















- C. [For possible action] PUBLIC HEARING - Regional Plan Amendment (RPA17-005) - Consideration and possible adoption of RPGM Resolution 17-05 regarding an amendment to the Truckee Meadows Service Areas (TMSA) to modify the boundaries of the City of Reno's portion of the TMSA by removing three parcels totaling approximately ±1,091 acres located near Winnemucca Ranch Road, ±30 miles north of the Interstate 80/Interstate 580 System Interchange, and designating these parcels as Rural Development Area (RDA)

Ms. Knox presented information included in the staff report. The RPC voted unanimously to recommend approval by the RPGM.

[The public comment portion of the hearing was opened.]

Ken Krater, representing the property owner, spoke in support of removing this site from the City of Reno's portion of the TMSA.

[The public comment portion of the hearing was closed.]

Member Hartung asked how this land was put into the TMSA to begin with when no infrastructure existed.

Member Brekhus provided some history and context of this area and the decision to include it in the Sphere of Influence.

A MOTION WAS MADE AND SECONDED TO APPROVE RPGM RESOLUTION 17-05 RECOMMENDING THE ADOPTION OF A REGIONAL PLAN AMENDMENT TO REMOVE THE ±1,091 ACRE SITE FROM THE CITY OF RENO'S PORTION OF THE TMSA AS IDENTIFIED IN THE 2012 REGIONAL PLAN AND AS DETAILED IN THE STAFF REPORT. THE MOTION CARRIED UNANIMOUSLY WITH TEN (10) MEMBERS PRESENT.

- D. [For possible action] Consideration and possible ratification of the recommendation of the Washoe County HOME Consortium (WCHC) Directors for the allocation of second round funding for FY2017-2018 funds for the development of affordable housing projects in the amount of \$440,000

Ms. Knox presented information included in the staff report.

Cylus Scarbrough, City of Reno Management Analyst, reviewed details of this second round of funding. He also stated that the Ridge House project determined they had a conflict and withdrew their application, thus only leaving the Sky Mountain by Vintage project allocation to be ratified.

A MOTION WAS MADE AND SECONDED TO ALLOCATE \$100,000 TO THE SKY MOUNTAIN BY VINTAGE PROJECT. THE MOTION CARRIED UNANIMOUSLY WITH TEN (10) MEMBERS PRESENT.

Marshall Ranch Character Management Area

Character Statement

The boundaries of the Marshall Ranch CMA (Marshall Ranch) are defined by the Warm Springs Character Management map. Policies governing development of this area can be found within Appendix B of this document.

The Marshall Ranch Property is unique in its setting, being nestled between the Dogskin Mountains to the southwest and the Virginia Mountains & Tule Peak to the northeast. This property forms the far northeastern boundary of the Warm Springs Area Plan and is accessed via Winnemucca Ranch Road.

In 2017, the owners of the Marshall Ranch property recognized that the highest and best use of their ranch is large lots with maximum five-acre densities (one single family home per five acres) that preserves the scenic views of the adjoining mountains, wildlife corridors, and rural and agricultural character of the area while protecting the water resources and stream zone environments on the properties. Larger lots would provide a buffer between rural properties to the north, east, and south and the Spring Mountain property located to the west. Thus, the property owners took action to withdraw the Marshall Ranch from the City of Reno's TMSA, which was approved by the Truckee Meadows Regional Planning Governing Board on October 26, 2017.

Regardless of whether or not the Marshall Ranch Property is developed, it is in the best interest of the Warm Springs community to add additional development protections to the Marshall Ranch if it is developed within the Rural Development Area of the Truckee Meadows Regional Plan within Washoe County under the requirements of the Warm Springs Area Plan. Furthermore, the additional protections coupled with the ability to achieve development at a maximum density of one dwelling unit per five-acres will afford development opportunities in substantial conformance with the Goals and Policies of the Warm Springs Area Plan and the Truckee Meadows Regional Plan, while also encouraging conservation easements on the property.

The previous Reno TMSA designation was an oxymoron given the current rural nature of the Marshall Ranch. This area is a remote, beautiful, and bucolic area within Washoe County, yet it is only a 45+/- minute drive from the system interchange of I-80 and I-580. Mountain peaks in the vicinity of the Marshall Ranch exceed 8,000 feet above mean sea level and numerous springs feed the creek that runs parallel to Winnemucca Ranch Road. Herds of mule deer and pronghorn antelope are known to frequent the area as their habitat includes much of the Virginia Mountains while portions of the southern part of the Warm Springs Planning area serve as winter range for mule deer. The area provides important habitat to numerous additional wildlife species as noted under the Wildlife and Wildlife Habitats section of the Warm Springs Area Plan.

The majority of land surrounding the Marshall Ranch are public lands, predominantly under the ownership of the Bureau of Land Management (BLM). Winnemucca Ranch Road provides convenient access to many popular recreation areas including the Moon Rocks Recreation area and the Bedell Flats area. Winnemucca Ranch Road is the primary access to the Marshall Ranch from Pyramid Hwy to the far northeast corner of the Warm Springs Area Plan. Winnemucca Ranch Road is paved up to Range Land Road (approximately 4.5 miles) where it turns into a seasonally maintained gravel road for the remainder of the Marshall Ranch access. Any future development on parcels smaller than 40 acres that is accessed by Winnemucca Ranch Road will require paving of Winnemucca Ranch Road. Paving the entirety of Winnemucca Ranch Road up to and through the Marshall Ranch should improve access to public lands currently accessed from the existing gravel portion of the road.

In the winter and spring of 2017, an incredible amount of rain and snow fell on Washoe County, causing major damage to Winnemucca Ranch Road. A large culvert that allows a creek to flow under the road between the Marshall and Spring Mountain Ranch to the west was washed out as the flow of the creek far exceeded the capacity of the culvert. This resulted in major downstream erosion, washing gravel, silt and debris downstream into the Warm Springs Valley. Future development should ensure that adequate capacity is made available for drainage features within and impacted by a project to help mitigate future flash floods and major storm damage. Letter of Map Revisions (LOMR) will be required with development to accurately characterize flood plain areas within the Marshall Ranch where flood zones exist.

Wildfires are another major issue in this area. In 2018, a major fire started near Herlong at US 395 and burned through Winnemucca Valley and far up the hillsides of the Dogskin and Virginia Mountains. Helicopters used to fight the fires used their pumps to suction water out of a large pond on the north side of the Marshall Ranch. These character management features, although not necessarily entirely unique to the Marshall Ranch property with perhaps the exception of the ponds, should be considered in any future development plans.

As the Marshall Ranch remains largely undeveloped, residents of the Warm Spring Planning area, the North Valleys area, and numerous Truckee Meadows residents and tourists are discovering the peace, tranquility, and dark skies that this area affords. There will be increasing pressure from citizens to maintain public access as this area is discovered thus increasing the need for any future development to occur in a manner that respects the character of this area. In order to maintain the dark sky character of the area, future development should be required to mitigate uses with the potential light pollution impacts and use all Dark Sky certified and fully shielded lighting. Both street and building lighting should only be used for safety purposes and motions sensors should be encouraged to activate the lights during late night hours to help preserve and maintain the area's dark skies.

The vision of this character management statement is to further the policies and protections of the Warm Springs Area Plan, while protecting private property rights, and to work to preserve the wildlife corridors, wildlife habitat, scenic beauty and vistas, rural lifestyle, existing agricultural activities, native vegetation, and water resources as any future development occurs.

Within the Marshall Ranch Character Management Area industrial and commercial development will not be allowed. Only large lot residential uses at a maximum density of one dwelling unit per 5-acres acre will be allowed within the Marshall Ranch Character Management Area. **The minimum allowed lot size will be 5-acres and no clustering or density transfers will be allowed.**

To protect the unique qualities present within the Marshall Ranch Character Management Area, future development activities should be conducted in a manner that maintains open space and scenic views and provides connections to existing and planned public roads and trails systems. A recreational trail system should be planned in conjunction with the Washoe County Parks Program of the Community Services Department that will serve a dual purpose of providing access to open space within developed areas and to public lands while minimizing impacts to wildlife. Developers should work with the Nevada Division of Wildlife and county staff to develop a wildlife mitigation plan to ensure that adequate wildlife corridors are maintained for mule deer and pronghorn antelope. The plan should also consider other wildlife species including bighorn sheep, sage grouse, and other upland and migratory bird species.

Property owners on the Marshall Ranch who farm, ranch, and run cattle may continue to do so and any future development should be highly respectful of these private property rights and design their development to minimize the impacts of the residential and agricultural interfaces. Good fencing makes for good neighbors and high-quality fencing should be used along with cattle guards that only restrict access of livestock into developed properties and not public lands. County policies supporting and facilitating a rural approach to the maintenance of animals including livestock, hobby livestock, and pets will contribute to the preservation of the area's character.

The threat of periodic natural hazards including floods, avalanche, earthquakes and wildland fires are a danger in much of the Marshall Ranch Character Management Area. Washoe County should continue to work in close collaboration with other agencies to reduce these threats through the application of development standards, hazard mitigation, emergency management practices, and educational programs.

Prolonged droughts that occur on a regular basis and over utilization of permitted water rights within the Warm Springs Planning Area has resulted in a drawdown of the main aquifers associated with this area. The sustainable management of the area's water resources is necessary to maintain the quality of these aquifers. Development of the Marshall Ranch should meet or exceed the strict sustainability requirements of the Water Budget contained in appendix A of the Warm Springs Area Plan including any updates to the water budget. New development activities should be planned and conducted in such a manner as to enhance water recharge, fully utilize treated wastewater, and minimize the amount of water required for landscaping and amenities.

Due to the Marshall Ranch's function as a gateway to and from public lands and recreation areas, its key natural assets, and its ability to contribute to the Conservation goals of the plan, the Warm Springs Area Plan's unique and valuable character is carefully managed and preserved through the thoughtful and deliberate implementation of the goals and policies specific to the Marshall Ranch Character Management Area. In addition, all other goals and policies of the Warm Springs Area Plan also apply to the character management area.



(L) View from west end of Marshall Ranch – looking west



(R) View from Marshall Ranch Pasture Area – looking south



(L) Downstream damage to creek from washed out culvert



(R) Moon Rocks

Appendix B – Marshall Ranch Character Management Area (CMA)

Policies Applicable to the Marshall Ranch CMA

- WS.B.1 When feasible, given utility access constraints, **grading for development purposes** after the date of final adoption of this plan will:
- Minimize disruption to the natural topography of the surrounding area.
 - Utilize natural looking contours and slopes as specified in Article 424 of the Washoe County Development Code.
 - Complement the natural characteristics of the landscape.
 - Preserve existing vegetation and ground coverage in areas to be left undisturbed to the extent possible to minimize erosion.
 - Graded slopes shall be stabilized with a dust palliative or vegetation within 60 days of completion of grading activities. The developer/applicant shall be required to obtain a dust control permit.
- WS.B.2 Site development plans in the Marshall Ranch CMA must submit a plan for the **control of noxious weeds**. The plan should be developed through consultation with the Washoe County District Health Department, the University of Nevada Cooperative Extension, and/or the Washoe-Storey Conservation District. The control plan will be implemented on a voluntary compliance basis and shall include both eradication of noxious weeds and reseeding with native grasses and plants.
- WS.B.3 Applicants required to present their items to the Citizen Advisory Board (CAB) must **submit a statement to staff regarding how the final proposal responds to the community input received from the CAB**.
- WS.B.4 **All lighting must be “dark-sky” certified**. The use of **streetlights will be minimized and lighting shall be used only for safety purposes**. All lighting shall be fully shielded, including building lighting, parking lots, and streetlights. **Motion sensors shall be used on building and parking lot lighting such that lights shall only be on from the hours of 11:00 pm to dusk** when activated by motion sensors.
- WS.B.5 All **landscape designs will emphasize the use of native and low water requirement vegetation**, with non-native and atypical vegetation integrated sparingly into any landscaped area. **Fire resistant landscaping** is desirable, especially in clear zones around structures.
- WS.B.6 Development activities should be designed to **support the efficient use of infrastructure and the conservation of recharge areas, wetland areas, wildlife habitat areas, wildlife corridors, and open vistas**. Prior to submitting any tentative map, special use permit

or other discretionary application, the developer shall consult with the Nevada Division of Wildlife (NDOW) to **develop a wildlife mitigation plan acceptable to NDOW to maintain wildlife corridors for mule deer and pronghorn antelope** adequate to allow them to move between their natural habitat and winter habitat areas. The **plan shall also address bighorn sheep, sage grouse, and other upland and migratory bird species**. This plan shall be included with all discretionary applications, and Washoe County staff shall establish the implementation measures as conditions of approval.

- WS.B.7 Prior to submitting any tentative map, special use permit or other discretionary application, the developer shall **consult with the U.S. Fish & Wildlife Service (USFWS)** to address their concerns regarding potential direct and indirect impacts to the **Carson Wandering Skipper, a butterfly classified as an endangered species**. The applicant shall work with the USFWS to create a plan acceptable to USFWS addressing requirements of the Endangered Species Act in relation to the Skipper.
- WS.B.8 A **community water system** shall be required with development to provide water service for the project with conceptual plans to be submitted with a tentative map application. The community water system shall be approved by the Washoe County Health District prior to approval of any final map. The community water system shall be approved by the Public Utility Commission of the State of Nevada (PUCN) and the developer shall obtain necessary certificates of operation from the PUCN prior to approval of any final map. The only exception to the requirement for a community water system is that up to four (4) single family homes, each on an individual 5-acre minimum size lot may use a water well in accordance with County requirements.
- WS.B.9 Washoe County is working with regional partners to ensure **best practices for wildland fire prevention and management are used for development activities** in the wildland suburban interface. Applications for any discretionary approval must show how their project will manage the potential threat of wildland fire in accordance with adopted codes. Plans that propose the use of defensible space must include a maintenance plan for that space that demonstrates how that area will be maintained and managed for the life of the project.
- WS.B.10 A **recreational trail system** shall be planned in conjunction with Washoe County Parks staff that will **serve a dual purpose of providing access to open space within the development and to public lands while minimizing impacts to wildlife**. The recreational trail system shall be approved by County staff prior to approval of any tentative map for a project and conditioned by Washoe County staff to be constructed in phases with development prior to issuance of any Certificate of Occupancy.
- WS.B.11 Development shall **maintain access to all public roads and trails to the satisfaction of County staff**. Drainage features both within a project and impacted by the project shall be designed and constructed in accordance with current County requirements to convey the 100-year storm and minimize flood impacts to public and private roads and trails. All roads within and serving the development shall be constructed or improved to Washoe County standards including **paving of Winnemucca Ranch Road to its**

current paved terminus at Range Land Road prior to the issuance of any Certificate of Occupancy, or as required by the County Engineer during tentative map review.

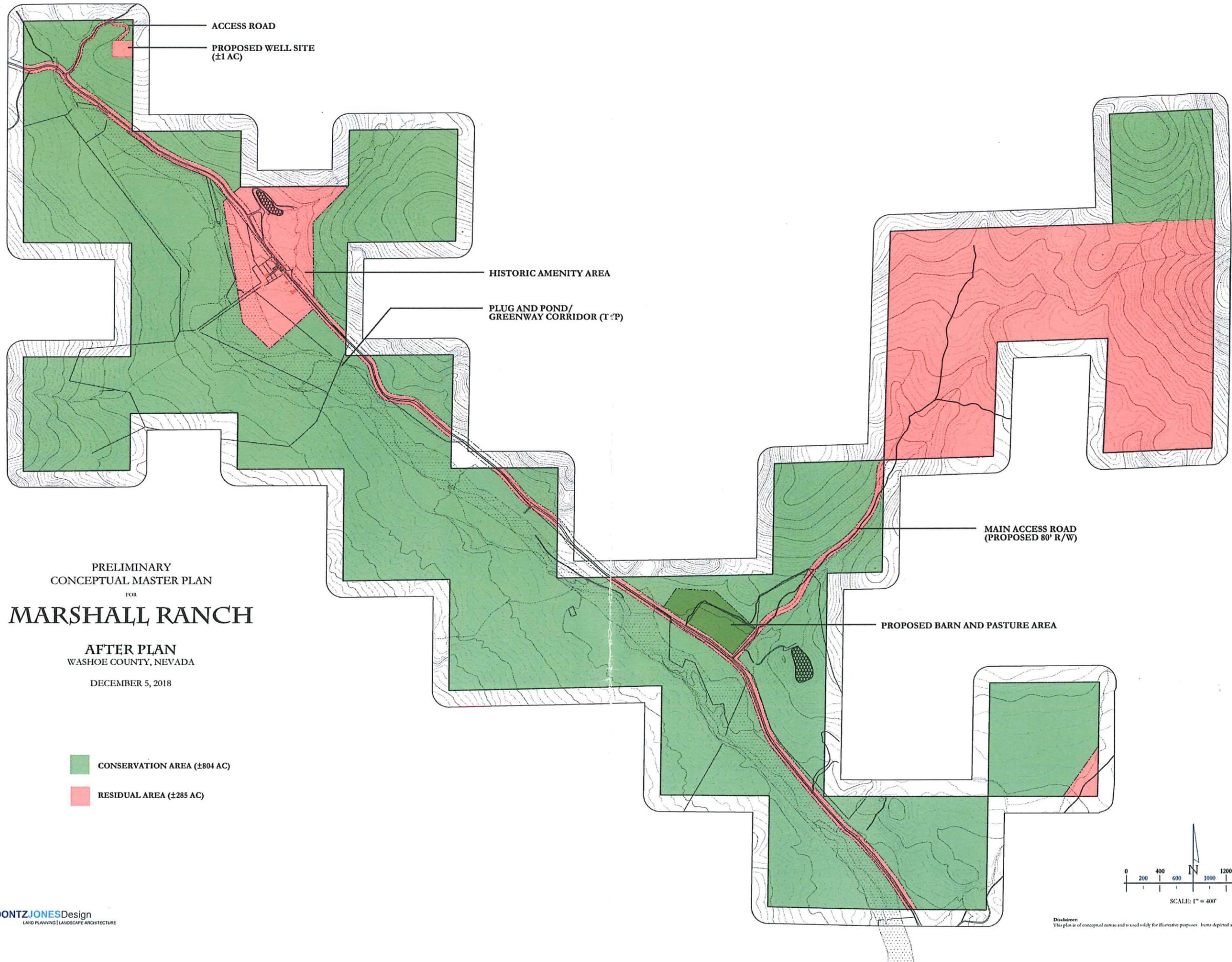
WS.B.12 A traffic study shall be submitted with any Tentative Map application(s) with a scope of work approved by the County traffic engineer and shall include an analysis of the intersection of Winnemucca Ranch Road with the Pyramid Highway. Improvements at a minimum shall include a northbound to westbound left turn pocket and any other improvements as required by the Nevada Department of Transportation. The traffic study should also determine the amount of traffic that is likely to use Range Land Road based on existing traffic patterns in the area. If more than 10% of project traffic is estimated to use Range Land Road, then a chip seal surface treatment shall be applied to Range Land Road from Winnemucca Ranch Road to the Pyramid Highway in accordance with Washoe County requirements and best industry practices prior to issuance of the first Certificate of Occupancy for the project.

WS.B.13 The following Regulatory Zones are permitted within the Marshall Ranch Character Management Area of the Warm Springs planning area.

- Public/Semi Public Facilities (PSP)
- Parks and Recreation (PR)
- Open Space (OS)
- Specific Plan (SP)
- Medium Density Rural (MDR). The minimum allowed lot size within areas zoned MDR is 5-acres and no clustering or density transfers are allowed.
- General Rural (GR)
- General Rural Agriculture (GRA)

WS.B.14 Significant portions of the CMA are subject to the standards of Washoe County Development Code Article 424, Hillside Development. Future development of these areas, including but not limited to tentative maps, shall adhere to the standards and requirements of the article, and a site analysis prepared by a qualified engineer shall be submitted to address hillside development standards. In order to reduce the visual impact of development in these areas, grading shall work with and complement the natural terrain and contours and minimize impacts to the natural topography. Graded slopes shall be revegetated with either native plants or other species that are deemed desirable for the area that match the height of surrounding species and are fire resistant.

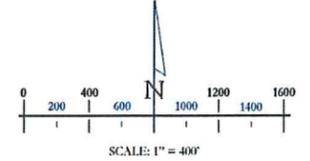
- WS.B.15** During review of tentative maps and other development proposals, County staff will review the adequacy of the minimum standards established under this plan; and upon a finding that a standard is inadequate to implement these goals, may recommend to the Planning Commission other similar standards as necessary to implement the relevant goal.
- WS.B.16** The standards established in policies WS.B.1-WS.B.14 will be implemented through tentative map conditions, improvements plans, CC&Rs, deed restrictions, or other methods deemed as appropriate by the Director of Planning & Building. When appropriate, Washoe County staff shall establish the implementation measures as conditions of tentative map approval.



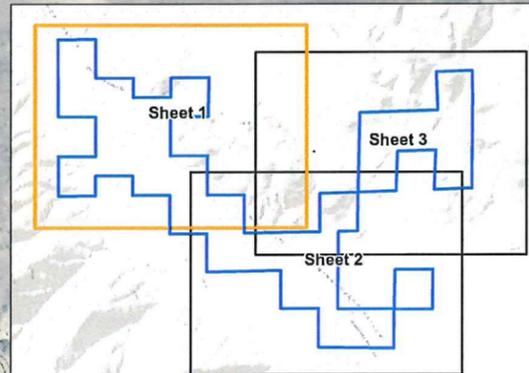
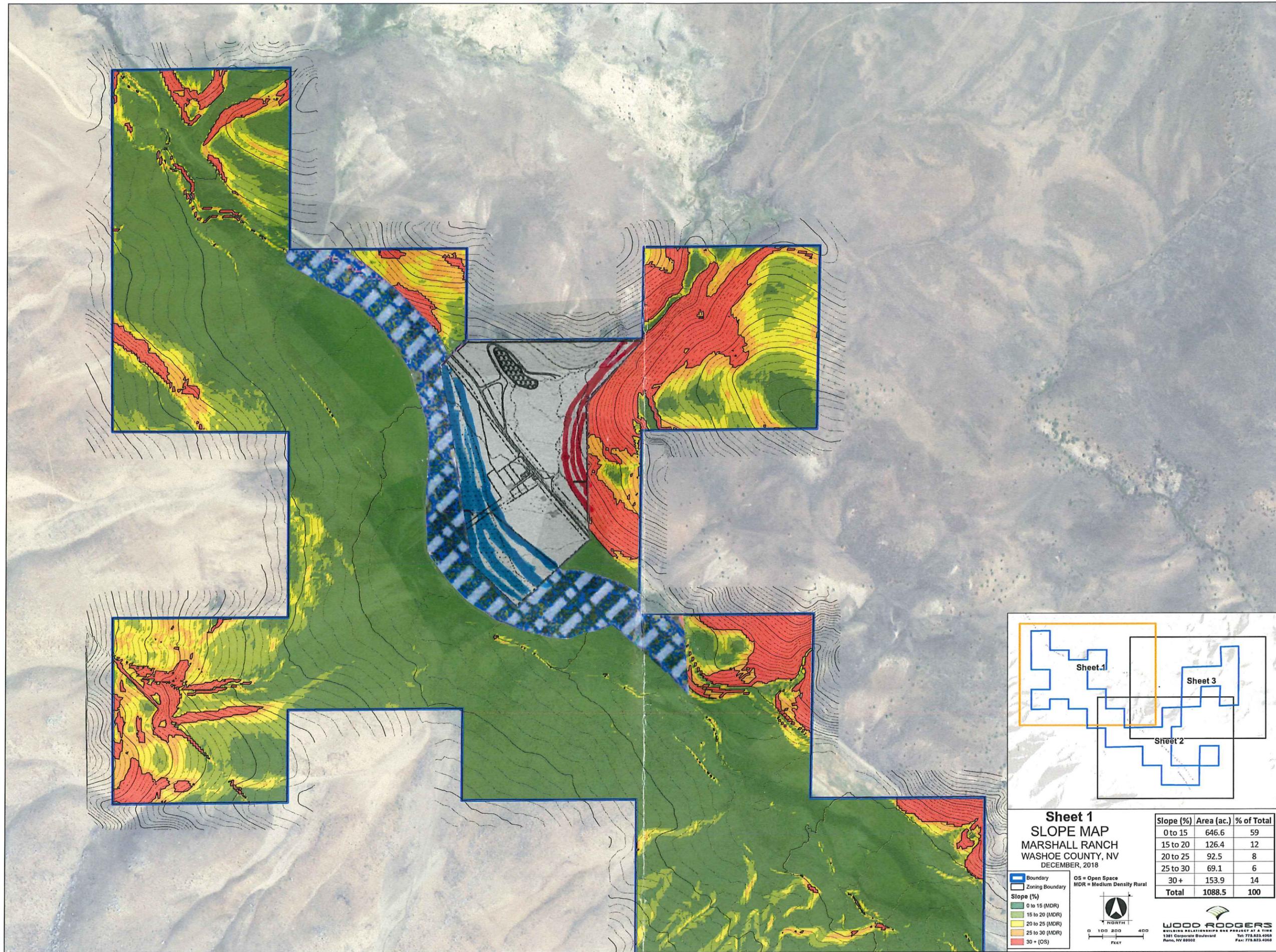
PRELIMINARY
CONCEPTUAL MASTER PLAN
FOR
MARSHALL RANCH

AFTER PLAN
WASHOE COUNTY, NEVADA
DECEMBER 5, 2018

- CONSERVATION AREA (±804 AC)
- RESIDUAL AREA (±285 AC)



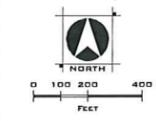
Disclaimer:
This plan is of conceptual nature and is used solely for illustrative purposes. Items depicted are subject to change.



Sheet 1
SLOPE MAP
 MARSHALL RANCH
 WASHOE COUNTY, NV
 DECEMBER, 2018

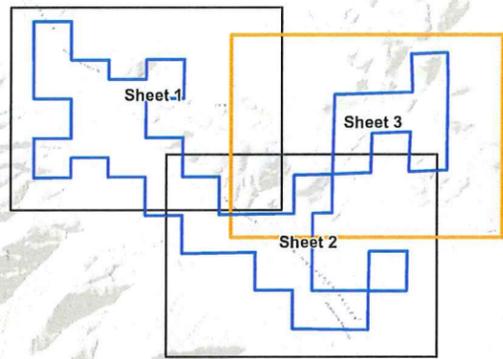
- Boundary
- Zoning Boundary
- Slope (%)**
- 0 to 15 (MDR)
- 15 to 20 (MDR)
- 20 to 25 (MDR)
- 25 to 30 (MDR)
- 30 + (OS)

OS = Open Space
 MDR = Medium Density Rural



Slope (%)	Area (ac.)	% of Total
0 to 15	646.6	59
15 to 20	126.4	12
20 to 25	92.5	8
25 to 30	69.1	6
30 +	153.9	14
Total	1088.5	100

WOOD RODGERS
 BUILDING RELATIONSHIPS ONE PROJECT AT A TIME
 1381 CONVERSE BOULEVARD Reno, NV 89502 Tel: 775.822.4066 Fax: 775.822.4065



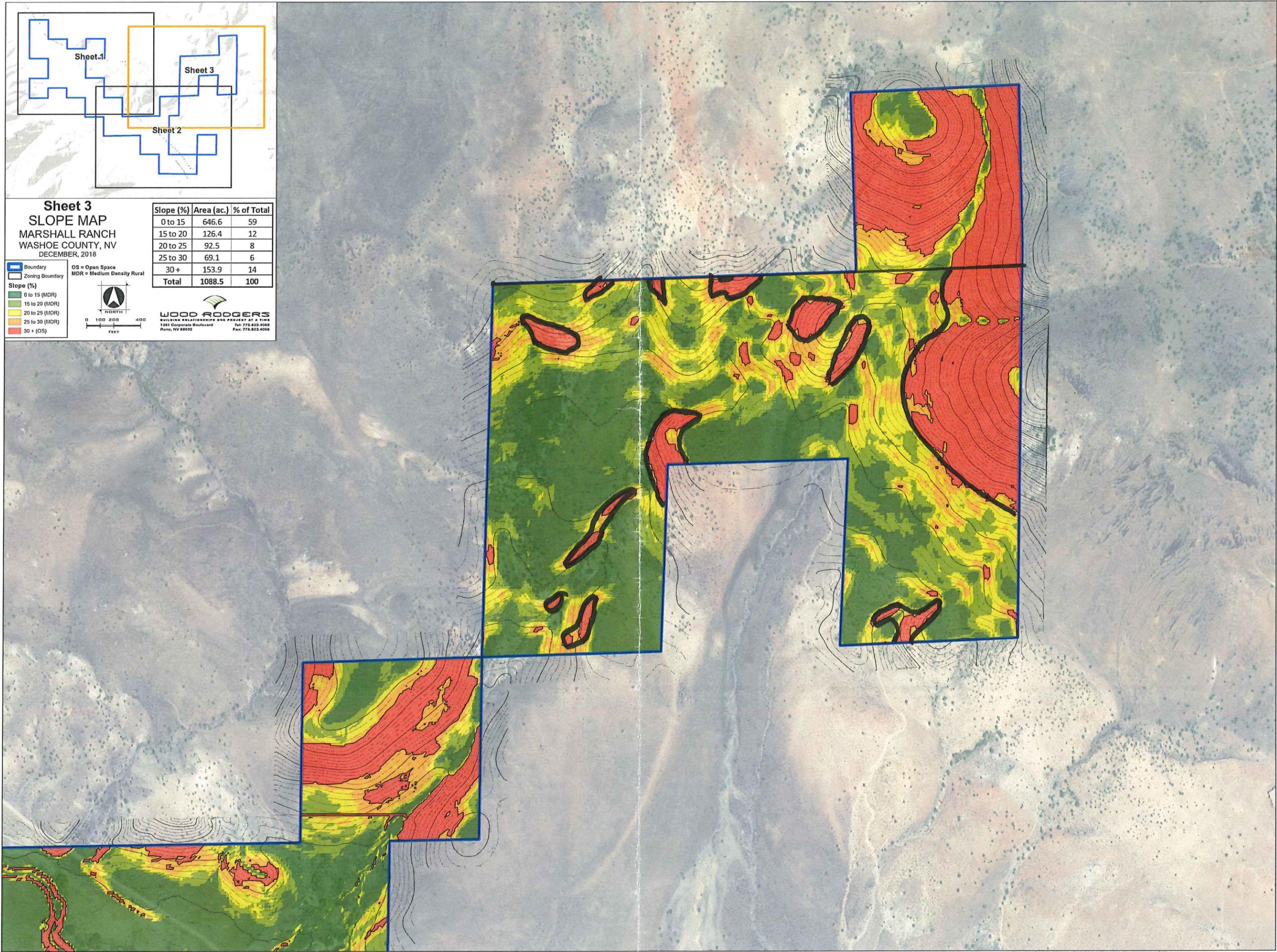
Sheet 3
SLOPE MAP
 MARSHALL RANCH
 WASHOE COUNTY, NV
 DECEMBER, 2018

Slope (%)	Area (ac.)	% of Total
0 to 15	646.6	59
15 to 20	126.4	12
20 to 25	92.5	8
25 to 30	69.1	6
30+	153.9	14
Total	1088.5	100

Boundary
 Zoning Boundary
 OS = Open Space
 MDR = Medium Density Rural

Slope (%)
 0 to 15 (MDR)
 15 to 20 (MDR)
 20 to 25 (MDR)
 25 to 30 (MDR)
 30+ (OS)

WOOD RODGERS
 CONSULTING ENGINEERS AND ARCHITECTS AT A TIME
 1361 Corporate Boulevard
 Reno, NV 89502
 Tel: 775.823.4068
 Fax: 775.823.4069



DOC # 4877194

12/28/2018 09:15:18 AM
Requested By
KRATER CONSULTING GROUP PC
Washoe County Recorder
Lawrence R. Burtness - Recorder
Fee: \$41.00 RPTT: \$0.00
Page 1 of 46



After recording please return to:
North American Land Trust
P.O. Box 467
Chadds Ford, PA 19317

**NOTICE OF CONVEYANCE
AND TRANSFER PAYMENT
REQUIRED – SEE ARTICLE 7**

APN: 079-220-23
079-220-26
079-220-37

**CONSERVATION EASEMENT
AND
DECLARATION OF RESTRICTIONS AND COVENANTS**

THIS CONSERVATION EASEMENT AND DECLARATION OF RESTRICTIONS AND COVENANTS (“Conservation Easement”) first executed on December 21st, 2018, to be effective on December 28th, 2018, is made by and between WINNEMUCCA HOLDINGS, LLC, a Georgia limited liability company (“Owner”), having an address of 405 Marsh Ave., Ste. 206, Reno, NV 89509 and NORTH AMERICAN LAND TRUST (“Holder”), a Pennsylvania non-profit corporation having an address of Post Office Box 467, Chadds Ford, PA 19317.

ARTICLE 1. BACKGROUND

- 1.1 Owner is the owner of certain real property in Washoe County, State of Nevada, currently known as “Marshall Ranch”, that consists of approximately 1088.87 acres (hereinafter called the “Property”) as described in deed to Owner dated October 25, 2017 and recorded on November 21, 2017 in the Office of the Washoe County Recorder as Doc #4765359.
- 1.2 The Property includes, within its boundaries, land consisting of 812.43 acres, more or less, described by metes and bounds in Exhibit A attached hereto (hereinafter called the “Conservation Area”). The Conservation Area is intended to include any gaps and gores lying between the described Conservation Area and adjoining tracts of land.
- 1.3 Holder is a non-profit corporation, having a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (hereinafter called the “Code”), which has been established as a public charity for the purpose of preserving and conserving scenic landscapes, natural habitats and environmentally sensitive areas and for other charitable, scientific and educational purposes and which is a “qualified organization” as

- 1.9 Owner and Holder intend that this document be an “easement for conservation” as defined in Nevada Revised Statutes §111.410 (N.R.S. 111.390 to 111.440 inclusive, as amended, shall be referred to as the “State Conservation Easement Law”).

NOW, THEREFORE, for no monetary consideration and as an absolute charitable gift and further in consideration of the above premises, the mutual covenants, terms, conditions, restrictions, and promises contained in this Conservation Easement, and intending to be legally bound hereby, Owner hereby voluntarily, unconditionally and absolutely grants and conveys unto Holder, its successors and assigns, a perpetual conservation easement and the easements, covenants, prohibitions, and restrictions in this Conservation Easement, in perpetuity, to accomplish the Conservation Purposes. Holder hereby accepts the grant of such easement and the right to enforce such covenants, prohibitions and restrictions and agrees to hold such easements and rights exclusively for the Conservation Purposes and to enforce the terms of the covenants, prohibitions and restrictions in this Conservation Easement.

ARTICLE 2. GRANT OF EASEMENT OF ACCESS

Owner hereby voluntarily, unconditionally and absolutely grants and conveys unto Holder, its successors and assigns, a perpetual conservation easement and easement in gross over the Conservation Area for the purpose of preserving and protecting the Conservation Purposes and enforcing the restrictive covenants set forth below. In addition, Owner hereby grants and conveys unto Holder, its successors and assigns, pursuant to 26 CFR §1.170A-14(g)(5)(ii), the easement and right of Holder and its agents to enter upon and inspect the Conservation Area for compliance with this Conservation Easement at any time and from time to time, with a right of access over and across the Property if reasonably necessary and over and across any easements for ingress or egress as may be appurtenant to the Property. This right of inspection includes, but is not limited to, the right to conduct aerial inspection from or by licensed or unlicensed aircraft and the right to make a photographic or videographic record of the condition of the Conservation Area. Holder shall make a reasonable effort to give Owner notice of any such entry or inspection at least seven (7) days in advance, except in instances when Holder reasonably suspects or knows of a violation of this Conservation Easement, in which event no notice shall be required.

ARTICLE 3. OWNER'S DECLARATION OF COVENANTS AND RESTRICTIONS

Owner, for Owner and Owner's successors and assigns, covenants and declares that the Conservation Area shall be, and hereby is, bound by and made subject to the following covenants and restrictions in perpetuity, SUBJECT TO AND EXCEPTING however the Reserved Rights (hereinafter defined) which are reserved to Owner and Owner's successors and assigns in Article 4 of this Conservation Easement:

- 3.1 Purpose. It is the exclusive purpose of this Conservation Easement to ensure that the Conservation Area will be retained forever predominantly in its open, relatively-natural, and relatively-undeveloped condition, and with its Conservation Values intact, and to prevent any use of the Conservation Area that will significantly impair or interfere with the Conservation Values of the Conservation Area, as defined herein and in the Baseline Documentation. Owner intends that this Conservation Easement will confine the use of

the Conservation Area to such activities as are consistent with the Conservation Purposes of this Conservation Easement.

- 3.2 Use Restrictions. The Conservation Area shall not be used for a residence or for any commercial, institutional, industrial or agricultural purpose or purposes. Among the uses prohibited by the preceding sentence are, without limiting the meaning or interpretation of the preceding sentence, any of the following: (1) construction or occupancy of any dwellings; (2) manufacture or assembly of any products, goods, equipment, chemicals, materials or substances of any kind or nature whatsoever; (3) sale of any products, goods, equipment, chemicals, materials, substances or services of any kind or nature whatsoever; (4) storage of any products, goods, equipment, chemicals, materials or substances of any kind or nature, except if stored for use upon the Conservation Area in connection with activities not prohibited by this Conservation Easement; and (5) offices for persons involved in the sale, manufacture or assembly of goods or services or for the performance of services.
- 3.3 Structures Prohibited. No Structure (hereinafter defined) of any kind shall be built, erected, installed, placed, affixed or assembled within or upon the Conservation Area or upon any trees or other natural features upon the Conservation Area. "Structure" shall mean any assembly of material forming a construction for occupancy or use for any purpose and erected upon or attached to the ground including, for example but not to limit the foregoing definition, the following: building; platform; shed; bin; shelter; dam; dike; tower; tank; antenna; bulkhead; paved, stone or concrete street, driveway or vehicle parking area; riding arena; and riding ring with a surface that is impervious to percolation of storm water.
- 3.4 Removal of Ground or Surface Water from Conservation Area. No ground or surface water from the Conservation Area shall be removed, collected, impounded, stored, transported, diverted or otherwise used for any purpose or use outside the Conservation Area unless approved by Holder in its sole discretion without obligation to do so nor for any purpose or use within the Conservation Area that is prohibited by this Conservation Easement.
- 3.5 Roads, Driveways, Etc. There shall not be constructed, cut, created, paved with impervious material or placed on the Conservation Area any road, driveway, cartway, path or other means or right of passage across or upon the Conservation Area and Owner shall not exercise its right, if any, to construct or relocate any road, utility, driveway or easement under the terms of any existing easement agreement except to the extent done in conformity with this Conservation Easement. No road, driveway, cartway, path or other means or right of passage located on the Conservation Area shall be used for access to any use (whether or not upon the Conservation Area) which is prohibited by this Conservation Easement.
- 3.6 Live Trees. No cutting, removal or destruction of live trees shall be permitted upon or within the Conservation Area except as permitted in a Vegetation Management Plan (defined below).

maintaining the grazing uses and related Conservation Purposes and Conservation Values and any other significant conservation interest.

- 4.1.3 Agricultural Activity shall be conducted in accordance with soil conservation practices as then established or recommended by the Natural Resources Conservation Service of the United States Department of Agriculture or any successor governmental office or organization performing the same function within the United States government, as approved by Holder.
- 4.1.4 Tree removal for the purpose of conducting Agricultural Activity shall not be permitted except to the extent such tree removal is otherwise permitted in this Article 4.
- 4.2 Single Family Dwelling and Accessory Structures in Building Area. Owner may construct and use as a residence one single family dwelling within the area described as the "Building Area" in Exhibit B (the "Building Area"). Owner may also construct within the Building Area other Structures customarily accessory to residential use or Agricultural Activity, but not for use as a dwelling, such as a shed, barn, garage, gazebo, septic system, well, or swimming pool. Permitted residential use within a Building Area may include, without limitation, customary home occupations such as an office for a home-based business or a craft business such as furniture making, provided that the business is actively operated by one or more of the residents of the permitted dwelling and that the business use does not occupy the majority of the space within the buildings in the Building Area. Prior to constructing the first permitted Structure in the Building Area, Owner shall give 30 days prior written notice to Holder of Owner's intention to do so. The corners of the Building Area shall, before any tree removal, excavation or construction occurs in a Building Area and before Owner gives Holder the notice required in this Section, be marked with an iron pin or similar permanent survey marker installed by a licensed professional surveyor.
- 4.3 Water Supply Area. Within the area described as the "Water Supply Area" in Exhibit B, which may be wholly or in part within the Wetland and Riparian Protection Area, Owner may install a well, storage tank, pipes, and other facilities necessary to establish a water supply for uses permitted within the Conservation Area or uses now or hereafter occurring within portions of the Property that are not within the Conservation Area. Pipelines to transport the water for purposes described in this section are also permitted within the Conservation Area.
- 4.4 Roads. Owner may construct and pave with pervious or impervious material (such as bituminous asphalt, concrete or crushed stone), in locations approved by Holder, roads for access to a Building Area and other buildings and Structures permitted in this Conservation Easement. The width of a road and any area of land disturbance, grading or tree removal for such road shall be no greater than the minimum necessary to meet any legal requirements or, to the extent no legal requirements apply or are lawfully waived, the minimum practicable consistent with sound engineering techniques and methods. Owner may also construct a road in the Conservation Area for ingress and egress to land

of any kind related to the ownership, operations, upkeep, and maintenance of the Conservation Area, including the general liability insurance coverage and obligation to comply with applicable law and (b) pay all Governmental Charges.

7.5 Vesting of Real Property Interest and Allocating Proceeds Following Judicial Extinguishment or Condemnation of Conservation Easement.

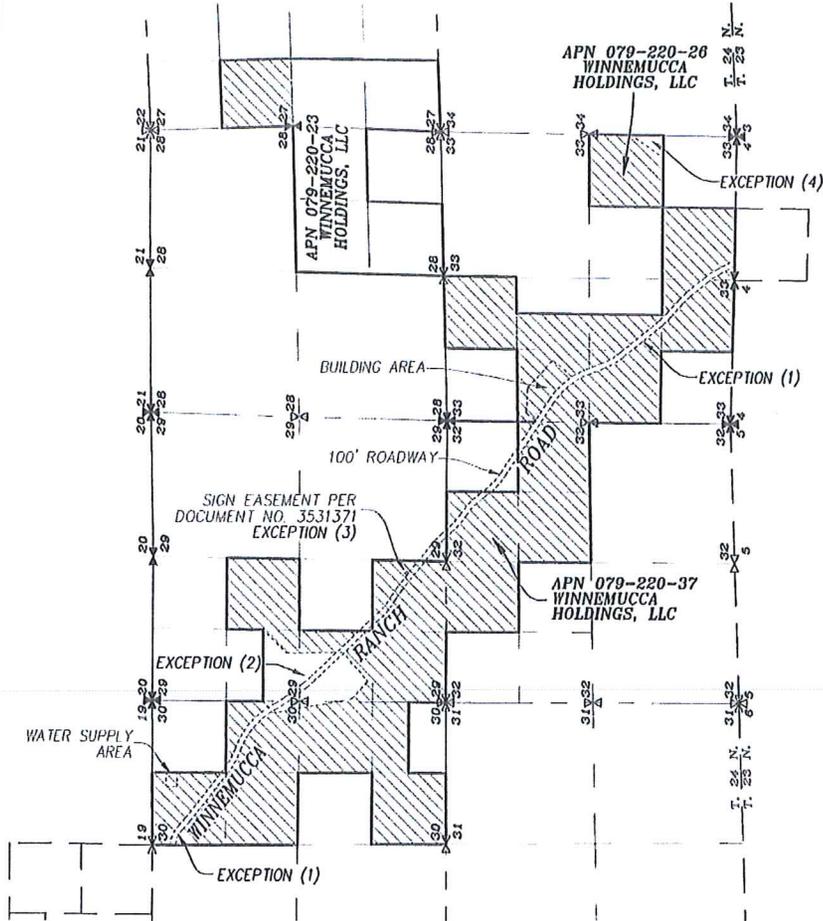
- 7.5.1 The donation and grant of the perpetual conservation easement contained in this Conservation Easement with respect to the Conservation Area (the “Restrictions”) gives rise to a property right, immediately vested in the Holder, with a fair market value that is at least equal to the proportionate value that such perpetual conservation easement at the time of the gift, bears to the value of the Conservation Area as a whole at that time. That proportionate value shall remain constant.
- 7.5.2 It is the intention of the parties that no change in conditions surrounding the Conservation Area, including for example, but without limitation, changes in the use of properties adjoining or in the vicinity of the Conservation Area, will at any time or in any event result in the extinguishment of any of the Restrictions.
- 7.5.3 If, however, notwithstanding the foregoing intention, to ensure compliance with 26 CFR 1.170A-14(g)(6), a subsequent unexpected change in conditions surrounding the Conservation Area makes impossible or impractical the continued use of the Conservation Area for conservation purposes as described herein, and as a result of such change, gives rise to the extinguishment of such Restrictions by judicial proceedings, the Holder, on a subsequent sale, exchange or involuntary conversion of all or part of the Conservation Area, shall be entitled to a portion of the proceeds of such sale, exchange or involuntary conversion at least equal to that proportionate value of the perpetual conservation easement granted hereunder bears to the value of the Conservation Area as a whole at that time, unless state law provides that the Owner is entitled to the full proceeds from such judicial conversion without regard to the terms of the of this Conservation Easement. Such portion of the proceeds allocable to Holder shall be used by Holder in a manner consistent with the Conservation Purposes set forth herein.
- 7.5.4 This Section shall also apply whenever all or part of the Conservation Area is taken by the exercise of eminent domain by judicial proceedings the same as any other extinguishment by judicial proceedings otherwise described in this Section. Owner and Holder shall join in appropriate actions at the time of such taking by eminent domain to recover the full value of the taking and all incidental or direct damages resulting from such taking.
- 7.5.5 This Section shall be construed to cause this Conservation Easement to conform to the requirements of 26 CFR §1.170A-14(g)(6), it being the specific intention of the parties that the conservation purposes protected in this

Conservation Easement shall be treated as being protected in perpetuity in accordance with 26 CFR §1.170A-14(g)(6).

- 7.6 Covenants, Etc. Run With The Land. This Conservation Easement and all of the covenants, indemnifications, releases, easements and restrictions in this Conservation Easement shall run with the land and be binding upon Owner and Owner's successors and assigns, unless otherwise expressly provided in this Conservation Easement.
- 7.7 Limitation on Owner Liability. An Owner shall be and remain liable, even after ownership has been transferred, for any breach or violation of this Conservation Easement if, but only if, such breach or violation occurred during such time as such Owner was the legal or equitable owner of, or is in possession of, the entire Conservation Area or that part of the Conservation Area on which the breach or violation occurred.
- 7.8 Effect on Mortgages and Other Liens. All mortgages, deeds of trust and other liens or encumbrances upon all or any part of the Conservation Area which either come into existence or are recorded in the place for the recording of such liens or encumbrances after the date of this Conservation Easement will be subject to and subordinate to this Conservation Easement.
- 7.9 Right of Conveyance Retained; Notice Required. Nothing in this Conservation Easement shall limit the right of Owner, Owner's successors or assigns to grant or convey the Conservation Area, provided that any such grant or conveyance shall be under and subject to this Conservation Easement. Owner shall notify Holder in writing of any sale, transfer, lease or other disposition of the Conservation Area or any part thereof, whether by operation of law or otherwise, not later than 30 days after such disposition and such notice shall include a copy of the deed, lease, or other declaration of transfer, the date of transfer, and the name or names and addresses for notices of the transferee.
- 7.10 Transfer Payment. In consideration of the perpetual obligations assumed by Holder in this Conservation Easement, the costs of which are unpredictable, including, but not necessarily limited to, the obligations to travel to and inspect the Conservation Area for compliance with this Conservation Easement, communicate with present and future owners and respond to questions and other matters, and maintain financial resources for the enforcement of compliance when necessary in fulfillment of Holder's obligation to be an Eligible Donee, and in consideration of Owner's desire to support Holder in its charitable mission with respect to the Conservation Area and other properties in which Holder may have accepted conservation easement restrictions, Owner agrees for itself, Owner's successors and assigns, that there shall be paid to Holder the Transfer Payment (hereinafter defined) at the time of each Qualifying Transfer (hereinafter defined) and in the manner stated in this Section.
- 7.10.1 The "Transfer Payment" shall be the amount equal to one percent (1.0%) of the Purchase Price (hereinafter defined) of the Conservation Area or part thereof, the improvements on the Conservation Area and all of the other land and improvements that are included in the Qualifying Transfer.

EXHIBIT "A-1"
 PLAT TO ACCOMPANY

CONSERVATION AREA
 BEING PORTION OF SECTIONS 27, 29, 30, 32 & 33,
 TOWNSHIP 24 NORTH, RANGE 20 EAST, M.D.M



 CONSERVATION EASEMENT



1" = 2500'

JOB NO. 3550.001
 SHEET 1 OF 1

WOOD RODGERS
 DEVELOPING INNOVATIVE DESIGN SOLUTIONS
 6440 Reno Corporate Drive Tel 775.823.4000
 Reno, NV 89511 Fax 775.823.4000