

THIS AGREEMENT made this ___ day of _____, 2023, by and between the CITY OF FALLON, a subdivision of the State of Nevada, hereinafter referred to as "Fallon" and Rockhound Investments, LLC., a Nevada limited liability company hereinafter referred to as "Rockhound, LLC", whereby the parties recite, covenant and agree as follows:

1. RECITALS

- A. Fallon and Rockhound, LLC previously entered into a development agreement dated October 4, 2022.
- B. That following the October 4, 2022, development agreement, Rockhound LLC has updated its civil improvement plans to its Final Map of the Country Air Subdivision Phase 6.
- C. Due to the civil improvement plan changes, the City of Fallon and Rockhound LLC desire to enter into the following agreement and upon the following terms which shall supersede the October 4, 2022, development agreement and control the parties' obligations.
- D. Fallon is a political subdivision of the State of Nevada organized as a City pursuant to Nevada Revised Statutes Chapter 266 (General Law for Incorporation of Cities and Towns);
- E. Fallon has enacted ordinances that establish minimum standards of design and improvement for subdivisions in the incorporated area of the City at Title 20 - Subdivisions as authorized by Nevada Revised Statutes, Chapter 278, (Planning and Zoning);
- F. Fallon, recognizing the importance of entering into agreements with owners of property that have made significant financial commitments for the development of property within its corporate limits, has enacted Section 20.26.010 through 20.26.012 of Title 20 of the Ordinances of Fallon which authorizes Fallon to enter into development agreements with the owners of property that may include specific covenants that depart from the general subdivision development, design, and improvement standards set forth in Title 20 of the Fallon Municipal Code, hereafter ("FMC").
- G. Rockhound, LLC owns all that certain lot, piece or parcel of land situate in the County of Churchill, State of Nevada, described as follows:

Parcel D1 of the Parcel Map for Joe Jr. and Joann L. Serpa, Co-Trustees of the Joe Jr. and Joann L. Serpa Family Trust Agreement dated 10/26/1993 recorded January 31, 2005 under Document No. 367906, Official Records, Churchill County, Nevada.

- H. A Tentative Map for the Country Air Subdivision Phases 6-8 was approved by the Fallon City Council on December 20, 2021; signed by the Mayor of the City of Fallon, Ken Tedford, Jr. and Deputy City Clerk for the City of Fallon, Elsie Lee.
- I. No subdivision improvements have been completed for the lots owned by Rockhound, LLC within the Country Air Subdivision Phases 6-8 as required to develop these parcels by FMC Title 20 and Nevada Revised Statutes Chapter 278;
- J. Rockhound, LLC has presented a Final Map of the Country Air Subdivision Phase 6 for approval by the Fallon City Council. Phase 6 of said subdivision consists of 15 total lots upon which Rockhound, LLC intends to develop 14 residential lots and one lot to be developed as a retention basin and upon completion conveyed to the City.
- K. Rockhound, LLC intends to use good faith and commercially reasonable efforts to develop the lots prior to the expiration of the term of this Agreement. Should Rockhound, LLC, sell any of the lots prior to their development, any successor in interest is hereby incorporated into all references to Rockhound, LLC in the covenants contained below.
- L. Fallon and Rockhound, LLC desire to enter into a development agreement (hereafter "Agreement") as authorized by Nevada Revised Statutes Chapters 278 Section 278.02598 and FMC Sections 20.26.010 through 20.26.012 to provide for the future construction and completion for all subdivision improvements for the 14 lots within Country Air Subdivision.

NOW THEREFORE, Fallon and Rockhound, LLC agree as follows:

1. That this Agreement shall supersede the development agreement previously entered into by Fallon and Rockhound, LLC and dated October 4, 2022.
2. Rockhound, LLC agrees to install and construct at its expense all subdivision improvements for the 15 lots (hereafter collectively "Improvements") as depicted on the Final Map for the Country Air Phase 6 Subdivision and incorporated herein by reference. Among the Improvements to be constructed are the following: water distribution system, sewer infrastructure, storm drain and storm water collection infrastructure, electrical infrastructure, importing of suitable materials for grading, roadway, curb, gutter, sidewalk, pedestrian ramps, streetlights and signage.
3. Rockhound, LLC shall, as a requirement to subdivide Phase 6, install a sewer lift station and stormwater retention basin within the boundaries of Phase 6 each of which shall be of sufficient capacity to serve the Country Air Subdivisions Phases 6-8.
4. Rockhound, LLC agrees to complete the Improvements in a workman-like manner, according to Nevada Orange Book standards for soils, aggregates, concrete and asphalt and to provide Fallon with testing of such by Rockhound, LLC and as depicted on the Country Air Phase 6 Final Map, the Westex Geotechnical Report

dated April 24, 2021, and Master Hydrology Report prepared by Civil Engineering Consultants dated April 14, 2023.

5. Rockhound, LLC agrees to complete the Improvements as described in paragraph 2 above and, as hereinafter set forth, within twelve (12) months of the effective date of this Agreement, unless extended by the Fallon City Council at a properly scheduled official meeting of the Fallon City Council.
6. Rockhound, LLC agrees that no individual lot (s) will be sold or offered for sale as residential units or individually pledged as collateral for any purpose until Rockhound, LLC, or its successors in interest, has completed the Improvements in the manner set forth herein.
7. Fallon agrees that Rockhound, LLC may commence construction of homes within Phase 6 of the subdivision upon proper rough grading of the 15 lots; Rockhound, LLC agrees that homes will not receive certificates of occupancy until all Improvements are completed and accepted by City of Fallon.
8. Fallon agrees that Rockhound, LLC may submit a letter of credit in leu of a cash bond guaranteeing the completion of the Improvements herein. The letter of credit shall be in the amount of \$1,280,606.00 and in a form and subject to terms approved by the City of Fallon.
9. As individual Improvements are completed and accepted by Fallon, Rockhound, LLC may request a release from its line of credit of the value of the completed improvements as established by the City of Fallon.
10. Fallon agrees to not require a warranty bond for the Improvements constructed pursuant to this Agreement; however, Rockhound, LLC agrees to warrant the Improvements for a period of one year following their acceptance by the City of Fallon.
11. Nothing in this Agreement shall be construed to prohibit the Fallon City Council from adopting new ordinances, resolutions or regulations applicable to land subject to this Agreement, which do not conflict with those ordinances, resolutions and regulations in effect at the time this Agreement becomes effective, except that any subsequent action by the Fallon City Council must not prevent the development of the 14 lots as set forth in this Agreement.
12. Fallon shall certify that the Improvements required by this Agreement have been completed. Final approval shall be by the Fallon City Council and said approval shall be memorialized a in writing, recorded in the Office of the Churchill County Recorder and a Declaration signed by the Mayor of Fallon, that the terms of this Agreement have been fulfilled.

13. This Agreement shall be recorded in the Office of the Churchill County Recorder shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.
14. This Agreement shall be interpreted in accordance with and governed in all respects by the laws of the State of Nevada.
15. The exclusive venue for any action brought to interpret or enforce the terms of this Agreement shall be the Tenth Judicial District Court in Churchill County.
16. In the event an action is brought to interpret or enforce this Agreement, the prevailing party shall be entitled to recover costs and reasonable attorney's fees.
17. Each of the signatories hereto warrants and represents that it is competent and authorized to enter into this Agreement.
18. If any provision or any part of any provision of this Agreement is for any reason held to be invalid, unenforceable, or contrary to public policy, law, statute and/or ordinance, then the remainder of this Agreement shall not be affected thereby and shall remain valid and fully enforceable.
18. The effective date of this Agreement is the date the Fallon City Council shall approve it and authorize the Mayor and City Clerk/Treasurer to sign on behalf of Fallon.

APPROVED by vote of Fallon City Council, dated this. ____ day of _____, 2023.

Ken Tedford
MAYOR

Kenneth R. Gearhart
Rockhound Investments, LLC