

**Carson City
Agenda Report**

Date Submitted: April 23, 2015

Agenda Date Requested: May 7, 2015

Time Requested: 5 minutes.

To: Mayor and Board of Supervisors

From: Parks and Recreation Department

Subject Title: For Possible Action: To introduce on first reading Bill No. ____, an ordinance approving the Schulz Ranch Maintenance District Development Agreement for the planned Schulz Ranch Development. (Roger Moellendorf, Parks and Recreation Director)

Staff Summary: On April 16, 2015 the Board of Supervisors accepted and approved the Schulz Ranch Maintenance District Petition and the Schulz Ranch Maintenance District Development Agreement for the planned Schulz Ranch Development. Title 17.18 of the Carson City Municipal Code requires that a maintenance district petition include a maintenance district development agreement. This was done; however, this matter was not immediately followed up with a first reading of the underlying ordinance. Title 17.08 of the Carson City Municipal Code requires that development agreements like the subject "Schulz Ranch Maintenance District Development Agreement" be approved through ordinance; the reason for this item.

Type of Action Requested: (check one)

Resolution Ordinance – First Reading
 Formal Action/Motion Other (Specify)

Does This Action Require A Business Impact Statement: Yes () No

Recommended Board Action: I move to introduce on first reading Bill No. ____, an ordinance approving the Schulz Ranch Maintenance District Development Agreement for the planned Schulz Ranch Development.

Explanation for Recommended Board Action: Carson City Municipal Code Title 17.08 requires that development agreements be approved by an ordinance.

Applicable Statute, Code, Policy, Rule or Regulation: NRS 278.4787, NRS 278.0201, NRS 278.0203, CCMC 17.18 (Landscape Maintenance Districts) and CCMC 17.08 (Development Agreements) including CCMC 17.08.015.

Fiscal Impact: N/A.


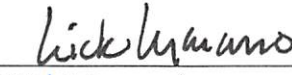

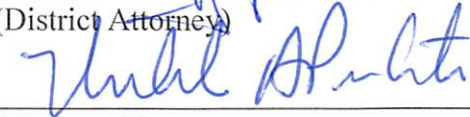
Explanation of Impact: N/A

Funding Source: N/A.

Alternatives: Reject the Ordinance.

Supporting Material: Ordinance No. 2015- ____.

Prepared By: Roger Moellendorf

Reviewed By:  Date: 4/28/15
(Department Head)
 Date: 4/28/15
(City Manager)
 Date: 4/28/15
(District Attorney)
 Date: 4/28/15
(Finance Director)

Board Action Taken:

Motion: _____ 1: _____ Aye/Nay
2: _____

(Vote Recorded By)

BILL NO. _____

Field Code Changed

ORDINANCE NO. 2015-_____

AN ORDINANCE APPROVING THE SCHULZ RANCH MAINTENANCE DISTRICT DEVELOPMENT AGREEMENT AND OTHER MATTERS PROPERLY RELATED THERETO.

Fiscal Effect: None

THE BOARD OF SUPERVISORS OF CARSON CITY DOES HEREBY ORDAIN:

WHEREAS, CARSON CITY and SCHULZ RANCH, LLC and RYDER-DUDA CARSON, LLC (hereinafter "SCHULZ RANCH") entered into a Development Agreement which was approved by the Board of Supervisors as Ordinance 2011-16, Bill No. 111 on September 1, 2011, and on April 3, 2014, the Board of Supervisors approved the First Amendment thereto allowing, among other things, a phasing plan, as Ordinance No. 2014-6, Bill No. 106 (collectively hereinafter "Development Agreement"); and

WHEREAS, the land which is the subject of this Ordinance is subject to the Tentative Subdivision Map entitled "Schulz Ranch Development Common Open Space Subdivision" (hereinafter "Schulz Ranch Development") that was approved by the Carson City Board of Supervisors on October 20, 2005, and which land is more particularly described in Exhibit "A" hereto;

WHEREAS, on April 16, 2015, the Carson City Board of Supervisors unanimously approved and accepted the Schulz Ranch Maintenance District Petition (hereinafter "Petition") and the Schulz Ranch Maintenance District Development Agreement for the planned Schulz Ranch Development as presented by Manhard Consulting LTD. and staff; and the Schulz Ranch Maintenance District Development Agreement so approved is attached hereto as Exhibit "B" (hereinafter "Maintenance District Development Agreement"); and

WHEREAS, the duration of the Maintenance District Development Agreement, the permitted uses of the land, the density or intensity of the land use, the maximum height and size of any proposed buildings, and any provisions for the dedication of any portion of the land for public use, are provided for in the Maintenance District Development Agreement; and

WHEREAS, the Carson City Board of Supervisors has determined that the contents of the Maintenance District Development Agreement conform with CCMC 17.08, CCMC 17.18.050(2)(c), NRS 278.0201, NRS 278.0203 and Carson City's Master Plan; and

NOW, THEREFORE, the Board of Supervisors hereby ordains:

1. The Maintenance District Development Agreement does not affect the rights of residents to maintain and enforce the provisions of Carson City's Master Plan.

2. The Maintenance District Development Agreement is consistent with the efficient development and preservation of the entire Schulz Ranch Development, does not adversely affect either the enjoyment of land abutting upon or across a street from the Schulz Ranch Development or the public interest, and are not granted solely to confer a private benefit upon any person.

3. The Maintenance District Development Agreement attached and incorporated herein as Exhibit "B" is approved.

4. The Board of Supervisors further directs that the City Clerk shall cause a certified copy of this Ordinance and the attached documentation to be filed with the Carson City Recorder.

PROPOSED on _____, 2015.

PROPOSED BY Supervisor _____

PASSED _____, 2015.

VOTE:

AYES:

NAYS:

ABSENT:

ROBERT L. CROWELL, Mayor

ATTEST:

SUE MERRIWETHER, Clerk-Recorder

This ordinance shall be in force and effect from and after the _____ day of the month of _____ of the year 2015.

EXHIBIT "A"

Legal Description

All that certain real property situate in Carson City, State of Nevada, more particularly described as follows:

Lot 1-1 through Lot 1-40, Lot 4-1 through Lot 4-60, and Parcel A, Parcel B, Parcel C as shown on the Final Map for SCHULZ RANCH SUBDIVISION-PHASE 1, recorded August 11, 2014 in Book 10, Page 2821 as File No. 446516;

Parcel 3A and Parcel 3B as shown on the 3rd Parcel Map for SCHULZ RANCH DEVELOPERS, LLC recorded August 3, 2007 in Book 10, Page 2663 as File No. 370575;

Parcel 1, Parcel 2, Parcel 3 and Parcel 4 as shown on the 4th Parcel Map for SCHULZ RANCH DEVELOPERS, LLC, recorded August 21, 2007 in Book 10, Page 2666 as File No. 371192; and

Parcel 1, Parcel 2, Parcel 3 and Parcel 4 as shown on the 5th Parcel Map for SCHULZ RANCH DEVELOPERS, LLC recorded August 21, 2007 in Book 10, Page 2667 as File No. 371193 all in the Official Records of Carson City, Nevada.

Parcel 2 as shown on the 1st Parcel Map for SCHULZ RANCH DEVELOPERS, LLC REYNEN & BARDIS (CARSON), LLC, recorded June 27, 2007 in Book 10, Page 2657 as File No. 369098 in the Official Records of Carson City, Nevada.

* * *

EXHIBIT "B"

Maintenance District Development Agreement

APN: _____

Escrow No. _____

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

WHEN RECORDED, MAIL TO:

**SCHULZ RANCH MAINTENANCE DISTRICT
DEVELOPMENT AGREEMENT**

This **SCHULZ RANCH MAINTENANCE DISTRICT DEVELOPMENT AGREEMENT** ("Agreement") is made effective as of the ____ day of _____, 20__ ("Effective Date"), among **SCHULZ RANCH, LLC**, a Delaware limited liability company ("Developer 1"), and **RYDER-DUDA CARSON, LLC**, a Nevada limited liability company ("Developer 2") (and together with Developer 1, individually and collectively, "Developer"), and **CARSON CITY**, a consolidated municipality ("Carson City"). Developer and Carson City are sometimes hereinafter referred to individually as a "Party" and collectively as the "Parties."

R E C I T A L S :

A. On or about _____, 20__, Developer submitted to Carson City the Schulz Ranch Maintenance District Petition ("Petition"). On or about _____, 20__, the Carson City Board of Supervisors ("Board") approved and adopted the Petition, and the notice of creation of the Maintenance District required by Carson City Municipal Code ("CCMC") 17.18.060(3)(b) ("Notice of Creation") was recorded on _____, 2014, as Document No. _____, in the Official Records, Carson City, Nevada ("Official Records").

B. Developer and Carson City execute this Agreement for the purpose of satisfying the requirement for a development agreement in connection with the Petition and for establishing the "**SCHULZ RANCH MAINTENANCE DISTRICT**" pursuant to CCMC 17.18.

C. Capitalized terms defined in this Agreement shall have the respective meanings given to them in this Agreement. Capitalized terms not defined in this Agreement shall have the respective meanings given to them in the Petition.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties covenant and agree as follows:

1. **Property.** The Property subject to this Agreement is described on **Exhibit A.** Following the recording of the Notice of Creation by Carson City, Developer will cause a notice of maintenance district assessment ("**Notice of Maintenance District Assessment**") to be recorded against the Property in the Official Records. The Notice of Maintenance District Assessment will list (i) each Assessed Property's legal description, and if available its assessor's parcel number, for each Assessed Property, (ii) the then current estimated or actual Assessment Amount for each Assessed Property, and (iii) contact information for Carson City for owners of Assessed Property to obtain information about the Maintenance District and the Assessment Amount. The Notice of Maintenance District Assessment will be substantially in the form attached at **Exhibit B.**

2. **Duration of Agreement.** The term of this Agreement begins upon the execution of this Agreement by the last Party, and terminates automatically on the last Final Project Acceptance for a Phase of Maintenance District Property, unless the Agreement is sooner terminated under NRS 278.0205 or the provisions of this Agreement, and except as to provisions herein that expressly survive termination ("**Termination Date**"). No further action by any Party is necessary to terminate this Agreement on the Termination Date under this **Section 2.** **EXPIRATION OR TERMINATION OF THIS AGREEMENT SHALL NOT TERMINATE THE MAINTENANCE DISTRICT.**

3. **Use.** The permitted uses of the Property, the density or intensity of the land use, and the maximum height and size of any proposed buildings shall be as set forth in the Development Approvals. The terms of this **Section 3** survive the expiration or termination of this Agreement.

4. **Improvements; Construction Schedule.** The improvements subject to this Agreement are identified on **Exhibit E** to the Petition (each, an "**Improvement,**" and collectively, the "**Improvements**"). Subject to extensions of time with respect to any one or more of the Development Approvals (including of the tentative map for Schulz Ranch (TSM -05-144)), Developer shall cause the Improvements to be installed or constructed in accordance with the schedule for construction, including the deadlines for completion thereof, on **Exhibit C.** If any such extensions of time conflict with **Exhibit C,** such extensions shall control for purposes of this Agreement. The installation or construction of the Improvements shall be performed in a good and workmanlike manner, in accordance with the Development Approvals, Petition and the CCMC, and at the sole cost and expense of Developer.

5. **Maintenance and Administration.**

5.1. On and after the date of Final Project Acceptance for a Phase of Maintenance District Property, Carson City shall maintain the Maintenance District Property associated with such Phase (including all Improvements), diligently, in good repair, in accordance with applicable law,

and at least in as good a condition as existing as of the date of such Final Project Acceptance, normal wear and tear excepted. Carson City agrees to not unreasonably withhold, delay or condition any inspection or approval necessary to achieve Final Project Acceptance. The terms of this **Section 5.1** survive each Final Project Acceptance as to the applicable Maintenance District Property; provided, however, the standard of maintenance set forth in this **Section 5.1** shall terminate upon Final Project Acceptance for the last and final Phase of Maintenance District Property.

5.2. On and after the date of Final Project Acceptance for the Phase 1 LMD Property, Carson City shall commence, and thereafter administer, the imposition and collection of the Assessment on each Assessed Property within the Maintenance District.

6. **Warranty.** On and after the date of Final Project Acceptance for a Phase of Maintenance District Property, all workmanship and materials of the Improvements associated with such Maintenance District Property shall be subject to a full one-year warranty. This warranty requires that all such Improvements (including trees, plants, irrigation systems, fencing, lighting, or any other landscaping components installed by or on behalf of Developer) be repaired or replaced to the reasonable satisfaction of Carson City if not healthy, thriving, or in disrepair promptly after written notification to Developer by Carson City of the deficiencies.

7. **Indemnification.** Developer agrees for itself, its successors and assigns that it, its successors and assigns shall indemnify, defend at Carson City's option and by counsel approved by Carson City, and hold harmless Carson City, its officers, representatives, employees and agents from and against any and all actions, penalties, liability, claims, demands, loss, damage, expense, costs (including without limitation costs and fees of litigation) of every nature brought by a third party and arising out of damage or loss resulting from the Developer's or Developer's agent's improper or defective materials, installation or design of the Improvements. In no event shall Developer be required to indemnify Carson City for any actions, penalties, liabilities, claims, demands, losses, damages, expenses, or costs (including without limitation costs and fees of litigation) of any nature arising from or related to negligent, reckless, knowing, intentional or willful conduct or actions of Carson City or its officers, representatives, employees, agents or independent contractors. This provision does not prevent Carson City from joining in as a party or obtaining a settlement in any suit against a developer, contractor or subcontractor for improper or defective materials, installation or design of any Improvement dedicated to Carson City. The terms of this **Section 7** survive each Final Project Acceptance as to the applicable Maintenance District Property for a period of two (2) years.

8. **Dedication for Public Use.** Pursuant to CCMC 17.18.050(2)(m)(1), the Maintenance District Property as described on each Subdivision Map is hereby dedicated to Carson City, and the same shall be open and available for public use and access. Developer shall cause each Subdivision Map to contain a note substantially similar to the following: *Pursuant to CCMC 17.18.050, the Maintenance District Property described hereon is hereby dedicated to Carson City and shall be open and available for public use and access.* Developer will grant to Carson City such easements

as may be reasonably necessary to allow Carson City to access Maintenance District Property for the purpose of maintaining the same in accordance with the Petition and this Agreement.

9. **Petition Deposit.** Developer shall pay to Carson City on or before the date the Notice of Creation is recorded in the Official Records, a deposit for start-up costs of the Maintenance District in an amount equal to \$5,000.00 ("Deposit"). On and after Final Project Acceptance for the Phase 1 Maintenance District Property, the Deposit may be used by Carson City only to fund maintenance expenses that exceed Assessment Amounts collected by Carson City. If, at the build-out of the Project as described on Exhibit G to the Petition, Assessment Amounts collected by Carson City exceed maintenance expenses such that excess Assessment Amounts are held by Carson City, the Deposit will be promptly refunded to Developer. The terms of this **Section 9** survive the expiration or termination of this Agreement.

10. **CCMC 15.60-Residential Construction Tax.** Developer, at its cost, is dedicating land and improvements for a neighborhood park within the Project; as a result, the residential construction tax described in CCMC 15.60 et. seq. will not be collected by Carson City at the time building permits are issued for residential dwelling units in the Project. The terms of this **Section 10** survive the expiration or termination of this Agreement.

11. **Notice.** Any communication, notice or demand of any kind whatsoever that either Party may be required or may desire to give to or serve upon the other shall be in writing, addressed to the Parties at the addresses set forth below, and delivered by personal service, by Federal Express or other reputable overnight delivery service, or by facsimile transmission:

If to Developer 1: Schulz Ranch, LLC
c/o Crown West Land Group
333 East Wetmore Road, Suite 250
Tucson, AZ 85705

Attn: Dean Wingert
Tel: (520) 888-3962
Fax: (520) 888-3198

With a copy to: Fennemore Craig Jones Vargas
300 E. Second Street, Suite 1510
Reno, Nevada 89501

Attn: Elizabeth Fielder, Esq.
Tel.: (775) 788-2200
Fax: (775) 786-1177

If to Developer 2:

Ryder-Duda Carson, LLC
c/o Ryder NV Management, LLC
985 Damonte Ranch Pkwy, Suite 140
Reno, Nevada 89521

Attn: Bobbie Merrigan
Tel.: (775) 823-3788
Fax: (775) 823-3799

With a copy to:

Holland and Hart LLP
5441 Kietzke Lane, 2nd Floor
Reno, Nevada 89511

Attn: Douglas C. Flowers, Esq.
Tel.: (775) 327-3000
Fax: (775) 786-6179

If to Carson City:

Carson City Parks & Recreation Director
3303 Butti Way, Building 9
Carson City, NV 89701

Attn: Roger Moellendorf
Tel.: (775) 283-7345
Fax: (775) 887-2145

And to:

Carson City Community Development Director
108 East Proctor Street
Carson City, NV 89701

Attn: Lee Plemcl
Tel: (775) 283-7075
Fax: (775) 887-2278

With a copy to:

Carson City District Attorney
885 E. Musser St., Suite 2030
Carson City, Nevada 89701

Attn: Jennifer Mayhew, Esq.
Tel.: (775) 887-2070
Fax: (775) 887-2129

Any such notice shall be deemed delivered as follows: (a) if personally delivered, the date of delivery to the address of the person to receive such notice; (b) if sent by Federal Express or other reputable overnight courier service, the date of delivery to the address of the person to receive such notice; or (c) if sent by facsimile transmission, on the business day transmitted to the person to receive such notice if sent by 5:00 p.m., Pacific time, on such business day, and the next business day if sent after 5:00 p.m., Pacific time, or on a day other than a business day. Any notice sent by facsimile transmission must be confirmed by sending by Federal Express or other reputable overnight delivery service a copy of the notice sent by facsimile transmission. Any Party may change its address for notice by written notice given to the other at least five (5) calendar days before the effective date of such change in the manner provided in this Section.

12. **Application of Subsequently Enacted Codes.** Carson City may, following the recordation of the Notice of Creation in the Official Records, adopt (i) new codes, ordinances, rules, resolutions and regulations, and/or (ii) amend any existing codes, ordinances, rules, resolutions and regulations, applicable to the Maintenance District (subsection (i) and (ii) are referred to collectively as "Subsequent Codes"); provided, however, Carson City may not apply Subsequent Codes to Developer that are materially inconsistent or in conflict with CCMC 17.18 as in effect on the date the Notice of Creation is recorded in the Official Records. For purposes of this **Section 12**, the phrase "materially inconsistent or in conflict with" includes, but is not limited to, restrictions, requirements, conditions, standards or obligations which are more burdensome, more expensive, or more onerous for Developer to satisfy than those in CCMC 17.18 as in effect on the date the Notice of Creation is recorded in the Official Records.

13. **Miscellaneous.**

13.1. **CCMC 17.08 and NRS 278.0201.** This Agreement is a "development agreement" within the meaning of CCMC 17.08 and NRS 278.0201.

13.2. **Entire Agreement.** This Agreement constitutes the entire understanding and agreement of the Parties with respect to the subject matter hereof. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the subject matter hereof.

13.3. Waivers. All waivers of the provisions of this Agreement must be in writing and signed by Carson City or Developer, as the case may be.

13.4. Recording. Promptly after the Effective Date, this Agreement shall be recorded in the Official Records, Carson City, Nevada. All amendments hereto must be in writing signed by Carson City and Developer, and shall be attached to the original and copy referenced above. Upon the completion of performance of this Agreement or its earlier revocation and termination, a statement evidencing said completion or revocation signed by Carson City and Developer shall be recorded in the official records of Carson City.

13.5. Incorporation of Recitals. The Recitals are specifically incorporated into this Agreement.

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

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

13.8. Further Actions. Each of the Parties shall cooperate with and provide commercially reasonable assistance to the other to the extent contemplated in the performance of all obligations under this Agreement and the satisfaction of the conditions of this Agreement. Upon the request of a Party at any time, the other Party shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of this Agreement or to evidence or consummate the transactions contemplated by this Agreement.

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

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

13.11. No Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the Parties and their successors and assigns. No other person shall have any right of action based upon any provision of this Agreement, unless expressly provided herein.

13.12. Successors in Interest. The burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to, all successors in interest to the Parties to this Agreement. All provisions of this Agreement shall be enforceable as equitable servitudes and constitute covenants running with the land.

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

13.14. Project as a Private Undertaking. It is specifically understood and agreed by and between the Parties hereto that the development of the Property is a private development, that neither Party is acting as the agent of the other in any respect hereunder, and that each Party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement.

13.15. No Partnership. No partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship between Carson City and Developer is that of a government entity regulating the development of private property and the developer of such property.

13.16. Attorney's Fees. If legal action, arbitration or other proceeding is brought by either Party to enforce or interpret the provisions of this Agreement, the prevailing Party shall be entitled to an award of reasonable attorney's fees and costs in addition to all other relief to which it may be entitled.

13.17. Cooperation. If this Agreement requires Carson City to "cooperate" or "assist" Developer, Carson City shall be required to act in good faith and provide general assistance as reasonably possible, but shall not be required to work exclusively for the benefit of Property.

13.18. List of Exhibits. This Agreement contains the following Exhibits, which are attached hereto and made a part hereof.

Exhibit A	Property
Exhibit B	Form of Notice of Maintenance District Assessment
Exhibit C	Construction Schedule

IN WITNESS WHEREOF the Parties hereto have executed this Agreement to be effective as of the Effective Date.

DEVELOPER:

CARSON CITY:

SCHULZ RANCH, LLC,
a Delaware limited liability company

CARSON CITY,
a consolidated municipality

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

RYDER-DUDA CARSON, LLC,
a Nevada limited liability company

Approved as to form:

CARSON CITY DISTRICT ATTORNEY

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

STATE OF NEVADA)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 20__, by _____, as _____ of SCHULZ RANCH, LLC, a Delaware limited liability company.

Notary Public
My Commission Expires: _____

STATE OF NEVADA)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 20__, by
_____, as _____ of RYDER-
DUDA CARSON, LLC, a Nevada limited liability company.

Notary Public
My Commission Expires: _____

STATE OF NEVADA)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 20__, by
_____, as _____ of CARSON
CITY, a consolidated municipality.

Notary Public
My Commission Expires: _____

EXHIBIT A
TO DEVELOPMENT AGREEMENT
PROPERTY

EXHIBIT B
TO DEVELOPMENT AGREEMENT

FORM OF NOTICE OF MAINTENANCE DISTRICT ASSESSMENT

APN: _____

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

WHEN RECORDED, MAIL TO:

NOTICE OF MAINTENANCE DISTRICT ASSESSMENT

YOU ARE HEREBY NOTIFIED that the real property described on Exhibit A to this Notice is subject to the **SCHULZ RANCH MAINTENANCE DISTRICT** ("Maintenance District") created pursuant to Carson City Municipal Code 17.18, and that because the Property lies within the Maintenance District, the Property is subject to assessments for the maintenance of certain improvements within the Maintenance District.

YOU ARE FURTHER NOTIFIED that the Maintenance District was created pursuant to approval and adoption by the Carson City Board of Supervisors of the **SCHULZ RANCH MAINTENANCE DISTRICT PETITION** ("Petition"), which approval and adoption is evidenced by, among other things, the recording of a Notice of Creation of the Schulz Ranch Maintenance District on _____, 20 __, as File No. _____, in the Official Records, Carson City, Nevada.

YOU ARE FURTHER NOTIFIED that the current estimate of the Assessment Amount for each Assessed Property within the Maintenance District is \$_____ per each Assessed Property per year. The Assessment Amount is anticipated to increase in the future as shown by the Financial Plan and estimates thereon attached at Exhibit G to the Petition. **NOTE THAT:**

THE NUMBER OF ASSESSED PROPERTIES WITHIN THE MAINTENANCE DISTRICT, AND THE ASSESSMENT AMOUNT FOR EACH ASSESSED PROPERTY, ARE SUBJECT TO CHANGE FROM TIME TO TIME. THE FORGOING ESTIMATE IS AN ESTIMATE ONLY. THE ACTUAL ASSESSMENT AMOUNT FOR EACH ASSESSED PROPERTY FOR EACH YEAR WILL BE DETERMINED BY CARSON CITY PURSUANT TO CCMC 17.18.090.

YOU ARE FURTHER NOTIFIED that information about Maintenance District, the Petition, the Assessment, and the Assessment Amount for each Assessed Property, may be obtained by _____ contacting _____ Carson _____ City _____ as _____ follows:

Capitalized terms used but not defined in this Notice have the meanings given to such terms in the Petition.

[Signatures to follow.]

DATED: this _____ day of _____, 20__.

SCHULZ RANCH, LLC,
a Delaware limited liability company

RYDER-DUDA CARSON, LLC,
a Nevada limited liability company

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

STATE OF NEVADA)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 20__, by _____, as _____ of SCHULZ RANCH, LLC, a Delaware limited liability company.

Notary Public
My Commission Expires: _____

STATE OF NEVADA)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 20__, by _____, as _____ of RYDER-DUDA CARSON, LLC, a Nevada limited liability company.

Notary Public
My Commission Expires: _____

EXHIBIT A
TO NOTICE OF MAINTENANCE DISTRICT ASSESSMENT

Legal Description

EXHIBIT C
TO DEVELOPMENT AGREEMENT
CONSTRUCTION SCHEDULE

Schulz Ranch LMD Construction Schedule

Year	Phase	# of Assessed Properties	LMD Improvements
2015-16	1	108	Portion of Racetrack Road landscaping as outlined in Exhibit C-2 of the LMD Petition
2017-18	2	105	Linear pathways as outlined in Exhibit C-2 of the LMD Petition
2019-20	3	111	Remainder of Racetrack Road landscaping, *neighborhood park, south detention basin/ park, and linear pathways as outlined in Exhibit C-2 of the LMD Petition
2021-22	4	100	North detention basin/ park and gas line easement linear pathway as outlined in Exhibit C-2 of the Petition

* The neighborhood park will be completed in conformance with Exhibit L to the Development Agreement (Amendment No. 1) for Schulz Ranch dated April 3, 2014.