

COOPERATIVE AGREEMENT FOR WILDCREEK GOLF COURSE PROPERTY

Dated as of February ____, 2019

Article 1 PARTIES; RECITALS; CONTEMPLATED PROJECT AND PROCEDURES; AND DEFINITIONS

1.1 Parties

Washoe County (“<u>County</u>”)	County of Washoe A political subdivision of the State of Nevada P.O. Box 11130 Reno, Nevada 89520 Attn: Dave Solaro, Assistant County Manager
Washoe County School District (“<u>School District</u>”)	Washoe County School District A political subdivision of the State of Nevada 14101 Old Virginia Road Reno, Nevada 895 Attn: Pete Etchart, Chief Operating Officer
Reno Sparks Convention and Visitors’ Authority (“<u>RSCVA</u>”)	Reno Sparks Convention and Visitors’ Authority, a County Fair and Recreation Board created pursuant to NRS Chapter 244A 4001 S. Virginia Street Reno, NV 89502 Attention: Phil DeLone, President/CEO

1.2 Recitals (Capitalized terms are defined in Article 1.3 below)

A. In 1974 and pursuant to NRS 244A.619, the RSCVA, upon behalf of the County, acquired title to approximately two hundred twelve (212+/-) acres of land upon which the “Wildcreek Golf Course” and related improvements are located (the “Wildcreek Site”). The Wildcreek Site was formerly identified as Assessor Parcel Number 027-011-05 and is more specifically described on the attached Exhibit A. The vesting deed for the Wildcreek Site is attached hereto as Exhibit B. The purchase included 448 acre-feet of water rights (Claim No. 313) which were later severed from and are no longer appurtenant to the land and conveyed to the City of Sparks as part of the Effluent Agreement (defined below).

B. The RSCVA developed, financed the improvements on and operates Wildcreek Golf Course, a public golf course, on the Wildcreek Site. Washoe County did not pay for the costs of the acquisition or improvement of the Wildcreek Site, but is the holder of title through the RSCVA, pursuant to NRS 244A.619. The RSCVA's modern focus on attracting overnight visitors to Washoe County lodging properties through tourism marketing, convention sales and facility operation does not include the operation of golf courses and the RSCVA and County desire to cooperate in transitioning their interest in a portion of the Wildcreek Site to the Washoe County School District for public benefit and use. Wildcreek Golf Course as presently configured and situated has not generated enough revenue to cover the costs of operations and caused RSCVA financial losses for many years. Ending those financial losses is consideration for RSCVA's participation in the transactions contemplated by this Agreement.

C. The County and the School District are public agencies of the State of Nevada as defined in NRS 277.050.

D. Pursuant to NRS 277.050 public agencies may sell, exchange or lease their real property to other public agencies through negotiated transactions and without advertising for public bids. Pursuant to NRS 277.053 the conveyance of property between public agencies can be made without a charge if the property is to be used for public purpose. NRS 277.050 agreements involving the expenditure of more than \$25,000 are approved by formal resolution or ordinance of the governing body of the public bodies involved.

E. Pursuant to NRS 277.050, before ordering the sale, exchange or lease of public agency property, the governing body shall, in a regular open meeting, by a majority vote of its members, adopt a resolution declaring its intention to sell or exchange agency property, or a resolution declaring its intention to lease agency property, as the case may be. The resolution must: (a) Describe the property proposed to be sold, exchanged or leased in such a manner as to identify it; (b) specify the minimum price, consideration or rent and the terms upon which it will be sold, exchanged or leased; and (c) Fix a time not less than 2 weeks thereafter for a public meeting of the governing body, at which objections to the sale, exchange or lease may be made by the electors of the public agency. Notice of the adoption of the resolution and of the time and place of the public meeting must be published in a newspaper of general circulation published in the county in which the public agency or any part thereof is situated. The notice must be published not less than twice, on successive days, the last publication to be not less than 7 days before the date of the public meeting.

F. Subsection 1 of NRS 277.045 provides in part that “. . . any two or more political subdivisions of this state, including . . . counties [and] incorporated cities . . . may enter into a cooperative agreement for the performance of any governmental function. Such an agreement may include the furnishing or exchange of personnel, equipment, property or facilities of any kind, or the payment of money.” Subsection 1 of NRS 277.280 provides in part that “Any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity or

undertaking which any of the public agencies entering into the contract is authorized by law to perform.”

G. The County, School District, Sparks, City of Reno and RSCVA adopted a Letter of Intent (the “LOI”) at a concurrent public meeting on May 1, 2017 resolving to cooperate in the School District’s planning, development and construction of a new high school on a portion of the Wildcreek Site, while permitting a portion of the Wildcreek Site to remain to be utilized for public golf, if so desired by the County.

H. The School District, with Washoe County’s consent as the holder of title, applied for and obtained approval for the division of the Wildcreek Site to create three (3) separate parcels, as set forth in the parcel map attached hereto as Exhibit C (the “Parcel Map”). The map was recorded on September 12, 2018.

I. The School District desires to acquire that certain real property identified as Parcel 2 on the attached Parcel Map (the “New School Parcel”) for the development of a new high school campus and related improvements (the “School Project”). The School District has identified the New School Parcel as an ideal site for the School Project given the proximity to student populations and necessary infrastructure and the needs of the School District. Parcels 1 and 3 on the Parcel Map (collectively, the “Remainder Parcels”) would continue to be owned by the County free and clear of any interest of the RSCVA. By leasing the New School Parcel to the County during the design and testing phases of the School Project, the School District’s preliminary plans will allow for the continuation of a redesigned and reconstructed public golf course on the Remainder Parcels (the “Golf Project”) at the discretion of Washoe County.

J. As further set forth herein, and subject to the various terms and conditions of this Agreement, it is the intention of the parties that the RSCVA quitclaim whatever interest it has or may have in and to the Wildcreek Site, the associated water rights and associated personal property to Washoe County. Washoe County would then convey the New School Parcel and portion of the associated water rights to the School District.

K. The Wildcreek Site has been irrigated with treated effluent delivered pursuant to publically-approved 1996 agreement between the RSCVA, the City of Sparks (“Sparks”) and Washoe County (“Effluent Agreement”). The Effluent Agreement required Sparks to develop and constructs an effluent reuse distribution system which delivers effluent from the Truckee Meadows Water Reclamation Facility to Wildcreek Golf Course. The RSCVA agreed to purchase designated quantities of treated effluent to irrigate the Wildcreek Site. The term of the Effluent Agreement expires on March 31, 2022. A copy of the Effluent Agreement is attached hereto as Exhibit D.

L. Pursuant to the Effluent Agreement Sparks presently holds Four Hundred Forty-Eight and Eighty-Eight One Hundredths (448.88) acre feet of Truckee River water rights (the “Dedicated Water Rights”) on behalf of the RSCVA/County (Claim No. 313). Section 8 of the Effluent Agreement provides that upon the termination of the Effluent

Agreement, the Dedicated Water Rights are to be transferred and reconveyed by Sparks to the RSCVA/Washoe County.

M. In addition to its interest in the Dedicated Water Rights, the RSCVA holds title to Five Hundred Six and Seven Hundred Eighty-Four One Thousandths (506.784) acre feet of Wells Creek water rights as evidenced by Permit No. 78564/Certificate 18122 (the “Wells Creek Water Rights”) and Sixty-Nine and Two Tenths (69.2) acre feet of Truckee River water rights as evidenced by Permit No. 78564/Certificate 18123 (the “Unencumbered Water Rights”).

N. The parties are entering into this Agreement for the purposes of setting forth the agreed upon terms and conditions related to a transfer of a portion of the Wildcreek Site and certain water rights to the School District, the development of the School Project and the continued ownership and development of the Golf Project by Washoe County.

NOW THEREFORE, the Parties agree as follows:

1.3 DEFINITIONS

Unless otherwise specifically provided, the following words have the following meanings in this Agreement.

Agreement means this Development Agreement.

Appraisal means that appraisal dated August 16, 2018 obtained by the School District from Johnson, Perkins, and Griffin Real Estate Appraisers & Consultants which (attached as Exhibit E).

County Water Rights Deed is defined in paragraph 3(B).

Dedicated Water Rights are defined in paragraph 1.2(L).

Effluent Agreement is defined in paragraph 3.1(A).

Escrow Holder is defined in paragraph 2.2.

First Closing is defined in paragraph 2.2(A).

Golf Management Agreement is defined in Article 4.

Golf Operator is defined in Article 4.

Ground Lease is defined in Article 4.

Letter of Intent or “LOI” is defined in paragraph 1.2(G).

Orr Ditch Agreement is defined in Article 5.

Parcel Map is defined in paragraph 1.2(H).

New School Parcel(s) means the 87.02 +/- acre parcel shown on the Parcel Map as Parcel 2 (APN 027-011-08).

Remainder Parcel(s) means the remaining 124.98 +/- acres consisting of two parcels (APN 027-011-07 and APN 027-011-09) shown on the Parcel Map as Parcel 1 and Parcel 3.

RSCVA Water Rights Deed is defined in paragraph 3.1(a)(iii).

School Project is defined in paragraph 1.2(I).

Second Closing is defined in paragraph 2.2(B).

Title Report means that certain title preliminary report effective June 7, 2017 and issued by Ticor Title Company of Nevada (attached as Exhibit F).

Unencumbered Water Rights are defined in paragraph 1.2(M).

Water Purchase Price is defined in paragraph 3.1(B).

Wells Creek Water Rights are defined in paragraph 1.2(M).

Wildcreek Golf Course is defined in paragraph 1.2(A).

Wildcreek Golf Course Equipment is defined in paragraph 2.2(A).

Wildcreek Site is defined in paragraph 1.2(A).

Article 2 THE REAL AND PERSONAL PROPERTY

2.1 Parceling the Wildcreek Site.

A. At its expense the School District performed all work necessary and obtained all local, state and federal approvals, if any, for the creation of new parcels at the Wildcreek Site as depicted on the attached Parcel Map. Any future changes to the configuration of the new parcels necessary for the School District shall be the responsibility of the School District.

B. Access easements from each new parcel to existing public streets shall be created sufficient for the highest and best use of each new parcel. Any existing easements on the Wildcreek Site (including but not limited to those for access, utilities, and drainage) as shown on the Title Report shall be preserved on the new parcels or relocated by the School District with the consent of those with rights to such easement.

C. This Agreement does not obligate any Party to exercise its powers to grant discretionary governmental approvals in a particular manner which includes, without limitation, the authority of Sparks or the County to process applications for the development or subdivision of land.

2.2 Conveying and Reserving New Parcels. The Parties intend to accomplish the consummation of the transactions contemplated herein by way of two (2) separate and distinct closings. At the First Closing (below defined) the RSCVA shall quitclaim any interest it may have to the Wildcreek Site, related water rights and any existing fixtures and improvements. At the Second Closing (below defined) the County shall transfer the New School Parcel and a portion of the appurtenant water rights to the School District, all as more fully set forth herein. The First Closing and Second Closing and the exchange of all documents and payments contemplated hereunder shall take place at the office of the title and escrow company chosen by mutual agreement of the Parties ("Escrow Holder"). The Parties hereto may elect to enter into separate purchase agreements to complete the transfers contemplated herein. In the absence of additional purchase agreements, this Agreement shall govern and be deemed sufficient to consummate the foregoing transactions.

A. **First Closing/Real Property.** Within 30 days of the approval of this Agreement, or at such other time as may be agreed by Washoe County and the RSCVA, the RSCVA shall quit claim whatever right, title and interest the RSCVA has in and to the Wildcreek Site to the County for no charge, utilizing the form of quit claim deed attached hereto as Exhibit G (the "RSCVA Quitclaim Deed"). The date upon which the RSCVA Quitclaim Deed is recorded shall be hereinafter referred to as the "First Closing." In connection with the RSCVA Quitclaim Deed, the RSCVA shall deliver a Bill of Sale in the form attached hereto as Exhibit H (the "Bill of Sale") transferring to the County without warranty, and at no cost to the County, the RSVCA's ownership interest in and to any and all personal property and fixtures located at the Wildcreek Site which is owned by the RSCVA and utilized in connection with the golf course operations at the Wildcreek Site (the "Wildcreek Golf Course Equipment").

B. **Second Closing/Real Property.** Within 30 days after the First Closing, or at such other time as may be agreed by the County and School District, the County shall use a standard grant, bargain and sale deed in the form attached hereto as Exhibit I (the "GBS Deed") to convey title to the New School Parcel to the School District. The School District agrees the New School Parcel must be used only for the New School and directly related public purposes for 30 years. The date of the recording of the GBS Deed is hereinafter referred to as the "Second Closing." In consideration of the grant of the New School Parcel, as supported by the Appraisal, and as a condition to the occurrence

of the Second Closing, the School District shall pay (collectively, the “Land Purchase Price”):

(i) Nine Hundred Seventy-Nine Thousand Seven Hundred Six and 50/100ths Dollars (\$979,706.50) to the RSCVA in consideration of the RSCVA’s expenses in the acquisition, improvement, maintenance and historic operation of the Wildcreek Site; and

(ii) Seven Hundred Sixty Thousand Two Hundred Ninety-Three and 50/100ths Dollars (\$760,293.50) to Washoe County which is equal to the appraised value of the New School Parcel pursuant to the attached Appraisal, minus the amount paid to the RSCVA pursuant to this Section 2.2(B).

C. The RSCVA Quitclaim Deed and County GBS Deed required by this Section 2.2(B) shall exclude water rights which are governed by a separate article of this Agreement.

D. Each Party shall follow all the requirements of state law for the conveyance of parcels between public entities for public purposes.

Article 3 THE WATER TRANSACTIONS

3.1 The Effluent Agreement. Notwithstanding the provisions of the LOI, the Parties agree it is in the best interest of the RSCVA, the County, Sparks and the School District to keep the Effluent Agreement in place, at the cost and expense of the School District, to allow for continued irrigation of the Wildcreek Site pending commencement of the construction of the School Project and for other uses of the associated effluent as described below.

A. **First Closing/Water Rights.** Concurrently with the First Closing:

(i) the RSCVA and County shall execute, and shall use best efforts to cause Sparks to execute, a release in the form attached as Exhibit J (the “Effluent Agreement Release”) whereby County and Sparks will release the RSCVA from any and all rights and obligations under the Effluent Agreement, including, but not limited to, any and all payment obligations related thereto; and

(ii) the School District shall commence paying, as and when due, all amounts due and owing under the Effluent Agreement. The School District shall tender such payment directly to the City of Sparks, and shall indemnify and hold the RSCVA and Washoe County harmless in regard to remaining payments due and owing pursuant to the Effluent Agreement. Commencing upon the termination of the Ground Lease, the School District may, in cooperation with Sparks, broker the termination of the Effluent Agreement and prepay all amounts then due and owing to the Sparks pursuant to the Effluent Agreement. Any purchase of the treated effluent that is not specifically subject

to the Effluent Agreement and which is available from Sparks after the termination of the Effluent Agreement is subject to a new agreement between Sparks and the new user.

(iii) the RSCVA shall quitclaim to the County, by way of Quitclaim Deed in the form attached hereto as Exhibit K (the “RSCVA Water Rights Deed”) at no charge and for a public purpose:

- (a) The RSCVA’s reversionary interest in the Dedicated Water Rights;
- (b) The Wells Creek Water Rights (506.784 acre feet); and
- (c) the Unencumbered Water Rights.

In connection with the conveyance of the RSCVA’s reversionary interest in the Dedicated Water Rights, the RSCVA, at no cost to the RSCVA, shall execute any documents reasonably necessary to cause Sparks to convey the Dedicated Water Rights to the County free and clear of any interest of the RSCVA, or to such other party as may be directed by the County, upon the expiration or earlier termination of the Effluent Agreement.

B. Second Closing/Water Rights. Concurrently with the Second Closing, and as supported by the Appraisal and in exchange for payment in the amount of Two Million Three Hundred Eighty-Five Thousand and No/100ths Dollars (\$2,385,000) (the “Water Purchase Price”) paid to the County, the County shall convey to the School District, by way of quit claim deed in the form attached hereto as Exhibit L (the “County Water Rights Deed”): The County’s reversionary interest in and to Three Hundred and Eighteen (318) acre feet of the Dedicated Water Rights.

In connection with the conveyance of the County’s reversionary interest in and to Three Hundred and Eighteen (318) acre feet of the Dedicated Water Rights, the County, at no cost to the County, shall execute any documents reasonably necessary to cause Sparks to convey Three Hundred and Eighteen (318) acre feet of the Dedicated Water Rights to the School District, or to such other party as may be directed by the School District, upon the expiration or earlier termination of the Effluent Agreement. The foregoing transfer of water rights to the School District is being made in order to allow the School District to utilize such water rights for the School Project, as well as other developments being undertaken by the School District.

C. The balance of the Dedicated Water Rights not otherwise conveyed to the School District, as well as the Wells Creek Water Rights and the Unencumbered Water Rights, shall be retained and utilized by the County in its sole discretion, for the use and maintenance of the Remainder Parcels, or at such other location as the County deems necessary or desirable.

D. In the event, in its reasonable discretion, the County determines that it requires additional water rights for the development and operation of the Remainder Parcels beyond what is acquired by the County pursuant to the transaction contemplated herein, the County shall have the right to repurchase from the School District such portion of the Dedicated Water Rights which were transferred to the School District pursuant to Section 3.1(B) of this Agreement as the County deems necessary or desirable. Such repurchase option shall be valid for a period of three (3) years after the Second Closing, and Washoe County shall have the right to purchase any such water rights at the per acre/foot price paid for such water rights by the School District hereunder, such price being Seven Thousand Five Hundred Dollars (\$7,500.00) per acre/foot.

Article 4 GOLF COURSE OPERATIONS Golf course operations are currently conducted at the Wildcreek Site under the supervision of the RSCVA pursuant to the terms of that certain Golf Management and Services Agreement for Wildcreek Golf Course by and between the RSCVA and Golf at Wildcreek, LLC, a Nevada limited liability company (the “Golf Operator”), dated September 30, 2018, a copy of which is attached hereto as Exhibit M (the “Golf Management Agreement”). At the First Closing (as defined in Section 2.2(A), the RSCVA shall deliver to the County an assignment and assumption agreement in the form attached hereto as Exhibit N whereby RSCVA will assign to the County, and the County will assume from the RSCVA, all of RSCVA’s rights and responsibilities under the Golf Management Agreement (the “Golf Operations Assignment”). The County may elect to accept or reject the foregoing assignment of the Golf Management Agreement. If the County rejects the assignment of the Golf Management Agreement, the RSCVA shall terminate the Golf Management Agreement in accordance with its terms, and the County shall have no obligation in regard to the Golf Management Agreement. In the event the RSCVA terminates the Golf Management Agreement in accordance with its terms, the County shall permit the Golf Operator to operate on the Wildcreek Site for the purpose of winding up its business during the ninety (90) day termination notice period. In the event the County accepts and assignment of the Golf Management Agreement, or a renegotiated Golf Management Agreement as agreed to between County and Golf Operator, County may continue golf operations at the Wildcreek Site, or on the Remainder Parcels, at County’s sole discretion. If the County desires to continue golf operations on the New School Parcel pending commencement of the construction of the School Project, concurrently with the Second Closing, the School District and County shall execute a Ground Lease, in the form attached as Exhibit O (the “Ground Lease”), whereby the County is permitted access and use of the New School Parcel for golf operations pending the need of the School District for permanent occupancy of the New School Parcel, all as more fully set forth in the Ground Lease.

Article 5 ORR DITCH

The Orr Ditch currently runs over and across the Wildcreek Site. Accordingly, the RSCVA and the Orr Ditch Company are currently parties to that certain Agreement dated March 23, 1978, as amended by way of that certain Addendum dated June 12, 1978 (as amended, the “Orr Ditch Agreement”) whereby the RSCVA and the Orr Ditch Company allocated certain rights and responsibilities regarding the portion of the Orr

Ditch located on the Wildcreek Site. The School District desires to reroute the ditch through an underground facility or to reroute the ditch to flow exclusively on the Remainder Parcels. Accordingly, the Orr Ditch Agreement needs to be renegotiated to align the rights and duties of the new property owners with the Orr Ditch and any new configuration of the ditch. The revised Orr Ditch Agreement shall forever release and discharge the RSCVA for any and all liability under the Orr Ditch Agreement (such agreement, the “RSCVA Orr Ditch Assumption and Release”). In the event the Orr Ditch Company refuses to release the RSCVA, effective upon the First Closing, the party that owns the parcels containing the Orr Ditch shall thereafter indemnify, hold harmless and defend the RSCVA for any and all liabilities arising pursuant to the Orr Ditch Agreement from after the First Closing.

The School District shall obtain any necessary regulatory or contractual approvals for and pay all the costs of any relocation of the Orr Ditch from its historical alignment and configuration including, but not limited to, the costs of design, construction, and inspection. The School District shall involve Washoe County in the process of the design of any undergrounding or rerouting of the ditch. The County may refuse to agree to any design or construction that causes a substantial increase in the liability of ownership or the costs of operation, maintenance or repair of the reconstructed ditch on the Remainder Parcels.

Article 6 DUE DILIGENCE; AS-IS TRANSACTION

6.1. The School District acknowledges that it has conducted significant and extensive due diligence on the Wildcreek Site and the New School Parcel, and that the County and RSCVA make no representations or warranties to the School District regarding the suitability of the New School Parcel for the School Project. The School District further acknowledges that the School District has had the opportunity to make all inspections and investigations of the New School Parcel which it reasonably deems necessary or desirable to protect its interests in the New School Parcel including but not limited to those related to: soils conditions, drainage, seismic faults, aviation easements, cultural or historic resources, protected species, and environmental contaminations. Except for the representations and warranties of the RSCVA or County expressly set forth in this Agreement, (i) neither the County or RSCVA, or anyone acting on behalf of the foregoing, has made any representation, warranty, promise or statement, express or implied, to the School District, or to anyone acting for or on behalf of the School District, concerning the New School Parcel or the condition, use or development thereof, (ii) in entering into this Agreement, the School District has not relied on any representation, warranty, promise or statement, express or implied, of the County or RSCVA, or anyone acting for or on their behalf, (iii) all matters concerning the New School Parcel have been or shall be independently verified by the School District prior to the Second Closing, and School District shall purchase the New School Parcel, based on School District’s own prior investigation and examination of the New School Parcel (or School District’s election not to do so); (iv) **AS A MATERIAL INDUCEMENT TO THE EXECUTION AND DELIVERY OF THIS AGREEMENT BY THE RSCVA AND COUNTY, THE SCHOOL DISTRICT IS PURCHASING THE NEW SCHOOL PROPERTY IN AN “AS**

IS” AND “WHERE IS” PHYSICAL CONDITION AND IN AN “AS IS” STATE OF REPAIR, WITH ALL FAULTS, including, without limitation, latent defects and other matters not detected in the School Districts inspections, without recourse to the RSCVA or County, and the physical and environmental condition of the New School Parcel, (v) the School District waives, and the RSCVA and County disclaim, all warranties of any type or kind whatsoever with respect to the New School Parcel, whether express or implied, including, by way of description but not limitation, those of transfer, quality, merchantability or fitness for a particular purpose and use, including, without limitation, the School Districts intended uses or purposes. Upon the Closing of the purchase and sale contemplated herein, the School District shall be deemed to have accepted the New School Parcel, and each and every portion thereof, unconditionally and with any and all (none being implied hereby) rights to rescind, set aside or avoid the transactions contemplated hereby or to seek a reduction, adjustment, offset or recovery of the purchase price waived and relinquished.

6.2. Consistent with the foregoing, the School District, for itself and its agents, affiliates, successors and assigns, hereby releases and forever discharges the RSCVA and County, and their respective members, beneficial owners, agents, affiliates, employees, successors and assigns from any and all rights, claims and demands at law or in equity, whether known or unknown at the time of this Agreement, which the School District has or may have in the future, arising out of the physical, environmental, economic or legal condition of the New School Parcel, including, without limitation, all claims in tort or contract and any claim for indemnification or contribution arising under the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. Section 9601, et.seq.) or any similar federal, state or local statute, rule or ordinance relating to liability of property owners for environmental matters. Without limiting the foregoing, the School District, upon Closing, shall be deemed to have waived, relinquished and released the RSCVA and County from and against any and all matters arising out of latent or patent defects or physical conditions, environmental conditions, including without limitation, mold or mold related damages, violations of applicable laws and any and all other acts, omissions, events, circumstances or matter affecting the Property. For the foregoing purposes the School District hereby specifically acknowledges that this release will extend to claims unknown at the time of executing this release, which if known by the School District would have materially affected its decision to enter into this Agreement.

6.3 The County likewise acknowledges that it has conducted significant and extensive due diligence on the Wildcreek Site and the Remainder Parcels, and that the RSCVA makes no representations or warranties to the County regarding the suitability of the Remainder Parcels for the Golf Project. The County further acknowledges that the County has had the opportunity to make all inspections and investigations of the Remainder Parcels which it reasonably deems necessary or desirable to protect its interests in the Remainder Parcels. Except for the representations and warranties of the RSCVA expressly set forth in this Agreement, (i) neither the RSCVA, nor anyone acting on its behalf, has made any representation, warranty, promise or statement, express or implied, to the County, or to anyone acting for or on behalf of the County, concerning the

Remainder Parcels or the condition, use or development thereof, (ii) in entering into this Agreement, the County has not relied on any representation, warranty, promise or statement, express or implied, of the RSCVA, or anyone acting for or on its behalf, (iii) all matters concerning the Remainder Parcels have been or shall be independently verified by the County prior to County accepting the RSCVA Quitclaim Deed, and County shall accept the Remainder Parcels, based on County's own prior investigation and examination of the Remainder Parcels (or County's election not to do so); (iv) AS A MATERIAL INDUCEMENT TO THE EXECUTION AND DELIVERY OF THIS AGREEMENT BY THE RSCVA, THE COUNTY IS ACCEPTING RSCVA'S INTEREST IN AND TO THE REMAINDER PARCELS IN AN "AS IS" AND "WHERE IS" PHYSICAL CONDITION AND IN AN "AS IS" STATE OF REPAIR, WITH ALL FAULTS, including, without limitation, latent defects and other matters not detected in the County inspections, without recourse to the RSCVA, and the physical and environmental condition of the Remainder Parcels, (v) the County waives, and the RSCVA disclaims, all warranties of any type or kind whatsoever with respect to Remainder Parcels, whether express or implied, including, by way of description but not limitation, those of transfer, quality, merchantability or fitness for a particular purpose and use, including, without limitation, the County's intended uses or purposes. Upon delivery of the RSCVA Quitclaim Deed, the County shall be deemed to have accepted the RSCVA's interest in and to the Remainder Parcels, and each and every portion thereof, unconditionally and with any and all (none being implied hereby) rights to rescind, set aside or avoid the transactions contemplated hereby or to seek a reduction, adjustment, offset or recovery of the purchase price waived and relinquished.

6.4 The County likewise acknowledges, for itself and its agents, affiliates, successors and assigns, hereby releases and forever discharges the RSCVA, and its respective members, beneficial owners, agents, affiliates, employees, successors and assigns from any and all rights, claims and demands at law or in equity, whether known or unknown at the time of this Agreement, which the County has or may have in the future, arising out of the physical, environmental, economic or legal condition of the Remainder Parcels, including, without limitation, all claims in tort or contract and any claim for indemnification or contribution arising under the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. Section 9601, et.seq.) or any similar federal, state or local statute, rule or ordinance relating to liability of property owners for environmental matters. Without limiting the foregoing, the County upon occurrence of the First Closing, shall be deemed to have waived, relinquished and released the RSCVA from and against any and all matters arising out of latent or patent defects or physical conditions, environmental conditions, including without limitation, mold or mold related damages, violations of applicable laws and any and all other acts, omissions, events, circumstances or matter affecting the Property. For the foregoing purposes the County hereby specifically acknowledges that this release will extend to claims unknown at the time of executing this release, which if known by the County would have materially affected its decision to enter into this Agreement.

Article 7. INDEMNIFICATION

7.1 To the fullest extent provided by law, the Parties, shall each indemnify, hold harmless and defend each other from and against all liability arising out of all actions taken by or omissions in the performance their duties under this Agreement.

7.2 “Liability” includes all claims, actions, damages, losses, judgments, injuries, costs and expenses, including but not limited to attorneys’ fees and costs, including those related to bodily injury, sickness, disease or death or to injury to or destruction of tangible property. “A “related party” includes all officers, employees, agents, contractors and subcontractors of the party who are acting within the scope of their assigned and lawful duties, as well as anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable.

7.3 The obligations of each Indemnifying Parties hereunder shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person described in this section. The indemnification shall not be diminished or limited in any way to the total limits of insurance required in this contract or otherwise available to the Indemnifying Parties. If the liability is asserted by an employee of an Indemnifying Party, the indemnification herein is not be limited to damages, compensation or benefits payable by or for the Indemnifying Party under worker’s compensation acts, disability benefit acts or other employee benefit acts. Each Indemnifying Party shall be permitted to participate, if it chooses, in the defense of any action claiming liability, even if the indemnified party is indemnified hereunder. The obligations to indemnify and hold harmless herein shall survive the expiration or termination of this Agreement with respect to any negligent act or omission which occurred before expiration or early termination.

Article 8 FIRST CLOSING DELIVERABLES

At least one (1) day prior to the First Closing:

A. The RSCVA shall deliver to the Escrow Agent the following documents executed on behalf of the RSCVA:

- (i) the Quitclaim Deed;
- (ii) the Bill of Sale;
- (iii) the RSCVA Water Rights Deed;
- (iv) the Effluent Agreement Release;
- (v) the Water Rights Deed;

- (vi) the RSCVA Orr Ditch Assumption and Release;
- (vii) the Golf Operations Assignment (if applicable); and
- (viii) any other documents, instruments or agreements reasonably required by the Escrow Holder to effectuate the First Closing transaction contemplated by this Agreement.

B. The County shall deliver to the Escrow Agent the following documents executed on behalf of the County:

- (i) the Effluent Agreement Release;
- (ii) the RSCVA Orr Ditch Assumption and Release;
- (iii) the Golf Operations Assignment (if applicable); and
- (iv) any other documents, instruments or agreements reasonably required by the Escrow Holder to effectuate the First Closing transaction contemplated by this Agreement.

Article 9 SECOND CLOSING DELIVERABLES.

At least one (1) day prior to the Second Closing:

A. The County shall deliver to the Escrow Agent the following documents executed on behalf of the County:

- (i) the GBS Deed;
- (ii) the County Water Rights Deed;
- (iii) the Ground Lease (if applicable); and
- (iv) any other documents, instruments or agreements reasonably required by the Escrow Holder to effectuate the Second Closing transaction contemplated by this Agreement.

B. The School District shall deliver to the Escrow Agent the following documents executed on behalf of the School District:

- (i) the Ground Lease (if applicable);
- (ii) the Land Purchase Price (to be distributed between the RSCVA and County pursuant to Section 2.3(b) above);

(iii) the Water Purchase Price (to be distributed to the County);
and

(iv) any other documents, instruments or agreements reasonably required by the Escrow Holder to effectuate the Second Closing transaction contemplated by this Agreement.

Article 10 GENERAL TERMS

10.1 Assignment. No party may assign any right or delegate any obligation under this Agreement without the written consent of all the other parties obtained in advance of the assignment or delegation. Consent is subject to the sole and absolute discretion of the consenting party but shall not be unreasonably withheld.

10.2 Binding effect; no third party beneficiary. This Agreement shall be binding on and runs to the benefit of the Parties, their respective successors and any assignees or delegates if the assignment or delegation is permitted. The Parties are public agencies who provide various services for the benefit of the public. Nonetheless, unless otherwise specifically identified in this Agreement, there are no third party beneficiaries intended by this Agreement including individual members of the public and public groups and no third parties have any standing to enforce any of the provisions of this Agreement.

10.3 Standards for approvals.

Unless otherwise specified (such as with the words "sole discretion") wherever this Agreement requires the approval of a party, or any of a party's officers, agents or employees, such approval shall not be unreasonably withheld.

10.4 Notices.

A. Unless otherwise provided herein, formal notices, demands and communications between the Parties must be in writing and must be sent to the addresses or facsimile numbers stated in Article 1 or to any address or number subsequently communicated to the sending party in writing.

B. If notice is sent by regular mail to the correct address, it will be deemed sufficiently given only when actually received by the correct addressee.

C. If notice is sent by registered or certified mail to the correct address, postage prepaid, it will be deemed sufficiently given when actually received by the addressee or three business days after it is received by the U.S. Post Office as indicated on the receipt, whichever is earlier.

D. If notice is sent by courier, or overnight delivery service (Federal Express, UPS Overnight, U.S. Postal Priority Mail), it will be deemed sufficiently given when

delivered to the address as indicated in the records of the courier or service.

10.5 Further documents. Each party agrees to honor any reasonable requests by the other party to complete, execute and deliver any document necessary to accomplish the purposes hereof at the expense of the requesting party.

10.6 Timing provisions. Time is of the essence in the performance of this Agreement. Unless otherwise specified, the term “days” means calendar days. If a deadline falls on a weekend, holiday or day when the recipient of performance is not open for business, then performance is due on the first business day of the recipient thereafter. Unless otherwise specified, performance is due by the later of 5 p.m. local time or close of business of the recipient on the day it is due.

10.7 Applicable law; jurisdiction and venue. The laws of the State of Nevada, without regard to conflicts of law principles, shall govern the interpretation and enforcement of this Agreement. All actions brought to enforce this Agreement shall be brought in the Second Judicial District Court for the State of Nevada in and for Washoe County.

10.8 Severability.

A. Each term and provision of this Agreement shall be valid and shall be enforced to the extent permitted by law, taking into account permissible waivers or provisions which may be upon agreement of the Parties. If any term or provision of this Agreement or the application thereof shall be deemed by a court of competent jurisdiction to be in violation of law or public policy, then it shall be deemed modified, ipso facto, to bring it within the limits of validity or enforceability, but if it cannot be so modified, then it shall be excised from this Agreement and the remainder of this Agreement, or the application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected.

B. To prevent windfall or unintended consideration, if any term or provision of this Agreement is deemed invalid or unenforceable or enforceable only to a limited extent, the Parties agree to negotiate in good faith to adjust any counter-performance, condition, or corresponding consideration.

10.9 Construction of Agreement.

A. Titles and headlines of this Agreement are intended for editorial convenience and are not to be construed as a part of this Agreement.

B. The word “include” or “including” is not intended as a limitation and shall be construed to include the words “but not limited to.”

C. Any reference to the masculine genders includes, where appropriate in the context, the feminine gender. Any term in the singular includes, where appropriate in the

context, the plural.

D. The Parties hereto were each advised by counsel in drafting and negotiating this Agreement, and both Parties contributed to its contents. No presumptions against or in favor of either party are appropriate based on who drafted this Agreement or any provision herein.

10.10 Modifications and Amendments. This Agreement may be modified or amended only by a writing signed by an authorized agent of the party to be bound by the modification or amendment.

10.11 Authority to Execute and Ratification. Each person who signs this Agreement below warrants and represents that he or she has the legal capacity to enter into this Agreement and if signing in a representative capacity, has the actual authority to bind the principal for which he or she signs and that his or her signature has the effect of binding the principal. Any action taken by the officers or agents of any of the Parties prior to the effective date of this Agreement and which is authorized by this Agreement is hereby ratified by the Party for whom that person acted.

10.12 Entire Agreement; Attachments; counterparts.

A. This Agreement (together with the recitals, attachments and documents incorporated by reference) integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the subject matter hereof.

B. All attachments hereto and/or referred to in this Agreement are incorporated herein as though set forth in full.

C. This Agreement may be executed in counterparts and is deemed duly executed when original signature pages of all Parties are delivered to and assembled by the County.

10.13 Waiver. No failure or delay on the part of any Party to this Agreement to enforce the provisions hereof shall operate as a waiver thereof, nor shall a single or partial enforcement of any provision hereof preclude any other or further enforcement or exercise of any other right, power or remedy that any party of this Agreement may have.

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10.14 Effective Date and Term. This Agreement shall become effective once it has been accepted and executed by each of the Parties.

EXECUTED on the dates indicated:

Washoe County

County of Washoe, a political subdivision of the State of Nevada.

By _____ Date _____
Chairman, Board of County Commissioners

Attest:

By _____ Date _____

Approved as to form and content:

By _____ Date _____
Deputy District Attorney

Reno Sparks Convention and Visitors' Authority

Reno Sparks Convention and Visitors' Authority, a County Fair and Recreation Board created pursuant to NRS Chapter 244A

By _____ Date _____
President/CEO

Attest:

By _____ Date _____

Approved as to form and content:

By _____ Date _____
Attorney

Washoe County School District

A political subdivision of the State of Nevada.

By _____ Date _____
Board Chair

Attest:

By _____ Date _____

Approved as to form and content:

By _____ Date _____
Attorney

EXHIBIT A

Legal Description of Wildcreek Site

[see attached]

EXHIBIT B

Wildcreek Site Vesting Deed

[see attached]

EXHIBIT C

Parcel Map

[see attached]

EXHIBIT D

Effluent Agreement

[see attached]

EXHIBIT E

Appraisal

[see attached]

EXHIBIT F

Title Report

[see attached]

EXHIBIT G

RSCVA Quitclaim Deed

[see attached]

EXHIBIT H

Bill of Sale

[see attached]

EXHIBIT I

GBS Deed

[see attached]

EXHIBIT J

Effluent Agreement Release

[see attached]

EXHIBIT K

RSCVA Water Rights Deed

[see attached]

EXHIBIT L

County Water Rights Deed

[see attached]

EXHIBIT M

Golf Management Agreement

[see attached]

EXHIBIT N

Assignments and Assumption of Golf Management Agreement

[see attached]

EXHIBIT O

Ground Lease

[see attached]