

PURCHASE AND SALE AGREEMENT

Revised July 16, 2013

THIS AGREEMENT ("Agreement") is made and entered into this _____ day of _____, 2013, by and between the Patricia R. Potter Family Trust, dated the 7th day of May 1998, in Carson City, Nevada ("SELLER"), and Carson City, a consolidated municipality of the State of Nevada by and through its Board of Supervisors, of 201 North Carson Street, Suite 2, Carson City, Nevada 89701 ("BUYER"). SELLER and BUYER are sometimes hereinafter referred to individually as a "Party" and collectively as the "Parties."

RECITALS

A. SELLER is the fee simple owner of all that land and real property lying and situated in Carson City, Nevada, more particularly described in "Exhibit A" attached hereto and incorporated herein by this reference (herein sometimes referred to as "Property") and SELLER desires to sell and BUYER desires to acquire the Property. It is understood that this purchase agreement includes approximately 1.52 acres of real property specifically designated as a former right-of-way for South Ormsby Boulevard and located between Assessor Parcel Number (APN) 3-151-25 and 9-014-05; APN 3-151-25 containing 1.83 acres and APN 9-014-05 containing 19.0 acres and more specifically set forth in the Preliminary Title Report attached hereto as "Exhibit B" and incorporated herein by this reference.

B. BUYER desires to acquire the Property to preserve open space and for other purposes as set forth in Carson City Municipal Code, Chapter 13.06.

C. The property is uniquely located at the Carson Range foothills and contains a drainage feature used by the public as an off-road gravel trail that accesses Kings Canyon Road and accesses pedestrian non-motorized trails and other properties on C-Hill, with viewsapes and other qualities which make it very desirable to preserve as open space.

D. The property contains the historic Pioneer Cemetery, a unique historic resource from the late 1800's.

E. The Property possesses residential development potential, based on the master plan. The zoning is for one dwelling unit per two acres (SF2ac and SF 8,000 sq. ft.), which, if permitted, would frustrate BUYER's desire to preserve the open space qualities of the Property.

F. The Property contains primitive trails used by hikers, cyclists, and equestrian residents and visitors. These trails connect to other public lands and developed recreation facility such as the Long Ranch Multi-Purpose Trail developed and maintained by Carson City.

G. The Parties desire and intend by this Agreement to memorialize their agreements by this writing.

NOW THEREFORE, in consideration of the mutual covenants, terms and conditions herein contained, the Parties hereby agree as follows:

1. REPRESENTATIONS AND WARRANTIES: NO PERSON IS AUTHORIZED TO MAKE, AND BY EXECUTION HEREOF BUYER ACKNOWLEDGES THAT NO PERSON HAS MADE, ANY REPRESENTATION, WARRANTY, GUARANTY OR PROMISE EXCEPT AS SET FORTH HEREIN; AND NO AGREEMENT, STATEMENT, REPRESENTATION OR PROMISE MADE BY

ANY SUCH PERSON WHICH IS NOT CONTAINED HEREIN SHALL BE VALID OR BINDING ON SELLER. THE ONLY REPRESENTATIONS OR WARRANTIES OUTSTANDING WITH RESPECT TO THE SUBJECT MATTER OF THIS TRANSACTION, EITHER EXPRESS OR IMPLIED BY LAW, ARE SET FORTH HEREIN, AND BUYER EXPRESSLY WAIVES THE RIGHT TO ANY WARRANTY IMPLIED BY LAW. THE PARTIES ACKNOWLEDGE THAT BUYER AND SELLER HAVE MADE THE SUBJECT PROPERTY AVAILABLE FOR THE OTHER'S INDEPENDENT INSPECTION.

2. PURCHASE AND SALE OF PROPERTY: SELLER agrees to convey the Property, together with all rights, title, and interest in accordance with the terms of this Agreement the following which shall comprise the sale contemplated in this Agreement:

- a. All of the real property lying and situate in Carson City, Nevada, consisting of 23.25 acres, more or less, and described in "Exhibit A,"
- b. Any and all licenses, encroachment permits, ways, easements of whatever type or kind, together with all mineral rights, oil rights, gas rights, geothermal rights, sands and gravels which are appurtenant to or associated in any way with the Property which are owned by SELLER.

The foregoing listed elements of the Property in this Paragraph 2 are hereinafter collectively referred to as the "Property."

3. PURCHASE PRICE: The purchase price for the above described Property shall be Two Hundred Twenty-Five Thousand and no/100 Dollars (\$225,000.00) which shall be paid by BUYER to SELLER in accordance with the terms of this Agreement.

4. ESCROW, CONVEYANCE, AND TITLE INSURANCE: Escrow shall be with NORTHERN NEVADA TITLE COMPANY ("Escrow Holder"), which is located at 307 W. Winnie Lane, Suite 5, Carson City, Nevada, 89703.

a. Escrow shall open as of the date upon which Escrow Holder has received a fully signed original, or counterpart originals, of this Agreement, accompanied by the sums and documents required herein. The date all such items have been delivered to Escrow Holder shall be referred to herein as the "Opening of Escrow" and reported by letter to the Parties by Escrow Holder, and the date escrow actually closes and the deed is recorded shall be referred to as "Close of Escrow." Escrow Holder is hereby authorized and instructed to act in accordance with the provisions of this Agreement, which Agreement, together with Escrow Holder's standard escrow instructions, shall constitute Escrow Holder's escrow instructions. As between the Parties, if there is a conflict between Escrow Holder's standard instructions and this Agreement, this Agreement will control.

b. Ad valorem property taxes for the current fiscal year shall be prorated as of the Close of Escrow.

c. All assessments, and/or special taxes, including the full principal amount of all bonded indebtedness encumbering the Property, if any, shall be prorated to the close of escrow. To the extent such amounts can be identified or reasonably estimated by Escrow Holder they shall be accordingly paid (or reserved for payment) at Close of Escrow.

d. SELLER, at SELLER'S expense, shall furnish BUYER with a C.L.T.A. owner's policy of title insurance in the full amount of the purchase price issued by NORTHERN NEVADA TITLE COMPANY of Carson City, subject only to those

exceptions disclosed herein or otherwise not objected to by BUYER or the preliminary title report.

e. BUYER shall pay the escrow fee and any and all other fees, including recording fees, document preparation fees, real property transfer taxes and similar costs not specifically allocated in this Agreement.

f. In accordance with Nevada Revised Statutes (NRS) 361.060 and NRS 361A.265, SELLER shall have no liability for deferred taxes, interest, or penalties, arising out of any conversion of the Property from agricultural uses to open space or any higher use.

g. Title to the Property shall be conveyed by Grant, Bargain and Sale Deed AND MUST CONTAIN THE FOLLOWING LANGUAGE: "This land was purchased with Quality of Life Sales and Use Tax Funds and is subject to the provisions of the Carson City Municipal Code Section 13.06."

h. BUYER agrees that the deed shall contain the following deed restriction: "The use of this property is specifically reserved for open space and public use in perpetuity. This restriction will run with the land."

5. PAYMENT OF PURCHASE PRICE: The Purchase Price for the Property described in Paragraph 3 above and detailed on the Exhibits hereto shall upon satisfaction of the conditions set forth in Paragraph 6 be paid by BUYER to Escrow Holder for SELLER as follows: The sum of Two Hundred Twenty-Five Thousand and no/100 Dollars (\$225,000.00) shall be paid into Escrow on or before the date set for the Close of Escrow, which is to close not later than July 30, 2014, subject to the availability of federal funds or other readily available funds.

Buyer will deposit in escrow the sum of \$35,000 as a good faith deposit. The deposit shall be counted towards the purchase price. The deposit is not refundable unless the transaction is terminated by either party, per the terms and conditions of this Agreement, prior to the close of escrow. The deposit may be released to SELLER upon BUYER satisfaction of all conditions in Item 6.

6. BUYER'S CONDITIONS ON CLOSE OF ESCROW: Close of Escrow shall be subject to the following conditions: SELLER and BUYER shall diligently attempt to achieve the satisfaction of these conditions without undue delay. If any of these conditions cannot be met, then, unless waived by BUYER, Escrow Holder, upon receipt of notification from BUYER or from SELLER that it cannot or will not be able to satisfy a condition, shall immediately cancel the escrow and return the respective documents to SELLER and BUYER, and each Party shall be responsible for one-half (½) of the escrow costs incurred, and thereafter neither Party shall have any further obligation, rights, or liability under this Agreement.

a. Except as otherwise approved by BUYER, title to the Property shall be conveyed to BUYER free of liens and encumbrances. SELLER shall, at its expense, furnish BUYER with a preliminary title report and, upon request, copies of all recorded exceptions to title referred to therein within ten (10) days after Opening of Escrow. Within seven (7) days of receipt of: (i) the preliminary title report and all documents referred to in it; or (ii) any supplemental or amendatory report and the documents referred to as exceptions thereto, BUYER shall give SELLER notice specifying those matters which are unacceptable conditions of title. Said preliminary title report as supplemented and/or amended is hereinafter referred to as the "Title Report." All exceptions in the Title Report not specifically disapproved by BUYER within seven

(7) days after receipt of the initial submittal and/or, as applicable, supplementary or amendatory materials by BUYER, shall be deemed to have been approved. SELLER shall remove such objectionable items within fifteen (15) days thereafter, but in any event prior to the Close of Escrow and if SELLER fails to remove such objectionable items within said period, and/or if the Title Policy will not be issued in the exact form approved by BUYER, SELLER shall notify BUYER in writing of such fact, and BUYER shall have the election to be exercised in writing within five (5) days after delivery to BUYER of such notice of SELLER of either:

1) terminating this Agreement, in which event Escrow Holder shall return the documents deposited herein to the Party depositing same; or

2) accepting the Property subject to the objectionable items.

b. To the extent that the same exists, SELLER shall furnish BUYER with any and all land surveys, engineering information, environmental assessments, planning or zoning information of the Property in SELLER's possession, within seven (7) days after Opening of Escrow. Should BUYER fail to close escrow for whatever reason, BUYER shall promptly return all such land surveys, engineering information, environmental assessments, planning or zoning information or other evaluations of the Property to SELLER and treat as confidential all information contained therein.

c. SELLER shall perform and approve, at its sole cost and expense, a legal marketable parcel as illustrated in "Exhibit A."

d. This Agreement shall be approved by the Carson City Board of Supervisors on or before July 18, 2013.

In the event that any of the conditions to close are not met within the time frames set forth herein the SELLER or the BUYER may cancel and terminate this

Agreement. In such event, this Agreement shall become null and void and the Parties shall be returned to their original pre-Agreement condition. The Parties will be released from any further obligation to each other and neither will be liable to the other for costs of partial performance or failure to perform. BUYER will be entitled to the return of all monies paid by it to the Escrow less one-half of the reasonable charges incurred by the Escrow Agent.

7. SELLER'S REPRESENTATIONS, COVENANTS, WARRANTIES AND OBLIGATIONS:

a. SELLER represents to BUYER that to the best knowledge of SELLER, the title to be conveyed to BUYER will not be encumbered by any easements, persons in possession, government patents or other rights, other than those items disclosed on the Title Report or which would be disclosed by a physical inspection of the Property. To the best knowledge of SELLER, there is no hazardous, toxic or radioactive material on the Property. SELLER agrees BUYER and/or its agents may make all disclosures and file all reports which may be required by law with respect to discovery of any hazardous, toxic or radioactive materials on the Property as a result of such investigations and hereby releases and holds BUYER harmless with respect to liability arising out of such disclosure.

b. SELLER warrants there are no threatened or pending condemnation proceedings against or affecting any part of the Property.

c. SELLER shall not commit knowingly or suffer to be committed any waste in or upon the Property. Waste shall include, but not be limited to, any injury to the Property which renders it in a condition materially different from its condition at the date of this Agreement.

d. To the best knowledge of SELLER, SELLER has complied, and the Property is in compliance, with all laws relating to the storage, use and disposal of hazardous, toxic or radioactive materials (collectively, "Toxic Materials").

e. To the best knowledge of SELLER, the execution and consummation of this Agreement pursuant to its terms will not result in a material breach of, contravene any provisions of, violate, or constitute a default under any articles of incorporation, charter, bylaw, mortgage, contract agreement to which SELLER is subject.

f. From the date of this Agreement to the Close of Escrow, the SELLER will continue to provide BUYER full access to all of the Property and information relating to the historical use and operation of the Property.

g. Pursuant to NRS 342.075(1), SELLER hereby agrees that the purchase price and terms of sale offered by BUYER for the purchase of the Property are agreed to knowingly and willingly, and SELLER waives any services or benefits available pursuant to NRS 342.015 through NRS 342.065, inclusive.

8. POSSESSION: Full possession of the Property shall be given to the BUYER at Close of Escrow, but during the term of this Agreement SELLER shall continue to allow public access and use of the property during the escrow period; however, BUYER shall assume all responsibility for maintenance and liability during escrow period, and shall specifically indemnify the SELLER and hold SELLER harmless from any liability as a result of such public access and/or maintenance.

9. GOOD FAITH AND FAIR DEALING: During the term of this transaction the Parties hereto agree and covenant, one unto the other, to act in good faith and to fairly and openly deal with each other to accomplish the goals and objectives of the respective Parties in closing the escrow envisioned herein.

10. BINDING EFFECT: This Agreement shall bind and inure to the benefit of the respective heirs, representatives, successors and assigns of BUYER and SELLER.

11. NOTICES: No notice, request, demand, instruction or other document to be given hereunder to any Party shall be effective for any purpose unless personally delivered to the person at the appropriate address set forth below (in which event such notice shall be deemed effective only upon such delivery) delivered by air courier next-day delivery (e.g., Federal Express), or delivered by U.S. mail, sent by registered or certified mail, return receipt requested as follows:

If to SELLER, to: Elizabeth Julian Potter
4201 – 22nd Street
San Francisco, CA 94114

If to BUYER, to: Carson City, a Consolidated Municipality
Juan F. Guzman, Open Space Manager
3303 Butti Way, Building #9
Carson City, NV 89701

Notices delivered by air courier shall be deemed to have been given the next business day after deposit with the courier and notices mailed shall be deemed to have been given on the second day following deposit of same in any United States Post Office mailbox in the state to which the notice is addressed or on the third day following deposit in any such post office box other than in the state to which the notice is addressed, postage prepaid, addressed as set forth above. The addresses and addressees, for the purpose of this Paragraph, may be changed by giving written notice of such change in the manner herein provided for giving notice. Unless and until such written notice of change is received, the last address and addressee stated by written notice, or

provided herein if no such written notice of change has been received, shall be deemed to continue in effect for all purposes hereunder.

12. TIME: Time is of the essence for each provision of this Agreement of which time is a factor, and if this transaction is not completed prior to or on July 30, 2014, it shall terminate and SELLER shall be relieved of any further obligation to convey the Property to BUYER. BUYER has requested that this transaction be completed as soon as possible prior to July 30, 2014. In no event will escrow close after July 30, 2014. If, for any reason, escrow does not close on or before July 30, 2014, and the Parties do not agree to extend escrow, this Agreement shall be deemed terminated.

13. ATTORNEYS' FEES: In the event of any action or proceeding, including an arbitration brought by either Party against the other under this Agreement, the prevailing Party shall be entitled to recover all costs and expenses including the actual fees of its attorneys incurred for prosecution, defense, consultation or advice in such action or proceeding.

14. COMPUTATION OF PERIODS: All periods of time referred to in this Agreement shall include all Saturdays, Sundays and state or national holidays, unless the period of time specifies business days, provided that if the date to perform any act or give any notice with respect to this Agreement, shall fall on a Saturday, Sunday or state or national holiday, such act or notice may be timely performed or given on the next succeeding day which is not a Saturday, Sunday or state or national holiday.

15. INTERPRETATION: The Parties hereto acknowledge and agree that each has been given the opportunity to review this Agreement with legal counsel independently, and/or has the requisite experience and sophistication to understand, interpret and agree to the particular language of the provisions hereof. The Parties have

equal bargaining power, and intend the plain meaning of the provisions herein. In the event of an ambiguity in or dispute regarding the interpretation of same, the interpretation of this Agreement shall not be resolved by any rule of interpretation providing for interpretation against the Party who causes the uncertainty to exist or against the draftsman. This Agreement contains the entire agreement between the Parties relating to the transactions contemplated hereby and all prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged and integrated into this Agreement.

16. SURVIVABILITY: All covenants of BUYER or SELLER which are intended hereunder to be performed in whole or in part after Close of Escrow and all representations, warranties and indemnities by either Party to the other, shall survive Close of Escrow and delivery of the Grant, Bargain and Sale Deed, and be binding upon and inure to the benefit of the respective Parties.

17. MUTUAL INDEMNITY: SELLER and BUYER hereby agree to indemnify, defend and hold the other Party harmless against any and all liability, claims, costs or expenses arising directly or indirectly out of the covenants, representations and warranties given by the indemnifying Party to the other in this Agreement.

18. AUTHORITY OF PARTIES: Any corporation signing this Agreement, and each agent, officer, director, or employee signing on behalf of such corporation, but in his individual capacity, represents and warrants that said Agreement is duly authorized by and binding upon said corporation. Any individual signing this Agreement on behalf of a partnership or business entity other than a corporation represents that such other entity has power and authority to enter into this Agreement, and by such person's act is bound hereby.

19. COUNTERPART: This Agreement and any other agreement (or document) delivered pursuant hereto may be executed in one or more counterparts and by different Parties in separate counterparts. All of such counterparts shall constitute one and the same agreement and shall become effective when one or more counterparts of this Agreement have been signed by each Party and delivered to the other Parties.

IN WITNESS WHEREOF, SELLER and BUYER have fully executed this Agreement as of the date first above written.

“SELLER”

PATRICIA R. POTTER FAMILY TRUST
By: Co-Trustees:

Elizabeth Julian Potter

Christiana Potter Haro

Brock Thomas Potter

DATE: _____, 2013

“BUYER”

CARSON CITY
By:

Robert L. Crowell, Mayor

Juan F. Guzman, Open Space Manager

DATE: _____, 2013