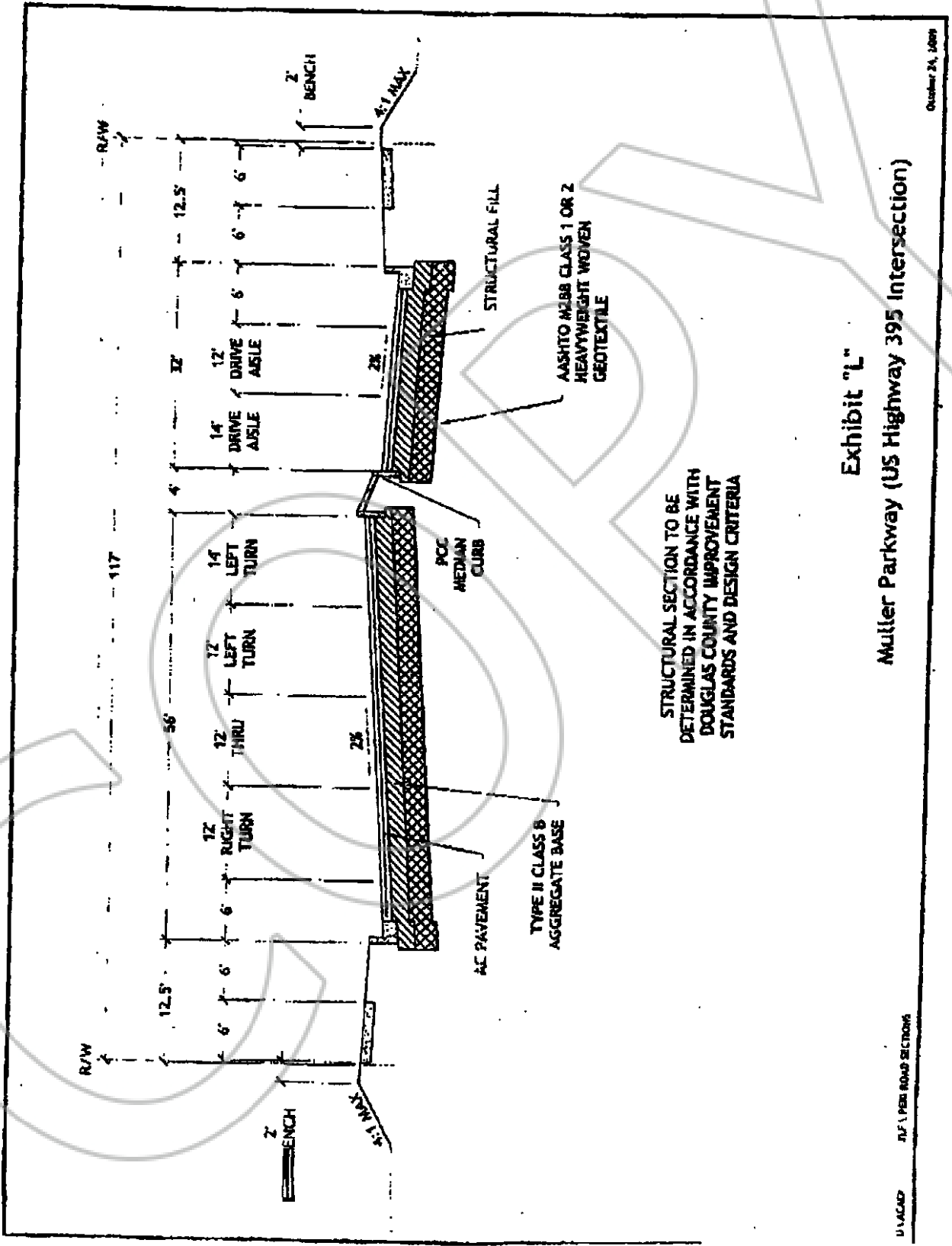
1400 BENTONVILLE AVENUE / SUITE OFFICE BOX 2274
MORRIS, MISSISSIPPI 39062
PHONE: (770) 762-2222 / FAX: (770) 762-7704
WEB SITE: WWW.PERIENTERPRISES.COM

EXHIBIT

PERI ENTERPRISES, LLC DEVELOPMENT AGREEMENT

SITE PLAN

Y:\Client Files\1304\1304-002\CAD\Engineering\Exhibits\1304-002\EXHIBITS.dwg 10/29/2009 10:05:10 AM Marie A. Hulse 07/16/10



STRUCTURAL SECTION TO BE DETERMINED IN ACCORDANCE WITH DOUGLAS COUNTY IMPROVEMENT STANDARDS AND DESIGN CRITERIA

Exhibit "L"
 Muller Parkway (US Highway 395 Intersection)

October 24, 2009

1/1 PER ROAD SECTIONS

SECURITY AND IMPROVEMENT AGREEMENT

THIS SECURITY AND IMPROVEMENT AGREEMENT ("Agreement" herein) is made and entered into by and between the County, a municipal corporation ("County" herein), and the Developer whose name and address is set forth above in the Subdivision/Parcel Map Reference Data.

RECITALS

A. Developer anticipates or has filed with the County a Final Map, identified above in the Subdivision/Parcel Map Reference Data, of a proposed subdivision, phase of a subdivision, or parcel map pursuant to the Nevada Revised Statutes and Title 20 (the Douglas County Consolidated Development Code).

B. A tentative map has previously been approved, subject to the Nevada Revised Statutes and Douglas County Code, with standard requirements and conditions of approval, which is on file in the Office of the County Clerk and the Community Development Department.

C. Douglas County Code establishes, as a condition precedent to the approval of a Final Map, that the Developer comply with the conditions of approval and either, (i) complete, in compliance with County standards, all of the improvements and land division work required by Nevada Revised Statutes, Douglas County Code, and the conditions of approval; or (ii) enter into a secured agreement with the County to complete the improvements and land division work within a period of time specified by the Douglas County Code.

D. In consideration of approval of the Final Map for the proposed Project by the County prior to completion of improvements, Developer desires to enter into this Agreement whereby Developer promises to install and complete, at its sole expense, all public improvement work required by the County for the proposed Project. Developer has secured this Agreement by improvements security required by the Douglas County Code.

E. Improvement plans, and related specifications, number as designated in the Subdivision/Parcel Map Reference Data, for the construction, installation and completion of the Improvements identified in Schedule A hereto, have been prepared by the Developer, approved by the County Engineer, and are on file in the County's Community Development Department. Said Improvement Plans, and related specifications, are incorporated herein by this reference.

NOW, THEREFORE, in consideration of the approval and recordation by the County of the Final Map, Developer and County agree as follows:

1. DEVELOPER'S OBLIGATION TO CONSTRUCT IMPROVEMENTS

A. Developer shall, at its sole expense, and in compliance with the provision of Nevada Revised Statutes, the Improvement Plans, and all applicable County standards, furnish, construct, install and guarantee the Improvements generally described in the tentative map, Douglas County Code and the conditions of approval. All improvements shall be completed within twenty-four (24) months of the effective date of the Agreement. Developer agrees to inform the County in writing of progress

of completed improvements an estimated completion dates for remaining improvements on or before the 12th, 18th and 23rd month of the agreement.

B. Developer shall acquire and dedicate, or pay the cost of acquisition of, all rights-of-way, easements and other in real property for the construction or installation of the Improvements, free and clear of all liens and encumbrances. The Developer's obligations with regard to the acquisition by County of off-site rights-of-way, easements and other interests in real property shall be subject to a separate agreement between Developer and County.

C. Subject to any time extensions granted in accordance with Section 4, Developer shall complete all Improvements within twenty-four months of the effective date of the agreement; provided, however, that if the County Engineer reasonably determines that accelerated construction of the Improvements is essential in order to protect the public health, welfare and safety, including, without limitation, providing for the orderly Subdivision of the surrounding area, the County Engineer shall give Developer not less than fifteen (15) calendar days prior written notice to commence or accelerate installation and construction of improvements, or any portion thereof. The notice shall describe the work to be done by the Developer, the time within which the work will commence, and the period within which the work will be completed. All or any portions of said Improvements may be required to be constructed or completed at a specified time. If the Developer objects to the commencement or acceleration of the Improvements as specified by the County Engineer, the Developer may appeal the decision of the County Engineer to the Board of County Commissioners. Any such appeal shall be filed with the County Clerk within ten (10) days after receipt by Developer of the written notice from the County Engineer.

D. If improvements to be constructed by Developer include monumentation, such monumentation shall be installed no later than thirty (30) days after the County's acceptance of all other Improvements pursuant to Section 2. As used herein, "monumentation" shall mean the setting of survey monuments and tie points in accordance with Nevada Revised Statutes and Douglas County Code, and the delivery to the County Engineer of tie notes for said points.

E. Developer shall, at its sole expense, replace or repair all existing and newly constructed public improvements, public utility facilities, and surveying or Subdivision monuments which are destroyed or damaged as a result of any work under this Agreement. Any such replacement or repair shall be subject to the approval of the County Engineer.

F. Until any category of Improvements is accepted by the County, Developer shall be responsible for the care and maintenance of such improvements and shall bear all risks of loss or damage to said improvements. Neither County, nor its officers, agents and employees, shall have any liability for any accident, loss or damage to the Improvements prior to their completion and acceptance by the County.

G. Developer shall, at its expense, obtain all necessary permits and licenses for the construction and installation of the Improvements, give all necessary notices, and pay all fees required by the federal, state, county, town or improvement district and all taxes required by law.

H. Not less than fifteen (15) days prior to commencement of work on the

Improvements, Developer shall give written notice to the County Engineer of the date fixed for such commencement of work in order that the County Engineer shall have adequate time to schedule all necessary inspections.

2. INSPECTION OF WORK AND FINAL ACCEPTANCE

A. Developer shall at all times maintain proper facilities and safe access for inspection for the Improvements by the County Engineer.

B. Upon completion of the work on all or any category of the Improvements specified in Schedule A, the Developer may request a final inspection by the County Engineer. If the County Engineer determines that all or any specified category of the Improvements have been completed in accordance with this Agreement and in compliance with the Improvement Plans and all applicable County standards, then the County Engineer shall certify the completion of such Improvements. Developer shall bear all costs of inspection and certification for acceptance.

C. Acceptance of all or any specified category of the Improvements by the County Commissioners shall be made upon recommendation and certification of the County Engineer following inspections of said Improvements pursuant to subparagraph B above. The Board of County Commissioners shall act upon the County Engineer's recommendation within forty-five (45) days following certification by the County Engineer that such Improvements have been completed. Acceptance by the County Commissioners shall not constitute a waiver by the County of any defects in the Improvements.

3. GUARANTEE AND WARRANTY OF THE IMPROVEMENTS

A. If, within a period of one year following the acceptance by the County Commissioners of the last of the Improvements specified in Schedule A, any Improvements or part of any Improvements furnished, installed or constructed by the Developer, or any of the work performed under this Agreement, fails to comply with any requirements of this Agreement, or Nevada Revised Statutes, Douglas County Code, or the Improvement Plans and related specifications, the Developer shall, without delay and without cost to the County, repair, replace, or reconstruct any defective or otherwise unsatisfactory part or parts of the Improvements. Developer's obligations hereunder shall include the repair, replacement or reconstruction of all irrigation systems and all trees, shrubs, ground cover and landscaping for such one (1) year period.

B. Should the Developer fail or refuse to act promptly or in accordance with subparagraph A above, or should the exigencies of the situation require repair, replacement or reconstruction to be undertaken before the Developer can be notified, then the County may, at its discretion, make the necessary repairs or replacements or perform the necessary reconstruction. If the Developer's improvement security does not cover the total cost of such repair, replacement or reconstruction, the Developer shall reimburse the County for any excess costs incurred.

C. The security furnished for the Developer's obligation to construct and install the Improvements described herein shall not be reduced below ten percent (10%) unless and until a warranty bond is posted for the warranty period.

4. TIME EXTENSIONS

A. Upon a showing of the Developer of good cause, the date of commencement of work on the Improvements, or the duration of the Completion Period, may be extended by the County Engineer, with the written concurrence of the County Manager. As used herein, "Good Cause" may include, without limitation, delay resulting for an act of the County, acts of God or force majeure; and strikes, boycotts or similar job actions by employees or labor organizations which prevent the conduct of the work.

B. A time extension may be granted without notice to any surety or sureties of the Developer and shall not affect the validity of this Agreement nor release the surety or sureties on any bond given as an improvement security pursuant to this Agreement.

C. As a condition of any time extension provided for herein, the County Engineer, with the written concurrence of the County Manager, may require the Developer to furnish new or modified improvement security guaranteeing performance of this Agreement, as extended, in an increased amount necessary to compensate for any projected increase in the Estimated Total Cost of Improvements, as determined by the County Engineer.

5. IMPROVEMENT SECURITY

A. Prior to the County's execution of this Agreement, Developer shall provide as security to the County in an amount equal to one hundred fifty percent (150%) of the Estimated Total cost of the Improvements, Grading and Monumentation as set forth in Schedule A and in accordance with established County policy. With this security, the form of which shall be subject to County's prior approval, the Developer assures faithful performance under this agreement and guarantees the Improvements for one (1) year after the completion and acceptance of the last of such Improvements against any defective workmanship or material or any unsatisfactory performance pursuant to Section 3 hereof.

B. Modifications of the Improvement Plans and related specifications, and modification of the Improvements, not exceeding ten percent (10%) of the original Estimated Total Cost of Improvements, shall not relieve or release any improvement security furnished by Developer pursuant to this Agreement. If any such modifications exceed ten percent (10%) of the Estimated Total Cost of the Improvements, Developer shall furnish additional improvement security for performance and guarantee, and for payment, as required by subparagraph A above, for one hundred fifty percent (150%) of the revised Estimated Total Cost of the Improvements.

6. REDUCTION OR RELEASE OF IMPROVEMENT SECURITY

A. Partial release or reductions in the Developer's improvement security may be authorized prior to the County's acceptance of all Improvements required hereunder, as provided in this section.

B. Upon acceptance of all or any specified category of the Improvements by the County

Commissioners and upon request of the Developer, the improvement security may be reduced or released as follows:

1. Security for Performance and Guarantee: Security may be released incrementally following the completion and documentation of the completion of work and approval by the County Engineer. Securities will be released incrementally in conformance with Schedule A and only upon completion of all improvements in a related category of Schedule A. Unless the Developer submits a warranty bond (where applicable) or additional security in an amount equal to ten percent (10%) of the Estimated Total Cost of the Improvements, security shall not be reduced or released in an amount greater than ninety percent (90%) of the total security amount thereof prior to the expiration of the one (1) year guarantee and warranty period specified in Section 3.A. nor until any claims filed during the one (1) year warranty period have been settled.

C. If Developer's obligations relating to any Improvements, such as the water system or sewer system, are subject to the approval of another governmental agency, the County shall not release the improvement security therefor until the obligations are performed to the satisfaction of such other governmental agency. Such agency shall have two (2) months after Developer's performance of the obligation to register its satisfaction or dissatisfaction. If at the end of that period it has not registered its satisfaction or dissatisfaction, it shall be conclusively deemed that the Developer's performance of the obligation was satisfactorily completed.

7. INDEMNIFICATION OF COUNTY BY DEVELOPER

A. Neither the County, nor its officers, agents and employees, shall be liable or responsible for any accident, injury, loss, or damage to either property or person attributable to or arising out of the construction or installation of the Improvements. Developer shall indemnify, hold harmless and defend the County, its officers, agents and employees, from and against any and all losses, claims, costs, expenses, liabilities, damages, actions, causes of action and judgments, including reasonable attorneys' fees, arising out of or attributable to Developer's performance under this Agreement.

B. Developer's obligations under this section are not conditioned or dependent upon the County, or its officers, agents and employees, who prepared, supplied or reviewed any Improvement Plans or related specifications in connection with the Project Improvements, or has insurance or other indemnification covering any of these matters.

C. Developer's obligation to indemnify, hold harmless and defend the County shall extend to injuries to persons and damages to or alleged taking of property resulting from the design or construction of the Project, and the Improvements required herein, and shall likewise extend to adjacent property owners asserting claims based upon the diversion of waters caused by the Developer's design or construction of public drainage systems, streets, and other public facilities or improvements. The County's acceptance of the Improvements shall not constitute an assumption by the County of any responsibility or liability for any damage or alleged taking of property referenced herein. County shall not be responsible or liable for the design or construction of the Project or the Improvements constructed or installed pursuant to the approved Improvement Plans or the Final Map, unless the particular Improvement design was required by the County over the written objection of the

Developer, which objection stated that the Improvement design was potentially dangerous or defective and set forth an alternative design. After County's acceptance of the Improvements, the Developer shall remain obligated to correct or eliminate all dangerous conditions created by defects in design or construction; provided, however, that the Developer shall not be responsible for routine maintenance. Developer's obligations hereunder shall remain in effect for ten (10) years following acceptance of the Improvements by the Board of County Commissioners. Developer acknowledges and agrees that Developer shall be responsible and liable for the design and construction of the Improvements and other work done pursuant to this Agreement, and County shall not be liable for any acts or omissions in approving, reviewing, checking, correcting or modifying any Improvement Plans or related specifications, or in inspecting, reviewing or approving any work or construction of Improvements. The Developer's improvement security shall not be required to secure the Developer's obligations under this subparagraph beyond the one (1) year guarantee and warranty period.

8. OWNERSHIP OF IMPROVEMENTS

Ownership of all or any category of the Improvements constructed and installed by the Developer pursuant to this Agreement shall vest in the County (or other specified governmental agency) upon acceptance of Improvements by the Board of County Commissioners or other applicable agency or board.

9. DEFAULT AND BREACH BY THE DEVELOPER AND REMEDIES OF THE COUNTY

A. Upon the occurrence of any of the following events, the Developer shall be deemed to be in default under this Agreement:

1. Subject to any time extensions granted in accordance with Section 4, failure to commence construction and installation of the Improvements by the commencement date set forth above in the Subdivision/Parcel Map Reference Data;
2. Failure to correct or cure any defect in the Improvements during the one (1) year guarantee and warranty period as required in Section 3.A.;
3. Subject to any time extensions granted in accordance with Section 4, failure to perform substantial construction work, after commencement of work on the Improvements, for a period of thirty (30) days after written notice from the County;
4. Insolvency, appointment of a receiver, or the filing of any petition in bankruptcy, whether voluntary or involuntary, and such is not cured or discharged within a period of thirty (30) days);
5. Commencement of a foreclosure action against the Project or any portion thereof, or any conveyance by the developer in lieu or in avoidance of foreclosure; or
6. Failure to perform any other obligations in accordance with the terms and provisions of this Agreement within thirty (30) days after written notice from the County.

B. County reserves to itself all remedies available to it at law or in equity for any breach of Developer's obligations under this Agreement. County shall have the right, without limitation of other rights or remedies, to draw upon or utilize any improvement security furnished hereunder to mitigate County's damages in the event of Developer's default.

C. Developer acknowledges that the Estimated Total Costs and improvement security amounts set forth herein may not reflect the actual cost of construction or installation of the Improvements, and consequently, County's damages for Developer's default shall be measured by the cost of completing the required Improvements. If the damages incurred by the County in taking over the completing of the Improvements exceeds the principal amount of the improvement security, then the Developer shall reimburse the County in the amount of such excess damages.

D. County may, without liability for doing so, take possession of, and utilize in completing the Improvements, such materials, appliances, plant and other property belonging to Developer as may be on the site of the work and necessary for the performance of the work. Developer hereby consents to entry by the County and its forces, including contractors, upon any real property in the Project owned by the Developer or by any assignee of this Agreement, in the event the County elects to maintain or complete the work on the Improvements following Developer's default.

E. Developer acknowledges and agrees that, upon approval of the Final Map, County will confer substantial rights upon the Developer, including the right to sell, lease or finance lots within the Subdivision, and that such approval constitutes the final act necessary to permit the division of land within the Subdivision. As a result, County will be damaged to the extent of the cost of construction or installation of the Improvements upon Developer's failure to perform its obligations under this Agreement. Developer further acknowledges that any determination as to whether a reversion to acreage or rescission of approval of the Final Map constitutes an adequate or necessary remedy for Developer's default shall be within the sole discretion of the County.

F. The County's failure to take an enforcement action with respect to a default, or to declare a default or breach, shall not be construed as a waiver of that default or breach or any subsequent default or breach of the Developer.

G. If County sues to compel Developer's performance of this Agreement, or to recover damages or costs incurred in completing or maintaining the work on the Improvements, Developer agrees to pay all attorneys' fees and other costs and expenses of litigation incurred by the County in connection therewith, even if the Developer subsequently resumes and completes the work.

10. RELATIONSHIP OF THE PARTIES

Neither Developer, nor any of the Developer's contractors, employees or agents, are or shall be deemed to be, agents of the County in connection with the performance of Developer's obligations under this Agreement.

11. ASSIGNMENT

A. Developer shall not assign this Agreement without the prior written consent of the County. Any attempted or purported assignment in violation of this subparagraph A shall be null and void and shall have no force or effect.

B. The sale or other disposition of the Subdivision shall not relieve Developer of its obligations hereunder. If Developer intends to sell the Project, or any portion thereof, to any other person or entity, the Developer may request a novation of this Agreement and substitution of improvement security. Upon the County's approval of the novation and substitution of improvement security, the Developer may request a release or reduction of the improvement security furnished pursuant to this Agreement.

12. NOTICES

All notices required or provided for in this agreement shall be in writing and delivered in person or by mail, postage prepaid, and addressed as follows:

If to the County: Douglas County Engineer
Community Development Department
P.O. Box 218
Minden, NV 89423

If to the Developer: To the address set forth above in the Subdivision/Parcel
Map Reference Data, or to such other address as may
subsequently be designated in written notice to the
County.

Notice shall be effective on the date that it is delivered in person, or, if mailed, on the date of deposit in the United States mail.

13. ENTIRE AGREEMENT

This agreement constitutes the entire Agreement of the parties with respect to its subject matter. All modifications, amendments, or waiver of any terms of this Agreement shall be in writing and signed by the duly authorized representatives of the parties. In the case of the County, the duly authorized representative, unless otherwise specified herein, shall be the County Engineer.

14. SEVERABILITY

The provisions of this Agreement are severable. If any portion of this Agreement is held invalid by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect.

15. INCORPORATION OF SUBDIVISION/PARCEL MAP REFERENCE DATA AND RECITALS

The Subdivision/Parcel Map Reference Data, the Recitals and Schedule A are incorporated into this Agreement.

16. GOVERNING LAW

This Agreement shall be governed by the laws of the State of Nevada.

17. EFFECTIVE DATE OF THE AGREEMENT

This Agreement shall be and become effective as of the date of recordation of the Final Map.

18. TERM OF AGREEMENT

The term of this Agreement shall be twenty-four (24) months from the effective date.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers, thereto duly authorized, as of the dates set forth below their respective signatures.

"DEVELOPER"

James J. "Butch" Peri

(Type or print exact name of person or business entity)

By: [Signature]
(Signature of authorized officer)

James J. "Butch" Peri

(Type or print name of authorized officer)

Project Manager

(Title of authorized officer)

Date: 3/4 3/3/11



"COUNTY"

DOUGLAS COUNTY COMMUNITY DEVELOPMENT

By: Mahmood Azad

Mahmood Azad

Mahmood Azad, County Engineer

Date: 3/4/11

DOUGLAS COUNTY MANAGER

By: Michael Brown

Michael Brown

T. Michael Brown, County Manager

Date: 3/9/11

CERTIFIED COPY

The document to which this certificate is attached is a full, true and correct copy of the original on file and on record in my office.

DATE: March 14, 2011
T. HARRAN, Clerk of the 9th Judicial District Court of the State of Nevada, in and for the County of Douglas.

By Chris M. [Signature] Deputy