



STAFF REPORT

Report To: Board of Supervisors **Meeting Date:** December 15, 2022

Staff Contact: Darren Schulz, Public Works Director

Agenda Title: For Possible Action: Discussion and possible action regarding a proposed Exclusive Negotiating Rights Agreement ("Phase 2 Agreement") between Carson City and PalaSeek LLP ("PalaSeek"), to expire on or before December 31, 2023, for the potential development of an affordable housing project ("Phase 2 Project") located on 3.41 acres of City-owned land designated as Assessor's Parcel Number ("APN") 010-037-06. (Dan Stucky, dstucky@carson.org)

Staff Summary: In December 2021, the Board of Supervisors ("Board") authorized the City to enter into an exclusive negotiating rights agreement, expiring December 31, 2022, for the City and PalaSeek to negotiate a development agreement for the Phase 2 Project ("Existing Agreement") on approximately 3.40 acres of City-owned land within APN 010-037-04. Since then, a parcel map has been completed resulting in the division of APN 010-037-04 into three new child parcels, including APN 010-037-06, comprising 3.41 acres, where the Phase 2 project will be constructed. The Existing Agreement allowed PalaSeek to demonstrate "site control" for the City-owned land designated for the Phase 2 Project. The Phase 2 Agreement is appropriate if the Board still wants to pursue a development agreement with PalaSeek for the Phase 2 Project.

Agenda Action: Formal Action / Motion **Time Requested:** 10 minutes

Proposed Motion

I move to approve the Agreement as presented.

Board's Strategic Goal

Economic Development

Previous Action

December 16, 2021 (Item 22A): The Board adopted, on second reading, the development agreement for the ("Phase 1 Project"). At this same meeting, the Board also approved the Expiring Agreement.

November 18, 2021 (Item 25B): The Board introduced, on first reading, a proposed ordinance approving the development agreement between Carson City and PalaSeek, Oikos Development Corporation ("Oikos") and Sierra Flats Senior LP ("Sierra Flats") for development of the Phase 1 Project. Additionally, the Board recognized Oikos' application for conveyance of the Phase 1 Property, upon which the Phase 1 Project will sit, and directed staff to perform the noticing and other diligence required for the public hearing required by NRS 244.287.

November 4, 2021 (Item 13B): The Board reviewed and provided direction to staff on a proposed development agreement between Carson City and PalaSeek, Oikos and Sierra Flats for development of the Phase 1 Project, also known as the Sierra Lofts 9% Project.

April 15, 2021 (Item 15A): The Board approved an exclusive negotiating rights agreement between Carson City and PalaSeek for the Phase 1 Property and Phase 2 Property, effective through January 1, 2022 (“Original Agreement”).

December 5, 2019 (Item 17A): The Board held a public hearing on the Request for Proposals (“RFP”) and selected PalaSeek to work with the City to pursue a development agreement.

January 17, 2019 (Item 25B): The Board directed staff to initiate due diligence to determine whether to convey the Phase 1 Property and Phase 2 Property under NRS Chapter 244 for development of affordable/workforce housing and prepare a proposed RFP to allow the Board to competitively evaluate proposals from qualified developers.

Background/Issues & Analysis

On September 12, 1960, the City acquired approximately 127.7 acres of property along Butti Way from the State of Nevada. Since this time, the property has been developed to house several city departments and facilities including the Public Works Department and Corporate Yard, the Parks Department, the Nevada Humane Society and the Water Resource Reclamation Facility. Within that 127.7 acres acquired by the City is approximately 7.82 acres of real property, formerly designated as 3410 Butti Way, APN 010-037-04. On July 20, 2022, the City recorded Parcel Map 3045 with the Carson City Clerk-Recorder’s Office, which created the Phase 1 Property (2.91 acres), the Phase 2 Property (3.41 acres), and a third parcel of 1.5 acres being reserved for future use by the City.

The Board selected PalaSeek to negotiate a develop agreement for an affordable housing project on the Phase 1 and/or Phase 2 Property and on April 15, 2021, the Board authorized the City to enter into the Original Agreement, which allowed PalaSeek to show site control for the entirety of the Available Property until January 2, 2022. The Original Agreement allowed PalaSeek and its partners, Oikos and Sierra Flats to secure significant low-income housing tax credits and other financing for the Phase 1 Project, and on December 16, 2021, the Board approved the development agreement for the Phase 1 Project. Additionally, the Board approved the Expiring Agreement to allow PalaSeek to demonstrate site control over the Phase 2 Property and pursue financing for the Phase 2 Project.

When the Expiring Agreement ends on December 31, 2022, PalaSeek will no longer be able to demonstrate site control, which means it will be unable to seek low-income housing tax credits and other funding for the Phase 2 Project. PalaSeek currently anticipates finalizing the funding for the Phase 2 Project over the next several months, and it is working to complete a development agreement for the Phase 2 Project long before December 31, 2023, the ultimate end-date in the proposed Phase 2 Agreement.

Therefore, the proposed Phase 2 Agreement would be appropriate if the Board wants to continue to pursue a development agreement with PalaSeek for the Phase 2 Project. Specifically, the proposed Phase 2 Agreement provides that, through July 31, 2023, subject to a first extension at the option of PalaSeek to September 30, 2023, and a second extension at the option of PalaSeek to December 31, 2023, the City may only negotiate with PalaSeek and its affiliates in regard to the conveyance and development of the Phase 2 Property.

Applicable Statute, Code, Policy, Rule or Regulation

NRS 244.270 and 244.287

Financial Information

Is there a fiscal impact? No

If yes, account name/number: N/A

Is it currently budgeted? No

Explanation of Fiscal Impact: N/A

Alternatives

Do not approve the proposed agreement and/or provide alternative direction to staff.

Attachments:

[2_Sierra Flats Phase 2 - Exclusive Negotiating Rights.pdf](#)

[1_Expiring Phase 2 - Exclusive Negotiating Rights_Executed December 2022.pdf](#)

Board Action Taken:

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

(Vote Recorded By)

EXCLUSIVE NEGOTIATING RIGHTS AGREEMENT (PalaSeek LLP)

This EXCLUSIVE NEGOTIATING RIGHTS AGREEMENT (this "Agreement") is entered into by and between Carson City, a consolidated municipality, a political subdivision of the State of Nevada (the "City"), and PalaSeek LLP, a Nevada limited liability partnership or its assigns, as approved by the City (the "Developer"), on the basis of the following facts. The City and Developer are sometimes referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS

A. The City owned approximately 7.82 acres of real property formerly designated as 3410 Butti Way in Carson City, Nevada, APN 010-037-04. The City designated approximately 6.32 acres from the westernmost portion of APN 010-037-04 for the development of affordable housing projects ("Available Property"). The easternmost 1.5 acres of APN 010-037-04 is not part of the Available Property. On July 20, 2022, the City recorded Parcel Map 3045, attached as **Exhibit A**, with the Carson City Clerk-Recorder's Office, which created Parcel 1 (2.91 acres, now designated as APN 010-037-07, hereinafter "Phase 1 Property"), Parcel 2 (3.41 acres, now designated as APN 010-037-06, hereinafter "Phase 2 Property"), and a third parcel of 1.5 acres being reserved for future use by the City. Together, the Phase 1 Property and Phase 2 Property are the Available Property. The City conveyed the Phase 1 Property to Developer's assignee, and an affordable housing project is now under construction on that parcel.

B. On January 17, 2019, the Carson City Board of Supervisors directed City staff to initiate due diligence on conveying the Available Property, under NRS Ch. 244, to a qualified developer for the purpose of developing affordable housing at the Available Property. That qualified developer was to be chosen through a competitive bidding process based on responses to the City's Request for Proposals ("RFP").

C. Developer submitted a proposal in response to the RFP on or about October 24, 2019 ("Developer's Proposal"). Developer proposed the new construction of one hundred sixty (160) units in four (4) buildings of affordable housing on the Available Property.

D. On December 5, 2019, the Carson City Board of Supervisors held a public hearing on the RFP and selected Developer to develop an affordable housing project on the Available Property and authorized the City to work with Developer in pursuing a development agreement for such a project.

E. On April 15, 2021 the Carson City Board of Supervisors authorized an Exclusive Negotiating Rights Agreement between the City and Developer providing that the City would exclusively pursue a development agreement for affordable/workforce housing on the Available Property with Developer and its assigns through January 1, 2022.

F. Originally Developer planned for a single apartment project named Carson Lofts to be built upon the entirety of the Available Property.

G. Since Developer's original proposal, Developer has refined the development plan to include two apartment projects: the Sierra Lofts 9% Project (or, "Phase 1 Project") which is currently under construction on the Phase 1 Property, and a second project or phase, to be named later ("Phase 2 Project"), which, if approved, will be built on the Phase 2 Property, rent restricted, income restricted, and funded in part through low income housing tax credits.

H. Developer has received a reservation for low income housing tax credits for the Phase 1 Project, and the Carson City Board of Supervisors approved a development agreement for Developer, in conjunction with Oikos Development Corporation ("Oikos") and Sierra Flats Senior LP, to build the Phase 1 Project on the Phase 1 Property.

I. The Phase 1 Project is currently being built on the Phase 1 Property.

J. Developer plans to submit an application for low income housing tax credits and/or other funding mechanisms to the Nevada Housing Division and others for the Phase 2 Project, which, if approved, would be constructed on the Phase 2 Property.

K. Developer is currently seeking financing for the Phase 2 Project from sources, including, without limitation, State of Nevada low income housing tax credits and the Federal Home Loan Bank's Affordable Housing Program, as they may become available, proceeds from the issuance of tax-exempt bonds, and private investment through the Low-Income Housing Tax Credit program, Federal Housing Trust Funds and HOME funds through the State of Nevada.

L. It is anticipated that the City and the Developer will enter into a development agreement ("DA") for the Phase 2 Project. It is further anticipated that the DA will provide for conveyance of the Phase 2 Property to the Developer or its affiliate, Oikos. Although specific details regarding the land transfer will be summarized in any future DA, it is expected that the City will convey the land to the Developer at no cost, except that Developer will be responsible for all transfer taxes and similar costs associated with completing any such transfer. The Parties recognize and acknowledge that a full DA for the Phase 2 Project has not occurred and may not be in place at the time of submission of an application to the Nevada Housing Division, and this Agreement is intended to serve as "site control" while the DA is being negotiated.

M. The purpose of this Agreement is to establish the procedures and standards for the negotiation by the City and Developer for a DA, pursuant to which, among other matters, the Parties will agree to terms for: (i) conveyance of the Phase 2 Property from the City to Developer or Oikos, (ii) affordability requirements, and (iii) Developer or its affiliates to construct the Phase 2 Project. As more fully set forth in Section 3.1, the Parties acknowledge and agree that this Agreement in itself does not obligate either Party to acquire or convey any property, does not grant Developer the right to develop the Phase 2 Project, and does not obligate Developer to any activities or costs to develop the Phase 2 Project, except for the continuation of progress towards a DA.

N. On December 15, 2022, the Carson City Board of Supervisors held a public hearing and authorized the City to enter into this Agreement. This Agreement was subsequently executed by the Parties' authorized representatives and became effective upon the date of last signature ("Effective Date").

AGREEMENT

NOW, THEREFORE, in consideration of the recitals hereof and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1 EXCLUSIVE NEGOTIATION RIGHTS

Section 1.1 Recitals. The above Recitals are hereby expressly incorporated herein and made a part of this Agreement by this reference.

Section 1.2 Good Faith Negotiations. During the Negotiating Period, the City and Developer shall negotiate diligently and in good faith the terms of the DA for the development of the Phase 2 Project.

Among the issues to be addressed in the negotiations are the detail of the targeting for affordable units, the overall financing structure as submitted to Nevada Housing Division, the requirement for environmental review to take place, prior choice limiting activities, and the design and aesthetic considerations of the Phase 2 Project. The Parties will use the RFP and the Developer's Proposal, as starting point for the DA.

Section 1.3 Negotiating Period.

(a) The Negotiating Period under this Agreement (the "Negotiating Period") shall expire at 5:00 p.m. Pacific Time on July 31, 2023, unless earlier terminated by written notice from one Party to the other. The Negotiating Period may be extended at the request of Developer two (2) times. The first extension would be for a period of two (2) months, ending at 5:00 p.m. Pacific Time on September 30, 2023 ("Initial Extension Period"); provided that Developer delivers a written request for such extension prior to expiration of the Negotiating Period, and provided further that Developer is not then in default under this Agreement. The second extension would run from the expiration of the Initial Extension Period to 5:00 p.m. Pacific Time December 31, 2023 ("Final Extension Period"); provided that Developer delivers a written request for such extension prior to expiration of the applicable Initial Extension Period, and provided further that Developer is not then in default under this Agreement.

(b) If a DA has not been executed by the Parties by the expiration of the Negotiating Period (as the Negotiating Period may be extended by operation of the preceding paragraph), then this Agreement shall terminate and neither Party shall have any further rights or obligations under this Agreement except as set forth in Section 3.5. If a DA is executed by the Parties, then upon such execution this Agreement shall terminate, and all rights and obligations of the Parties shall be as set forth in the executed DA.

Section 1.4 Exclusive Negotiations. During the Negotiating Period, the City shall negotiate exclusively with Developer, or any City-approved assignee of Developer, as set forth

herein and shall not negotiate with any other person or entity regarding the development of the Phase 2 Property or any portion thereof, or solicit or entertain bids or proposals to do so.

ARTICLE 2 NEGOTIATION TASKS

Section 2.1 Overview. To facilitate negotiation of the DA, the Parties shall use reasonable, good faith efforts to accomplish the tasks set forth in this Article 2 in a timeframe that will support negotiation and execution of a mutually acceptable DA prior to the expiration of the Negotiating Period.

Section 2.2 Schedule of Performance.

(a) Within thirty (30) days after the date of this Agreement, Developer shall provide the City with a proposed schedule of activities to be accomplished during the Negotiating Period.

(b) Within such thirty (30) day period, Developer shall also provide the City with a preliminary schedule of performance (the "Schedule of Performance") for activities to be undertaken under this Agreement by Developer and the City during the Negotiating Period or thereafter, which may include, but not be limited to: submission details to Nevada Housing Division and potential phasing of project.

Section 2.3 Final Reports. Developer shall provide the City with copies of all final third-party reports, studies, analyses, and similar documents commissioned by Developer with respect to this Agreement and the development of the Phase 2 Property, promptly upon their completion. Developer makes no representation or warranty and shall have no liability to City as to the accuracy or reliability of any such materials.

Section 2.4 Planning Approvals. Developer shall submit applications to the applicable government agency for any land use zoning, subdivision and other entitlements required for the Phase 2 Property (the "Planning Approvals"). Prior to such submittal, Developer shall submit plans and designs for the Phase 2 Property to the City and/or appropriate City departments for their informal review. The Parties acknowledge that the submission and processing of the Planning Approvals may occur after the Negotiation Period, in accord with the Schedule of Performance to be developed pursuant to Section 2.2.

Section 2.5 Environmental Review. The Developer, upon successful application to Nevada Housing Division, shall prepare or shall cause to be prepared any environmental documentation required by 24 CFR Part 58 ("Environmental Review"); provided, however, that nothing in this Agreement shall be construed to compel the City to approve or make any particular finding with respect to such Environmental Review. Developer shall provide such information about the Phase 2 Project as may be required to enable the City to prepare or cause preparation and consideration of any required document, and shall otherwise generally cooperate with the City to complete this task. The Parties acknowledge that the preparation of the

documentation may occur after the Negotiation Period, in accord with the Schedule of Performance to be developed pursuant to Section 2.2.

Section 2.6 Subdivision Map. Developer shall submit any parcel map or tentative subdivision map to the City required for the proposed Phase 2 Property. The Parties acknowledge that the submission and processing of the parcel map or tentative map may occur after the Negotiation Period, in accord with the Schedule of Performance to be developed pursuant to Section 2.2.

Section 2.7 Financial Proforma Analysis. Developer shall provide the City with a preliminary financial proforma for the Phase 2 Property containing matters typically contained in such proformas, including (without limitation) a general development cost budget and an operating income and expense estimate (excluding confidential or proprietary information). Developer shall provide this to the City in accord with the Schedule of Performance to be developed pursuant to Section 2.2.

Section 2.8 Organizational Documents. Developer shall provide the City with copies of its organizational documents evidencing that Developer exists and is in good standing to perform its obligations under this Agreement. Developer shall provide this to the City in accord with the Schedule of Performance to be developed pursuant to Section 2.2.

Section 2.9 Utilities. Developer shall consult with the utility companies, which could include the City for City-provided utilities, serving the Phase 2 Property to determine if existing utility facilities require expansion, relocation or undergrounding in connection with development of the Phase 2 Project. Developer shall do so in accord with the Schedule of Performance to be developed pursuant to Section 2.2. The City shall assist and cooperate with Developer in such consultations.

Section 2.10 Progress Reports. Upon reasonable notice, as from time to time requested by the City, Developer shall make progress reports advising the City on the studies being made and matters being evaluated by Developer with respect to this Agreement and the Phase 2 Project. Such progress reports shall be in writing, if so requested by the City. The City shall not request written reports more frequently than once each month.

ARTICLE 3 GENERAL PROVISIONS

Section 3.1 Limitation of Agreement. This Agreement shall not obligate Developer or the City to enter into a DA. By execution of this Agreement, neither the City nor Developer is committing itself to or agreeing to undertake acquisition, disposition, or exercise control over the Phase 2 Property. In the event Developer determines at any time that the Phase 2 Project is infeasible, in Developer's discretion, Developer may terminate this Agreement by providing written notice to the City. In the event that Developer (or any partner through whom Developer seeks funding, including but not limited to Sierra Flats Family I, LP) fails to secure low income housing tax credit resources described in the Recitals, the City may terminate this Agreement by providing written notice to Developer. Similarly, the City may terminate this Agreement by

providing written notice to Developer if Developer seeks an assignment of its right to pursue the Phase 2 Project or its rights under this Agreement to another entity, and the City (through its Board of Supervisors) declines to authorize that assignment. Nothing in this Agreement shall be construed as requiring the City to approve any assignment Developer seeks. Execution of this Agreement by the City is merely an agreement to conduct a period of exclusive negotiations in accordance with the terms hereof, reserving for subsequent City action the final discretion and approval regarding the execution of a DA, related Phase 2 Property conveyances, and all proceedings and decisions in connection therewith. Any DA resulting from negotiations pursuant to this Agreement shall become effective only if, and after, such document(s) has been considered and approved by the Carson City Board of Supervisors following all legally required procedures, and executed by duly authorized representatives of the City and Developer and its affiliates. Until and unless a DA is signed by Developer and its affiliates, approved by the Carson City Board of Supervisors, and executed by the City, no agreement drafts, actions, deliverables, or communications arising from the performance of this Agreement shall impose any legally binding obligation on Developer or the City to enter into, or support entering into, a DA or be used as evidence of any oral or implied agreement by Developer or the City to enter into any other legally binding document.

Section 3.2 Notices. Formal notices, demands and communications between the Parties shall be sufficiently given if, and shall not be deemed given unless, dispatched by email; certified mail, postage prepaid, return receipt requested; or express or overnight courier service, to the office of the Parties shown as follows, or such other address as the Parties may designate in writing from time to time.

City: Carson City Public Works Department
Dan Stucky
3505 Butti Way, Carson City, Nevada 89701
dstucky@carson.org

With copies to: Carson City District Attorney's Office
Adam Tully
885 E. Musser St., Ste. 2030
Carson City, NV 89701
atully@carson.org

Developer: PalaSeek LLP
c/o Michael Schneider
4925 Rivedro Street
Las Vegas, NV 89135
chspanda@yahoo.com

With a copy to: Ramsey Barhorst, LLC
117 West 20th Street, Suite 102
Kansas City, MO 64108

Attn. Chris Barhorst, chris@ramseybarhorst.com

Such written notices, demands, and communications shall be effective on the date shown on the delivery receipt as the date delivered, the date on which delivery was refused, or the date the notice was returned as undeliverable.

Section 3.3 Limited Liability and Non-Liability of Officials, Employees and Agents. The City will not waive and intends to assert available NRS Chapter 41 liability limitations in all cases. Contract liability of both Parties shall not be subject to punitive damages. Liquidated damages shall not apply unless otherwise expressly provided for elsewhere in this Agreement. No member, official, employee or agent of the City shall be personally liable to Developer in the event of any default or breach of this Agreement by the City, or for any amount which may become due to Developer or any of its successors in interest or affiliates.

Section 3.4 Waiver of Lis Pendens. It is expressly understood and agreed by the Parties that no lis pendens shall be filed against any portion of the Phase 2 Property with respect to this Agreement or any dispute or act arising from it.

Section 3.5 Access to Sites. The City shall cooperate with Developer in providing access to the Phase 2 Property for the purpose of performing tests, surveys, and inspections. Developer shall indemnify the City, its board members, officials, directors, employees and agents (collectively, the "Indemnities") from and against any losses, claims, damages, liabilities, judgments, causes of action or actions (including reasonable attorneys' fees and costs (collectively, "Claims") arising out of the entry of Developer (or their consultants) onto the Phase 2 Property, except to the extent due to the gross negligence or willful misconduct of City, its board members, officials, directors, employees or agents, or out of the discovery by Developer of any hazardous substances or other adverse physical condition on the Phase 2 Property. Developer shall not permit any liens to attach to the Phase 2 Property arising out of its activities thereon.

Section 3.6 Costs and Expenses. Each Party shall be responsible for its own costs and expenses in connection with any activities and negotiations undertaken in connection with this Agreement, except as specifically provided in this Agreement.

Section 3.7 No Commissions. The City shall not be liable for any real estate commissions or brokerage fees that may arise from this Agreement. The City represents that it has engaged no broker, agent, or finder in connection with this transaction. Developer shall defend and hold the City harmless from any claims by any broker, agent, or finder retained by Developer.

Section 3.8 Assignment. The Parties acknowledge that the City has entered into this Agreement on the basis of the special skills, capabilities, and experience of Developer. This Agreement is personal to the City and Developer. The City shall not assign this Agreement without the prior written consent of Developer, and the Developer shall not assign this Agreement without the prior written consent of the City, which the Parties recognize would require specific action by the Carson City Board of Supervisors. Upon any permitted assignment hereunder, the assigning party shall automatically without the need for further documentation be

released of all of its obligations under this Agreement that are assumed by the assignee under such assignment and assumption agreement. Any attempted assignment of the Agreement in violation of this Section 3.8 shall be considered an event of default.

Section 3.9 Default. Failure by any Party to perform its obligations as provided in this Agreement shall constitute an event of default hereunder. A non-defaulting Party shall give written notice of a default to the defaulting Party, specifying the nature of the default and the required action to cure the default. The defaulting Party shall have fifteen (15) days after receipt of such notice to cure, or for such longer period of time as may be reasonably necessary to effect cure, so long as the defaulting Party has commenced cure within such fifteen (15) day period and is diligently proceeding to completion (“Cure Period”). If the default remains uncured after the Cure Period has ended, the non-defaulting Party may exercise the remedies set forth below.

Section 3.10 Remedies. In the event of an uncured default by the City or Developer, the non-defaulting Party may institute legal action to cure, correct or remedy any default, to recover damages for any default, to require the defaulting Party to specifically perform the terms and conditions of this Agreement, or to obtain any other remedy at law or in equity. Notwithstanding the foregoing, no Party shall be liable to the other Party for monetary damages.

Section 3.11 Legal Action.

(a) If any legal action (including any arbitration or mediation proceeding) is commenced to interpret or to enforce the terms of this Agreement or to adjudicate any alleged breach of this Agreement, then the Party prevailing in any such action shall be entitled to recover against the Party not prevailing all reasonable attorneys' fees and costs incurred in such action (and any subsequent action or proceeding to enforce any judgment entered pursuant to an action on this Agreement). The Parties agree that, in the event a lawsuit is filed, and a Party is awarded attorneys' fees, for any reason, the amount of recoverable attorneys' fees shall not exceed the rate of \$125 per hour.

(b) Any lawsuit to interpret or to enforce the terms of this Agreement or to collect damages as a result of any breach of this Agreement shall be filed in the First Judicial District Court in Carson City, Nevada or in the United States District Court for the District of Nevada in Reno, Nevada.

Section 3.12 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada, without giving effect to any principle of conflict-of-law that would require the application of the law of any other jurisdiction.

Section 3.13 Entire Agreement. This Agreement constitutes the entire agreement of the Parties regarding the Phase 2 Project.

Section 3.14 Amendment. Any amendment or other modification of this Agreement must be in a written instrument executed by the City and Developer that expresses the intent to amend or otherwise modify this Agreement.

Section 3.15 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the City and Developer have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

CARSON CITY

APPROVED:

CARSON CITY, a consolidated municipality

By: _____
LORI BAGWELL, Mayor

Dated: _____

APPROVED AS TO FORM:

Carson City District Attorney

By: _____
Deputy District Attorney

Dated: _____

ATTEST:

AUBREY ROWLATT, Clerk-Recorder

Dated: _____

DEVELOPER

APPROVED:

PalaSeek LLP,
a Nevada Limited Liability Partnership

By: _____

Its: _____

Dated: _____

EXHIBIT A
PARCEL MAP 3045

OWNER'S CERTIFICATE

I, the undersigned, being the owner of the tract of land represented on this plat and that the same is executed in compliance with and subject to the provisions of N.E.S. Chapter 247, and that I have read and understand the contents of the plat and the purpose of the same, and I hereby certify that the undersigned has executed this certificate for the purpose of recording the same.

OWNER: Lois Bagwell DATE: 7/16/22
CLERK: Stephen Poter DATE: 7/16/22
RECORDING: Robert R. R. R. DATE: 7/16/22

NOTARY CERTIFICATE

STATE OF Nevada } SS
COUNTY OF Clark }
ON THIS 19 DAY OF July, 2022,
OF CARSON CITY PERSONALLY APPEARED BEFORE ME, A NOTARY PUBLIC, WHO ACKNOWLEDGED THAT THEY EXECUTED THE ABOVE INSTRUMENT.

NOTARY CERTIFICATE

STATE OF Nevada } SS
COUNTY OF Clark }
ON THIS 20th DAY OF July, 2022,
OF CARSON CITY PERSONALLY APPEARED BEFORE ME, A NOTARY PUBLIC, WHO ACKNOWLEDGED THAT THEY EXECUTED THE ABOVE INSTRUMENT.

NOTARY CERTIFICATE

STATE OF Nevada } SS
COUNTY OF Clark }
ON THIS 20th DAY OF July, 2022,
OF CARSON CITY PERSONALLY APPEARED BEFORE ME, A NOTARY PUBLIC, WHO ACKNOWLEDGED THAT THEY EXECUTED THE ABOVE INSTRUMENT.

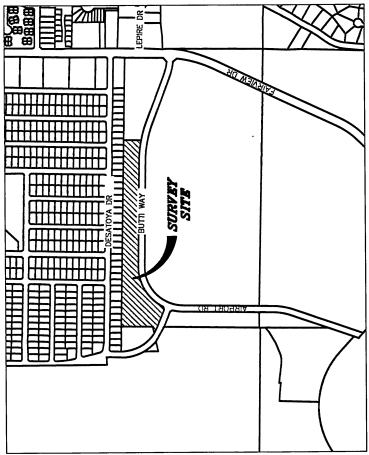
UTILITY COMPANIES CERTIFICATE

THE PUBLIC UTILITY EASEMENTS SHOWN ON THIS MAP HAVE BEEN CHECKED AND APPROVED BY:
SOUTHWEST GAS CORPORATION
DATE: 7/16/22
CLIFF COOPER, RECORDS PLANNER

CHARTER COMMUNICATIONS
DATE: 7/15/22
ARONALDO ESPINOZA, MANAGER
CARSON CITY UTILITIES
DATE: 7/18/2022
STEPHEN POTER, SENIOR PROJECT MANAGER
DATE: 7/16/2022
NORTHWEST TELEPHONE COMPANY
DATE: 7/14/2022
CLIFF COOPER, RECORDS PLANNER

SOUTHWEST GAS CORPORATION CERTIFICATE

A PUBLIC UTILITY EASEMENT IS HEREBY GRANTED TO SOUTHWEST GAS CORPORATION WITHIN EACH PARCEL FOR THE EXCLUSIVE PURPOSE OF INSTALLING, MAINTAINING, OPERATING, AND REPLACING GAS LINES, WITH THE RIGHT TO EXIST THAT PARCEL WITH GAS UTILITY FACILITIES FOR THE PURPOSE OF SERVING ADJACENT PARCELS.
SOUTHWEST GAS CORPORATION
DATE: 7/14/2022
CLIFF COOPER, RECORDS PLANNER



VICINITY MAP
NOT TO SCALE

NOTES

1. PUBLIC UTILITY EASEMENTS GRANTED INCLUDE USE BY CABLE TELEVISION COMPANIES.
2. THESE PARCELS ARE SUBJECT TO CARSON CITY'S GROWTH MANAGEMENT ORDINANCE AND ALL PROPERTY OWNERS SHALL COMPLY WITH THE PROVISIONS OF SAID ORDINANCE.
3. ALL PARCELS WILL BE REQUIRED TO CONNECT TO CITY WATER AND SANITARY SEWER.
4. THERE ARE NO APPARENT WELLS OR SUBTILE SYSTEM LOCATED ON THE PROPERTY TO BE PARCELED AS OF THE DATE OF THE SURVEY.
5. THIS PARCEL MAP LOT CONFIGURATION CONFORMS TO THE CARSON CITY MUNICIPAL CODE PURSUANT TO CMC 18.04.30 AND 18.04.150.
6. THE CURRENT ZONING DISTRICT IS MULTI-FAMILY APARTMENT (MFA) AND PUBLIC REGIONAL (PR).
7. ANY FURTHER SUBDIVISION OF THE SUBJECT PARCELS MAY REQUIRE A TENTATIVE SUBDIVISION MAP IN COMPLIANCE WITH ORDINANCE 1987-25.
8. THE PROPERTY IS LOCATED WITHIN FLOOD ZONES X SHADED AND AO (1 FOOT DEPTH), AS SHOWN ON THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) FLOOD RATE INSURANCE MAP (FIRM) PANEL 320001011H EFFECTIVE JUNE 18, 2018.
9. PUBLIC UTILITY AND DRAINAGE EASEMENTS ARE HEREBY GRANTED, 10 FEET IN WIDTH CENTERED ON ALL INTERIOR LOT LINES, 5 FEET IN WIDTH COINCIDENT WITH EXTERIOR BOUNDARIES, AND 10 FEET IN WIDTH ADJACENT TO STREET RIGHTS-OF-WAY.
10. AS THE PARCELS DEVELOP, EACH INDIVIDUAL LAND OWNER WILL BE RESPONSIBLE FOR MAINTAINING ANY LANDSCAPING INSTALLED IN THE PUBLIC ROAD RIGHT-OF-WAYS, INCLUDING THE DEVELOPMENT'S LANDSCAPE AREAS, OPEN SPACE AREAS, AND TURF AREAS ASSOCIATED WITH EACH PARCEL.
11. THE INGRESS AND EGRESS AS SHOWN ON SHEET 2 IS FOR THE BENEFIT OF PARCEL 2.

TITLE COMPANY CERTIFICATE

THE UNDERSIGNED HEREBY CERTIFY THAT THIS PLAT HAS BEEN EXAMINED AND THAT THERE ARE NO LIES OF RECORD AGAINST THE LANDS SHOWN HEREON, AND THAT THE SAME ARE NOT SUBJECT TO ANY LITIGATION, COUNTY, MUNICIPAL, FEDERAL, OR LOCAL TAXES OR ASSESSMENTS COLLECTED AS TAXES OR SPECIAL ASSESSMENTS, THAT NO ONE HOLDS OF RECORD A BELONG INTEREST IN THE LANDS TO BE UNDEVELOPED EXCEPT AS/IF SHOWN BELOW.

DATE: 7/16/2022
DATE: 7/16/2022
DATE: 7/16/2022

TOTAL AREA

7.82 A.C. ±

CITY ENGINEER'S APPROVAL

THE UNDERSIGNED HEREBY CERTIFIES THAT HE IS THE ONLY APPOINTED CARSON CITY ENGINEER AND THAT HE HAS EXAMINED THE PARCEL MAP HEREON AND FINDS THAT ALL PROVISIONS OF THE LAWS OF THE STATE OF NEVADA AND CARSON CITY PERTAINING TO PARCELS, MAP PROCEDURE HAVE BEEN COMPLIED WITH AND THAT THIS MAP IS TECHNICALLY CORRECT.

PARCEL MAP REVIEW COMMITTEE

THIS PARCEL MAP CONFORMS TO THE TENTATIVE PARCEL MAP (PM-2022-0195) REVIEWED AND APPROVED ON APRIL 5, 2022, AND ALL CONDITIONS IMPOSED ON SUCH APPROVAL HAVE BEEN SATISFIED.

TREASURERS CERTIFICATE

THE UNDERSIGNED HEREBY CERTIFIES THAT ALL THE PROPERTY TAXES ON THIS LAND, APRN 010-037-04, FOR THE FISCAL YEAR HAVE BEEN PAID.

SURVEYOR'S CERTIFICATE

1. LEE H. SMITHSON, A PROFESSIONAL LAND SURVEYOR LICENSED IN THE STATE OF NEVADA, CERTIFY THAT:
THIS PLAT IS A TRUE AND CORRECT REPRESENTATION OF A SURVEY CONDUCTED UNDER MY PERSONAL SUPERVISION AT THE INSTANCES OF CARSON CITY.
2. THE LANDS REQUESTED ARE WITHIN BEING A PORTION OF THE NORTH 1/2 OF SECTION 15, TOWNSHIP 15 NORTH, RANGE 20 EAST, M.D.M., AND THE SURVEY WAS COMPLETED ON FEBRUARY 18, 2022.
3. THIS PLAT COMPLETES WITH APPLICABLE STATUTES OF THE STATE AND ANY LOCAL ORDINANCES IN EFFECT ON THE DATE OF THE SURVEY THAT ACCORDANCE WITH CHAPTER 625 OF THE NEVADA ADMINISTRATIVE CODE.
4. THE MONUMENTS LOCATED ON THIS PLAT ARE OF THE CHARACTER SHOWN, OCCUPY THE POSITIONS INDICATED, AND ARE OF SUFFICIENT NUMBER AND DURABILITY.



LEE H. SMITHSON P.L.S.
NEVADA CERTIFICATE NO. 5097

RECORDER'S CERTIFICATE

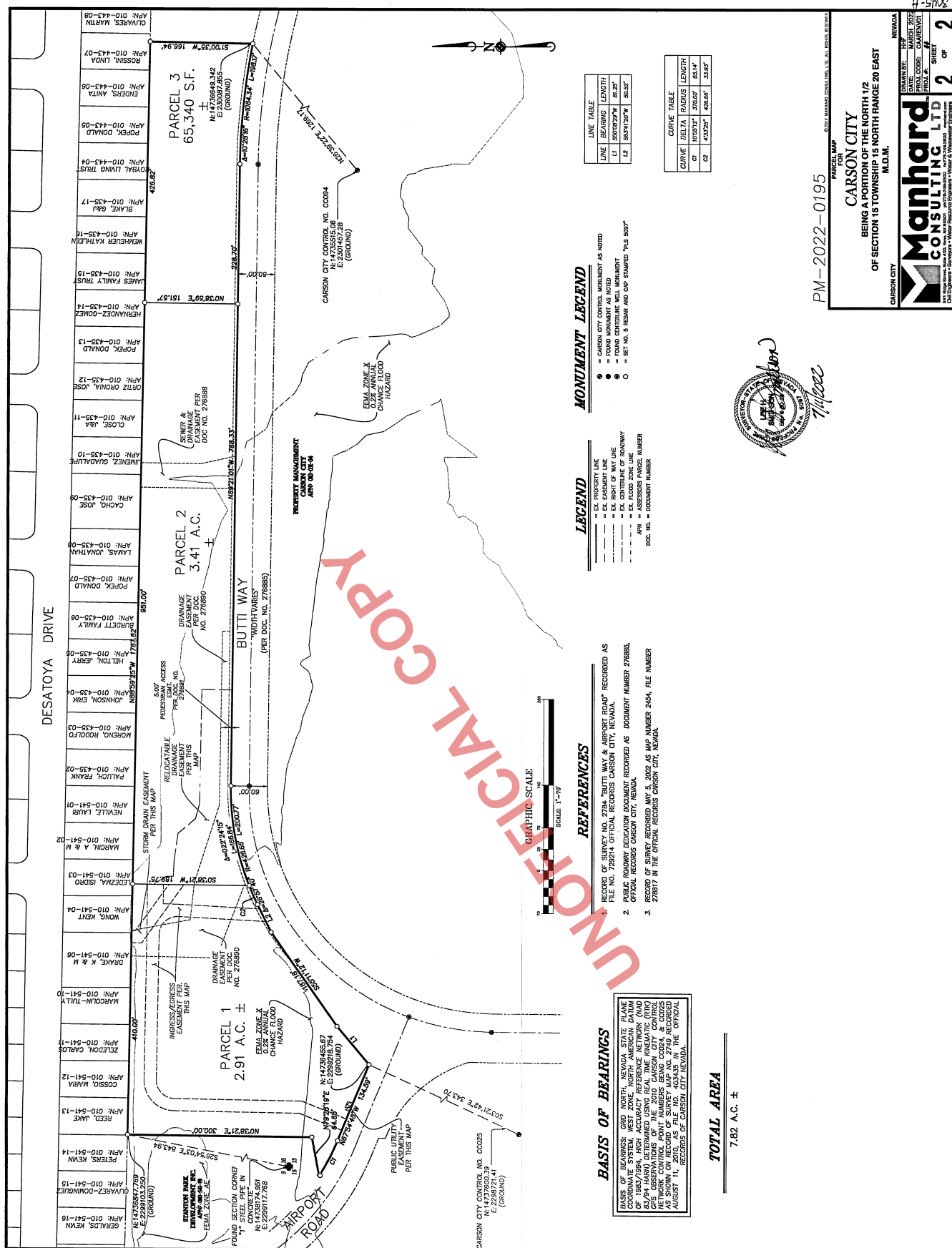
FILED FOR RECORD AT THE REQUEST OF:
ON THIS 20th DAY OF JULY, 2022, AT 10:00 A.M. IN THE OFFICE OF THE CLERK OF THE COUNTY OF CARSON, NEVADA.
RECORDING FEE: \$
BOOK: 11
PAGE: 3845
FILE NO: 523114
RECEIVED: Robert R. R. R.
COUNTY RECORDER - AUBREY ROWLAND
BY: Robert R. R. R.

PM-2022-0195

CARSON CITY
BEING A PORTION OF THE NORTH 1/2
OF SECTION 15 TOWNSHIP 15 NORTH RANGE 20 EAST
M.D.M.



PARCEL MAP 3845



EXCLUSIVE NEGOTIATING RIGHTS AGREEMENT (PalaSeek LLP)

This EXCLUSIVE NEGOTIATING RIGHTS AGREEMENT (this "Agreement") is entered into by and between Carson City, a consolidated municipality, a political subdivision of the State of Nevada (the "City"), and PalaSeek LLP, a Nevada limited liability partnership or its assigns as approved by the City (the "Developer"), on the basis of the following facts. The City and Developer are sometimes referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS

A. The City owns 7.81 acres of real property located at 3410 Butti Way in Carson City, Nevada with APN 010-037-04. The City has designated 6.31 acres from the westernmost portion of APN 010-037-04 for the development of affordable housing projects ("Available Property"). The easternmost 1.5 acres of APN 010-037-04 is not part of the Available Property. APN 010-037-04 and the Available Property are more particularly described in Exhibit B.

B. On January 17, 2019, the Carson City Board of Supervisors directed City staff to initiate due diligence on conveying the Available Property, under NRS Ch. 244, to a qualified developer for the purpose of developing affordable housing at the Available Property. That qualified developer was to be chosen through a competitive bidding process based on responses to the City's Request for Proposals ("RFP").

C. On September 5, 2019, the Board of Supervisors reviewed and discussed the draft RFP for the development of 3410 Butti Way (APN 010-037-04) for affordable/workforce housing and directed staff to publish the RFP in order to seek proposals from qualified developers through a competitive process.

D. Developer submitted a proposal in response to the RFP on or about October 24, 2019 ("Developer's Proposal"). Developer proposed the new construction of one hundred sixty (160) units in four (4) buildings of affordable housing on the Available Property.

E. On December 5, 2019, the Carson City Board of Supervisors held a public hearing on the RFP and selected Developer to develop an affordable housing project on the Available Property and authorized the City to work with Developer in pursuing a development agreement for such a project.

F. On April 15, 2021 the Carson City Board of Supervisors authorized an Exclusive Negotiating Rights Agreement between the City and Developer providing that the City would exclusively pursue a development agreement for affordable/workforce housing on the Available Property with Developer and its assigns through January 1, 2022.

G. Originally Developer planned for a single apartment project named Carson Lofts to be built upon the entirety of the Available Property.

H. Since Developer's original proposal, Developer has refined the development plan to include two apartment projects: the Sierra Lofts 9% Project and a second project or phase, to be named later ("Phase 2 Project"), which, if approved, will be rent restricted, income restricted, and funded in part through low income housing tax credits.

I. The Sierra Lofts 9% Project is designed to be built on the westernmost 2.91 acres of the 6.31 acres making up the Available Property; that 2.91 acres is more fully described and shown in Exhibit A and A-1 ("9% Property").

J. Developer has received a reservation for low income housing tax credits for the Sierra Lofts 9% Project, and the Carson City Board of Supervisors approved a development agreement for Developer, in conjunction with Oikos Development Corporation ("Oikos") and Sierra Flats Senior LP, to build the Sierra Lofts 9% Project on the 9% Property.

K. Developer plans to submit an application for low income housing tax credits and other funding mechanisms to the Nevada Housing Division for the Phase 2 Project, which, if approved, would be constructed on the eastern 3.4 acres of the Available Property ("Phase 2 Property"), as shown in Exhibit B.

L. Developer is currently seeking financing for the Phase 2 Project from sources, including, without limitation, State of Nevada low income housing tax credits and the Federal Home Loan Bank's Affordable Housing Program, as they may become available, proceeds from the issuance of tax-exempt bonds, and private investment through the Low-Income Housing Tax Credit program, Federal Housing Trust Funds and HOME funds through the State of Nevada.

M. It is anticipated that the City and the Developer will enter into a development agreement ("DA") for the Phase 2 Project. It is further anticipated that the DA will provide for conveyance of the Phase 2 Property to the Developer or its affiliate, Oikos Development Corporation. Although specific details regarding the land transfer will be summarized in any future DA, it is expected that the City will convey the land to the Developer at no cost, except that Developer will be responsible for all transfer taxes and similar costs associated with completing any such transfer. The Parties recognize and acknowledge that a full DA for the Phase 2 Project has not occurred and may not be in place at the time of submission of an application to the Nevada Housing Division, and this Agreement is intended to serve as "site control" while the DA is being negotiated.

N. The purpose of this Agreement is to establish the procedures and standards for the negotiation by the City and Developer for a DA, pursuant to which, among other matters, the Parties will agree to terms for: (i) conveyance of the Phase 2 Property from the City to Developer or Oikos, (ii) affordability requirements, and (iii) Developer or its affiliates to construct the Phase 2 Project. As more fully set forth in Section 3.1, the Parties acknowledge and agree that this Agreement in itself does not obligate either Party to acquire or convey any property, does not grant Developer the right to develop the Phase 2 Project, and does not obligate Developer to any activities or costs to develop the Phase 2 Project, except for the continuation of progress towards a DA.

O. On December 16, 2021, the Carson City Board of Supervisors held a public hearing on this Agreement and authorized the City to enter into this Agreement. This Agreement was subsequently executed by the Parties' authorized representatives and became effective upon the date of last signature ("Effective Date").

AGREEMENT

NOW, THEREFORE, in consideration of the recitals hereof and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1 EXCLUSIVE NEGOTIATION RIGHTS

Section 1.1 Recitals. The above Recitals are hereby expressly incorporated herein and made a part of this Agreement by this reference.

Section 1.2 Good Faith Negotiations. During the Negotiating Period, the City and Developer shall negotiate diligently and in good faith the terms of the DA for the development of the Phase 2 Project.

Among the issues to be addressed in the negotiations are the detail of the targeting for affordable units, the overall financing structure as submitted to Nevada Housing Division, the requirement for environmental review to take place, prior choice limiting activities, and the design and aesthetic considerations of the Phase 2 Project. The Parties will use the RFP and the Developer's Proposal, as starting point for the DA.

Section 1.3 Negotiating Period.

(a) The Negotiating Period under this Agreement (the "Negotiating Period") shall expire at 5:00 p.m. Pacific Time on September 30, 2022, unless earlier terminated by written notice from one Party to the other. The Negotiating Period may be extended at the request of Developer two (2) times. The first extension would be for a period of two (2) months, ending at 5:00 p.m. Pacific Time on November 30, 2022 ("Initial Extension Period"); provided that Developer delivers a written request for such extension prior to expiration of the Negotiating Period, and provided further that Developer is not then in default under this Agreement. The second extension would run from the expiration of the Initial Extension Period to 5:00 p.m. Pacific Time December 31, 2022 ("Final Extension Period"); provided that Developer delivers a written request for such extension prior to expiration of the applicable Initial Extension Period, and provided further that Developer is not then in default under this Agreement.

(b) If a DA has not been executed by the Parties by the expiration of the Negotiating Period (as the Negotiating Period may be extended by operation of the preceding paragraph), then this Agreement shall terminate and neither Party shall have any further rights or obligations under this Agreement except as set forth in Section 3.5. If a DA is executed by the

Parties, then upon such execution this Agreement shall terminate, and all rights and obligations of the Parties shall be as set forth in the executed DA.

Section 1.4 Exclusive Negotiations. During the Negotiating Period, the City shall negotiate exclusively with Developer, or any City-approved assignee of Developer, as set forth herein and shall not negotiate with any other person or entity regarding the development of the Phase 2 Property or any portion thereof, or solicit or entertain bids or proposals to do so.

ARTICLE 2 NEGOTIATION TASKS

Section 2.1 Overview. To facilitate negotiation of the DA, the Parties shall use reasonable, good faith efforts to accomplish the tasks set forth in this Article 2 in a timeframe that will support negotiation and execution of a mutually acceptable DA prior to the expiration of the Negotiating Period.

Section 2.2 Schedule of Performance.

(a) Within thirty (30) days after the date of this Agreement, Developer shall provide the City with a proposed schedule of activities to be accomplished during the Negotiating Period.

(b) Within such thirty (30) day period, Developer shall also provide the City with a preliminary schedule of performance (the "Schedule of Performance") for activities to be undertaken under this Agreement by Developer and the City during the Negotiating Period or thereafter, which may include, but not be limited to: submission details to Nevada Housing Division and potential phasing of project.

Section 2.3 Final Reports. Developer shall provide the City with copies of all final third-party reports, studies, analyses, and similar documents commissioned by Developer with respect to this Agreement and the development of the Phase 2 Property, promptly upon their completion. Developer makes no representation or warranty and shall have no liability to City as to the accuracy or reliability of any such materials.

Section 2.4 Planning Approvals. Developer shall submit applications to the applicable government agency for any land use zoning, subdivision and other entitlements required for the Phase 2 Property (the "Planning Approvals"). Prior to such submittal, Developer shall submit plans and designs for the Phase 2 Property to the City and/or appropriate City departments for their informal review. The Parties acknowledge that the submission and processing of the Planning Approvals may occur after the Negotiation Period, in accordance with the Schedule of Performance to be developed pursuant to Section 2.2.

Section 2.5 Environmental Review. The Developer, upon successful application to Nevada Housing Division, shall prepare or shall cause to be prepared any environmental documentation required by 24 CFR Part 58 ("Environmental Review"); provided, however, that nothing in this Agreement shall be construed to compel the City to approve or make any

particular finding with respect to such Environmental Review. Developer shall provide such information about the Phase 2 Project as may be required to enable the City to prepare or cause preparation and consideration of any required document, and shall otherwise generally cooperate with the City to complete this task. The Parties acknowledge that the preparation of the documentation may occur after the Negotiation Period, in accordance with the Schedule of Performance to be developed pursuant to Section 2.2.

Section 2.6 Subdivision Map. Developer shall submit any parcel map or tentative subdivision map to the City required for the proposed Phase 2 Property. The Parties acknowledge that the submission and processing of the parcel map or tentative map may occur after the Negotiation Period, in accordance with the Schedule of Performance to be developed pursuant to Section 2.2.

Section 2.7 Financial Proforma Analysis. Developer shall provide the City with a preliminary financial proforma for the Phase 2 Property containing matters typically contained in such proformas, including (without limitation) a general development cost budget and an operating income and expense estimate (excluding confidential or proprietary information). Developer shall provide this to the City in accord with the Schedule of Performance to be developed pursuant to Section 2.2.

Section 2.8 Organizational Documents. Developer shall provide the City with copies of its organizational documents evidencing that Developer exists and is in good standing to perform its obligations under this Agreement. Developer shall provide this to the City in accord with the Schedule of Performance to be developed pursuant to Section 2.2.

Section 2.9 Utilities. Developer shall consult with the utility companies, which could include the City for City-provided utilities, serving the Phase 2 Property to determine if existing utility facilities require expansion, relocation or undergrounding in connection with development of the Phase 2 Project. Developer shall do so in accord with the Schedule of Performance to be developed pursuant to Section 2.2. The City shall assist and cooperate with Developer in such consultations.

Section 2.10 Progress Reports. Upon reasonable notice, as from time to time requested by the City, Developer shall make progress reports advising the City on the studies being made and matters being evaluated by Developer with respect to this Agreement and the Phase 2 Project. Such progress reports shall be in writing, if so requested by the City. The City shall not request written reports more frequently than once each month.

ARTICLE 3 GENERAL PROVISIONS

Section 3.1 Limitation of Agreement. This Agreement shall not obligate Developer or the City to enter into a DA. By execution of this Agreement, neither the City nor Developer is committing itself to or agreeing to undertake acquisition, disposition, or exercise control over the Phase 2 Property. In the event Developer determines at any time that the Phase 2 Project is infeasible, in Developer's discretion, Developer may terminate this Agreement by providing

written notice to the City. In the event that Developer (or any partner through whom Developer seeks funding, including but not limited to Sierra Flats Family I, LP) fails to secure low income housing tax credit resources described in the Recitals, the City may terminate this Agreement by providing written notice to Developer. Similarly, the City may terminate this Agreement by providing written notice to Developer if Developer seeks an assignment of its right to pursue the Phase 2 Project or its rights under this Agreement to another entity, and the City (through its Board of Supervisors) declines to authorize that assignment. Nothing in this Agreement shall be construed as requiring the City to approve any assignment Developer seeks. Execution of this Agreement by the City is merely an agreement to conduct a period of exclusive negotiations in accordance with the terms hereof, reserving for subsequent City action the final discretion and approval regarding the execution of a DA, related Phase 2 Property conveyances, and all proceedings and decisions in connection therewith. Any DA resulting from negotiations pursuant to this Agreement shall become effective only if, and after, such document(s) has been considered and approved by the Carson City Board of Supervisors following all legally required procedures, and executed by duly authorized representatives of the City and Developer and its affiliates. Until and unless a DA is signed by Developer and its affiliates, approved by the Carson City Board of Supervisors, and executed by the City, no agreement drafts, actions, deliverables, or communications arising from the performance of this Agreement shall impose any legally binding obligation on Developer or the City to enter into, or support entering into, a DA or be used as evidence of any oral or implied agreement by Developer or the City to enter into any other legally binding document.

Section 3.2 Notices. Formal notices, demands and communications between the Parties shall be sufficiently given if, and shall not be deemed given unless, dispatched by email; certified mail, postage prepaid, return receipt requested; or express or overnight courier service, to the office of the Parties shown as follows, or such other address as the Parties may designate in writing from time to time.

City:	Carson City Public Works Department Dan Stucky 3505 Butti Way, Carson City, Nevada 89701 dstucky@carson.org
With copies to:	Carson City District Attorney's Office Adam Tully 885 E. Musser St., Ste. 2030 Carson City, NV 89701 atully@carson.org
Developer:	PalaSeek LLP c/o Michael Schneider 6381 Sandpiper Way 4925 Rivedro Street Las Vegas, NV 89103 89135 chspanda@yahoo.com

With a copy to: Ramsey Barhorst, LLC
117 West 20th Street, Suite 102
Kansas City, MO 64108
Attn. Chris Barhorst, chris@ramseybarhorst.com

Such written notices, demands, and communications shall be effective on the date shown on the delivery receipt as the date delivered, the date on which delivery was refused, or the date the notice was returned as undeliverable.

Section 3.3 Limited Liability and Non-Liability of Officials, Employees and Agents. The City will not waive and intends to assert available NRS Chapter 41 liability limitations in all cases. Contract liability of both Parties shall not be subject to punitive damages. Liquidated damages shall not apply unless otherwise expressly provided for elsewhere in this Agreement. No member, official, employee or agent of the City shall be personally liable to Developer in the event of any default or breach of this Agreement by the City, or for any amount which may become due to Developer or any of its successors in interest or affiliates.

Section 3.4 Waiver of Lis Pendens. It is expressly understood and agreed by the Parties that no lis pendens shall be filed against any portion of the Available Property with respect to this Agreement or any dispute or act arising from it.

Section 3.5 Access to Sites. The City shall cooperate with Developer in providing access to the Phase 2 Property for the purpose of performing tests, surveys, and inspections. Developer shall indemnify the City, its board members, officials, directors, employees and agents (collectively, the "Indemnities") from and against any losses, claims, damages, liabilities, judgments, causes of action or actions (including reasonable attorneys' fees and costs (collectively, "Claims") arising out of the entry of Developer (or their consultants) onto the Phase 2 Property, except to the extent due to the gross negligence or willful misconduct of City, its board members, officials, directors, employees or agents, or out of the discovery by Developer of any hazardous substances or other adverse physical condition on the Phase 2 Property. Developer shall not permit any liens to attach to the Phase 2 Property arising out of its activities thereon.

Section 3.6 Costs and Expenses. Each Party shall be responsible for its own costs and expenses in connection with any activities and negotiations undertaken in connection with this Agreement, except as specifically provided in this Agreement.

Section 3.7 No Commissions. The City shall not be liable for any real estate commissions or brokerage fees that may arise from this Agreement. The City represents that it has engaged no broker, agent, or finder in connection with this transaction. Developer shall defend and hold the City harmless from any claims by any broker, agent, or finder retained by Developer.

Section 3.8 Assignment. The Parties acknowledge that the City has entered into this Agreement on the basis of the special skills, capabilities, and experience of Developer. This Agreement is personal to the City and Developer. The City shall not assign this Agreement without the prior written consent of Developer, and the Developer shall not assign this

Agreement without the prior written consent of the City, which the Parties recognize would require specific action by the Carson City Board of Supervisors. Upon any permitted assignment hereunder, the assigning party shall automatically without the need for further documentation be released of all of its obligations under this Agreement that are assumed by the assignee under such assignment and assumption agreement. Any attempted assignment of the Agreement in violation of this Section 3.8 shall be considered an event of default.

Section 3.9 Default. Failure by any Party to perform its obligations as provided in this Agreement shall constitute an event of default hereunder. A non-defaulting Party shall give written notice of a default to the defaulting Party, specifying the nature of the default and the required action to cure the default. The defaulting Party shall have fifteen (15) days after receipt of such notice to cure, or for such longer period of time as may be reasonably necessary to effect cure, so long as the defaulting Party has commenced cure within such fifteen (15) day period and is diligently proceeding to completion (“Cure Period”). If the default remains uncured after the Cure Period has ended, the non-defaulting Party may exercise the remedies set forth below.

Section 3.10 Remedies. In the event of an uncured default by the City or Developer, the non-defaulting Party may institute legal action to cure, correct or remedy any default, to recover damages for any default, to require the defaulting Party to specifically perform the terms and conditions of this Agreement, or to obtain any other remedy at law or in equity. Notwithstanding the foregoing, no Party shall be liable to the other Party for monetary damages.

Section 3.11 Legal Action.

(a) If any legal action (including any arbitration or mediation proceeding) is commenced to interpret or to enforce the terms of this Agreement or to adjudicate any alleged breach of this Agreement, then the Party prevailing in any such action shall be entitled to recover against the Party not prevailing all reasonable attorneys' fees and costs incurred in such action (and any subsequent action or proceeding to enforce any judgment entered pursuant to an action on this Agreement). The Parties agree that, in the event a lawsuit is filed, and a Party is awarded attorneys' fees, for any reason, the amount of recoverable attorneys' fees shall not exceed the rate of \$125 per hour.

(b) Any lawsuit to interpret or to enforce the terms of this Agreement or to collect damages as a result of any breach of this Agreement shall be filed in the First Judicial District Court in Carson City, Nevada or in the United States District Court for the District of Nevada in Reno, Nevada.

Section 3.12 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada, without giving effect to any principle of conflict-of-law that would require the application of the law of any other jurisdiction.

Section 3.13 Entire Agreement. This Agreement constitutes the entire agreement of the Parties regarding the Phase 2 Project.

Section 3.14 Amendment. Any amendment or other modification of this Agreement must be in a written instrument executed by the City and Developer that expresses the intent to amend or otherwise modify this Agreement.

Section 3.15 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the City and Developer have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

CARSON CITY

APPROVED:

CARSON CITY, a consolidated municipality

By: Lori Bagwell
LORI BAGWELL, Mayor

Dated: 12-16-21

APPROVED AS TO FORM:

Carson City District Attorney

By: [Signature]
Deputy District Attorney

Dated: 12/17/21

ATTEST:

Aubrey Rowlett
AUBREY ROWLATT, Clerk-Recorder

Dated: 12-16-21

DEVELOPER

APPROVED:

PalaSeek LLP,
a Nevada Limited Liability Partnership

By: _____

Its: _____

Dated: _____

IN WITNESS WHEREOF, the City and Developer have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

CARSON CITY

APPROVED:

CARSON CITY, a consolidated municipality

By: _____
LORI BAGWELL, Mayor

Dated: _____

APPROVED AS TO FORM:

Carson City District Attorney

By: _____
Deputy District Attorney

Dated: _____

ATTEST:

AUBREY ROWLATT, Clerk-Recorder

Dated: _____

DEVELOPER

APPROVED:

PalaSeek LLP,
a Nevada Limited Liability Partnership

By: Michael A. Schneider

Its: MANAGING PARTNER

Dated: 12-20-2021

EXHIBIT A & A-1

LEGAL DESCRIPTION & MAP OF 9% PROPERTY

EXHIBIT A
DESCRIPTION OF SIERRA FLATS – PHASE 1

A portion of Parcel 1 shown on that Record of Survey supporting a Boundary Line Adjustment for Carson City, recorded as File No. 278817 on May 30, 2002, in Book 9, Page 2454 (Map No. 2454), in the Carson City Recorder's Office, Carson City, Nevada, situate within the Southwest 1/4 of the Northwest 1/4 of Section 15, Township 15 North, Range 20 East, Mount Diablo Base & Meridian, more particularly described as follows:

BEGINNING at the Northwest corner of said Parcel 1, described as the N1/16 Cor Sec 15-16, as shown on said Record of Survey point on the southerly line of said Parcel 1;

THENCE, leaving the **POINT OF BEGINNING**, and along the North line of said Parcel 1, departing said line, South 88°59'25" East, 410.00 feet;

THENCE, leaving said North line South 00°38'21" West, 189.75 feet, to the northerly right-of-way line of Butti Way, as described in Document Number 276885 as file in the Official Records of Carson City, Nevada on April 19, 2002, to the beginning of a non-tangent curve to the left from which the radius point bears South 21°45'16" East;

THENCE, southwesterly, along the northerly right-of-way line of said Butti Way, 33.93 feet along the arc of a curve having a radius of 426.66 feet and through a central angle of 04°33'25";

THENCE, continuing along said northerly right-of-way line, South 63°41'20" West, 50.52 feet;

THENCE, continuing along said northerly right-of-way line South 55°11'12" West, 187.18 feet;

THENCE, continuing along said northerly right-of-way line South 50°08'29" West, 81.25 feet, to the easterly right-of-way line of Airport Road;

THENCE, along the easterly right-of-way line of Airport Road, North 67°54'48" West, 134.59 feet to the beginning of a tangent curve to the right;

THENCE, continuing along the easterly right-of-way line of Airport Road, 65.14 feet along the arc of a curve having a radius of 370.00 feet and through a central angle of 10°05'06", to the most westerly corner of the above-mentioned Parcel 1;

THENCE, leaving the easterly right-of-way line of said Airport Road, and along the westerly line of said Parcel 1, North 79°28'19" East, 64.85 feet;

THENCE, continuing along the westerly line of said Parcel 1, North 00°38'21" East, 300.00 feet, **POINT OF BEGINNING**.

Containing 2.91 Acres, more or less.

See Exhibit "A-1" attached hereto and made a part hereof

Basis of Bearings: South 10°30'31" East between Carson City Control Monuments CC013 and CC087 shown on Record of Survey Map number 2749 recorded August 11, 2010 in the Official Records of Carson City, Nevada, as File Number 403425.

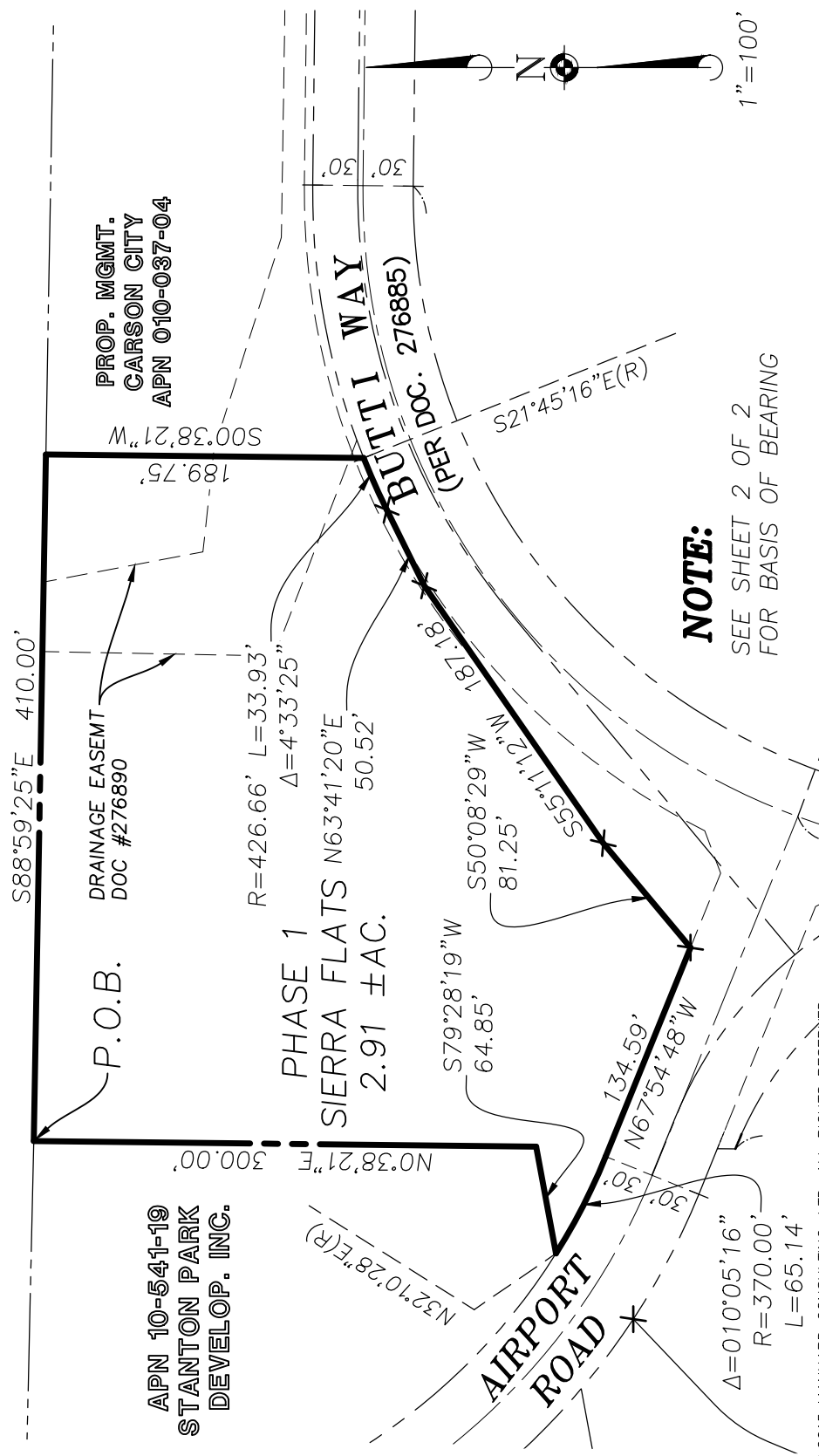
Surveyor's Certificate: I hereby certify that the attached description was prepared by me or under my direct supervision and is accurate to the best of my knowledge and belief.

Lee H. Smithson
Nevada PLS 5097
For and on behalf of

 **Manhard**
CONSULTING
241 Ridge Street, Suite 400
Reno, Nevada 89501
(775) 321-6525



EXHIBIT A-1



NOTE:
SEE SHEET 2 OF 2
FOR BASIS OF BEARING

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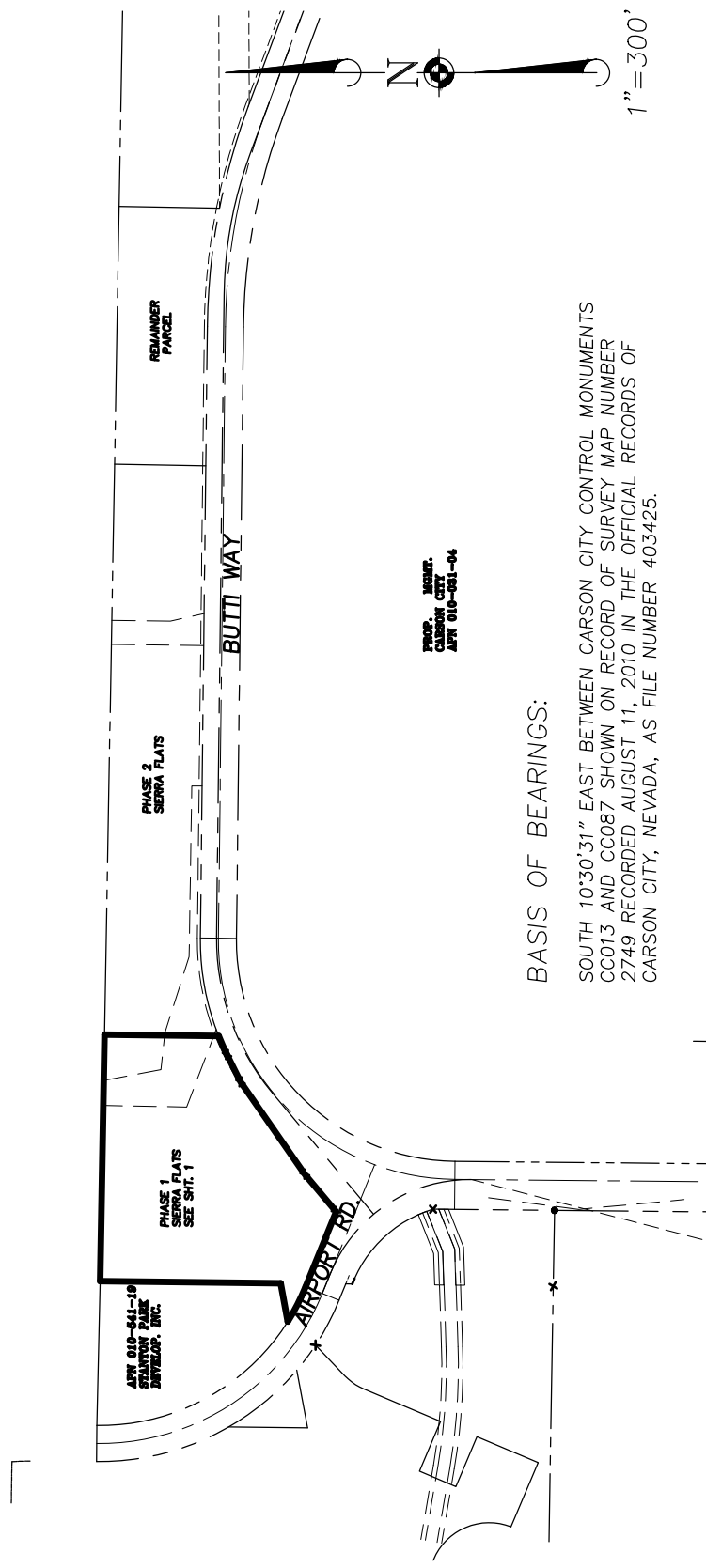
241 Ridge Street, Suite 400, Reno, NV 89501 ph:775.746.3500 fx:775.746.3520 manhard.com
Civil Engineers | Surveyors | Water Resource Engineers | Water & Waste Water Engineers
Construction Managers | Environmental Scientists | Landscape Architects | Planners

SIERRA FLATS
CARSON CITY, NEVADA

TO ACCOMPANY LEGAL DESCRIPTION

PROJ. MGR.: LHS	PROJECT CODE CAACCNV01
DRAWN BY: NOV. 2021	SHEET 1 OF 2
DATE: 1" = 100'	SCALE:

EXHIBIT A-1



BASIS OF BEARINGS:

SOUTH 10°30'31" EAST BETWEEN CARSON CITY CONTROL MONUMENTS CC013 AND CC087 SHOWN ON RECORD OF SURVEY MAP NUMBER 2749 RECORDED AUGUST 11, 2010 IN THE OFFICIAL RECORDS OF CARSON CITY, NEVADA, AS FILE NUMBER 403425.

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241 Ridge Street, Suite 400, Reno, NV 89501 ph: 775.746.3500 fx: 775.746.3520 manhard.com
Civil Engineers | Surveyors | Water Resource Engineers | Water & Waste Water Engineers
Construction Managers | Environmental Scientists | Landscape Architects | Planners

SIERRA FLATS - A.P.N. 010-037-04

CARSON CITY, NEVADA

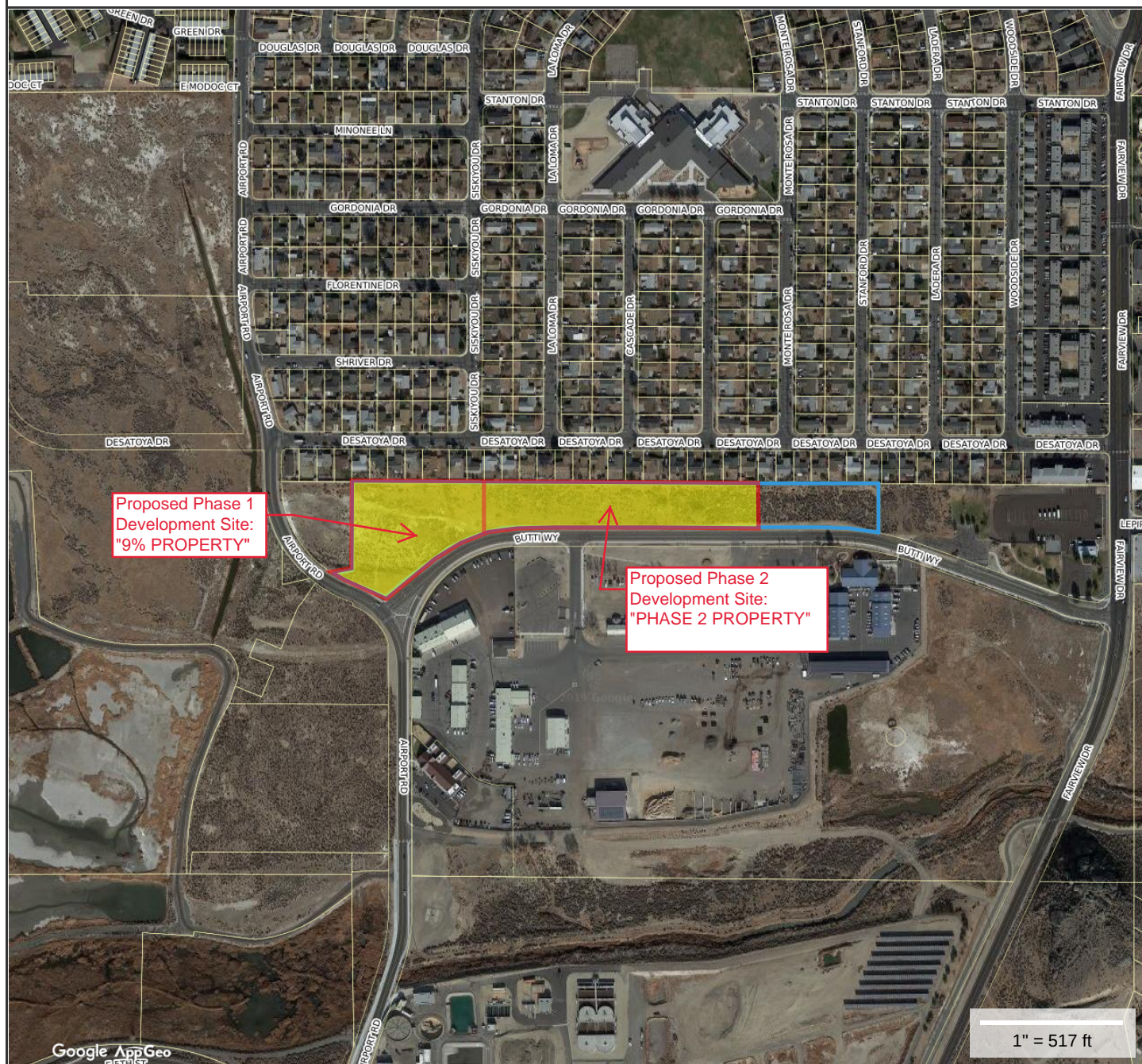
TO ACCOMPANY LEGAL DESCRIPTION

PROJ. MGR.: LHS	PROJECT CODE CAACCNV01
DRAWN BY:	SHEET 2
DATE: NOV. 2021	OF 2
SCALE: 1" = 60'	

EXHIBIT B

**VICINITY MAP OF AVAILABLE PROPERTY, 9% PROPERTY, &
PHASE 2 PROPERTY**

EXHIBIT B - VICINITY MAP OF AVAILABLE PROPERTY, 9% PROPERTY, & PHASE 2 PROPERTY



Property Information

Property ID 01003704
 Location 3410 BUTTI WY
 Owner PROPERTY MANAGEMENT,CARSON CITY
 Acres 7.81



MAP FOR REFERENCE ONLY NOT A LEGAL DOCUMENT

Carson City , NV makes no claims and no warranties, expressed or implied, concerning the validity or accuracy of the GIS data presented on this map.

Geometry updated 11/17/2018
 Data updated 11/17/2018

 AVAILABLE PROPERTY