



STAFF REPORT

Report To: Board of Supervisors **Meeting Date:** January 16, 2020

Staff Contact: Ben Johnson, Deputy District Attorney

Agenda Title: For Possible Action: Discussion and possible action regarding potential litigation, including requests for injunctive and declaratory relief, relating to proposed hemp cultivation on Carson City Open Space property located at 4900 Carson River Road and authorization for the District Attorney to prepare and file all necessary legal documents. (Ben Johnson, bjohnson@carson.org)

Staff Summary: This agenda item is for the Board of Supervisors to consider authorizing the District Attorney's Office to commence litigation, including filing for declaratory and injunctive relief, concerning Carson City Open Space property located at 4900 Carson River Road in relation to proposed hemp cultivation at that location.

Agenda Action: Formal Action / Motion **Time Requested:** 15 mins

Proposed Motion

I move to authorize the District Attorney's Office to initiate litigation in consultation with the City Manager if deemed to be in the best interest of the City.

Board's Strategic Goal

Quality of Life

Previous Action

NA

Background/Issues & Analysis

In 2010, Carson City applied for and received a Conservation and Resource Protection Grant from the Nevada Division of State Lands to help fund the purchase of 365 acres of property located at 4900 Carson River Road. The property was purchased from James Jarrard and the Jimmie Pete Jarrard Children's Trust (Jarrard Trust). The State Lands grant provided 75 percent of the total project cost (\$2,793,000) with the remaining 25 percent (\$931,048) paid from Carson City Open Space funds.

Carson City, through its Open Space Advisory Committee and Department of Parks, Recreation and Open Space (Open Space), identified the Jarrard property as one of the most environmentally sensitive open space projects in the City due to the large presence of wetlands along the western edge as well as the riparian zones along the Carson River.

The Purchase and Sale Agreement between the Jarrard Trust and the City allows Mr. Jarrard to continue ranching and grazing operations on the property provided it does not interfere with or materially impair use of the Mexican Ditch trail, observation of wildlife, and access to wetlands for studies and environmental assessments.

In June 2019, representatives from Tahoe Hemp, LLC entered the property and began clearing brush in preparation of seeding hemp. Tahoe Hemp did not notify Carson City or seek permission prior to clearing. The District Attorney's Office sent a cease and desist email to legal counsel for Tahoe Hemp and requested a meeting to discuss the proposed cultivation.

On June 25, 2019, staff met with representatives from Tahoe Hemp on-site to discuss the project and review the area where planting was proposed. Staff informed Tahoe Hemp that more research was necessary to determine the viability of hemp production on City property.

Following a meeting with the State Lands Manager, the District Attorney's Office determined that the proposed hemp production would jeopardize the grant funding used to purchase the property. As part of the funding agreement, the City entered into a Nonrevocable Agreement to Restrict Property that runs with the property in perpetuity. Pursuant to the Agreement, the City agreed that the property would only be used for open space purposes, ranching, and other uses consistent with the protection of wildlife, historic or cultural resources and to preserve the property for the benefit of the public. The terms of the Nonrevocable Agreement allow it to be enforced by the State or any person. Failure to cure a violation of the agreement would result in the forced conveyance of the property to the State or a nonprofit conservation organization and obligate the City to pay back the grant funds to the State. The State Lands Manager indicated that the State would likely seek to enforce the Agreement if the City proceeded with allowing hemp production because it was not expressly outlined in the grant application and was not an intended use of the property.

On November 15, 2019, the District Attorney's Office sent a letter to legal counsel for Tahoe Hemp outlining the City's concerns and interpretation of the Purchase and Sale Agreement as it related to the production of hemp. The letter indicated that the City could not approve the proposed project because it would jeopardize the grant funding. In response to this correspondence, a representative from Tahoe Hemp, Leslie Goeres, sent an email indicating that Tahoe Hemp planned to enter City property and proceed with site preparation for planting hemp for commercial cultivation without authorization and over the City's express objection. On November 21, 2019, a cease and desist letter was sent to counsel for Jarrard Trust and Tahoe Hemp via email and certified mail.

On December 20, 2019, legal counsel for Tahoe Hemp sent a letter disagreeing with the City's position and requesting that the City sign off on the hemp permit application. Tahoe Hemp has also asserted that it has a valid lease or other agreement with Jarrard Trust pursuant to which Tahoe Hemp has been granted permission by Jarrard Trust to cultivate agricultural hemp at the site location in question.

Because there is a possibility that Tahoe Hemp may disregard the City's objections and proceed with site preparation or other activities based on its interpretation of the relevant documents that the cultivation of agricultural hemp is not precluded, it may be necessary for the City to seek judicial relief against Tahoe Hemp and the Jarrard Trust to protect its interests in the open space if more informal resolution of this matter is not obtainable.

Applicable Statute, Code, Policy, Rule or Regulation

NA

Financial Information

Is there a fiscal impact? Yes

If yes, account name/number: Contingency 1010200-501000

Is it currently budgeted? No

Explanation of Fiscal Impact: Carson City may be required to repay the amount of the Grant (\$1,861,952) and convey ownership of the land to the State of Nevada if hemp cultivation proceeds and it is determined that such activity violates the terms of the Grant.

Alternatives

Do not authorize the District Attorney's Office to initiate litigation and/or provide alternative direction.

Attachments:

- 1. Jarrard - Purchase and Sale Agreement.pdf
- 2. Non-revocable Restriction on Property.pdf
- 3. Letter re Tahoe Hemp Proposal.pdf
- 4. Email from Leslie Goeres.pdf
- 5. Notice to Cease and Desist.pdf
- 6. Letter from Sev Carlson.pdf

Board Action Taken:

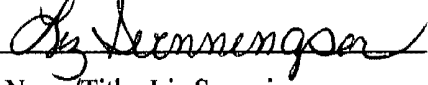
Motion: _____

- 1) _____
- 2) _____

Aye/Nay

(Vote Recorded By)

The undersigned hereby affirms that this document submitted for recording does not contain the Social Security number of any person or persons (NRS 239B.030)
NORTHERN NEVADA TITLE COMPANY

By: 
Print Name/Title: Liz Svenningsen

APN: 010-071-26 & 27, 010-021-47
ORDER NO.: CC-1093268-LS

RECORDED AT THE REQUEST OF
NORTHERN NEVADA TITLE CC
05/28/2010 08:44AM
FILE NO. 401212
ALAN GLOVER
CARSON CITY RECORDER
FEE \$0.00 DEP Jide

FOR RECORDER'S USE ONLY

TITLE OF DOCUMENT: PURCHASE AND SALE AGREEMENT

WHEN RECORDED MAIL TO:

CARSON CITY OPEN SPACE
3303 BUTTI WAY, BLDG 9
CARSON CITY, NV 89701

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into this 20 day of April, 2010, by and between JAMES JARRARD, TRUSTEE OF THE JIMMIE PETE JARRARD CHILDREN'S TRUST and TRUSTEE OF THE KAE JARRARD TRUST (collectively "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."

A. SELLER is the fee simple owner of all that land and real property lying and situated in Carson City, Nevada, more particularly described as Parcel A, B and C 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 three (3) specific parcels of real property comprising approximately 368.78 acres designated as APNs 010-071-26, 010-071-27 and 010-021-47. The water rights appurtenant to the Property are to be reserved by SELLER and are not included in this transaction.

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 in the Carson River corridor, running adjacent to the Carson River and consisting of floodway with pastures, wetlands, river front and view scapes, and has other qualities which make it very desirable to preserve as open space.

D. The Property possesses development potential which, if permitted, would frustrate BUYER's desire to preserve the open space qualities of the Property.

E. SELLER is retaining the ownership of the surface water rights from the Carson River which are appurtenant to the Property and which have been historically used to irrigate the Property for crops, pasture, stockwater and other agricultural purposes.

F. SELLER intends to sell the water rights appurtenant to the Property at some date after closing of the sale to BUYER. SELLER desires to protect its ownership of the water rights from termination through forfeiture, abandonment, or any other involuntary divestment arising out of non-use of the water.

G. BUYER does not possess sufficient sources of water, or currently have the staff and means, to manage, maintain, and irrigate the crops, pastures and wetlands on the Property in their current condition.

H. Should SELLER so elect, it is for the mutual benefit and in the best interest of BUYER and SELLER that, after BUYER's purchase of the Property, SELLER continue to irrigate the Property with SELLER's water, and to manage and conduct agricultural activities on the Property, directly or through a third-party lease, for so long as SELLER shall own water rights, and for a transition period thereafter.

- I. SELLER has been in the process of seeking a permit from BUYER to demolish the residence currently located on the Property. SELLER is currently suspending its efforts to obtain said permit pending the outcome of this Agreement.
- J. The Parties desire and intent 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 THEREOF BUYER ACKNOWLEDGED 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 EXPRESSED 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 (excluding water rights), title, and interest in accordance with the terms of this Agreement the following which shall comprise of the sale contemplated in this Agreement:

- a. All of the real property lying and situate in Carson City, Nevada, consisting of 368.78 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 Three Million Seven Hundred Thousand and No/100 Dollars (\$3,700,000.00), 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 West Winnie Lane, 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 BUYERS'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 corresponding 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 and is subject to the provisions of the Carson City Municipal Code Section 13.06."
- h. The Grant, Bargain and Sale Deed for the Property MUST CONTAIN LANGUAGE reserving to the Grantor all water rights appurtenant to the Property.

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 Three Million Seven Hundred Thousand and No/100 Dollars (\$3,700,000.00) shall be paid into Escrow on or before the date set for the Close of Escrow, which is thirty-five (35) days from the Open of Escrow.

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 BUYER shall be responsible for all 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 five (5) days after Opening of Escrow. Within ten (10) 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 in hereinafter referred to as the "Title Report." All exceptions in the Title Report not specifically disapproved by BUYER within ten (10) 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 even 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 fifteen (15) 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. BUYER has received a grant award from the State of Nevada Conservation Funds Q1 for approximately seventy-five percent (75%) of the Purchase Price. The Carson City Quality of Life Initiative Open Space funds will be used by BUYER for the remaining approximately twenty-five percent (25%) of the Purchase Price.
- d. BUYER shall perform and approve, at its sole cost and expense, a Phase I Site Assessment.
- e. This Agreement shall be approved by the Carson City Board of Supervisors.

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 shall be entitled to the return of all monies paid by it to the Escrow less 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 herein, 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 (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. SELLER is presently a party to a Grazing Lease and a Crop Sharing Agreement with Michael Anderson, applicable to the Property. The Grazing Lease and the Crop Sharing Agreement are both dated February 5, 2009, and run through January 31, 2012. Under SELLER's Reservation of Use of Property set forth in Section 9 hereinbelow, SELLER shall continue this arrangement after Closing.

8. POSSESSION: Possession of the Property, to the extent set forth herein, shall be given to the BUYER at Close of Escrow, but during the term of this Agreement BUYER and its agents may enter upon the Property for the purpose of performing environmental or engineering, surveying or soil testing. BUYER agrees to pay, defend, indemnify and hold SELLER harmless from all liability, claims, costs and expense, except such as might accrue from the mere discovery of hazardous or toxic materials, resulting from BUYER's activities on the Property during the escrow period. Should the BUYER fail to acquire the Property, then it is agreed that SELLER shall receive copies of all studies, test results and engineering generated by BUYER.

9. RESERVATION OF USE OF PROPERTY: Any term or condition contained herein notwithstanding, SELLER retains the right to the use of the Property for grazing livestock, ranching, and other agricultural purposes, on the following terms and conditions:

- a. SELLER or its designee(s) shall have the right to irrigate the Property according to SELLER's historical practices so long as water is available.
- b. SELLER or its designee(s) shall maintain the headgates, diversion works, and ditches, as SELLER deems necessary in SELLER's sole discretion.

- c. SELLER or its designee(s) shall pay all federal water master fees and ordinary ditch assessment fees.
- d. SELLER or its designee(s) shall have no obligation to maintain, repair, or replace the Mexican Dam, should it fail.
- e. SELLER or its designee(s) shall not graze more than One Thousand One Hundred Twenty-Five (1,125) cow/calf A.U.M.s, or other livestock equivalent, on the Property per calendar year.
- f. SELLER or its designee(s) shall maintain a policy of liability insurance for bodily injury and casualty loss in the amount of One Million Dollars (\$1,000,000.00) per occurrence, Two Million Dollars (\$2,000,000.00) in the aggregate. BUYER shall be named as an additional insured by endorsement on the policy, and SELLER shall maintain the policy so long as SELLER shall retain the right to use the Property.
- g. SELLER and/or its designee(s) shall have full access to the Property necessary for the purposes and intent of this Section over, across, and under any adjoining lands owned by BUYER or over which BUYER has easements for access to the Property.
- h. BUYER or its designee(s) shall not engage in or permit any activity on the Property which will interfere with or materially alter or impair SELLER's rights and uses of the Property reserved under this paragraph.
- i. SELLER or its designee(s) shall not engage in any activity pursuant to the SELLER's rights under this Section which will interfere with or materially impair:
 - (1) The use of the Property by members of the public for the purpose of:
 - (a) hiking, walking or otherwise using the Mexican Ditch trail;
 - (b) observing wildlife; or
 - (c) hiking, walking or otherwise using a ten (10) foot wide section of the Property running adjacent to the Carson River for the entire course of the eastern boundary of the Property, so long as BUYER installs and maintains exclusionary fencing along the entire western boundary of said section, to minimize public interference with SELLER's ongoing operations on the Property.
 - (2) The use of the Property by the BUYER or employees, agents or contractors of the BUYER for constructing improvements on the

Property, provided that no improvement may be constructed on the Property without the expressed written consent of SELLER, which consent will not be unreasonably withheld.

(3) The access to the wetlands located on the property for the purpose of conducting studies or environmental site assessments.

j. SELLER's rights under this paragraph shall survive closing and shall continue so long as SELLER shall own water rights, whether permitted, adjudicated, vested, or otherwise, which are appurtenant to the Property and shall further continue for a period of four (4) years after SELLER no longer owns any water rights appurtenant to the Property. At such time that SELLER shall cease to own any appurtenant water rights, BUYER shall provide sufficient water for four (4) years thereafter to irrigate the Property from other sources, including but not limited to Carson River water, reclaimed water, or water from any other source reasonably available to BUYER. It is mutually agreed that municipal water shall not be considered a reasonable source. SELLER and Vidler Water Company have entered into an option agreement for the sale of water appurtenant to the Property. Should that option be exercised, BUYER hereby consents to the assignment of all of SELLER's rights under this Section to Vidler Water Company.

10. ADJACENT ACREAGE: SELLER hereunder shall retain ownership of two (2) parcels adjacent to the Property hereunder, presently mapped on the east side of the Carson River, more specifically identified as APNs 010-021-46 and 010-021-58 ("Adjacent Property"). Upon Closing hereunder, SELLER hereby grants BUYER a right-of-first-refusal on those two (2) parcels, for a period of seven (7) years from the date of Closing. BUYER hereby agrees to cooperate with SELLER in its efforts to maintain the agricultural use designation of the Adjacent Property under NRS Chapters 361 and 361A.

11. 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.

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

13. 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: Jimmie Pete Jarrard Children's Trust &
Kae Jarrard Trust
c/o Chris MacKenzie, Esq.
402 N. Division Street
Carson City, Nevada 89703

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

14. TIME: Time is of the essence for each provision of this Agreement of which time is a factor, and if this transaction is not closed by June 1, 2010, SELLER shall have right to terminate, whereupon SELLER shall be relieved of any further obligation to convey the Property to BUYER. SELLER has requested that this transaction be completed by May 20, 2010.

15. 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.

16. COMPUTATION OF PERIODS: All periods of time referred to in this Agreement shall include all Saturdays, Sundays and state or national holiday, 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.

17. 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.

18. **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.

19. **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.

20. **AUTHORITY OF PARTIES:** Any municipal body signing this Agreement, and each agent, officer, official, or employee signing on behalf of such municipal body, but in his individual capacity, represents and warrants that said Agreement is duly authorized by and binding upon said municipal body. Any individual signing this Agreement on behalf of a trust represents that such trust has power and authority to enter into this Agreement, and by such person's act is bound hereby.

21. **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"

"BUYER"

THE JIMMIE PETE JARRARD
CHILDREN'S TRUST

CARSON CITY

By:


James Jarrard, Trustee

By:

SIGNED IN COUNTERPART

Robert Crowell, Mayor

THE KAE JARRARD TRUST

By:

SIGNED IN COUNTERPART

Juan F. Guzman, Open Space Manager

By:


James Jarrard, Trustee

DATE:

4-20

, 2010

DATE:



, 2010

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.

18. 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.

19. 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.

20. AUTHORITY OF PARTIES: Any municipal body signing this Agreement, and each agent, officer, official, or employee signing on behalf of such municipal body, but in his individual capacity, represents and warrants that said Agreement is duly authorized by and binding upon said municipal body. Any individual signing this Agreement on behalf of a trust represents that such trust has power and authority to enter into this Agreement, and by such person's act in bound hereby.

21. 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 HEREOF, SELLER and BUYER have fully executed this Agreement as of the date first above written.

"SELLER"

"BUYER"

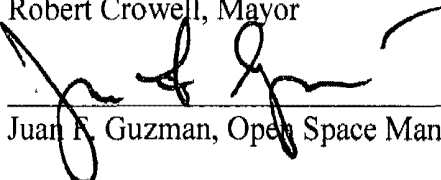
THE JIMMIE PETE JARRARD
CHILDREN'S TRUST

CARSON CITY

By: SIGNED IN COUNTERPART
James Jarrard, Trustee

By: 
Robert Crowell, Mayor

THE KAE JARRARD TRUST

By: 
Juan F. Guzman, Open Space Manager

By: SIGNED IN COUNTERPART
James Jarrard, Trustee

DATE: _____, 2010

DATE: April 21, _____, 2010

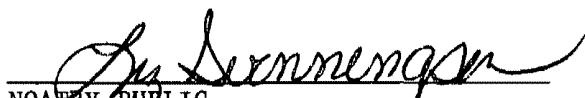
ATTEST:

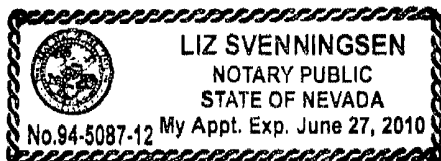

ALAN GLOVER

STATE OF NEVADA
COUNTY OF CARSON CITY

ON APRIL 21, 2010 JUAN GUZMAN EXECUTED THE WITHIN INSTRUMENT BEFORE
ME A NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE.

WITNESS MY HAND AND OFFICIAL SEAL


NOTARY PUBLIC

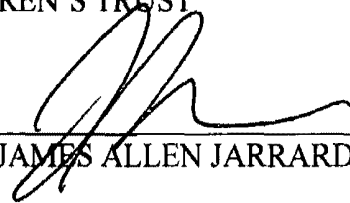


AFFIDAVIT OF JAMES ALLEN JARRARD,
on behalf of The Jimmie Pete Jarrard Children's Trust
and The Kae Jarrard Trust

I, JAMES ALLEN JARRARD, attest that the signatures on the foregoing Purchase and Sale Agreement, dated April 20, 2010, on behalf of The Jimmie Pete Jarrard Children's Trust and The Kae Jarrard Trust, are my true and correct signatures.

DATED THIS 27th Day of May, 2010.

THE JIMMIE PETE JARRARD
CHILDREN'S TRUST

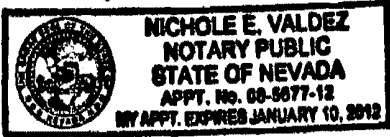
By: 
JAMES ALLEN JARRARD, Trustee

THE KAE JARRARD TRUST

By: 
JAMES ALLEN JARRARD, Trustee

STATE OF NEVADA)
 : ss.
CARSON CITY)

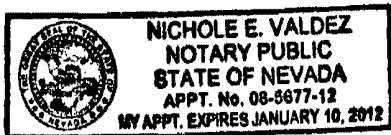
On May 27, 2010, personally appeared before me, a notary public, JAMES ALLEN JARRARD, on behalf of The Jimmie Pete Jarrard Children's Trust, personally known (or proved) to me to be the person whose name is subscribed to the foregoing Affidavit, who acknowledged to me that he executed the foregoing document.




NOTARY PUBLIC

STATE OF NEVADA)
 : ss.
CARSON CITY)

On May 27, 2010, personally appeared before me, a notary public, JAMES ALLEN JARRARD, on behalf of The Kae Jarrard Trust, personally known (or proved) to me to be the person whose name is subscribed to the foregoing Affidavit, who acknowledged to me that he executed the foregoing document.




NOTARY PUBLIC

EXHIBIT "A"

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

PARCEL A:

Parcel 2, as set forth on that certain Map of Division of Land into large parcels for the DONALD ANDERSEN TRUST and JIMMY P. JARRARDS CHILDREN'S TRUST located within the East ½ of Section 22, Township 15 North, Range 20 East, M.D.B. & M., filed for record in the Office of the Carson City Recorder, State of Nevada, on December 21, 1999 in Book 8 of Maps at Page 2342 as Document No. 243503, and that certain Certificate of Amendment recorded on January 4, 2000 as Document No. 243949, Official Records.

Assessor's Parcel No. 010-071-26

PARCEL B:

Parcel 3, as set forth on that certain Map of Division of Land into large parcels for the DONALD ANDERSEN TRUST and JIMMY P. JARRARDS CHILDREN'S TRUST located within the East ½ of Section 22, Township 15 North, Range 20 East, M.D.B. & M., filed for record in the Office of the Carson City Recorder, State of Nevada, on December 21, 1999 in Book 8 of Maps at Page 2342 as Document No. 243503, and that certain Certificate of Amendment recorded on January 4, 2000 as Document No. 243949, Official Records.

Assessor's Parcel No. 010-071-27

PARCEL C:

A portion of the West ½ of Section 23, Township 15 North, Range 20 East, M.D.B.&M., more particularly described as follows:

Parcel D of that certain Parcel Map No. 1399 for DONALD A. AND WILLIE M. ANDERSEN filed in the office of the Carson City County Recorder, State of Nevada on March 26, 1987, in Book 5 of Maps at Page 1399 as Document No. 56504.

Excepting therefrom a right of way for highway purposes as granted to the State of Nevada in that certain Deed for Public Highway recorded on September 20, 1950 in Book 57 of Deeds at Page 279 as Document No. 2804.

Further excepting therefrom, all that portion of said land lying within the bed and banks of the Carson River.

Assessor's Parcel No. 010-021-47

A.P.N. 010-071-26, 010-071-27, 010-021-47

CC-1093268-LS

RECORDING REQUESTED BY:

Juan Guzman, Open Space Manager
3303 Butti Way, Building No. 9
Carson City, NV 89701

RECORDED AT THE REQUEST OF
NORTHERN NEVADA TITLE CC

05/28/2010 08:44AM

FILE NO. 401213

ALAN GLOVER
CARSON CITY RECORDER
FEE \$0.00 DEP Jide

WHEN RECORDED MAIL TO:

Nevada Division of State Lands
Question 1 Program
901 S. Stewart St., Suite 5003
Carson City, Nevada 89701

NONREVOCABLE AGREEMENT TO RESTRICT PROPERTY

This NONREVOCABLE AGREEMENT TO RESTRICT PROPERTY ("Agreement") is made and entered into this 17 day of May, 2010, by and between the Consolidated Municipality of Carson City ("Grantee"), and the State of Nevada ("State"). Grantee and State are sometimes hereinafter referred to collectively as the "Parties."

Recitals

WHEREAS, Grantee is the owner of that certain real property located in Carson City, State of Nevada, described as follows:

Carson City Assessor Parcel Number(s) 010-071-26, 010-071-27, and 010-021-47, (hereinafter "Property"). For a complete legal description of the Property see "Exhibit A" attached hereto and incorporated herein by this reference.

WHEREAS, This Agreement is given to insure that the Property is maintained and used in a manner consistent with the regulations (NAC Section 321) adopted by the State for the Conservation and Resource Protection Grant Program, hereinafter referred to as "Question 1 Program." Regulatory authority is provided by Subsection 1-35, Section 2 of Assembly Bill No. 9 of the 17th Special Session of the Nevada Legislature, Chapter 6, Statutes of Nevada 2001. The referenced regulations require the Nevada Division of State Lands, (hereinafter "State Lands," an agency of the State), when entering into a Funding Agreement, to include pertinent nonrevocable deed restrictions and appropriate reversionary clauses to ensure that at all times the land is maintained in a manner consistent with the purpose of the Question 1 Program.

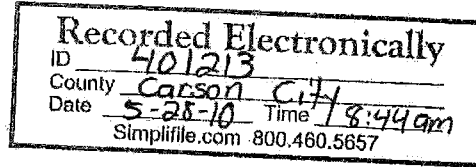
WHEREAS, Grantee has entered into a State Lands Question 1 Program Funding Agreement that provides funding to implement the project entitled the "Jarrard Fee Title Acquisition" and which has been assigned Question 1 Program Project ID No. CA-LW-07095.

A.P.N. 010-071-26, 010-071-27, 010-021-47

CC-1093268-LS

RECORDING REQUESTED BY:

Juan Guzman, Open Space Manager
3303 Butti Way, Building No. 9
Carson City, NV 89701



WHEN RECORDED MAIL TO:

Nevada Division of State Lands
Question 1 Program
901 S. Stewart St., Suite 5003
Carson City, Nevada 89701

NONREVOCABLE AGREEMENT TO RESTRICT PROPERTY

This NONREVOCABLE AGREEMENT TO RESTRICT PROPERTY ("Agreement") is made and entered into this 17 day of May, 2010, by and between the Consolidated Municipality of Carson City ("Grantee"), and the State of Nevada ("State"). Grantee and State are sometimes hereinafter referred to collectively as the "Parties."

Recitals

WHEREAS, Grantee is the owner of that certain real property located in Carson City, State of Nevada, described as follows:

Carson City Assessor Parcel Number(s) 010-071-26, 010-071-27, and 010-021-47, (hereinafter "Property"). For a complete legal description of the Property see "Exhibit A" attached hereto and incorporated herein by this reference.

WHEREAS, This Agreement is given to insure that the Property is maintained and used in a manner consistent with the regulations (NAC Section 321) adopted by the State for the Conservation and Resource Protection Grant Program, hereinafter referred to as "Question 1 Program." Regulatory authority is provided by Subsection 1-35, Section 2 of Assembly Bill No. 9 of the 17th Special Session of the Nevada Legislature, Chapter 6, Statutes of Nevada 2001. The referenced regulations require the Nevada Division of State Lands, (hereinafter "State Lands," an agency of the State), when entering into a Funding Agreement, to include pertinent nonrevocable deed restrictions and appropriate reversionary clauses to ensure that at all times the land is maintained in a manner consistent with the purpose of the Question 1 Program.

WHEREAS, Grantee has entered into a State Lands Question 1 Program Funding Agreement that provides funding to implement the project entitled the "Jarrard Fee Title Acquisition" and which has been assigned Question 1 Program Project ID No. CA-LW-07095.

WHEREAS, State Lands has authority to award grants of money from the sale of general obligation bonds to a county, or a municipality within a county for the acquisition of land and water or interests in land and water for the public benefit to protect and enhance wildlife habitat, sensitive or unique vegetation, historic or cultural resources, riparian corridors, floodplains, wetlands and other environmental resources pursuant to an adopted plan for open spaces.

Declarations

NOW, THEREFORE, in consideration of the grant funds received and the covenants and agreements contained herein, the Parties hereto agree as follows:

1. Recitals. The foregoing recitals are true and correct.
2. Authorized Uses. Pursuant to this Nonrevocable Agreement to Restrict Property, Grantee agrees that the Property will be used only for open space purposes that are consistent with the objectives for which the Property is acquired and the local jurisdictions' adopted open space plan. The Grantee further agrees that the property will be used for ranching and purposes that are consistent with the protection or enhancement of wildlife habitat, protection of sensitive or unique vegetation, protection of historic or cultural resources, protection of riparian corridors, floodplains, or wetlands, and/or to protect or preserve the benefits of the Property or natural resources within the State for the public.
3. In Event of Unauthorized Uses. If at any time the Property, or any portion of it, is used for some purpose other than that stated in Paragraph 2 above, the following actions shall be taken:
 - A. In the event of a violation or infringement, or threatened violation or infringement, of any provision of this Agreement, the State, or any person, shall give written notice to Grantee and request that the Grantee take corrective action sufficient to cure the violation or prevent the threatened violation. Grantee shall have 30 days to comply with the request. If Grantee is unable to cure the violation within the time allotted but is pursuing corrective measures with due diligence, the State may permit the Grantee a reasonable extension of time. If the State, in its sole discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the permitted use of the property as described in Paragraph 2 of this Agreement, the State may pursue its remedies under this section without prior notice to Grantee or without waiting for the period provided for cure to expire. Nothing in this Agreement shall be construed to impair the State's, or any person's right to seek temporary or permanent injunctive or other relief to enforce the terms of this Agreement against a violation or threatened violation hereof.

- B. If the Grantee fails to take corrective action to cure the violation or prevent the threatened violation pursuant to subparagraph A., the Grantee shall offer to convey the Property, for no consideration, to the State for the purposes stated in paragraph 2 above; or, if said offer is rejected by the State or if the State fails to respond to the offer within ninety (90) days of the date of the offer, then Grantee shall offer to convey the Property, for no consideration, to each reasonably identifiable Nonprofit Conservation Organization active in Nevada. For purposes of this Agreement, the term "Nonprofit Conservation Organization" means a nonprofit organization, qualified in the State, that has as one of its primary purposes the acquisition of property for the protection, preservation and/or conservation of land, water, open space and/or the natural communities, resources and wildlife located thereon.

Any offer made herein by Grantee must be made: (a) by delivering a written offer to the party to whom the offer is being made via certified U.S. Mail or hand delivery, and (b) by providing public notice of the offer, which public notice shall include, without limitation, notice of such offer by publication no less than three (3) times at one-week intervals in a newspaper of general circulation in Carson City. Both the written offer and the public notice described herein shall state that in the event multiple Parties are interested in accepting the offer and are otherwise qualified to accept the offer, the party to whom the Property will be conveyed will be determined promptly by the Grantee in its sole and absolute discretion. The written offer and public notice shall also include the date by which a qualified party must accept the offer in writing, which date shall be not less than sixty (60) days nor more than ninety (90) days after the date of third publication, and shall identify the representative to whom the written acceptance must be made and the place where such written acceptance must be delivered. The Grantee shall bear all costs for any offer required to be made by it hereunder.

Should an offer described herein be accepted, Grantee shall, at its sole cost and expense, promptly deliver to the qualified party accepting said offer, a duly executed warranty, grant bargain sale, or quitclaim deed capable of being recorded in order to convey clear title to the Property to said party subject to encumbrances imposed by the State.

If neither the State nor a qualified Nonprofit Conservation Organization has accepted Grantee's offer, Grantee shall, at the sole discretion of the State, promptly take one of the following actions (either sub-subparagraph i or sub-subparagraph ii):

- i. Sell said Property or a portion of the property as determined by the State to any other person or entity for fair market value. Upon such sale, Grantee shall promptly transmit to the State its pro rata share of the sale price of the portion of the Property sold, or the amount of the grant, whichever is greater. Upon receipt of said payment, the State shall release the Grantee from any further obligations or liabilities under this Agreement.
- ii. Remit to the State a sum equivalent to the amount of the Grant, together with interest thereon at the rate of 10% per annum, commencing from the date of the Grantee's acquisition of the Property until the date paid. Upon receipt of said payment, the State shall release the Grantee from any further obligations or liabilities under this Agreement and shall remove any deed restrictions or other encumbrances on the Property imposed by this Agreement.

4. Voluntary Transfer of Property. In the event the Grantee desires to sell or otherwise transfer the Property, prior to any such sale or transfer of the Property by Grantee, Grantee shall offer to convey the Property, for no consideration, to the entities described in sub-subparagraph 3(B) above, subject to the same terms and conditions, and according to the same procedures, set forth therein. If, after complying with the provisions of sub-subparagraph 3(B), neither the State nor a qualified Nonprofit Conservation Organization has accepted Grantee's offer, Grantee may, at the sole discretion of the State, promptly take one of the following actions (either subparagraph A or subparagraph B):
- A. Sell the Property to any other person or entity for fair market value, based on an appraisal of the property at the time of transfer. Upon such sale, other than to the State or a qualified Nonprofit Conservation Organization, Grantee shall promptly transmit to the State its pro rata share of the sale price of the portion of the Property sold, or the amount of the grant, whichever is greater. Upon receipt of said payment, the State shall release the Grantee from any further obligations or liabilities under this Agreement.
 - B. Promptly transmit to the State the amount of the Grant, together with interest thereon at the rate of 10% per annum, commencing from the date of the Grantee's acquisition of the Property until the date paid. Upon receipt of said payment, the State shall release the Grantee from any further obligations or liabilities under this Agreement and shall remove any deed restrictions or other encumbrances on the Property imposed by this Agreement.
5. Condemnation. Any and all funds received by Grantee in connection with any portion of the Property taken by right of eminent domain or by condemnation shall be delivered pro rata promptly to the State as reimbursement, in whole or part, for the amount of the Grant. If only a portion of the Property is taken by right of eminent domain or by condemnation, and if Grantee thereafter desires to dispose of that portion of the Property not taken by right of eminent domain or condemnation (hereinafter "the Remainder Portion"), Grantee shall offer to convey the Remainder Portion for no consideration, to the entities described in sub-subparagraph 3(B) above, subject to the same terms and conditions, and according to the same procedures, set forth therein.

If, after complying with the provisions of the preceding paragraph, neither the State nor a qualified Nonprofit Conservation Organization has accepted Grantee's offer, Grantee may sell said Remainder Portion to any other person or entity for fair market value. Upon such sale, Grantee shall promptly transmit to the State the State's pro rata share of the sale price of the Remainder Portion sold, or the amount of the grant attributable to the Remainder Portion, whichever is greater.

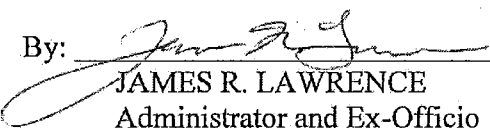
6. Enforcement. The State, or any person, has the right to prevent any activity or use on this property that is inconsistent with the permitted use as described in paragraph 2 of this Agreement. The terms and conditions in this Agreement may be enforced as follows:
- A. Enforcement of the provisions of this Agreement shall be at the discretion of the enforcing party. Any forbearance in the enforcement of rights and interest under this Agreement in the event of a violation or infringement, or threatened violation or infringement, of any provision of this Agreement shall not be deemed or construed to be a waiver of such provision or of any subsequent violation or threatened violation of the same or any other provision of this Agreement, and any failure to act shall not be deemed a waiver or forfeiture of the right to enforce the provisions of this Agreement in the future.
 - B. Grantee will not be responsible for injury to or change in the property subject to this Agreement resulting from natural causes or environmental catastrophe beyond Grantee's control, such as fire, flood, storm and earth movement, or from any prudent action taken by Grantee under emergency conditions to prevent, abate, or mitigate significant injury to the property resulting from such causes.
 - C. If Grantee fails to cure a violation or threatened violation of the terms and conditions as expressed herein after receiving written notice of the violation or threatened violation, the State or any person may institute a suit to enjoin the violation or infringement and/or to require the restoration to the condition that existed prior to the violation or infringement; in addition, the State or any person enforcing this Agreement may seek damages to which they may be entitled including reimbursement to the State of all or a portion of the grant funding provided to Grantee for acquisition of the property herein. The enforcement rights under this subparagraph shall apply equally in the event of either actual or threatened violations of the provisions of this Agreement. The Grantee agrees and acknowledges that the remedies at law for any violation of the provisions of this Agreement are inadequate and that any person enforcing this Agreement shall be entitled to the injunctive relief described in this subparagraph, both prohibitive and mandatory, in addition to such other relief, including damages, to which the enforcing person may be entitled, including specific performance of the provisions of this Agreement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies.
 - D. If a court determines that this Agreement has been breached Grantee will reimburse the State or any other person bringing suit for relief under this section, for reasonable costs of enforcement, including court costs, reasonable attorney's fees, and any other payments ordered by the court.
7. Recordation. This Agreement shall be recorded in the Office of the Carson City Recorder and shall run with the land.
8. Amendments. This Agreement shall not be amended except upon the written agreement of the Parties after public notice by publication no less than three (3) times at one-week intervals in a newspaper of general circulation in Carson City.

9. Entire Agreement. This Agreement constitutes the entire agreement of the Parties with respect to the specific matters contained herein and supersedes all previous discussions, understandings and agreements.
10. Further Assurances. Additional Documents. The Parties agree to execute any and all further documents, deeds and other writings, and to undertake any further action necessary to consummate the transactions contemplated herein.
11. Authority. Grantee and State, respectively, represent and warrant that, as of the date of this Agreement, each has the full right, power and authority to enter into this Agreement and to consummate the transaction contemplated herein, and that each has duly and properly taken all action required of it, to authorize the execution, delivery and performance by it of this Agreement.
12. Binding Effect. This Agreement is binding upon the representatives, successors, and assigns of the Parties hereto.
13. Captions. The captions and headings of the sections of this Agreement are for convenience of reference only and shall not be construed in interpreting the provisions hereof.
14. Severability. If any term or provision of this Agreement is deemed unenforceable by a court of competent jurisdiction, the remaining terms and provisions shall remain in full force and effect so long as the purpose and intent of this Agreement may be achieved.
15. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the state of Nevada.
16. Attorneys Fees. In the event of any controversy, claim, or dispute relating to this Agreement or to the violation or infringement thereof, the prevailing party shall be entitled to recover from the losing party reasonable attorneys' fees and costs.

IN WITNESS WHEREOF, the parties hereto have entered into this agreement as of the date first written above.

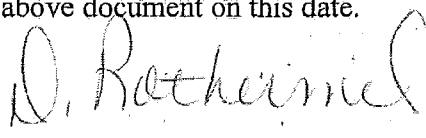
STATE:

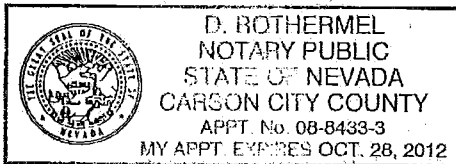
STATE OF NEVADA
Division of State Lands

By: 
JAMES R. LAWRENCE
Administrator and Ex-Officio
State Land Registrar

STATE OF NEVADA)
 :SS
CITY OF CARSON CITY)

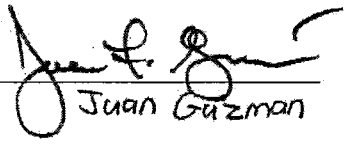
On May 17, 2010
personally appeared before me, a
Notary Public, JAMES R.
LAWRENCE, Administrator and
Ex-Officio State Land Registrar,
Division of State Lands, who
acknowledged that he executed
the above document on this date.





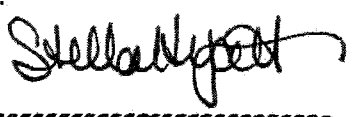
GRANTEE:

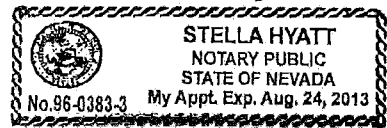
CARSON CITY

By: 
Juan Guzman
Date: 5-18-10

STATE OF NEVADA)
 :SS
COUNTY OF CARSON)


On May 18, 2010
personally appeared before me,
a Notary Public, Juan
Guzman, known to
me to be authorized to sign on
behalf of the above
GRANTEE, who
acknowledged that (s)he
executed the above document
on this date.





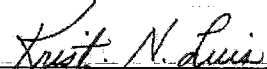
APPROVED as to Form:

CATHERINE CORTEZ MASTO
Attorney General

By: 
Kerry Benson
Deputy Attorney General

APPROVED as to Form:

NEIL ROMBARDO
Carson City District Attorney

By: 
Kristin N. Luis
Deputy District Attorney

CC-1093268-LS
1093268

EXHIBIT "A"

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

PARCEL A:

Parcel 2, as set forth on that certain Map of Division of Land into large parcels for the DONALD ANDERSEN TRUST and JIMMY P. JARRARDS CHILDREN'S TRUST located within the East ½ of Section 22, Township 15 North, Range 20 East, M.D.B. & M., filed for record in the Office of the Carson City Recorder, State of Nevada, on December 21, 1999 in Book 8 of Maps at Page 2342 as Document No. 243503, and that certain Certificate of Amendment recorded on January 4, 2000 as Document No. 243949, Official Records.

Assessor's Parcel No. 010-071-26

PARCEL B:

Parcel 3, as set forth on that certain Map of Division of Land into large parcels for the DONALD ANDERSEN TRUST and JIMMY P. JARRARDS CHILDREN'S TRUST located within the East ½ of Section 22, Township 15 North, Range 20 East, M.D.B. & M., filed for record in the Office of the Carson City Recorder, State of Nevada, on December 21, 1999 in Book 8 of Maps at Page 2342 as Document No. 243503, and that certain Certificate of Amendment recorded on January 4, 2000 as Document No. 243949, Official Records.

Assessor's Parcel No. 010-071-27

PARCEL C:

A portion of the West ½ of Section 23, Township 15 North, Range 20 East, M.D.B.&M., more particularly described as follows:

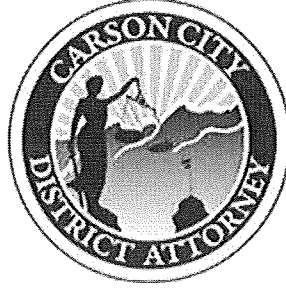
Parcel D of that certain Parcel Map No. 1399 for DONALD A. AND WILLIE M. ANDERSEN filed in the office of the Carson City County Recorder, State of Nevada on March 26, 1987, in Book 5 of Maps at Page 1399 as Document No. 56504.

Excepting therefrom a right of way for highway purposes as granted to the State of Nevada in that certain Deed for Public Highway recorded on September 20, 1950 in Book 57 of Deeds at Page 279 as Document No. 2804.

Further excepting therefrom, all that portion of said land lying within the bed and banks of the Carson River.

Assessor's Parcel No. 010-021-46 and 010-021-47

JASON D. WOODBURY
District Attorney



**OFFICE OF THE
 CARSON CITY DISTRICT ATTORNEY**
 885 East Musser Street, Suite 2030
 Carson City, NV 89701
 775.887.2070 • 775.887.2129 fax
 www.carson.org

November 15, 2019

Chris MacKenzie, Esq.
 Allison MacKenzie, Ltd.
 402 N. Division Street
 Carson City, NV 89703

Re: Hemp Production on Old Buzzy's Ranch, 4900 Carson River Road

Dear Chris:

Thank you for meeting with Ann Bollinger and myself regarding the proposal by Tahoe Hemp to produce hemp on Old Buzzy's Ranch. As you know, Ann and I have been conducting some due diligence regarding the viability of the project. After meeting with the State Lands Manager, we have concluded that Carson City cannot move forward with the proposed hemp production. To do so would jeopardize the grant funding that the City received to purchase the property because of a deed restriction imposed by the State. The production of hemp on City property also raises too many other concerns that would prevent staff from making a positive recommendation to the Board of Supervisors for approval of the proposal.

As you know, in 2010 Carson City applied for and received a Conservation and Resource Protection Grant from the Nevada Division of State Lands (Question 1) to help fund the purchase of the property. Pursuant to the grant, the State contributed 75 percent of the total project cost (\$2,793,000) with the remaining 25 percent (\$931,048) paid from Carson City Open Space funds. The funding agreement required the City to enter into a Nonrevocable Agreement to Restrict Property that was recorded and runs with the property in perpetuity. See Exhibit A, attached hereto. Pursuant to the restriction, the authorized uses for the property are defined as follows:

Authorized Uses. Pursuant to this Nonrevocable Agreement to Restrict Property, Grantee agrees that the Property will be used only for open space purposes that are consistent with the objectives for which the Property is acquired and the local jurisdictions' adopted open space plan. The Grantee further agrees that the property will be used for ranching and purposes that are consistent with the protection or

enhancement of wildlife habitat, protection of sensitive or unique vegetation, protection of historic or cultural resources, protection of riparian corridors, floodplains, or wetlands and/or to protect or preserve the benefits of the Property or natural resources within the State for the public.

Exhibit A, p. 2.

Carson City, through its Open Space Advisory Committee and Department of Parks, Recreation and Open Space (“Open Space”) identified the Jarrard property as one of the most environmentally sensitive open space projects in the City due to the large presence of wetlands along the western edge as well as the riparian zones along the Carson River. Open Space identified preservation of the scenic pastoral landscape as a break from urban development as a primary goal of the acquisition. The active ranching operation was also cited as having historic and cultural significance as it is one of the few remaining operations in the area.

In the grant application, Open Space proposed to extend and connect trails on the property to protect wildlife and enable controlled public access to the river and wetlands from Carson River Road and the Mexican Ditch Trail. Due to the large wetland areas, the property is home to an abundance of wildlife and birds. The purchase would ensure the protection of these environmentally sensitive spaces while allowing public wildlife viewing and recreational access. As part of community outreach regarding the acquisition, Open Space collected over 100 signatures from surrounding property owners in support of maintaining the property as open space.

The terms of the Nonrevocable Agreement allow it to be enforced by the State or **any person**. Failure to cure a violation of the agreement would result in the forced conveyance of the property to the State or a nonprofit conservation organization and obligate the City to pay back the grant funds to the State. Exhibit A, p. 3. After meeting with the State Lands Manager, we left with the impression that the State would seek to enforce the agreement if Carson City proceeded with allowing hemp production on the property, as hemp farming was not expressly outlined in the City’s grant application and was not the intended use of the land. Furthermore, the project is certain to raise complaints from neighboring property owners, any one of whom could seek to enforce the restrictive agreement.

Open Space believes that the proposed 100-acre hemp project would directly interfere with the City’s planned use of the property, the goals identified in the grant application, and the intent in which the land was acquired. The hemp project would fundamentally alter the nature and landscape of the property by converting 65 acres of pasture utilized for grazing and 35 acres of alfalfa to hemp. This would profoundly change the scenic views currently available, while negatively impacting wildlife on the property.

Open Space has also made a significant staff resource and financial investment in developing a trail alignment on the property parallel to the Carson River. Staff has returned comments on the 30% design of the Carson River Trail System and construction is expected between Summer – Fall 2020. The trail was designed

according to existing field conditions with great attention placed on current flood irrigation practices, irrigation ditches, jurisdictional wetlands, floodplain and public input. Any topographic and hydrologic changes to the landscape, such as those required by the proposed hemp project, would significantly affect the trail design.

Carson City staff has been working with the Agricultural Research Service and other consultants for the past year on development of a conservation plan for the property due to decreased irrigation water. The plan will identify water infrastructure and flow (location and condition), areas most productive for forage, plant species, and recommendations for a site reclamation plan. Two research plots have already been installed and the proposed project would disrupt this research.

Due to the City's plans for recreation and public access to the property, any proposed hemp production creates additional liability issues. Although hemp only contains less than 0.3% concentration of THC, it is our understanding that the plant itself is visibly indistinguishable from marijuana. The proposed trail system through the property would increase the foot traffic and necessitate the need for extensive fencing. We believe that this would create an attractive nuisance on the property, drawing unwanted visitors who believe the plant to be regular marijuana and not hemp. This would increase the risk of liability of someone being injured on the property and would have an impact on the Carson City Sheriff's Office.

Although the purchase agreement allows Mr. Jarrard to continue grazing and ranching operations on the property, Carson City does not believe that this use contemplates the production of hemp, which did not become legal for commercial production until 2018. Furthermore, the purchase agreement prohibits use of the property that will interfere with or materially impair use of the Mexican Ditch trail, observation of wildlife, and access to wetlands for studies and environmental assessments. The proposed hemp project would materially interfere with the City's planned use of the property.

We do not believe that there is any mitigation that can be performed to alleviate these concerns. Carson City cannot afford to jeopardize the grant funding or the other funds that have already gone into purchase and conservation planning for the property.

If you have any questions, please do not hesitate to contact our office. We would be happy to meet and discuss any of the issues raised in this letter.

Sincerely,

JASON D. WOODBURY
District Attorney

By:


Benjamin R. Johnson
Deputy District Attorney

Encl.

A.P.N. 010-071-26, 010-071-27, 010-021-47

RECORDED AT THE REQUEST OF
NORTHERN NEVADA TITLE CC

05/28/2010 08:44AM
FILE NO. 401213

CC-1093268-LS

RECORDING REQUESTED BY:

Juan Guzman, Open Space Manager
3303 Butti Way, Building No. 9
Carson City, NV 89701

ALAN GLOVER
CARSON CITY RECORDER
FEE \$0.00 DEP Jide

WHEN RECORDED MAIL TO:

Nevada Division of State Lands
Question 1 Program
901 S. Stewart St., Suite 5003
Carson City, Nevada 89701

NONREVOCABLE AGREEMENT TO RESTRICT PROPERTY

This NONREVOCABLE AGREEMENT TO RESTRICT PROPERTY ("Agreement") is made and entered into this 17 day of May, 2010, by and between the Consolidated Municipality of Carson City ("Grantee"), and the State of Nevada ("State"). Grantee and State are sometimes hereinafter referred to collectively as the "Parties."

Recitals

WHEREAS, Grantee is the owner of that certain real property located in Carson City, State of Nevada, described as follows:

Carson City Assessor Parcel Number(s) 010-071-26, 010-071-27, and 010-021-47, (hereinafter "Property"). For a complete legal description of the Property see "Exhibit A" attached hereto and incorporated herein by this reference.

WHEREAS, This Agreement is given to insure that the Property is maintained and used in a manner consistent with the regulations (NAC Section 321) adopted by the State for the Conservation and Resource Protection Grant Program, hereinafter referred to as "Question 1 Program." Regulatory authority is provided by Subsection 1-35, Section 2 of Assembly Bill No. 9 of the 17th Special Session of the Nevada Legislature, Chapter 6, Statutes of Nevada 2001. The referenced regulations require the Nevada Division of State Lands, (hereinafter "State Lands," an agency of the State), when entering into a Funding Agreement, to include pertinent nonrevocable deed restrictions and appropriate reversionary clauses to ensure that at all times the land is maintained in a manner consistent with the purpose of the Question 1 Program.

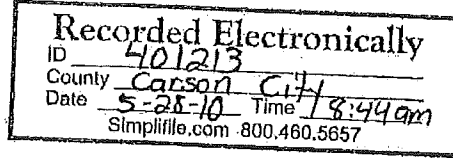
WHEREAS, Grantee has entered into a State Lands Question 1 Program Funding Agreement that provides funding to implement the project entitled the "Jarrard Fee Title Acquisition" and which has been assigned Question 1 Program Project ID No. CA-LW-07095.

A.P.N. 010-071-26, 010-071-27, 010-021-47

CC-1093268-LS

RECORDING REQUESTED BY:

Juan Guzman, Open Space Manager
3303 Butti Way, Building No. 9
Carson City, NV 89701



WHEN RECORDED MAIL TO:

Nevada Division of State Lands
Question 1 Program
901 S. Stewart St., Suite 5003
Carson City, Nevada 89701

NONREVOCABLE AGREEMENT TO RESTRICT PROPERTY

This NONREVOCABLE AGREEMENT TO RESTRICT PROPERTY ("Agreement") is made and entered into this 17 day of May, 2010, by and between the Consolidated Municipality of Carson City ("Grantee"), and the State of Nevada ("State"). Grantee and State are sometimes hereinafter referred to collectively as the "Parties."

Recitals

WHEREAS, Grantee is the owner of that certain real property located in Carson City, State of Nevada, described as follows:

Carson City Assessor Parcel Number(s) 010-071-26, 010-071-27, and 010-021-47, (hereinafter "Property"). For a complete legal description of the Property see "Exhibit A" attached hereto and incorporated herein by this reference.

WHEREAS, This Agreement is given to insure that the Property is maintained and used in a manner consistent with the regulations (NAC Section 321) adopted by the State for the Conservation and Resource Protection Grant Program, hereinafter referred to as "Question 1 Program." Regulatory authority is provided by Subsection 1-35, Section 2 of Assembly Bill No. 9 of the 17th Special Session of the Nevada Legislature, Chapter 6, Statutes of Nevada 2001. The referenced regulations require the Nevada Division of State Lands, (hereinafter "State Lands," an agency of the State), when entering into a Funding Agreement, to include pertinent nonrevocable deed restrictions and appropriate reversionary clauses to ensure that at all times the land is maintained in a manner consistent with the purpose of the Question 1 Program.

WHEREAS, Grantee has entered into a State Lands Question 1 Program Funding Agreement that provides funding to implement the project entitled the "Jarrard Fee Title Acquisition" and which has been assigned Question 1 Program Project ID No. CA-LW-07095.

WHEREAS, State Lands has authority to award grants of money from the sale of general obligation bonds to a county, or a municipality within a county for the acquisition of land and water or interests in land and water for the public benefit to protect and enhance wildlife habitat, sensitive or unique vegetation, historic or cultural resources, riparian corridors, floodplains, wetlands and other environmental resources pursuant to an adopted plan for open spaces.

Declarations

NOW, THEREFORE, in consideration of the grant funds received and the covenants and agreements contained herein, the Parties hereto agree as follows:

1. Recitals. The foregoing recitals are true and correct.
2. Authorized Uses. Pursuant to this Nonrevocable Agreement to Restrict Property, Grantee agrees that the Property will be used only for open space purposes that are consistent with the objectives for which the Property is acquired and the local jurisdictions' adopted open space plan. The Grantee further agrees that the property will be used for ranching and purposes that are consistent with the protection or enhancement of wildlife habitat, protection of sensitive or unique vegetation, protection of historic or cultural resources, protection of riparian corridors, floodplains, or wetlands, and/or to protect or preserve the benefits of the Property or natural resources within the State for the public.
3. In Event of Unauthorized Uses. If at any time the Property, or any portion of it, is used for some purpose other than that stated in Paragraph 2 above, the following actions shall be taken:
 - A. In the event of a violation or infringement, or threatened violation or infringement, of any provision of this Agreement, the State, or any person, shall give written notice to Grantee and request that the Grantee take corrective action sufficient to cure the violation or prevent the threatened violation. Grantee shall have 30 days to comply with the request. If Grantee is unable to cure the violation within the time allotted but is pursuing corrective measures with due diligence, the State may permit the Grantee a reasonable extension of time. If the State, in its sole discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the permitted use of the property as described in Paragraph 2 of this Agreement, the State may pursue its remedies under this section without prior notice to Grantee or without waiting for the period provided for cure to expire. Nothing in this Agreement shall be construed to impair the State's, or any person's right to seek temporary or permanent injunctive or other relief to enforce the terms of this Agreement against a violation or threatened violation hereof.

- B. If the Grantee fails to take corrective action to cure the violation or prevent the threatened violation pursuant to subparagraph A., the Grantee shall offer to convey the Property, for no consideration, to the State for the purposes stated in paragraph 2 above; or, if said offer is rejected by the State or if the State fails to respond to the offer within ninety (90) days of the date of the offer, then Grantee shall offer to convey the Property, for no consideration, to each reasonably identifiable Nonprofit Conservation Organization active in Nevada. For purposes of this Agreement, the term "Nonprofit Conservation Organization" means a nonprofit organization, qualified in the State, that has as one of its primary purposes the acquisition of property for the protection, preservation and/or conservation of land, water, open space and/or the natural communities, resources and wildlife located thereon.

Any offer made herein by Grantee must be made: (a) by delivering a written offer to the party to whom the offer is being made via certified U.S. Mail or hand delivery, and (b) by providing public notice of the offer, which public notice shall include, without limitation, notice of such offer by publication no less than three (3) times at one-week intervals in a newspaper of general circulation in Carson City. Both the written offer and the public notice described herein shall state that in the event multiple Parties are interested in accepting the offer and are otherwise qualified to accept the offer, the party to whom the Property will be conveyed will be determined promptly by the Grantee in its sole and absolute discretion. The written offer and public notice shall also include the date by which a qualified party must accept the offer in writing, which date shall be not less than sixty (60) days nor more than ninety (90) days after the date of third publication, and shall identify the representative to whom the written acceptance must be made and the place where such written acceptance must be delivered. The Grantee shall bear all costs for any offer required to be made by it hereunder.

Should an offer described herein be accepted, Grantee shall, at its sole cost and expense, promptly deliver to the qualified party accepting said offer, a duly executed warranty, grant bargain sale, or quitclaim deed capable of being recorded in order to convey clear title to the Property to said party subject to encumbrances imposed by the State.

If neither the State nor a qualified Nonprofit Conservation Organization has accepted Grantee's offer, Grantee shall, at the sole discretion of the State, promptly take one of the following actions (either sub-subparagraph i or sub-subparagraph ii):

- i. Sell said Property or a portion of the property as determined by the State to any other person or entity for fair market value. Upon such sale, Grantee shall promptly transmit to the State its pro rata share of the sale price of the portion of the Property sold, or the amount of the grant, whichever is greater. Upon receipt of said payment, the State shall release the Grantee from any further obligations or liabilities under this Agreement.
- ii. Remit to the State a sum equivalent to the amount of the Grant, together with interest thereon at the rate of 10% per annum, commencing from the date of the Grantee's acquisition of the Property until the date paid. Upon receipt of said payment, the State shall release the Grantee from any further obligations or liabilities under this Agreement and shall remove any deed restrictions or other encumbrances on the Property imposed by this Agreement.

4. Voluntary Transfer of Property. In the event the Grantee desires to sell or otherwise transfer the Property, prior to any such sale or transfer of the Property by Grantee, Grantee shall offer to convey the Property, for no consideration, to the entities described in sub-subparagraph 3(B) above, subject to the same terms and conditions, and according to the same procedures, set forth therein. If, after complying with the provisions of sub-subparagraph 3(B), neither the State nor a qualified Nonprofit Conservation Organization has accepted Grantee's offer, Grantee may, at the sole discretion of the State, promptly take one of the following actions (either subparagraph A or subparagraph B):

A. Sell the Property to any other person or entity for fair market value, based on an appraisal of the property at the time of transfer. Upon such sale, other than to the State or a qualified Nonprofit Conservation Organization, Grantee shall promptly transmit to the State its pro rata share of the sale price of the portion of the Property sold, or the amount of the grant, whichever is greater. Upon receipt of said payment, the State shall release the Grantee from any further obligations or liabilities under this Agreement.

B. Promptly transmit to the State the amount of the Grant, together with interest thereon at the rate of 10% per annum, commencing from the date of the Grantee's acquisition of the Property until the date paid. Upon receipt of said payment, the State shall release the Grantee from any further obligations or liabilities under this Agreement and shall remove any deed restrictions or other encumbrances on the Property imposed by this Agreement.

5. Condemnation. Any and all funds received by Grantee in connection with any portion of the Property taken by right of eminent domain or by condemnation shall be delivered pro rata promptly to the State as reimbursement, in whole or part, for the amount of the Grant. If only a portion of the Property is taken by right of eminent domain or by condemnation, and if Grantee thereafter desires to dispose of that portion of the Property not taken by right of eminent domain or condemnation (hereinafter "the Remainder Portion"), Grantee shall offer to convey the Remainder Portion for no consideration, to the entities described in sub-subparagraph 3(B) above, subject to the same terms and conditions, and according to the same procedures, set forth therein.

If, after complying with the provisions of the preceding paragraph, neither the State nor a qualified Nonprofit Conservation Organization has accepted Grantee's offer, Grantee may sell said Remainder Portion to any other person or entity for fair market value. Upon such sale, Grantee shall promptly transmit to the State the State's pro rata share of the sale price of the Remainder Portion sold, or the amount of the grant attributable to the Remainder Portion, whichever is greater.

6. Enforcement. The State, or any person, has the right to prevent any activity or use on this property that is inconsistent with the permitted use as described in paragraph 2 of this Agreement. The terms and conditions in this Agreement may be enforced as follows:
- A. Enforcement of the provisions of this Agreement shall be at the discretion of the enforcing party. Any forbearance in the enforcement of rights and interest under this Agreement in the event of a violation or infringement, or threatened violation or infringement, of any provision of this Agreement shall not be deemed or construed to be a waiver of such provision or of any subsequent violation or threatened violation of the same or any other provision of this Agreement, and any failure to act shall not be deemed a waiver or forfeiture of the right to enforce the provisions of this Agreement in the future.
 - B. Grantee will not be responsible for injury to or change in the property subject to this Agreement resulting from natural causes or environmental catastrophe beyond Grantee's control, such as fire, flood, storm and earth movement, or from any prudent action taken by Grantee under emergency conditions to prevent, abate, or mitigate significant injury to the property resulting from such causes.
 - C. If Grantee fails to cure a violation or threatened violation of the terms and conditions as expressed herein after receiving written notice of the violation or threatened violation, the State or any person may institute a suit to enjoin the violation or infringement and/or to require the restoration to the condition that existed prior to the violation or infringement; in addition, the State or any person enforcing this Agreement may seek damages to which they may be entitled including reimbursement to the State of all or a portion of the grant funding provided to Grantee for acquisition of the property herein. The enforcement rights under this subparagraph shall apply equally in the event of either actual or threatened violations of the provisions of this Agreement. The Grantee agrees and acknowledges that the remedies at law for any violation of the provisions of this Agreement are inadequate and that any person enforcing this Agreement shall be entitled to the injunctive relief described in this subparagraph, both prohibitive and mandatory, in addition to such other relief, including damages, to which the enforcing person may be entitled, including specific performance of the provisions of this Agreement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies.
 - D. If a court determines that this Agreement has been breached Grantee will reimburse the State or any other person bringing suit for relief under this section, for reasonable costs of enforcement, including court costs, reasonable attorney's fees, and any other payments ordered by the court.
7. Recordation. This Agreement shall be recorded in the Office of the Carson City Recorder and shall run with the land.
8. Amendments. This Agreement shall not be amended except upon the written agreement of the Parties after public notice by publication no less than three (3) times at one-week intervals in a newspaper of general circulation in Carson City.

9. Entire Agreement. This Agreement constitutes the entire agreement of the Parties with respect to the specific matters contained herein and supersedes all previous discussions, understandings and agreements.
10. Further Assurances. Additional Documents. The Parties agree to execute any and all further documents, deeds and other writings, and to undertake any further action necessary to consummate the transactions contemplated herein.
11. Authority. Grantee and State, respectively, represent and warrant that, as of the date of this Agreement, each has the full right, power and authority to enter into this Agreement and to consummate the transaction contemplated herein, and that each has duly and properly taken all action required of it, to authorize the execution, delivery and performance by it of this Agreement.
12. Binding Effect. This Agreement is binding upon the representatives, successors, and assigns of the Parties hereto.
13. Captions. The captions and headings of the sections of this Agreement are for convenience of reference only and shall not be construed in interpreting the provisions hereof.
14. Severability. If any term or provision of this Agreement is deemed unenforceable by a court of competent jurisdiction, the remaining terms and provisions shall remain in full force and effect so long as the purpose and intent of this Agreement may be achieved.
15. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the state of Nevada.
16. Attorneys Fees. In the event of any controversy, claim, or dispute relating to this Agreement or to the violation or infringement thereof, the prevailing party shall be entitled to recover from the losing party reasonable attorneys' fees and costs.

IN WITNESS WHEREOF, the parties hereto have entered into this agreement as of the date first written above.

STATE:

GRANTEE:

STATE OF NEVADA
Division of State Lands

CARSON CITY

By: JAMES R. LAWRENCE
Administrator and Ex-Officio
State Land Registrar

By: Juan Guzman

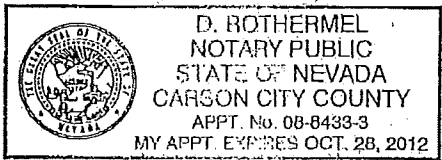
Date: 5-18-10

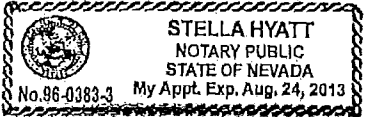
STATE OF NEVADA)
:SS
CITY OF CARSON CITY)

STATE OF NEVADA)
:SS
COUNTY OF CARSON)

On May 17, 2010
personally appeared before me, a
Notary Public, JAMES R.
LAWRENCE, Administrator and
Ex-Officio State Land Registrar;
Division of State Lands, who
acknowledged that he executed
the above document on this date.


On May 18, 2010
personally appeared before me,
a Notary Public, Juan
Guzman, known to
me to be authorized to sign on
behalf of the above
GRANTEE, who
acknowledged that (s)he
executed the above document
on this date.

D. Rothermel


Stella Hyatt


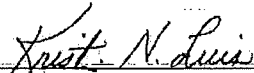
APPROVED as to Form:

CATHERINE CORTEZ MASTO
Attorney General

By: 
Kerry Benson
Deputy Attorney General

APPROVED as to Form:

NEIL ROMBARDO
Carson City District Attorney

By: 
Kristin N. Luis
Deputy District Attorney

CC-1093268-LS
1093268

EXHIBIT "A"

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

PARCEL A:

Parcel 2, as set forth on that certain Map of Division of Land into large parcels for the DONALD ANDERSEN TRUST and JIMMY P. JARRARDS CHILDREN'S TRUST located within the East ½ of Section 22, Township 15 North, Range 20 East, M.D.B. & M., filed for record in the Office of the Carson City Recorder, State of Nevada, on December 21, 1999 in Book 8 of Maps at Page 2342 as Document No. 243503, and that certain Certificate of Amendment recorded on January 4, 2000 as Document No. 243949, Official Records.

Assessor's Parcel No. 010-071-26

PARCEL B:

Parcel 3, as set forth on that certain Map of Division of Land into large parcels for the DONALD ANDERSEN TRUST and JIMMY P. JARRARDS CHILDREN'S TRUST located within the East ½ of Section 22, Township 15 North, Range 20 East, M.D.B. & M., filed for record in the Office of the Carson City Recorder, State of Nevada, on December 21, 1999 in Book 8 of Maps at Page 2342 as Document No. 243503, and that certain Certificate of Amendment recorded on January 4, 2000 as Document No. 243949, Official Records.

Assessor's Parcel No. 010-071-27

PARCEL C:

A portion of the West ½ of Section 23, Township 15 North, Range 20 East, M.D.B.&M., more particularly described as follows:

Parcel D of that certain Parcel Map No. 1399 for DONALD A. AND WILLIE M. ANDERSEN filed in the office of the Carson City County Recorder, State of Nevada on March 26, 1987, in Book 5 of Maps at Page 1399 as Document No. 56504.

Excepting therefrom a right of way for highway purposes as granted to the State of Nevada in that certain Deed for Public Highway recorded on September 20, 1950 in Book 57 of Deeds at Page 279 as Document No. 2804.

Further excepting therefrom, all that portion of said land lying within the bed and banks of the Carson River.

Assessor's Parcel No. 010-021-46 and 010-021-47

Benjamin Johnson

From: Leslie Lopez <lesliealopez@icloud.com>
Sent: Friday, November 15, 2019 8:33 PM
To: Benjamin Johnson
Cc: Chris MacKenzie; staygreen@charter.net; goerea@gmail.com; Ann Bollinger; Sev Carlson
Subject: Re: Letter Regarding Tahoe Hemp Proposal

This message originated outside of Carson City's email system. Use caution if this message contains attachments, links, or requests for information.

Hi Ben,

We're happy to schedule a meeting. We would like a senior member of your office present (while we appreciate your efforts it is clear you are a junior attorney). Our attorney Sev Carlson will be present. We plan to move forward with usage of the land as we believe it to be within our rights to do so. We plan to execute a lease with the next week or so and begin prepping the land for planting. It sounds like a mistake was made on the cities end, therein the Jarrard trust should not have forfeit potential profits. You'll have to deal with the repercussions of that mistake. We are also going to work with the Jarrard trust to look into moving the water rights from the land, should we meet additional opposition. I would expect that we will have the ground turned and prepped by the end of January.

Regardless of your findings we'd like to set a date to discuss it before the board of supervisors, however we will be proceeding in the mean time with land preparations.

Leslie Goeres

Sent from my iPhone

On Nov 15, 2019, at 10:53 AM, Benjamin Johnson <BJohnson@carson.org> wrote:

Good morning,

Please find attached a letter regarding the proposal for a hemp growing operation on Old Buzzy's Ranch.

I believe Ann is out of the office until Monday, but we would be happy to set up a meeting if you have any questions about the letter.

Thank you,

Ben

Benjamin R. Johnson, Deputy District Attorney
Carson City District Attorney's Office
885 E. Musser Street, Suite 2030
Carson City, NV 89701
(775) 887-2070

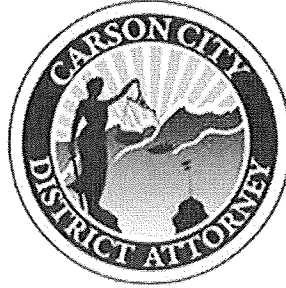
Fax: 887-2129
bjohnson@carson.org

<image002.jpg>

This message, together with any attachment(s), is intended only for the addressee(s) and may contain information that is privileged and confidential. If the reader of the message is not the intended recipient or an authorized representative of the intended recipient, I did not intend to waive and do not waive any privilege or the confidentiality of the message and any attachment(s), and you are hereby notified that any dissemination of this communication is strictly prohibited. If you receive this communication in error, please notify me immediately by e-mail and delete the message and any attachment(s) from your computer and network. Thank you.

<Letter re Tahoe Hemp Proposal.pdf>

JASON D. WOODBURY
District Attorney



**OFFICE OF THE
CARSON CITY DISTRICT ATTORNEY**
885 East Musser Street, Suite 2030
Carson City, NV 89701
775.887.2070 • 775.887.2129 fax
www.carson.org

November 21, 2019

Via E-mail and Certified Mail

Mr. James Jarrard and
Jimmie Pete Jarrard Children's Trust
c/o Mr. Chris MacKenzie, Esq.
Allison MacKenzie, Ltd.
402 N. Division Street
Carson City, NV 89703
cmackenzie@allisonmackenzie.com

Ms. Leslie Lopez Goeres
Tahoe Hemp, LLC
c/o Mr. Sev Carlson, Esq.
50 West Liberty Street, Suite 700
Reno, NV 89501
SCarlson@kcnvlaw.com

NOTICE TO CEASE AND DESIST

Dear Messrs. MacKenzie and Carlson:

This letter serves as official notice to the Jimmie Pete Jarrard Children's Trust ("Jarrard Trust" or "Trust") and Tahoe Hemp, LLC ("Tahoe Hemp") and their respective officers, employees, or agents to **IMMEDIATELY CEASE AND DESIST** all site preparation and other activities relating to the planting, growing or production of hemp on property owned by Carson City and located at 4900 Carson River Road.

Based on specific representations made by Ms. Goeres in her email to the Carson City District Attorney's Office, dated November 15, 2019, Tahoe Hemp intends to enter Carson City property and begin site preparation for hemp planting over the express objections of Carson City, the owner of the property. A copy of that email is enclosed herewith for reference. Tahoe Hemp has previously entered the property and started brush clearing without notice or permission from the City. Be advised that any

further site clearing or preparation may be treated as unlawful trespass and Carson City will move to protect its rights using all legal means available, including, without limitation, the issuance of a criminal citation and the filing of a civil complaint for injunctive relief and damages.

It is not the City's intent to interfere with valid rights under the terms of the Purchase and Sale Agreement to continue authorized ranching and authorized agricultural use of the property. Although the Jarrard Trust and Tahoe Hemp has failed to request permission or even provide a courtesy notice to the City before Tahoe Hemp began clearing brush in June 2019, Carson City has patiently extended a continuous and good faith willingness to discuss a resolution of the outstanding issues concerning the correct interpretation of the documents governing the proper use of the City-owned property. This good faith conduct by the City has included a site visit between City staff and representatives for the Trust and Tahoe Hemp to discuss the cultivation proposal, as well as the exchange of multiple emails and telephone calls. Based on information available to this office, at this time:

1. Tahoe Hemp, pursuant to Ms. Goeres's written communication to this office, plans to enter into City property and proceed with site preparation for planting hemp for commercial cultivation without authorization from the City as the property owner, without a valid lease between Jarrard Trust and Tahoe Hemp and without proper authorization from the State of Nevada; and

2. Tahoe Hemp's intended conduct, as expressed by Ms. Goeres's correspondence, will jeopardize the City's ownership of the property under the terms of the State of Nevada grant awarded for the purchase and acquisition of the property, expose the City to financial liability and cause the City to suffer economic damages by disrupting the existing condition of the land in which the City has already invested significant money and resources for public improvements.

Your immediate attention to this matter is requested.

Sincerely,

JASON D. WOODBURY
District Attorney

By: Benjamin R Johnson
Benjamin R. Johnson
Deputy District Attorney

Encl.

Benjamin Johnson

From: Leslie Lopez <lesliealopez@icloud.com>
Sent: Friday, November 15, 2019 8:33 PM
To: Benjamin Johnson
Cc: Chris MacKenzie; staygreen@charter.net; goerea@gmail.com; Ann Bollinger; Sev Carlson
Subject: Re: Letter Regarding Tahoe Hemp Proposal

This message originated outside of Carson City's email system. Use caution if this message contains attachments, links, or requests for information.

Hi Ben,

We're happy to schedule a meeting. We would like a senior member of your office present (while we appreciate your efforts it is clear you are a junior attorney). Our attorney Sev Carlson will be present. We plan to move forward with usage of the land as we believe it to be within our rights to do so. We plan to execute a lease with the next week or so and begin prepping the land for planting. It sounds like a mistake was made on the cities end, therein the Jarrard trust should not have forfeit potential profits. You'll have to deal with the repercussions of that mistake. We are also going to work with the Jarrard trust to look into moving the water rights from the land, should we meet additional opposition. I would expect that we will have the ground turned and prepped by the end of January.

Regardless of your findings we'd like to set a date to discuss it before the board of supervisors, however we will be proceeding in the mean time with land preparations.

Leslie Goeres

Sent from my iPhone

On Nov 15, 2019, at 10:53 AM, Benjamin Johnson <BJohnson@carson.org> wrote:

Good morning,

Please find attached a letter regarding the proposal for a hemp growing operation on Old Buzzy's Ranch.

I believe Ann is out of the office until Monday, but we would be happy to set up a meeting if you have any questions about the letter.

Thank you,

Ben

Benjamin R. Johnson, Deputy District Attorney
Carson City District Attorney's Office
885 E. Musser Street, Suite 2030
Carson City, NV 89701
(775) 887-2070

Fax: 887-2129
bjohnson@carson.org

<image002.jpg>

This message, together with any attachment(s), is intended only for the addressee(s) and may contain information that is privileged and confidential. If the reader of the message is not the intended recipient or an authorized representative of the intended recipient, I did not intend to waive and do not waive any privilege or the confidentiality of the message and any attachment(s), and you are hereby notified that any dissemination of this communication is strictly prohibited. If you receive this communication in error, please notify me immediately by e-mail and delete the message and any attachment(s) from your computer and network. Thank you.

<Letter re Tahoe Hemp Proposal.pdf>

KAEMPFER

CROWELL

ATTORNEYS AT LAW

RENO OFFICE

SEVERIN A. CARLSON

scarlson@kcnvlaw.com

775.884.8317

LAS VEGAS OFFICE
1980 Festival Plaza Drive
Suite 650
Las Vegas, NV 89135
Tel: 702.792.7000
Fax: 702.796.7181

RENO OFFICE
50 West Liberty Street
Suite 700
Reno, NV 89501
Tel: 775.852.3900
Fax: 775.327.2011

CARSON CITY OFFICE
510 West Fourth Street
Carson City, NV 89703
Tel: 775.884.8300
Fax: 775.882.0257

December 20, 2019

Via E-Mail (bjohnson@carson.org) and U.S. Mail

Mr. Benjamin R. Johnson
CARSON CITY DISTRICT ATTORNEY'S OFFICE
885 East Musser Street, Suite 2030
Carson City, Nevada 89701

Re: *Hemp Production at 4900 Carson River Road*

Dear Mr. Johnson,

This letter is in response to your November 15, 2019, letter advising that the City cannot sign off on hemp production on the property located at 4900 Carson River Road, as well as your November 21, 2019, correspondence purporting to be a notice to cease and desist site preparation and activities related to the planting, growing, or production of hemp on the subject property.

While the Jarrard Trust and Tahoe Hemp can appreciate the City's concerns in jeopardizing its ownership of the property due to the terms of the State of Nevada grant awarded to the City for the purchase and acquisition of the property, that concern does not obviate the specific conditions under which the City purchased the property from the Jarrard Trust.

As a condition of the sale of the property to Carson City, the Jarrard Trust required that it be granted a reservation of use of the property for agricultural purposes, a condition Carson City agreed to upon purchasing the property. Specifically, section 9 of the Purchase and Sale Agreement grants to the Jarrard Trust retention of "the right to the use of the Property for grazing livestock, ranching, and **other agricultural purposes**" (emphasis added). A copy of the Purchase and Sale Agreement is enclosed for your reference.

Nowhere in the terms and conditions provided in section 9 of the Purchase and Sale Agreement does the Agreement in any way exempt hemp from the agricultural uses retained by the Jarrard Trust, nor does it identify hemp production an unauthorized use, as your correspondence implies. In fact, the terms and conditions under which the Jarrard Trust retained agricultural use of the property explicitly provide that the Jarrard Trust "shall have full access to the Property" including "over, across, and under any adjoining lands" owned by Carson City in order to fully utilize its retained agricultural rights. *See* Purchase and Sale Agreement at Section

9(g). The conditions further prohibit Carson City from interfering with or impairing the Jarrard Trusts' rights to the property. *See* Purchase and Sale Agreement at Section 9(h). Thus, the threat that any further site clearing or preparation may be treated as an unlawful trespass is wholly in opposition to the terms to which Carson City agreed to under the Agreement.

Furthermore, the City's reliance on the "Authorized Uses" section at page 2 of Nonrevocable Agreement to Restrict Property that was entered into between the City and the State of Nevada is without merit, and is in fact, directly in conflict with Section 9 of the Purchase and Sale Agreement. Particularly the City agreed in Section 9(h) to not interfere or materially alter or impair the Jarrard Trust's rights and uses of the Property reserved under Section 9, which includes broad agricultural uses. Section 9 does impose some limitations on those uses, but those limitations only relate to not grazing more than 1,125 cow/calf A.U.M.s, or other livestock equivalent. Those specific limitations cannot be read to preclude hemp production.

The Purchase and Sale Agreement's express terms grant the Jarrard Trust use of the property for agricultural purposes. Carson City's subjective belief as to what constitutes agricultural purposes is wholly irrelevant, as the term is not ambiguous and hemp falls squarely within "agricultural purposes."¹ *See Galardi v. Naples*, 129 Nev. 306, 313, 301 P.3d 364, 368-69 (2013) (a party's subjective understanding of a contract's terms wont be considered when that understanding contradicts the contract's express terms.); *Campanelli v. Conservas Altamira, S.A.*, 86 Nev. 838, 841, 477 P.2d 870, 872 (1970) (parties to a written contract are bound by its terms regardless of their subjective beliefs at the time the agreement was signed).

Finally, the Jarrard Trust and Tahoe Hemp entered into a valid lease on June 6, 2019 which was provided to the Department of Agriculture along with Tahoe Hemp's hemp grower's application. A copy of that lease is enclosed. On June 21, 2019, the Department of Agriculture issued an Industrial Hemp Grower Certificate to Tahoe Hemp based upon the Lease and the application. That Certificate was revoked on June 24, 2019 due to Carson City's interference with Jarrard Trust's agricultural rights to the property, an action that has severely monetarily damaged both the Jarrard Trust and Tahoe Hemp. Copies of those documents are also enclosed.

If it is City's intent not to interfere with valid rights under the terms of the Purchase and Sale Agreement, then the City is required to allow the Jarrard Trust agricultural use of the property, including hemp production. This requires that the City sign off on the Department of Agriculture's permit application to allow hemp farming on the property; anything less would be a breach of the Purchase and Sale Agreement. The City owns the property in large part because of the rights it agreed the Jarrard Trust would retain in selling the property to Carson City. The Jarrard Trust expects Carson City to abide by that agreement. As such, the Jarrard Trust and

¹ Industrial Hemp is part of title 49 of the Nevada Revised Statute, "Agriculture"; The Department of Agriculture issues certifications to grow hemp; The Agricultural Act of 2014 legalized the production and sale of hemp; the 2018 Farm Bill, which revised the Agricultural act, requires hemp be treated like other agricultural commodities, makes hemp a mainstream crop, and changed provisions of agricultural law to include hemp.

KAEMPFER

CROWELL

Mr. Benjamin Johnson

December 20, 2019

Page 3

Tahoe Hemp request that the City sign off on the Department of Agriculture's permit application by no later than January 15, 2020. We look forward to resolving this matter with Carson City as soon and amicably as possible.

Cordially,

KAEMPFER CROWELL



Severin A. Carlson

SAC:ads

Enclosures

cc: Client

Chris MacKenzie, Esq.

Jason D. Woodbury, Esq.

J. Daniel Yu, Esq.

Hemp Grower's Application Plant Industry Division

NDA
Nevada Department
of Agriculture

This application is to request a permit from the Nevada Department of Agriculture (NDA) to produce hemp (Cannabis sativa L.) in the state of Nevada.

Applicant details

Registrant name: Robert Lopez

Business name: Tahoe Hemp LLC

Contact person: Robert Lopez

Phone number: (775) 287-1801 Email address: staygreen@charter.net

Mailing address: 1622 Robb Drive Website: _____
Carson City, NV 89703 Application status:
 New Renewal Modify

Social security # of applicant is required per NRS 557.210 section (a): 550-51-7069

Field details (outdoor only)

Please describe location, features and provide a map to detail the field area, including all varietal sites.

Please see attached map and assessor information for location.

Parcel #: APN: 010-021-47 Total acres: 98.2

Field coordinate information

*A separate application must be filed for each field that is non-contiguous.
(Non-contiguous is defined as an area that does not share a common border.)*

Latitude #1: NW 39°09'24.98"N Longitude #1: 119°42'34.94"W

Latitude #2: NE 39°09'24.79"N Longitude #2: 119°42'23.33"W

Latitude #3: SE 39°08'33.83"N Longitude #3: 119°42'25.98"W

Physical address: 4900 Carson River Road
Carson City, NV 89701

Hemp Grower's Application
Plant Industry Division

NDA
Nevada Department
of Agriculture

Facility details (indoor only)

Please describe location, features and provide a map to detail the field area, including all varietal sites.

N/A

Parcel #: _____ Total sqft: _____

Facility information

A separate application must be filed for each facility that is non-contiguous. (Non-contiguous is defined as an area that does not share a common border.)

Physical address: N/A _____ Coordinates, if address is not available:
Latitude: _____
Longitude: _____

Varietal details

If applicant intends to use more than five varieties, please include an additional sheet documenting all varieties to be used. Variety selection details can be changed with a notification to the NDA after approval of the application.

Varietal name	Approximate desired seed amount	lbs / grams / seeds / clones
Auto Pilot	196,400 Seeds	lbs / grams / seeds / clones
		lbs / grams / seeds / clones

If the variety does not have a name, please provide a description of its characteristics and known parent plants:

N/A

Hemp Grower's Application
Plant Industry Division

Varietal dealer contact information

Please identify the intended source of acquired hemp materials. You may provide chain of custody documentation for additional clarification. Selection details can be changed with a notification to the NDA after approval of the application.

Name of varietal dealer: GRN Funds
Country: USA
Street address: 1000 2nd Avenue, Suite 3900
City: Seattle State: WA
Phone number: 425-502-1808
Email address: clairepgood97@gmail.com

Ownership details

Is the applicant the legal landowners at the above site location? Yes No
If no, a notarized statement from landowner authorizing cultivation of industrial hemp on parcel is required for application approval.

Notarized authorization from landowner included? Yes No

Has applicant been convicted of any felony related to the possession, production, sale or distribution of a controlled substance in any form within the five (5) years immediately preceding the date of this application?
 Yes No

Hemp Grower's Application
Plant Industry Division

NDA
Nevada Department
of Agriculture

Associated fees

*The NDA will contact you for payment once the application's eligibility is confirmed. If you send in payment prior to receiving approval from NDA, it will be returned.

The applicant shall pay a non-refundable application fee of \$500.00 and:

- Outdoor operations must pay an additional fee of \$5.00/acre or portion thereof.
- Indoor operations must pay an additional fee \$0.33/1,000 square feet or portion thereof.

Application fee:			\$500.00	+		
\$5.00 x outdoor acreage:	<u>98.2</u>	acres =	<u>\$ 491</u>	+		
\$0.33/1,000.00 x square footage:			<u>\$</u>	=	<u>\$ 991</u>	Total
<i>Example:</i>	<u>10,000</u>	sqft =	<u>\$ 3.30</u>	=	<u>\$ 503,30</u>	Total

Applicant is also responsible for (fees are based upon an approximation of actual costs):

- inspection costs at \$50.00/hour /inspector for drive time, inspections and sampling,
- mileage, which will be charged at the current IRS reimbursement rate,
- any analysis which that may be conducted by the NDA.

Payment Submission

The NDA will request payment for the appropriate amount calculated above once the application is reviewed and approved,. Any payment submitted prior to NDA request will be returned.

Would you like your contact information (Farm name, county, city, e-mail) listed on the Nevada Department of Agriculture's website for potential buyers, industry stakeholders, etc.?

Yes No

Disclaimer: NO changes to this application may be made without NDA approval and a new application submitted.

405 South 21st St.
Sparks, NV 89431

agri.nv.gov

2300 East St. Louis Ave.
Las Vegas, NV 89104

4780 East Idaho St.
Elko, NV 89801

Hemp Grower's Application
Plant Industry Division

NDA
Nevada Department
of Agriculture

Policy/Procedure Acknowledgment

I, Robert Lopez, declare under penalty of perjury that the provided information is true and correct and that I am the owner or person with legal control of and authority to bind, the herein named applicant, and that I have read and understand all conditions and obligations stated herein. I accept all liability associated with the production of industrial hemp and accept all responsibilities associated with production. I understand and agree:

RL that a registration cannot be transferred or assigned to another business, individual, or entity.

Initials

RL that all hemp plant material shall be planted, harvested, and processed within the allotted period after certification has been issued. The Department must be notified if material, propagative or not, is still present after the permit period has ended. Permits expire on December 31 of each year.

Initials

RL that each noncontiguous land unit, with which hemp shall be grown, will be associated with a separate application. Any additional acreage or square footage will be associated with a separate application.

Initials

RL that no registered land area may contain *Cannabis spp.* plants or parts thereof that the registrant knows or, has a reason to know, are of a variety that will produce a THC content greater than 0.3% on a dry weight basis, unless otherwise approved of by the Department of Agriculture. No registrant shall use any such variety that is known to produce THC concentration levels above 0.3% on a dry weight basis.

Initials

RL to allow any and all inspections/sampling that NDA deems necessary in order to preserve the integrity of the research/development project. Plant parts collected for THC concentration analysis will be the segments containing the highest THC concentrations.

Initials

RL to pay for costs on the oversight of this program. Payment must be submitted within 30 days after invoicing.

Initials

RL that THC concentrations for hemp are declared to be under or equal to 0.3% on a dry weight basis.

Initials

RL that any information provided to NDA can be utilized for public disclosure and be provided to law enforcement agencies without further notice to the registrant.

Initials

RL any operations proposed to use land that is not owned by the applicant must be accompanied by a signed, notarized affidavit from the legal owner of the land consenting to approval.

Initials

RL alterations of any kind to this application, excluding sections 1 and 2, will require a \$500.00 amendment fee. Application details must stay consistent with all production features always.

Initials

RL that applicant is in good standing with state and federal programs and does not have any outstanding payments or any unresolved non-compliances.

Initials

RL that applicant has acquired appropriate water rights for agricultural production.

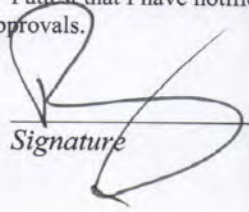
Initials

RL that prior to any harvest a harvest report must be submitted a minimum of 15 days before that harvest.

Initials

RL I attest that I have notified by local jurisdiction regarding my operation and have sought all the appropriate approvals.

Initials


Signature

June 6, 2019

Date

405 South 21st St.
Sparks, NV 89431

2300 East St. Louis Ave.
Las Vegas, NV 89104

4780 East Idaho St.
Elko, NV 89801

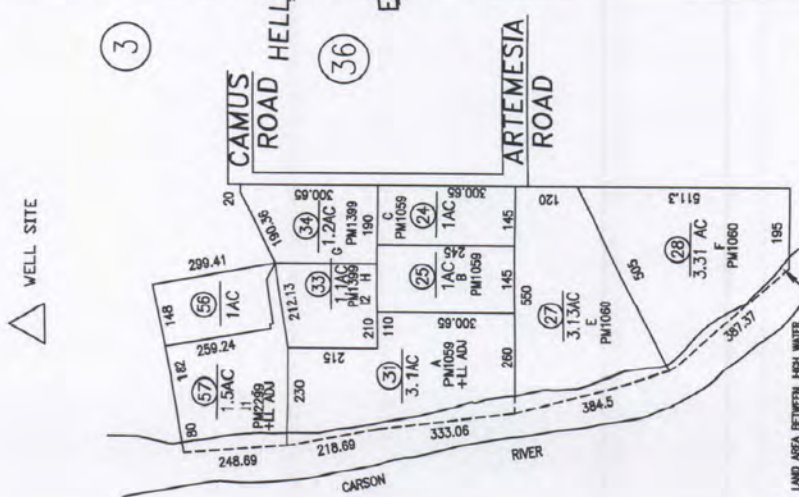
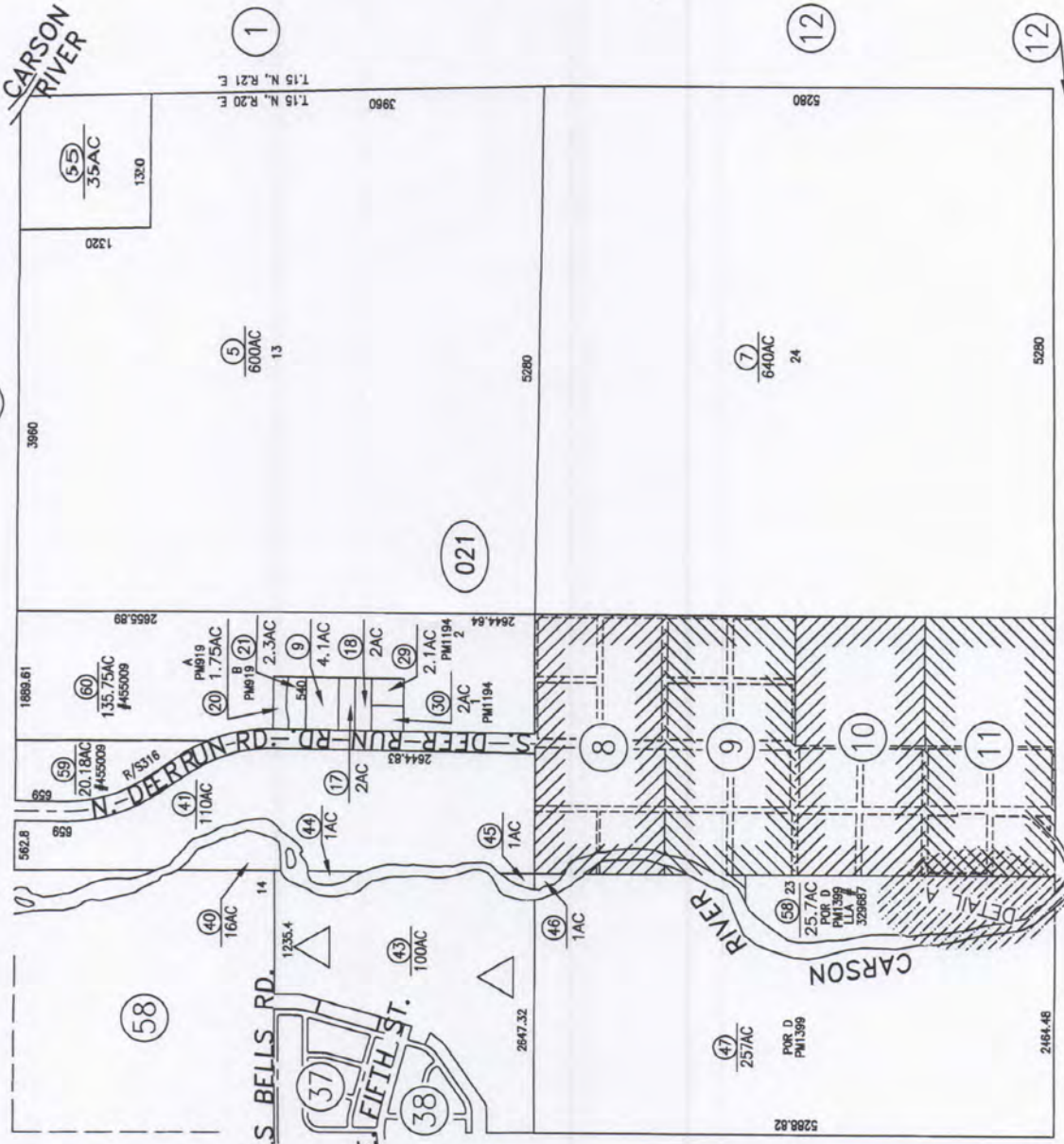
T.15 N., R.20 E., M.D.B. & M.

BK8
5.3



SCALE: 1" = 1200'
REVISED: 09/23/2015

COPY



SCALE: 1" = 300'

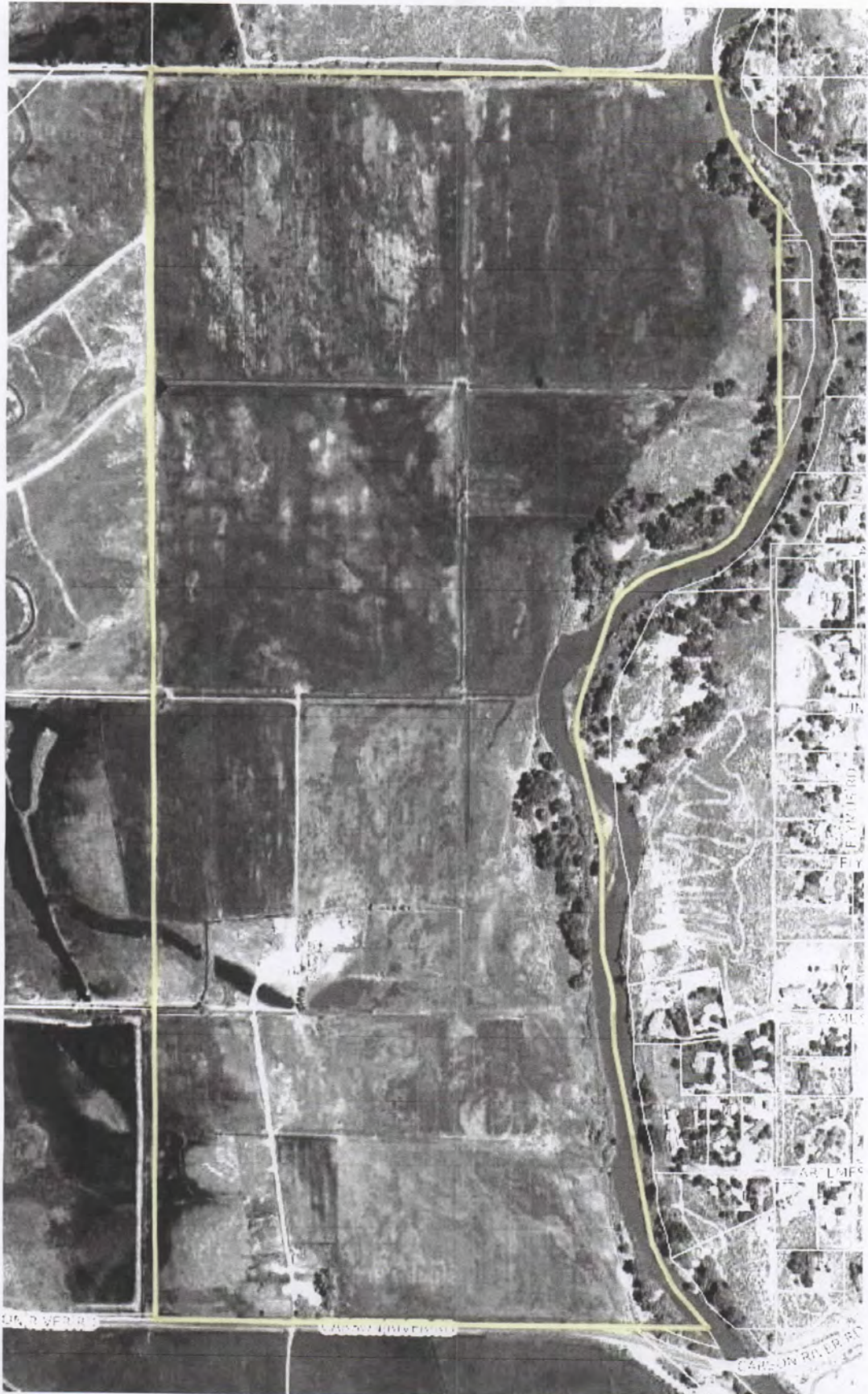
DETAIL A

NOTE:
 SOME PARCELS DELINEATED HEREON MAY NOT BE PRESENTED IN TRUE SIZE, SHAPE, OR LOCATION DUE TO DISCREPANCIES BETWEEN LIT LINES.
 CARSON CITY, NEVADA
 THIS MAP IS PREPARED FOR THE USE OF THE CARSON CITY PLAT BOOK. IT IS NOT TO BE USED FOR ANY OTHER PURPOSE. ONLY IT DOES NOT REPRESENT A SURVEY. NO LIABILITY IS ASSUMED AS TO THE SUFFICIENCY OR ACCURACY OF THE DATA DELINEATED HEREON. YOU CAN VIEW AND PRINT OUR SURVEY DATA FROM OUR WEBSITE AT WWW.CARSON-CITY.NV.GIS

PARCEL 010-021-12 IS NOW 010-021-59 & 50 000 #455009

COPY

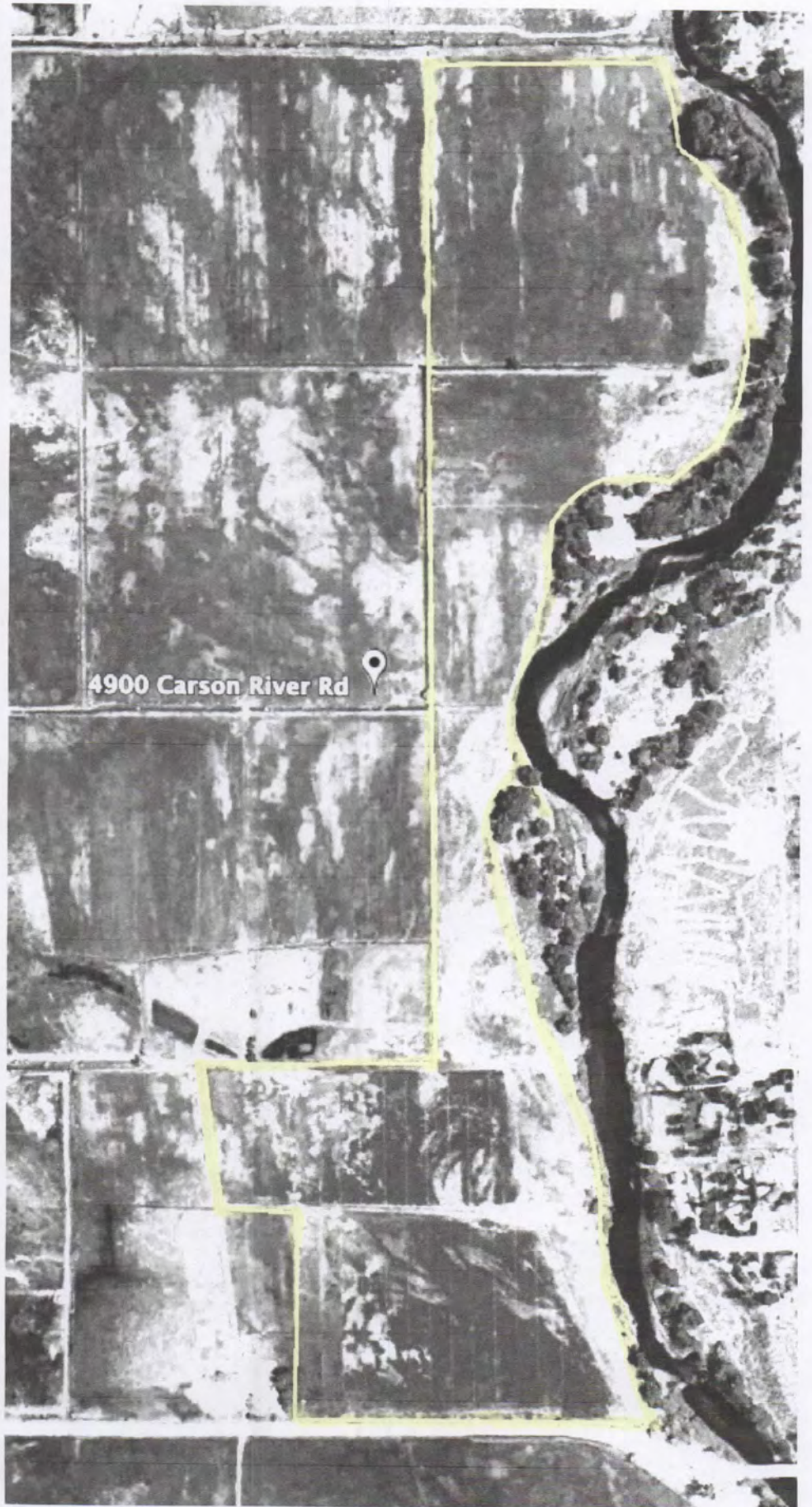
4900 Carson River Rd. Parcel Outline



COPY

Field Outline Map 2019
4900 Carson River Rd. Carson City, NV 89701
APN: 010-021-47

NW 39°09'24.98"N 119°42'34.94"W
NE 39°09'24.79"N 119°42'23.33"W
SE 39°08'33.83"N 119°42'25.98"W
SW 39°08'34.07"N 119°42'41.80"W





Lease/Rental Agreement



1 This form is intended to be used by a licensed real estate licensee or permitted property manager. NRS 118A applies to,
2 regulates and determines rights, obligations and remedies under rental agreements in Nevada. Before employing this form,
3 please consult legal counsel regarding its applicability to your intended use and any revisions to NRS 118A.

5 Property Address (herein referred to as "Premises"): 4900 Carson River Road
6 City Carson City County Carson City State of Nevada Zip 89701

7 RECEIVED FROM Robert Lopez for Tahoe Hemp LLC
8 hereinafter designated as the TENANT, the sum of \$

9 This consideration is being made as a deposit and upon acceptance of this Agreement, the above deposits shall be applied
10 as follows:

Table with 4 columns: Description, Total Amount, Amount Received, Amount Due. Rows include Rent from Issuance of Hemp Grower's License, Security Deposit, and other items.

22 ADDITIONAL MONIES DUE:

NOTE: Total lease price is \$40,000.00. Deposit of \$10,000.00 was paid on June 6, 2019. Balance of \$30,000.00 to be paid upon crop harvest and payment received from buyer

28 OWNER The principal or corporate owner(s) of the subject property is:
29 The Jimmie Pete Jarrard Children's Trust - James Jarrard, Trustee

31 MANAGEMENT The Licensee (herein referred to as "Management") is authorized to act on behalf of and may be
32 compensated by the Owner. Management includes, but is not limited to, Process Serving; delivering notices and demands as
33 follows:

34 James Jarrard Phone number 775-841-5466

35 IF this Agreement is not accepted and executed by the Management within business days after execution by the
36 prospective TENANT, THEN the entire deposit received above shall be returned to the prospective TENANT, excluding
37 Application Fee of \$

39 TERM
40 The term of this Agreement shall be approximately 12 months, beginning on Issuance of Hemp Grower's License by Nevada Dept of Agriculture
41 on , at A.M./P.M., for a total rent, not including deposits, other fees and/or potential charges,
42 interest and/or damages, of \$. A 30-day written notice of intent to vacate is required of the TENANT 30 days
43 prior to the expiration of this Lease/Rental Agreement. TENANT shall be responsible to pay rent and otherwise comply with
44 all the terms of this Agreement during the 30 days following delivery of written notice, up to and including the termination
45 date.

46 Renewals of this contract must be in writing and signed by all parties or lease will automatically be extended on a month-to-
47 month tenancy until either party gives 30-day written notice. Proration will be made at \$ per day.

48 OR
49 The term of the Agreement shall be on a month-to-month basis beginning on and shall continue until
50 either party gives a 30-day written notice of termination. TENANT shall be responsible to pay rent and otherwise comply
51 with all the terms of this Agreement during the 30 days following delivery of written notice.

Property Address: 4900 Carson River Road, Carson City, NV 89701
Tenant [Signature] and Management [Signature] have read this page.

RSAR® 01/18
RA 1/6

1 **SECURITY DEPOSIT** The security deposit will secure the performance of TENANT'S obligations. Management may,
2 but is not obligated to, apply all portions of said deposit on account of TENANT obligations. Any balance remaining upon
3 termination will be returned to TENANT with an itemized accounting of the deposit to the TENANT'S last known address or
4 according to TENANT'S written instructions within 30 days of TENANT vacating the Premises. TENANT will not have the
5 right to apply the security deposit payment to rent. Security deposit to be held by Management.
6

7 **BREACH OF AGREEMENT** Failure of TENANT to comply with any term or condition of this Agreement, an
8 abandonment of the Premises as defined herein, and/or failure by TENANT to comply with any applicable rules or
9 provisions of the laws of the State of Nevada, each constitute a material breach of this Agreement and entitle Management to
10 terminate this Agreement upon five (5) days written notice or in the most expedient manner allowed under Nevada law.
11 Following termination, TENANT is liable for all re-leasing costs, including but not limited to, leasing fees, advertising,
12 cleaning, repair, care of the Premises while vacant, court costs, etc. If the market rent must be reduced to re-rent the
13 Premises, the difference through the remainder of the Term will be charged to the TENANT. Any changes herein
14 enumerated shall immediately be due as rent and may be deducted from any remaining security deposit, and any balance
15 remaining shall be billed to the TENANT.
16

17 **INSURANCE** The TENANT is advised to purchase insurance covering their own personal property and/or injury to
18 others. TENANT shall add Management as an additional insured. Management is not responsible for TENANT'S personal
19 property or injury not actually or proximately caused by the actions or failure to act by Management. TENANT'S personal
20 property is not insured by the Owner or Management.
21

22 **NOTICES** All notices to be provided under the terms of this Agreement are effective if delivered and/or served pursuant
23 to the guidelines set forth in the Nevada Revised Statutes, including, but not limited to, NRS 40.280.
24

25 **WAIVER** Failure of Management to enforce any provision of this Agreement will not be deemed a waiver of that
26 provision or any other provision of this Agreement.
27

28 **INDEMNIFICATION** The TENANT holds harmless and completely indemnifies the Owner and Management, to the
29 fullest extent allowed by law, from and against all damages, demands, causes of action and any and all other types of claims
30 and/or liabilities, including, but not limited to, all attorney's fees, costs and other legal expenses incurred by Owner and/or
31 Management to defend themselves against damages, demands, causes, claims and liabilities, which arise from, or are in any
32 other way related to, the actions, or the failure to act, of TENANT and guests, invitees or other licensees, and TENANT
33 failure to comply with or breach, of any provision of this Agreement, regardless of whether insurance coverage is available
34 to TENANT for the indemnity obligations set forth herein. Owner and Management shall not be liable for any damage or
35 injury to TENANT, or any property thereof, or to any other person, another person's property or any animal, occurring on
36 the Premises or any part thereof, unless liability is directly caused by Owner and/or Management.
37

38 **TIME IS OF THE ESSENCE** Time is of the essence in this Agreement.
39

40 **NEVADA LAW TO APPLY** Nevada law shall apply to the interpretation and enforcement of this Agreement.
41

42 **ATTORNEY'S FEES** In the event either party hereto is required to engage the services of an attorney to enforce this
43 Agreement, the prevailing party in any proceeding shall be entitled to recover its reasonable attorney's fees and all resulting
44 legal expenses and costs.
45

46 **SEVERABILITY** If any provision of this Agreement is held invalid or unenforceable by any court of competent
47 jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement
48 held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or
49 unenforceable.
50

51 **CODE OF ETHICS** Not all real estate licensees are REALTORS®. A REALTOR® is a member of the National
52 Association of REALTORS® and therefore subscribes to a higher ethical standard in the industry, known as the REALTOR®
53 Code of Ethics. To receive a copy of the Code of Ethics, ask your real estate professional OR, the local Association of
54 REALTORS®.

Property Address: 4900 Carson River Road, Carson City, NV 89701
Tenant [Signature] and Management [Signature] have read this page.

RSAR® 01/18
RA 5/6

1 **RENT** The monthly rent will be in the amount of \$ \$40,000.00/Year per month, payable in advance and due on the _____
2 day of the month. The payment is made payable to The Jimmie Pete Jarrard Children's Trust and mailed
3 or delivered to James Jarrard at Address: _____
4 City _____ State _____ Zip _____ or _____
5 In the event the rent is not received by the _____ day of each month, TENANT agrees to pay a late fee of \$ _____
6 plus \$ _____ per day for each day rent is not received by the past due date. There is no grace period. The TENANT
7 further agrees to pay \$ _____ plus any bank charges for any dishonored checks. If a check does not clear as a result
8 of non-sufficient funds, late fees shall apply. Satisfaction of Rent shall be considered all monies owed including, but not
9 limited to monthly rent, security deposits, utilities, late fees, bank charges, and/or court costs. Any and all fees are
10 considered over and above the normal monthly payment and must be paid in full in order for rent to be considered paid in
11 full. Rent payments are the sole responsibility of the TENANT without notice or demand. If TENANT defaults in the
12 payment of rent or any other term of this Agreement and said default is not immediately cured, Management may terminate
13 this Agreement in the manner required by law. TENANT shall surrender the Premises and pay all sums which Management
14 may be entitled to, including, but not limited to, reasonable attorney fees, damages and all other expenses related to said
15 default as allowed by Nevada Law.

16
17 **NOTICE OF INTENT TO VACATE** Should TENANT vacate prior to the expiration of the rental term, it shall be
18 considered a Breach of Agreement as defined in this contract. Upon expiration of the rental term and in absence of written
19 notice of intent to vacate by the TENANT, rental shall continue on a month-to-month basis subject to all terms and
20 conditions, until either party gives a 30-day written notice to terminate the Agreement. Notice to vacate must be in writing
21 and delivered to Management prior to the first day of the last month of the lease term. As presumed under Nevada law,
22 TENANT'S absence from Premises for a period of time equal to one half of the time for periodic rental payments, while all
23 or any portion of the rent or other monetary obligation of TENANT remains unpaid, constitutes an abandonment of the
24 Premises and entitles Management to, at their option, take possession of the Premises.

25
26 **RENT INCREASE** The rent can be increased following the initial lease term with a minimum of forty-five (45) day
27 written notice prior to the date the increase takes effect.

28
29 **ASSIGNMENT OR SUBLETTING** The TENANT will not assign or sublet any portion of the Premises without written
30 approval from Management.

31
32 **USE OF PROPERTY** The Premises will be used exclusively as a residence. Any guest(s) staying more than _____ days
33 in a calendar year without prior written consent of Management constitutes a material breach of this Agreement. No business
34 of any type may be conducted on/or from the Premises unless prior written consent of Management is obtained and TENANT
35 complies with all licensing and other legal requirements of business. Management reserves the right to require TENANT to
36 obtain increased liability insurance in an amount to be determined at its sole discretion and/or to increase the Security Deposit
37 on the Premises.

38
39 **NAMES OF TENANTS ON THE PREMISES** The following are the names of those authorized to reside on the
40 Premises:
41 Tahoe Hemp LLC
42 _____
43 _____

44 **UTILITIES** The TENANT will be responsible for the payment of all utilities and services of the Premises during the term
45 of the entire lease term, including, but not limited to, gas, electricity, garbage and water, with the exception of
46 _____
47 which shall be paid by Management. If TENANT does not comply, Management may instruct the utility provider(s) to
48 terminate service.

49
50 **ANIMALS** No animals will be allowed on the Premises without prior written consent of Management.

51
52 **FAIR HOUSING** Management and TENANT understand the state and Federal Fair Housing laws prohibit discrimination
53 in the sale, rental, appraisal, financing or advertising of housing on the basis of race, religious creed, color, national origin,
54 disability, sexual orientation, gender identity or expression, ancestry, familial status or sex.

Property Address: 4900 Carson River Road, Carson City, NV 89701
Tenant [RJ / _____ / _____] and Management [[Signature]] have read this page.

RSAR® 01/18
RA 2/6

1 **ADDITIONAL TERMS OF THIS AGREEMENT:**

2 If there is something catastrophic beyond our control, such as fire, flood, hail, that ruins the crop the lease will be null and void
3 _____
4 _____
5 _____
6 _____
7 _____
8 _____
9 _____

10
11 **ADDITIONAL FORMS ATTACHED TO THIS AGREEMENT:**

- 12 Addendum to the Residential Lease/Rental Drug Free Housing
- 13 Disclosure of Information Lead-Based Paint and/or Lead-Based Paint Hazards
- 14 Duties Owed by a Nevada Real Estate Licensee
- 15 Foreclosure Addendum to the Residential Lease/Rental Agreement
- 16 Move-In Condition Form
- 17 Pet Agreement
- 18 Smoke Detector Addendum
- 19 Utility Addendum
- 20 Other _____

21
22 **ENTIRE AGREEMENT** This document contains the entire Agreement of the parties and supersedes all prior agreements
23 of any kind between the parties, written or oral. Both parties acknowledge to not have relied on any statements of the real
24 estate licensee, Broker or Management which are not herein expressed.

25
26 **EMERGENCY PHONE NUMBER** In the event there is an emergency which in any way affects the Premises or the
27 parties obligations under this Agreement the TENANT must report it to James Jarrard at the following
28 number 775-841-5466 or _____, which is a local
29 contact in the county or within 60 miles of the Premises. If there is an emergency that requires IMMEDIATE attention (i.e.
30 fire, pipe breakage with sudden unstoppable water flow, gas leak, etc.) TENANT to handle IMMEDIATE emergency by
31 contacting appropriate agency (i.e. fire department, utility company for shut off, etc.) or for life emergencies call 911.
32 THEN contact Management.

33
34 All persons signing on behalf of the TENANT, if more than one, are bound, jointly and severally, by the terms of this
35 Agreement.

36 **The TENANT hereby acknowledges receipt of a complete copy of this Agreement.**

37
38 DATED 6 JUNE 2019 TIME _____ DATED 6 JUNE 2019 TIME _____

39
40 TENANT Robert Lopez for Tahoe Hemp LLC  Managing Licensee 

41
42 TENANT _____ Managing Licensee's Nevada License # _____

43
44 TENANT _____ Management Company The Jimmie Pete Jarrard Children's Trust

45
46 TENANT _____ Broker's Name James Jarrard

47
48 Tenant Primary Phone 775-287-1801 Office Address _____

49
50 Tenant Secondary Phone _____ City/State/Zip _____

51
52 Tenant Primary Email staygreen@charter.net Phone 775-841-5466 Fax _____

53
54 Tenant Secondary Email _____ Agent Email _____

Property Address: 4900 Carson River Road, Carson City, NV 89701

RSAR® 01/18
RA 6/6

Notarized Authorization

James Jarrard, as Trustee of the Jimmie Pete Jarrard Children's Trust and as Trustee of the Kae Jarrard Trust, (collectively "Jarrard"), sold the land comprising the site location identified in the Hemp Grower's Application of Tahoe Hemp, LLC, i.e., APN 010-021-47 in Carson City, Nevada, to Carson City, a consolidated municipality to the State of Nevada, pursuant to the terms of a Purchase and Sale Agreement dated April 21, 2010 (the "Agreement"), a copy of which is attached hereto for reference.

However, pursuant to the terms of the Agreement, specifically Section 9 thereof, Jarrard retained the right to maintain entry and continue agricultural purposes, on the following terms and conditions: a. "[Jarrard] or its designee(s) shall have the right to irrigate the Property according to Seller's historical practices so long as water is available." The water appurtenant to the land was reserved from the sale of the land, and Jarrard still owns said water rights. The water rights are subject to an option to purchase that is still in place but has not been exercised to date. Further, pursuant to the Agreement, the city will provide water for use by Jarrard or a designee, for a period of four (4) years after Jarrard's water rights are sold (see Section 9 (j) of Agreement).

Jarrard is in the process of negotiating a possible lease of APN #010-021-47 to Tahoe Hemp, LLC for agricultural purposes. Upon execution of an acceptable lease by Jarrard and Tahoe Hemp, LLC, Jarrard hereby authorizes Tahoe Hemp, LLC to use Jarrard's irrigation water rights and exercise Jarrard's rights on the property as a designee under the Agreement.

Please note, the assets of the Kae Jarrard Trust were transferred into the Jimmie Pete

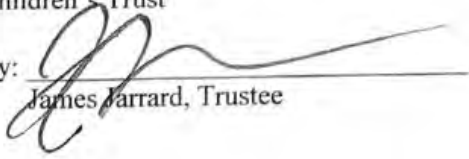
///

///

Jarrard Children's Trust, and the Kae Jarrard Trust was dissolved.

Dated this 6th day of June, 2019.

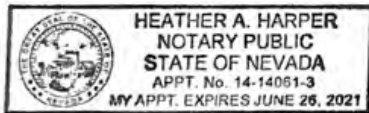
The Jimmie Pete Jarrard
Children's Trust

By: 
James Jarrard, Trustee

STATE OF NEVADA)
 : ss.
CARSON CITY)

On June 6, 2019, before me, a notary public in and for said county and state, residing therein, duly commissioned and sworn, personally appeared James Jarrard, as Trustee of the Jimmie Pete Jarrard Children's Trust and as Trustee of the Kae Jarrard Trust, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the foregoing Notarized Authorization, who acknowledged to me that such person executed the same.

WITNESS my hand and official seal.




NOTARY PUBLIC

STEVE SISOLAK
Governor

STATE OF NEVADA

JENNIFER OTT
Director



Las Vegas Office:
2300 East St. Louis Ave.
Las Vegas NV 89104-4211
(702) 668-4590
Fax (702) 668-4567

Elko Office:
4780 East Idaho Street
Elko NV 89801-4672
(775) 738-8076
Fax (775) 738-2639

DEPARTMENT OF AGRICULTURE

405 South 21st Street
Sparks, Nevada 89431-5557
Telephone (775) 353-3601 Fax (775) 353-3661
Website: <http://www.agri.nv.gov>

Monday, June 24, 2019

Robert Lopez
Tahoe Hemp LLC
1622 Robb Drive
Carson City, NV 89703

Hello Robert,

It was recently brought to my attention that we did not have the proper land owner approval for parcel **010-021-47**. At this point we will need to revoke the certificate **2019218G** issued on June 21st 2019. Once we receive the appropriate land owner approval we will be able to complete the application review process and reissue the certificate. Until that time it is important to hold off on any production for growing hemp on that parcel.

Sincerely,

Jake Dick
Agriculturist
(775) 353-3669
jdick@agri.nv.gov

STEVE SISOLAK
Governor

STATE OF NEVADA

JENNIFER OTT
Director



Las Vegas Office:
2300 E. St. Louis Ave.
Las Vegas NV 89104-4211
(702) 668-4590
Fax (702) 668-4567

Elko Office:
4780 E. Idaho Street
Elko NV 89801-4672
(775) 738-8076
Fax (775) 738-2639

DEPARTMENT OF AGRICULTURE

405 South 21st Street
Sparks, Nevada 89431-5557
Telephone (775) 353-3601 Fax (775) 353-3661
Website: <http://www.agri.nv.gov>

Certificate number
2019218G

Industrial Hemp Grower Certificate

This certificate is to verify the following industrial hemp production site is certified by the Nevada Department of Agriculture (NDA) Industrial Hemp program. This certificate is subject to the laws of the state of Nevada, including the provisions of Nevada Revised Statutes (NRS) Chapter 557.

Business name: Tahoe Hemp LLC
Authorized individual: Robert Lopez
Mailing Address(s): 1622 Robb Drive, Carson City, NV 89703
Authorized production size: 98.2 acres;
County: Washoe
APN and/or GPS: Parcel Number(s): 010-021-47 GPS Coordinate(s): 39.156174999999998, -119.708

This certificate is non-transferrable and shall be conspicuously posted in the establishment described above. The certificate is only valid through the expiration date shown above and for the location noted above.

The NDA issues this certificate under authority of NRS 557.070. This producer shall abide by federal and state law when producing industrial hemp (Cannabis sativa L.). This certificate is not a guarantee that the producer possesses eligible industrial hemp; it authorizes the business to cultivate hemp in the state of Nevada.

*Inspections are required and will be performed by the NDA to ensure the hemp eligibility of this production site. All product must be tested prior to harvest and demonstrate compliance with the 2018 Farm Bill regarding THC concentrations. NDA will test to ensure hemp crop is **less than 0.3% total potential Tetrahydrocannabinol (THC) or post decarboxylated THC** on a dry-weight basis).*

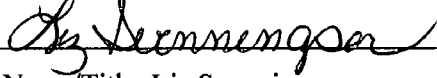
For more information about the NDA's Industrial Hemp program or this certificate, please contact: http://agri.nv.gov/industrial_hemp/ or 775-353-3675.


Department approval

6/21/2019
Issue date

12/31/2019
Expiration date

The undersigned hereby affirms that this document submitted for recording does not contain the Social Security number of any person or persons (NRS 239B.030)
NORTHERN NEVADA TITLE COMPANY

By: 
Print Name/Title: Liz Svenningsen

APN: 010-071-26 & 27, 010-021-47
ORDER NO.: CC-1093268-LS

RECORDED AT THE REQUEST OF
NORTHERN NEVADA TITLE CC
05/28/2010 08:44AM
FILE NO. 401212
ALAN GLOVER
CARSON CITY RECORDER
FEE \$0.00 DEP Jide

FOR RECORDER'S USE ONLY

TITLE OF DOCUMENT: PURCHASE AND SALE AGREEMENT

WHEN RECORDED MAIL TO:

CARSON CITY OPEN SPACE
3303 BUTTI WAY, BLDG 9
CARSON CITY, NV 89701

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into this 20 day of April, 2010, by and between JAMES JARRARD, TRUSTEE OF THE JIMMIE PETE JARRARD CHILDREN'S TRUST and TRUSTEE OF THE KAE JARRARD TRUST (collectively "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."

A. SELLER is the fee simple owner of all that land and real property lying and situated in Carson City, Nevada, more particularly described as Parcel A, B and C 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 three (3) specific parcels of real property comprising approximately 368.78 acres designated as APNs 010-071-26, 010-071-27 and 010-021-47. The water rights appurtenant to the Property are to be reserved by SELLER and are not included in this transaction.

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 in the Carson River corridor, running adjacent to the Carson River and consisting of floodway with pastures, wetlands, river front and view scapes, and has other qualities which make it very desirable to preserve as open space.

D. The Property possesses development potential which, if permitted, would frustrate BUYER's desire to preserve the open space qualities of the Property.

E. SELLER is retaining the ownership of the surface water rights from the Carson River which are appurtenant to the Property and which have been historically used to irrigate the Property for crops, pasture, stockwater and other agricultural purposes.

F. SELLER intends to sell the water rights appurtenant to the Property at some date after closing of the sale to BUYER. SELLER desires to protect its ownership of the water rights from termination through forfeiture, abandonment, or any other involuntary divestment arising out of non-use of the water.

G. BUYER does not possess sufficient sources of water, or currently have the staff and means, to manage, maintain, and irrigate the crops, pastures and wetlands on the Property in their current condition.

H. Should SELLER so elect, it is for the mutual benefit and in the best interest of BUYER and SELLER that, after BUYER's purchase of the Property, SELLER continue to irrigate the Property with SELLER's water, and to manage and conduct agricultural activities on the Property, directly or through a third-party lease, for so long as SELLER shall own water rights, and for a transition period thereafter.

- I. SELLER has been in the process of seeking a permit from BUYER to demolish the residence currently located on the Property. SELLER is currently suspending its efforts to obtain said permit pending the outcome of this Agreement.
- J. The Parties desire and intent 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 THEREOF BUYER ACKNOWLEDGED 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 EXPRESSED 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 (excluding water rights), title, and interest in accordance with the terms of this Agreement the following which shall comprise of the sale contemplated in this Agreement:

- a. All of the real property lying and situate in Carson City, Nevada, consisting of 368.78 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 Three Million Seven Hundred Thousand and No/100 Dollars (\$3,700,000.00), 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 West Winnie Lane, 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 BUYERS'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 corresponding 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 and is subject to the provisions of the Carson City Municipal Code Section 13.06."
- h. The Grant, Bargain and Sale Deed for the Property MUST CONTAIN LANGUAGE reserving to the Grantor all water rights appurtenant to the Property.

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 Three Million Seven Hundred Thousand and No/100 Dollars (\$3,700,000.00) shall be paid into Escrow on or before the date set for the Close of Escrow, which is thirty-five (35) days from the Open of Escrow.

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 BUYER shall be responsible for all 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 five (5) days after Opening of Escrow. Within ten (10) 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 in hereinafter referred to as the "Title Report." All exceptions in the Title Report not specifically disapproved by BUYER within ten (10) 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 even 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 fifteen (15) 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. BUYER has received a grant award from the State of Nevada Conservation Funds Q1 for approximately seventy-five percent (75%) of the Purchase Price. The Carson City Quality of Life Initiative Open Space funds will be used by BUYER for the remaining approximately twenty-five percent (25%) of the Purchase Price.
- d. BUYER shall perform and approve, at its sole cost and expense, a Phase I Site Assessment.
- e. This Agreement shall be approved by the Carson City Board of Supervisors.

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 shall be entitled to the return of all monies paid by it to the Escrow less 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 herein, 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 (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. SELLER is presently a party to a Grazing Lease and a Crop Sharing Agreement with Michael Anderson, applicable to the Property. The Grazing Lease and the Crop Sharing Agreement are both dated February 5, 2009, and run through January 31, 2012. Under SELLER's Reservation of Use of Property set forth in Section 9 hereinbelow, SELLER shall continue this arrangement after Closing.

8. POSSESSION: Possession of the Property, to the extent set forth herein, shall be given to the BUYER at Close of Escrow, but during the term of this Agreement BUYER and its agents may enter upon the Property for the purpose of performing environmental or engineering, surveying or soil testing. BUYER agrees to pay, defend, indemnify and hold SELLER harmless from all liability, claims, costs and expense, except such as might accrue from the mere discovery of hazardous or toxic materials, resulting from BUYER's activities on the Property during the escrow period. Should the BUYER fail to acquire the Property, then it is agreed that SELLER shall receive copies of all studies, test results and engineering generated by BUYER.

9. RESERVATION OF USE OF PROPERTY: Any term or condition contained herein notwithstanding, SELLER retains the right to the use of the Property for grazing livestock, ranching, and other agricultural purposes, on the following terms and conditions:

- a. SELLER or its designee(s) shall have the right to irrigate the Property according to SELLER's historical practices so long as water is available.
- b. SELLER or its designee(s) shall maintain the headgates, diversion works, and ditches, as SELLER deems necessary in SELLER's sole discretion.

- c. SELLER or its designee(s) shall pay all federal water master fees and ordinary ditch assessment fees.
- d. SELLER or its designee(s) shall have no obligation to maintain, repair, or replace the Mexican Dam, should it fail.
- e. SELLER or its designee(s) shall not graze more than One Thousand One Hundred Twenty-Five (1,125) cow/calf A.U.M.s, or other livestock equivalent, on the Property per calendar year.
- f. SELLER or its designee(s) shall maintain a policy of liability insurance for bodily injury and casualty loss in the amount of One Million Dollars (\$1,000,000.00) per occurrence, Two Million Dollars (\$2,000,000.00) in the aggregate. BUYER shall be named as an additional insured by endorsement on the policy, and SELLER shall maintain the policy so long as SELLER shall retain the right to use the Property.
- g. SELLER and/or its designee(s) shall have full access to the Property necessary for the purposes and intent of this Section over, across, and under any adjoining lands owned by BUYER or over which BUYER has easements for access to the Property.
- h. BUYER or its designee(s) shall not engage in or permit any activity on the Property which will interfere with or materially alter or impair SELLER's rights and uses of the Property reserved under this paragraph.
- i. SELLER or its designee(s) shall not engage in any activity pursuant to the SELLER's rights under this Section which will interfere with or materially impair:
 - (1) The use of the Property by members of the public for the purpose of:
 - (a) hiking, walking or otherwise using the Mexican Ditch trail;
 - (b) observing wildlife; or
 - (c) hiking, walking or otherwise using a ten (10) foot wide section of the Property running adjacent to the Carson River for the entire course of the eastern boundary of the Property, so long as BUYER installs and maintains exclusionary fencing along the entire western boundary of said section, to minimize public interference with SELLER's ongoing operations on the Property.
 - (2) The use of the Property by the BUYER or employees, agents or contractors of the BUYER for constructing improvements on the

Property, provided that no improvement may be constructed on the Property without the expressed written consent of SELLER, which consent will not be unreasonably withheld.

(3) The access to the wetlands located on the property for the purpose of conducting studies or environmental site assessments.

j. SELLER's rights under this paragraph shall survive closing and shall continue so long as SELLER shall own water rights, whether permitted, adjudicated, vested, or otherwise, which are appurtenant to the Property and shall further continue for a period of four (4) years after SELLER no longer owns any water rights appurtenant to the Property. At such time that SELLER shall cease to own any appurtenant water rights, BUYER shall provide sufficient water for four (4) years thereafter to irrigate the Property from other sources, including but not limited to Carson River water, reclaimed water, or water from any other source reasonably available to BUYER. It is mutually agreed that municipal water shall not be considered a reasonable source. SELLER and Vidler Water Company have entered into an option agreement for the sale of water appurtenant to the Property. Should that option be exercised, BUYER hereby consents to the assignment of all of SELLER's rights under this Section to Vidler Water Company.

10. ADJACENT ACREAGE: SELLER hereunder shall retain ownership of two (2) parcels adjacent to the Property hereunder, presently mapped on the east side of the Carson River, more specifically identified as APNs 010-021-46 and 010-021-58 ("Adjacent Property"). Upon Closing hereunder, SELLER hereby grants BUYER a right-of-first-refusal on those two (2) parcels, for a period of seven (7) years from the date of Closing. BUYER hereby agrees to cooperate with SELLER in its efforts to maintain the agricultural use designation of the Adjacent Property under NRS Chapters 361 and 361A.

11. 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.

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

13. 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: Jimmie Pete Jarrard Children's Trust &
Kae Jarrard Trust
c/o Chris MacKenzie, Esq.
402 N. Division Street
Carson City, Nevada 89703

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

14. TIME: Time is of the essence for each provision of this Agreement of which time is a factor, and if this transaction is not closed by June 1, 2010, SELLER shall have right to terminate, whereupon SELLER shall be relieved of any further obligation to convey the Property to BUYER. SELLER has requested that this transaction be completed by May 20, 2010.

15. 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.

16. COMPUTATION OF PERIODS: All periods of time referred to in this Agreement shall include all Saturdays, Sundays and state or national holiday, 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.

17. 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.

18. **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.

19. **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.

20. **AUTHORITY OF PARTIES:** Any municipal body signing this Agreement, and each agent, officer, official, or employee signing on behalf of such municipal body, but in his individual capacity, represents and warrants that said Agreement is duly authorized by and binding upon said municipal body. Any individual signing this Agreement on behalf of a trust represents that such trust has power and authority to enter into this Agreement, and by such person's act is bound hereby.

21. **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"

"BUYER"

THE JIMMIE PETE JARRARD
CHILDREN'S TRUST

CARSON CITY

By:


James Jarrard, Trustee

By:

SIGNED IN COUNTERPART

Robert Crowell, Mayor

THE KAE JARRARD TRUST

By:

SIGNED IN COUNTERPART

Juan F. Guzman, Open Space Manager

By:


James Jarrard, Trustee

DATE: 4-20, 2010

DATE: 4, 2010

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.

18. 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.

19. 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.

20. AUTHORITY OF PARTIES: Any municipal body signing this Agreement, and each agent, officer, official, or employee signing on behalf of such municipal body, but in his individual capacity, represents and warrants that said Agreement is duly authorized by and binding upon said municipal body. Any individual signing this Agreement on behalf of a trust represents that such trust has power and authority to enter into this Agreement, and by such person's act in bound hereby.

21. 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 HEREOF, SELLER and BUYER have fully executed this Agreement as of the date first above written.

"SELLER"

"BUYER"

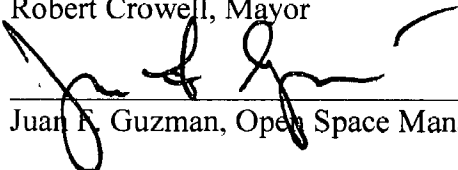
THE JIMMIE PETE JARRARD
CHILDREN'S TRUST

CARSON CITY

By: SIGNED IN COUNTERPART
James Jarrard, Trustee

By: 
Robert Crowell, Mayor

THE KAE JARRARD TRUST

By: 
Juan F. Guzman, Open Space Manager

By: SIGNED IN COUNTERPART
James Jarrard, Trustee

DATE: _____, 2010

DATE: April 21, _____, 2010

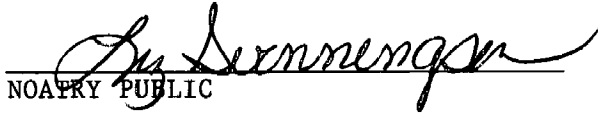
ATTEST:


ALAN GLOVER

STATE OF NEVADA
COUNTY OF CARSON CITY

ON APRIL 21, 2010 JUAN GUZMAN EXECUTED THE WITHIN INSTRUMENT BEFORE
ME A NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE.

WITNESS MY HAND AND OFFICIAL SEAL


NOTARY PUBLIC

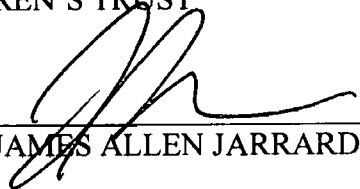


AFFIDAVIT OF JAMES ALLEN JARRARD,
on behalf of The Jimmie Pete Jarrard Children's Trust
and The Kae Jarrard Trust

I, JAMES ALLEN JARRARD, attest that the signatures on the foregoing Purchase and Sale Agreement, dated April 20, 2010, on behalf of The Jimmie Pete Jarrard Children's Trust and The Kae Jarrard Trust, are my true and correct signatures.

DATED THIS 27th Day of May, 2010.

THE JIMMIE PETE JARRARD
CHILDREN'S TRUST

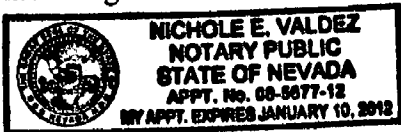
By: 
JAMES ALLEN JARRARD, Trustee

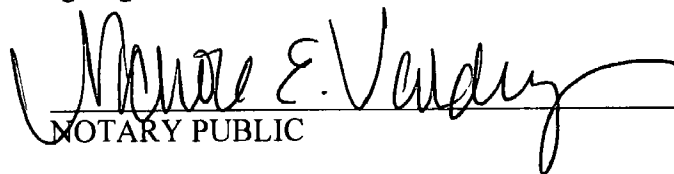
THE KAE JARRARD TRUST

By: 
JAMES ALLEN JARRARD, Trustee

STATE OF NEVADA)
 : ss.
CARSON CITY)

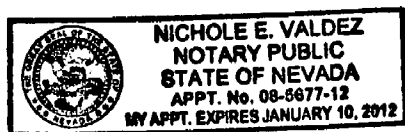
On May 27, 2010, personally appeared before me, a notary public, JAMES ALLEN JARRARD, on behalf of The Jimmie Pete Jarrard Children's Trust, personally known (or proved) to me to be the person whose name is subscribed to the foregoing Affidavit, who acknowledged to me that he executed the foregoing document.




NOTARY PUBLIC

STATE OF NEVADA)
 : ss.
CARSON CITY)

On May 27, 2010, personally appeared before me, a notary public, JAMES ALLEN JARRARD, on behalf of The Kae Jarrard Trust, personally known (or proved) to me to be the person whose name is subscribed to the foregoing Affidavit, who acknowledged to me that he executed the foregoing document.




NOTARY PUBLIC

EXHIBIT "A"

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

PARCEL A:

Parcel 2, as set forth on that certain Map of Division of Land into large parcels for the DONALD ANDERSEN TRUST and JIMMY P. JARRARDS CHILDREN'S TRUST located within the East ½ of Section 22, Township 15 North, Range 20 East, M.D.B. & M., filed for record in the Office of the Carson City Recorder, State of Nevada, on December 21, 1999 in Book 8 of Maps at Page 2342 as Document No. 243503, and that certain Certificate of Amendment recorded on January 4, 2000 as Document No. 243949, Official Records.

Assessor's Parcel No. 010-071-26

PARCEL B:

Parcel 3, as set forth on that certain Map of Division of Land into large parcels for the DONALD ANDERSEN TRUST and JIMMY P. JARRARDS CHILDREN'S TRUST located within the East ½ of Section 22, Township 15 North, Range 20 East, M.D.B. & M., filed for record in the Office of the Carson City Recorder, State of Nevada, on December 21, 1999 in Book 8 of Maps at Page 2342 as Document No. 243503, and that certain Certificate of Amendment recorded on January 4, 2000 as Document No. 243949, Official Records.

Assessor's Parcel No. 010-071-27

PARCEL C:

A portion of the West ½ of Section 23, Township 15 North, Range 20 East, M.D.B.&M., more particularly described as follows:

Parcel D of that certain Parcel Map No. 1399 for DONALD A. AND WILLIE M. ANDERSEN filed in the office of the Carson City County Recorder, State of Nevada on March 26, 1987, in Book 5 of Maps at Page 1399 as Document No. 56504.

Excepting therefrom a right of way for highway purposes as granted to the State of Nevada in that certain Deed for Public Highway recorded on September 20, 1950 in Book 57 of Deeds at Page 279 as Document No. 2804.

Further excepting therefrom, all that portion of said land lying within the bed and banks of the Carson River.

Assessor's Parcel No. 010-021-47

State of Nevada Declaration of Value

1. **Assessor Parcel Number(s)**

- a) 010-071-26 & 27, 010-021-47
- b) _____
- c) _____

2. **Type of Property:**

- a) Vacant Land
- b) Single Fam. Res.
- c) Condo / Twnhse
- d) 2-4 Plex
- e) Apt. Bldg.
- f) Comm'l/Ind'l
- g) Agricultural
- h) Mobile Home
- i) Other _____

FOR RECORDERS OPTIONAL USE ONLY	
Document/Instrument #:	_____
Book:	_____ Page: _____
Date of Recording:	_____
Notes:	_____

3. **Total Value/Sale Price of Property:**

\$3,700,000.00

Deed in Lieu of Foreclosure Only (value of property)

\$ _____

Transfer Tax Value

\$3,700,000.00

Real Property Transfer Tax Due:

\$0.00

4. **If Exemption Claimed:**

a. Transfer Tax Exemption, per NRS 375.090, Section: 2

b. Explain Reason for Exemption: to CARSON CITY

5. **Partial Interest: Percentage Being Transferred:** _____ %

The undersigned, declares and acknowledges, under penalty of perjury, pursuant to NRS 375.060 and NRS 375.110, that the information provided is correct to the best of their information and belief, and can be supported by documentation if called upon to substantiate the information provided herein. Furthermore, the disallowance of any claimed exemption, or other determination of additional tax due, may result in a penalty of 10% of the tax due plus interest at 1% per month.

Pursuant to NRS 375.030, the Buyer and Seller shall be jointly and severally liable for any additional amount owed.

Signature *[Signature]* Capacity Escrow Holder
 Signature _____ Capacity _____

SELLER (GRANTOR) INFORMATION

Print Name: JAMES ALLEN JARRARD

Address: 3860 GS RICHARDS BLVD

City: CARSON CITY

State: NV Zip: 89703

BUYER (GRANTEE) INFORMATION

Print Name: CARSON CITY

Address: 3505 BUTTI WAY

City: CARSON CITY

State: NV Zip: 89701

COMPANY/PERSON REQUESTING RECORDING

Co. Name: Northern Nevada Title Company

Esc. # CC-1093268-LS

Address: 307 W Winnie Lane #5

City: Carson City State: NV Zip: 89703-4103

A.P.N. 010-071-26 & 27, 010-021-47
Escrow No.: CC-1093268-LS
1093268

RECORDING REQUESTED BY:

MAIL TAX STATEMENTS AND WHEN
RECORDED, MAIL TO:

Carson City Open Space
3505 Butti Way

Carson City, NV 89701

RECORDED AT THE REQUEST OF
NORTHERN NEVADA TITLE CC

05/28/2010 08:44AM

FILE NO. 401214

ALAN GLOVER
CARSON CITY RECORDER
FEE \$0.00 DEP Jide

THIS SPACE FOR RECORDER'S USE ONLY

The undersigned grantor(s) declare(s):

Documentary transfer tax is \$0.00 Exempt, computed on full value of property conveyed.

GRANT, BARGAIN, SALE DEED

That **James Allen Jarrard Trustee of the Jimmie Pete Jarrard Children's Trust dated June 10, 1993, as to an undivided 75% interest, as to Parcels A and B; James Allen Jarrard, Successor Trustee of the Kae Jarrard Trust, as to an undivided 25% interest, as to Parcels A and B; James Allen Jarrard, Trustee of the Jimmie P. Jarrard Children's Trust, as to an undivided 62.5% interest, as to Parcel C; and James Allen Jarrard, Successor Trustee of the Kae Jarrard Trust, as to an undivided 37.5% interest, as to Parcel C** in consideration of \$3,700,000.00 Dollars, the receipt of which is hereby acknowledged, do(es) hereby Grant, Bargain, Sell and Convey to **Carson City, a Consolidated Municipality of the State of Nevada** all that real property in the County of Carson City, State of Nevada, bounded and described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

RESERVING UNTO GRANTOR ANY AND ALL WATER AND WATER RIGHTS APPURTENANT TO THE HEREIN DESCRIBED PROPERTY.

THIS LAND IS BEING PURCHASED WITH QUALITY OF LIFE SALE AND USE TAX AND IS SUBJECT TO THE PROVISIONS OF THE CARSON CITY MUNICIPAL CODE SECTION 13.06.

Together with all singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

Dated: May 13, 2010

The Jimmie Pete Jarrard Children's Trust dated June 10, 1993

By: **SIGNED IN COUNTERPART**
James Allen Jarrard, Trustee

The Kae Jarrard Trust

By: **SIGNED IN COUNTERPART**
James Allen Jarrard, Successor Trustee

THE WITHIN CONVEYANCE IS HEREBY ACCEPTED BY THE GRANTEE:

CARSON CITY, A CONSOLIDATED MUNICIPALITY OF THE STATE OF NEVADA


Robert Crowell, Mayor

ATTEST:


Alan Glover, City Clerk

THIS LAND IS BEING PURCHASED WITH QUALITY OF LIFE SALE AND USE TAX AND IS SUBJECT TO THE PROVISIONS OF THE CARSON CITY MUNICIPAL CODE SECTION 13.06.

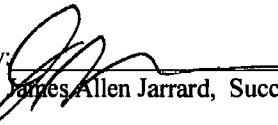
Together with all singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

Dated: May 13, 2010

The Jimmie Pete Jarrard Children's Trust dated June 10, 1993

By:  _____
James Allen Jarrard, Trustee

The Kae Jarrard Trust

By:  _____
James Allen Jarrard, Successor Trustee

THE WITHIN CONVEYANCE IS HEREBY ACCEPTED BY THE GRANTEE:

CARSON CITY, A CONSOLIDATED MUNICIPALITY OF THE STATE OF NEVADA

SIGNED IN COUNTERPART

Robert Crowell, Mayor

ATTEST:

SIGNED IN COUNTERPART

Alan Glover, City Clerk

STATE OF NEVADA)
Carson City)
COUNTY OF _____)

On May 26, 2010 personally appeared before me, a Notary
Public, James Jarrard
Allen

who acknowledged that he executed the above instrument.

Signature
(Notary Public)

Nichole E. Valdez



NICHOLE E. VALDEZ
NOTARY PUBLIC
STATE OF NEVADA
APPT. No. 08-5677-12
MY APPT. EXPIRES JANUARY 10, 2012

Carson City)
COUNTY OF _____)

On May 26, 2010 personally appeared before me, a Notary
Public, James Jarrard
Allen

who acknowledged that he executed the above instrument.

Signature
(Notary Public)

Nichole E. Valdez



NICHOLE E. VALDEZ
NOTARY PUBLIC
STATE OF NEVADA
APPT. No. 08-5677-12
MY APPT. EXPIRES JANUARY 10, 2012

CC-1093268-LS
1093268

EXHIBIT "A"

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

PARCEL A:

Parcel 2, as set forth on that certain Map of Division of Land into large parcels for the DONALD ANDERSEN TRUST and JIMMY P. JARRARDS CHILDREN'S TRUST located within the East ½ of Section 22, Township 15 North, Range 20 East, M.D.B. & M., filed for record in the Office of the Carson City Recorder, State of Nevada, on December 21, 1999 in Book 8 of Maps at Page 2342 as Document No. 243503, and that certain Certificate of Amendment recorded on January 4, 2000 as Document No. 243949, Official Records.

Assessor's Parcel No. 010-071-26

PARCEL B:

Parcel 3, as set forth on that certain Map of Division of Land into large parcels for the DONALD ANDERSEN TRUST and JIMMY P. JARRARDS CHILDREN'S TRUST located within the East ½ of Section 22, Township 15 North, Range 20 East, M.D.B. & M., filed for record in the Office of the Carson City Recorder, State of Nevada, on December 21, 1999 in Book 8 of Maps at Page 2342 as Document No. 243503, and that certain Certificate of Amendment recorded on January 4, 2000 as Document No. 243949, Official Records.

Assessor's Parcel No. 010-071-27

PARCEL C:

A portion of the West ½ of Section 23, Township 15 North, Range 20 East, M.D.B.&M., more particularly described as follows:

Parcel D of that certain Parcel Map No. 1399 for DONALD A. AND WILLIE M. ANDERSEN filed in the office of the Carson City County Recorder, State of Nevada on March 26, 1987, in Book 5 of Maps at Page 1399 as Document No. 56504.

Excepting therefrom a right of way for highway purposes as granted to the State of Nevada in that certain Deed for Public Highway recorded on September 20, 1950 in Book 57 of Deeds at Page 279 as Document No. 2804.

Further excepting therefrom, all that portion which lies Easterly of the Carson River.

Further excepting therefrom, all that portion of said land lying within the bed and banks of the Carson River.

Assessor's Parcel No. 010-021-47

Continued...

EXHIBIT A, CONTINUED....

PARCEL D:

Together with a perpetual easement granted to Bob Andersen, Kae Jarrard and James A. Jarrard for access, and for the purposes of ingress and egress over that portion of said land as described in Grant of Easement Deed recorded on December 21, 1999 as Document No. 243502, Official Records.

Also, together with an easement for Private Access over the Southerly 60 feet of Parcel 3 of Division of Land into Large Parcels Map No. 2342, reserved as an appurtenance to the Grantor's remaining lands by Kae Jarrard, Robert "Bobbie" Andersen, and James Allen Jarrard, Trustee of the Jimmy Pete Jarrard Children's Trust dated June 10, 1993, in Grant, Bargain and Sale Deed recorded January 28, 2000 as Document No. 244722, Official Records.