

**PURCHASE AND SALE AGREEMENT
WITH JOINT ESCROW INSTRUCTIONS**

This Purchase and Sale Agreement with Joint Escrow Instructions (this “Agreement”), dated and effective as of the latest date executed by the parties below (the “Effective Date”), is made and entered into by and between Buyer and Seller.

Basic Terms

- A. “**Buyer**” _____
- B. “**Seller**” Truckee Meadows Water Authority, a joint powers authority
- C. “**Escrow Agent**” First American Title Company
- D. “**Purchase Price**” \$ _____
- E. “**Deposit**” \$10,000.00
- F. “**Property**” The real property (hereafter referred to as the “Land”) located in the Truckee canyon in Nevada County, California near the Farad exit from Interstate 80, described as Assessor’s Parcel Numbers 048-030-14-000, 048-040-02-000, 048-050-01-000, 048-050-10-000, 048-060-07-000, and 048-130-04-000 (see attached **Exhibit “A”**). The Property includes a building constructed in approximately 1899 on APN 048-030-14-000 (the “Building”), a wooden flume (damaged), diversion works (damaged), penstock and certain facilities related to an idle 2.8 MW hydroelectric plant previously operated on the Property (“Fixtures”). The “Property” shall consist of the Land, Building and Fixtures, but expressly excludes any water rights.

AGREEMENT

NOW THEREFORE, in consideration of and in reliance upon the above recitals and Basic Terms, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Buyer desires to purchase, and Seller desires to sell, the Property (as defined in the Basic Terms), upon the terms and conditions set forth in this Agreement as follows:

1. Purchase and Sale.

1.1 Agreement To Sell And Purchase. Subject to the terms and conditions of this Agreement, Seller hereby agrees to sell, and Buyer hereby agrees to purchase the Property together with all of Seller’s right, title and interest in and to all of the appurtenances belonging or appertaining thereunto; provided, however, the Property does not include and Seller expressly reserves and retains all right, title and interest in and to any and all water rights appurtenant to or otherwise beneficially used in connection with the Property.

1.2 Purchase Price. The purchase price for the Property shall be as set forth in the Basic Terms above.

1.3 Deposit; Payment of Purchase Price. Buyer has previously submitted an earnest money deposit of Ten Thousand Dollars (\$10,000.00) (“Deposit”) into Escrow. The Deposit (inclusive of all accrued interest thereon) shall be nonrefundable except in the event of a Seller Default and shall be applied to the Purchase Price at Closing. The remaining balance of the Purchase Price shall be paid in cash or other immediately available funds at the Closing.

1.4 As-Is Sale. BUYER ACKNOWLEDGES AND AGREES THAT BUYER IS PURCHASING THE PROPERTY SOLELY IN RELIANCE ON BUYER'S OWN INDEPENDENT INSPECTIONS, INVESTIGATION AND FINDINGS AND NOT IN RELIANCE ON ANY INFORMATION PROVIDED BY SELLER, AND THAT THE PROPERTY IS BEING SOLD "AS IS, WHERE IS", "WITH ALL FAULTS" AND WITH ALL DEFECTS, LATENT OR OTHERWISE. BUYER EXPRESSLY ACKNOWLEDGES THAT, IN CONSIDERATION OF THE AGREEMENTS OF SELLER HEREIN, AND EXCEPT AS OTHERWISE SPECIFIED HEREIN, SELLER SPECIFICALLY DISCLAIMS AND MAKES AND HAS MADE NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY AS TO CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE, WITH RESPECT TO THE PROPERTY OR ANY MATTER RELATED THERETO. Without limiting the generality of the foregoing, except for the representations and warranties of Seller contained in this Agreement, the transactions contemplated by this Agreement are without statutory, express or implied warranty, representation, agreement, statement or expression of opinion of or with respect to the Property or any aspect thereof, including, without limitation, (i) any and all statutory, express or implied representations or warranties related to the suitability for a particular purpose and (ii) any statutory, express or implied representations or warranties created by any affirmation of fact or promise, by any description of the Property or by operation of law. Buyer acknowledges that Buyer has knowledge and expertise in financial and business matters that enable Buyer to evaluate the merits and risks of the transactions contemplated by this Agreement. Seller has disclosed and Buyer acknowledges the boundaries of the Property have not been surveyed and TMWA makes no representation as to the exact acreage and/or location of the Property boundaries, or whether hydro related facilities are located within or outside the Property. Buyer further acknowledges that the terms and conditions described in Sections 1.4, 1.5, 1.6, and 1.7 have been taken into account in the establishment of the Purchase Price.

1.5 Release. By accepting the Deed and closing the transaction contemplated by this Agreement, Buyer, on behalf of itself and its successors and assigns, shall thereby release Seller from, and agrees to indemnify and hold Seller, its members, managers, employees and agents harmless from and against and waive any and all any and all claims, demands, causes of action, judgments, losses, damages, liabilities, costs and expenses (including without limitation attorney's fees whether suit is instituted or not), whether known or unknown, liquidated or contingent (collectively "**Claims**") against any of them for, attributable to, or in connection with the Property, whether arising or accruing before, on or after the Closing and whether attributable to events or circumstances which arise or occur before, on or after the Closing, including, without limitation, the following: (a) any and all statements or opinions heretofore or hereafter made, or information furnished, by Seller to Buyer; and (b) any and all liabilities with respect to the structural, physical, or environmental condition of the Property; (c) any Claims under any Environmental Laws, including, without limitation, all liabilities relating to the release, presence, discovery or removal of any Hazardous Material that may be located in, at, about or under the Property, or connected with or arising out of any and all claims or causes of action based upon Environmental Laws or with respect to any environmental risk ("Environmental Liabilities"); (d) Claims under the Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12101 et seq.; and (e) any implied or statutory warranties or guaranties of fitness, merchantability or any other statutory or implied warranty or guaranty of any kind or nature regarding or relating to any portion of the Property. "Environmental Laws" means any Federal, State or municipal Laws relating to environmental contamination includes, but is not limited to, the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (42 U.S.C. §§6901 et seq.), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §§ 9601 et seq.), the Emergency Planning and Community Right to Know Act (42 U.S.C. §§11001 et seq.), the Clean Air Act (42 U.S.C. §§7401 et seq.), the Clean Water Act (33 U.S.C. §§1251 et seq.), the Toxic Substances Control Act (15 U.S.C. §§2601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. §§1801 et seq.), the Occupational Safety and Health Act (29 U.S.C. §§651 et seq.), the Federal

Insecticide, Fungicide and Rodenticide Act (7 U.S.C. §§136 et seq.), and the Safe Drinking Water Act (42 U.S.C. §§300f et seq.), as any of the same may be amended from time to time, and any state or local law dealing with environmental matters, and any regulations, orders, rules, procedures, guidelines and the like promulgated in connection therewith, regardless of whether the same are in existence on the date of this Agreement. Buyer's obligations under this Section 1.5 shall survive the Closing.

1.6 Assumption of Liability. By accepting the Deed and closing the transaction contemplated by this Agreement, Buyer shall thereby assume and take responsibility and liability for and shall indemnify and hold Seller its members, managers, employees and agents harmless from and against the following: (a) any and all liabilities attributable to the Property to the extent that the same arise or accrue on or after the Closing and are attributable to events or circumstances which arise or occur on or after the Closing; and (b) any and all liabilities with respect to the structural, physical or environmental condition of the Property, whether such liabilities are latent or patent, whether the same arise or accrue before, on or after the Closing, and whether the same are attributable to events or circumstances which may arise or occur before, on or after the Closing, including, without limitation, all Environmental Liabilities; and (c) any and all liabilities that arose or accrued prior to the Closing or are attributable to events which arose or occurred prior to the Closing, but only if Buyer has actual knowledge of the same on or before the Closing. Buyer acknowledges and agrees that the liabilities to be assumed by Buyer pursuant to each of the foregoing clauses are intended to be independent of one another, so Buyer shall assume liabilities described in each of the clauses even though some of those liabilities may be read to be excluded by another clause.

1.7 Seller Contingencies. The Property shall be conveyed subject to i) all encumbrances and matters of record; ii) an easement in favor of TMWA or its assignee(s) for the construction, operation, maintenance and use of a public restroom on the Property at a location mutually agreeable but reasonably accessible to the Tahoe-Pyramid Trail in the substance and form attached hereto as **Exhibit B** ("Restroom Easement"); and ii) a restrictive covenant in favor of TMWA prohibiting the diversion of any water from the Truckee River on the Property without TMWA's prior consent, in its sole discretion in substance and form attached hereto as **Exhibit C** ("Restrictive Covenant").

2. Escrow and Closing.

2.1 Title Company. Buyer and Seller agree that the consummation of the purchase and sale contemplated by this Agreement (the "Closing") shall take place through an escrow ("Escrow") at First American Title (the "Escrow Holder" or the "Title Company"). The Escrow shall be established with Escrow Holder by Buyer and Seller pursuant to Section 2.2.

2.2 Terms of Escrow. Consummation of this Escrow shall be in accordance with the following terms and conditions.

(a) Within one (1) business day of the Effective Date, a fully-executed copy of this Agreement shall be delivered to the Title Company. The Title Company shall immediately execute copies of this Agreement where indicated and return fully-executed copies of this Agreement to Seller and Buyer. This Agreement shall be considered as the Escrow instructions between the Parties, with such further instructions as the Title Company may reasonably require in order to clarify the duties and responsibilities of the Title Company. If the Title Company shall require further Escrow instructions, Buyer shall request that the Title Company promptly prepare Escrow instructions, on its usual form, for the purchase and sale of the Property upon the terms and conditions hereof. Said Escrow instructions otherwise conforming to the terms hereof shall be promptly signed by Buyer and Seller. The Escrow instructions shall incorporate each and every term of this Agreement and shall provide, in the event of any

conflict between the terms and conditions of this Agreement and said Escrow instructions, the terms and conditions of this Agreement shall control, unless specifically provided otherwise in said instructions.

(b) Seller shall deposit into Escrow, within two (2) business days prior to the Closing Date (as defined in Section 4.1):

(i) An executed Quitclaim Deed (“Deed”) in recordable form, conveying the Property purchased and sold hereunder, in form and substance as set forth in **Exhibit D**, with notary acknowledgment;

(ii) An executed Restroom Easement and Restrictive Covenant, with notary acknowledgement.

(iii) A certification duly executed by Seller under penalty of perjury certifying that Seller is not a “foreign person” in accordance with and for the purpose of the provisions of Sections 7701 and 1445 of the Internal Revenue Code of 1986, as amended; and

(iv) Such other executed documents as may be necessary to carry out the terms set forth in this Agreement.

(c) Buyer shall execute and deposit into Escrow, within two (2) business days prior to the Closing:

(i) The Purchase Price, in cash or other immediately available funds;

(ii) The Restroom Easement and Restrictive Covenant, each duly executed by Buyer with notary acknowledgement.

(iii) any amounts due Seller, if any, after the prorations are computed in accordance with Section 3; and

(iv) Such other executed documents as may be necessary to carry out the terms set forth in this Agreement.

(d) The Title Company shall cause to be drafted any other documents to be recorded or signed by the Parties as may be necessary to carry out the terms set forth in this Agreement.

(e) Disbursements and Other Actions by Escrow Holder: By executing this Agreement where indicated below, Escrow Holder hereby agrees that (i) this Agreement shall constitute the instructions of the parties to Escrow Holder, which Escrow Holder accepts and agrees to perform, (ii) the instructions contained in this Agreement, and Escrow Holder’s agreement to complete the same, are irrevocable and may not be modified except in accordance with a writing signed by both Buyer and Seller, and (iii) at the Close of Escrow, Escrow Holder will promptly perform those duties set forth in Section 4.4.

(f) Cancellation Fees and Expenses. In the event the Closing does not occur at the time and in the manner provided in this Agreement because of the default of one of the parties hereto, the non-defaulting party shall have the right to cancel the Escrow by delivering written notice of such cancellation to the defaulting party and to Escrow Holder. All costs of cancellation of the Escrow charged by Escrow Holder, if any, will be paid by the defaulting party. In the event of a default by Buyer, Seller shall be entitled to the Deposit pursuant to Section 8.15. In the event of a default by Seller, in

addition to any other remedies available to Buyer under this Agreement, including, but not limited to, specific performance, Buyer shall be entitled to a return of the Deposit. If the Closing does not take place for any reason other than a default by one of the parties, the cancellation costs charged by Escrow Holder, if any, will be equally shared by Buyer and Seller.

3. Escrow Charges.

3.1 Seller's Charges. Title Company shall charge and collect from Seller at Closing the following:

- (a) One-half of the Escrow charges;
- (b) Any taxes or public or private assessments for the current fiscal year, which taxes and assessments shall be pro-rated between Seller and Buyer as of the Closing Date with Seller obligated to pay the amount to and including the Closing Date.

3.2 Buyer's Charges. Title Company shall charge and collect from Buyer at closing the following:

- (a) The cost of any title insurance requested by Buyer, including any endorsements requested by Buyer;
- (b) One-half of the Escrow charges;
- (c) Any taxes and public or private assessments on the Property for the current fiscal year, which taxes and assessments shall be pro-rated between Seller and Buyer as of the Closing Date, with Buyer obligated to pay the amount payable from the date after the Closing Date;
- (d) Any tax applicable to the transfer of the Property under California law; and
- (e) All recording costs for recording the Deed, Restroom Easement and Restrictive Covenant.

Buyer and Seller will each pay all legal and professional fees and fees of other consultants incurred by Buyer or Seller, respectively. All other costs, fees and expenses not provided for herein will be allocated between Buyer and Seller in accordance with the customary practice in Nevada County, California.

4. Close of Escrow.

4.1 Closing Date. Escrow shall close on or before the date which is fifteen (15) days after the Effective Date (the "Closing Date").

4.2 Conditions Precedent to Seller's Obligations. The conditions set forth in this Section 4.2 are solely for the benefit of Seller and may be waived only by Seller. At all times, Seller has the right to waive any condition. Such waiver or waivers must be in writing delivered to Buyer. If any conditions set forth in Sections 4.2(a) through (d) are not satisfied on or before the Closing Date, and Seller has not waived the unsatisfied conditions in writing, Seller has the right to seek the remedies set forth in Section 8.15 of this Agreement. The following conditions must be satisfied not later than 5:00 p.m. (Pacific Time) on the Closing Date or such other period as may be specified below:

a. Purchase Price. Buyer shall have deposited the Deposit, and the remaining balance of the Purchase Price in cash or other immediately available funds in escrow plus Buyer's share of any closing costs, subject to prorations and adjustments as provided in this Agreement.

b. Buyer's Deliveries. Buyer will have delivered the other items described in Section 2.2(c).

c. No Default. Buyer shall not have committed a material default of this Agreement or breached its representations, warranties and covenants set forth in this Agreement.

d. Representations and Warranties. All of Buyer's representations and warranties as set forth in this Agreement shall be true and correct as of the Closing and any conditions and covenants of Buyer shall have been satisfied.

e. Board Approval. The Truckee Meadows Water Authority Board of Directors has approved the transactions contemplated by this Agreement.

4.4 Closing Duties of Title Company. At the Closing Date, Title Company shall:

(a) Cause the Deed, Restroom Easement and Restrictive Covenant and any other appropriate documents to be recorded in the office of the County Recorder of Nevada County, California;

(b) Deliver to Buyer the Title Policy, if any, requested by Buyer and a conformed copy of the recorded Deed, and other instruments conveying title to the Property; and

(c) Deliver the Deposit and the balance of the Purchase Price, conformed copy of the recorded Deed, Restroom Easement, and Restrictive Covenant to Seller.

5. Due Diligence Period and Analysis of Property.

Buyer acknowledges and agrees it has been given a sufficient opportunity to conduct such inspections, surveys, investigations, feasibility and financial analysis and due diligence on title and ownership of the Property and the transaction contemplated hereunder and has consulted its own experts for advice, and Buyer has fully and completely satisfied itself as to Seller's right, title and interest in the Property, and the feasibility, economic or otherwise, of its intended use of the Property.

6. Representations and Warranties.

6.1 Seller's Representations and Warranties. Seller makes the following representations and warranties, and agrees to the following covenants and obligations for the benefit of Buyer:

(a) Authority. Seller is a political subdivision of the State of Nevada duly organized and validly existing under the laws of the State of Nevada and has full power and authority to consummate this transaction. This Agreement and all other documents delivered by Seller to Buyer in connection with this transaction that have been executed by Seller have been or shall be duly authorized, executed and delivered by Seller, are the legal, valid and binding obligations of Seller and other parties noted, enforceable in accordance with their respective terms (except to the extent that such enforcement may be limited by applicable bankruptcy or other laws or principles relating to the limitation of rights of contracting parties generally).

(b) Foreign Person. The Seller is not a foreign person within the meaning of Section 1445 (f) of the Internal Revenue Code of 1986, as amended.

(c) Condemnation and Litigation. To Seller's knowledge, there is no pending condemnation affecting the Property or any portion thereof. To Seller's knowledge, there is no pending action, suit, or other proceeding affecting the Property or any portion thereof.

The representations and warranties of Seller set forth in this Agreement shall be true on and as of the Closing Date as if those representations and warranties were made on and as of such time.

6.2 Buyer's Representations and Warranties. Buyer makes the following representations and warranties for the benefit of Seller:

(a) Authority. Buyer has the legal power, right and authority to enter into this Agreement and the instruments referenced herein and to consummate the transaction contemplated hereby. All requisite action has been taken by Buyer in connection with the entering into this Agreement, the instruments referenced herein, and the consummation of the transaction contemplated hereby, and any required consent of any partner, member, director, officer, shareholder, trustee, trustor, beneficiary, creditor, investor, judicial or administrative body, governmental authority or other Party has been obtained as required. The individual executing this Agreement and the instruments referenced herein on behalf of Buyer has the legal power, right, and actual authority to bind Buyer to the terms and conditions hereof and thereof. This Agreement and all documents required hereby to be executed by Buyer are and shall be valid, legally binding obligations of, and are enforceable against, Buyer in accordance with their terms.

The representations and warranties of Buyer set forth in this Agreement shall be true on and as of the Closing Date as if those representations and warranties were made on and as of such time.

7. Brokers.

Buyer and Seller each represents and warrants to the other that no broker or finder has been engaged in connection with any of the transactions contemplated by this Agreement. Each party hereto agrees that if any person or entity makes a claim for brokerage commissions or finder's fees related to the sale of the Property by Seller to Buyer, and such claim is made by, through or on account of any acts or alleged acts of said party or its representatives, said party will protect, indemnify, defend and hold the other party free and harmless from and against any and all loss, liability, cost, damage and expense (including reasonable attorneys' fees incurred as a result of such claims or in enforcing this indemnity provision) in connection therewith. The provisions of this paragraph shall survive Closing or any termination of this Agreement.

8. Miscellaneous Provisions.

8.1 Time is of the Essence. Time is of the essence of this Agreement.

8.2 Waivers. No waiver of any breach of any covenant or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of any other obligation or act except those of the waiving party, which shall be extended by a period of time equal to the period of the delay.

8.3 Survival. All representations, agreements, warranties, covenants, waivers, releases and assumptions of liabilities by the Parties set forth in this Agreement shall survive the Closing Date and shall not merge into the Deed.

8.4 Successors. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto to whom this Agreement is assigned or who assume the obligations of the Parties under this Agreement.

8.5 Professional Fees. If either Party commences an action against the other to interpret or enforce any of the terms of this Agreement or because of the breach by the other Party of any of the terms hereof, the losing Party shall pay to the prevailing Party reasonable attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such action. For the purpose of this Agreement, the terms "attorneys' fees" or "costs and expenses" shall mean the fees and expenses of counsel to the Parties hereto, which may include printing, duplicating and other expenses, air freight charges, and fees billed for law clerks, paralegals, librarians and others not admitted to the bar but performing services under the supervision of an attorney. The terms "attorneys' fees" or "attorneys' fees and costs" shall also include, without limitation, all such fees and expenses incurred with respect to appeals, arbitration's and bankruptcy proceedings, and whether or not any action or proceeding is brought with respect to the matter for which said fees and expenses were incurred. The term "attorney" shall have the same meaning as the term "counsel".

8.6 Entire Agreement. This Agreement (including all exhibits attached hereto) is the final expression of and contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior understandings with respect thereto.

8.7 Governing Law. The Parties hereto acknowledge that this Agreement has been negotiated and entered into in the State of Nevada. The Parties hereto expressly agree that this Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of Nevada and venue for any action shall be solely in state district court for Washoe County, Nevada.

8.8 Counterparts. This Agreement may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument. Executed counterparts of this Agreement may be delivered by facsimile transmission and shall be effectively delivered upon the date such transmission is received by the other Party. Any Party delivering this Agreement by facsimile shall also deliver an original "ink signed" copy of its signature page to the other Party on the next business day.

8.9 Partial Invalidity. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid, and shall be enforced to the fullest extent permitted by law.

8.10 Assignment. Buyer shall not assign this Agreement or its rights hereunder without the prior written consent of Seller, which consent Seller may grant or withhold in its sole and absolute discretion, and any such attempted assignment shall be null and void ab initio. Any transfer, directly or indirectly, of any stock, partnership interest or other ownership interest in Buyer shall constitute an assignment of this Agreement.

8.11 Written Amendments. This Agreement may not be modified, amended, altered or changed in any respect whatsoever except by further agreement in writing, duly executed by both Parties. No oral statements or representations subsequent to the execution hereof by either Party are binding on the other Party, and neither Party shall have the right to rely on such oral statements or representations.

8.12 Agency; No Other Commissions. Except as specified herein, the Parties represent to each other that they have not used the services of any real estate broker or person who may claim a commission or finder's fee with respect to this transaction, and each agrees to indemnify, defend and hold the other harmless from broker compensation claims or finder's fees arising from allegations of an agreement with the indemnifying Party.

8.13 Interpretation. The Parties hereto acknowledge and agree that each has been given the opportunity to review this Agreement with legal counsel independently. The Parties have equal bargaining power and intend the plain meaning of the provisions herein. In the event of an ambiguity in or dispute regarding the interpretation of this Agreement, the interpretation of this Agreement shall not be resolved by any rule of interpretation providing for interpretation against the Party who causes the uncertainty to exist, or against the draftsmen.

8.14 Third Party Beneficiary Rights. This Agreement is not intended to create, any third party beneficiary rights in any person not a party hereto.

8.15 Buyer Default. If Buyer breaches any of its obligations under this Agreement and does not cure the same within a five (5) days following written notice from Seller, then Buyer shall be in default under this Agreement and Seller shall be entitled to terminate this Agreement and receive and retain the Deposit as liquidated damages as its sole and exclusive remedy. The Parties agree that said sum is fair and reasonable in light of all of the circumstances existing on the date of this Agreement, including the Parties' estimate of the possible range of damages to Seller in the event of a Buyer default under this Agreement. The Parties further agree that the damages to Seller in such case would be impossible to accurately determine and that proof of the amount of such damages would be costly and inconvenient.

8.16 Seller Default. If at any time Seller breaches any of its obligations under this Agreement and does not cure the same within five (5) days following written notice from Buyer, provided that Buyer is ready, willing and able to consummate the purchase of the Property from Seller and Buyer is not then in breach of any of its obligations under this Agreement, then Seller shall be in default under this Agreement. In such case, Buyer's sole remedies are, either to (i) terminate this Agreement by giving written notice to Seller, whereupon Escrow Holder shall return the Deposit to Buyer which return and reimbursement shall operate to release Seller from any and all liability hereunder, or (ii) to enforce specific performance of Seller's obligation to sell the Property to Buyer in accordance with this Agreement. Buyer expressly waives all rights to obtain damages in excess of the Deposit in the event of Seller's failure to close the sale of the Property hereunder other than such damages as may be recovered in an action for specific performance, including without limitation recovery of attorneys' fees. Buyer shall be deemed to have elected to terminate this Agreement and receive the return of the Deposit if Buyer fails to file suit for specific performance against Seller, in a court having jurisdiction in the county and state in which the Property is located, within sixty (60) days following the date upon which Closing was to have occurred.

[Signature Page Follows]

[signature page to Purchase Agreement]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first set forth above.

SELLER:
TRUCKEE MEADOWS WATER AUTHORITY

BUYER:

By: _____

By: _____

Title: _____

Title: _____

Name: _____

Name: _____

Dated: _____

Dated: _____

ACKNOWLEDGMENT AND ACCEPTANCE

The undersigned Escrow Holder and Title Company accepts the foregoing Purchase and Sale Agreement with Joint Escrow Instructions and agrees to act as Escrow Holder and Title Company under this Agreement in strict accordance with its terms.

First American Title

By: _____

Its: _____

Date: _____

EXHIBIT A

DESCRIPTION OF PROPERTY

APN: 048-040-02

All that certain real parcel of land situate within a portion of the Northwest One-quarter (NW1/4) of Section 7, Township 18 North, Range 18 East, Mount Diablo Meridian and a portion of Resultant Parcel 2 as described by Grand Deed in favor of Truckee Meadows Water Authority, recorded as Document No. 2007-13480 on April 27, 2007 in the Nevada County Recorder, State of California.

APN: 048-050-01, 048-030-14, 048-060-07, 048-050-10

All that certain real parcel of land situate within a portion of the East half of Section 12 and a portion of the Northeast quarter of Section 13, Township 18 North, Range 17 East, together with a portion of the Northwest quarter of Section 18, a portion of the West half of Section 19 and a portion of the Northwest quarter of Section 30, Township 18 North, Range 18 East, M.D.M., Nevada County, California, more particularly described as:

Resultant Parcel 3 of a Grant Deed, recorded as File Number 2007-0008431-00 on March 16, 2007, Official Records of Nevada County, California.

APN: 048-130-04

All that certain real parcel of land situate within a portion of Lots 2, 3, 4, 5 and 6 of Section 30, Township 18 North, Range 18 East, Mount Diablo Meridian and a portion of Parcel Fourteen as described by Grand Deed in favor of Truckee Meadows Water Authority, recorded as Document No. 2007-13480 on April 27, 2007 in the Nevada County Recorder, State of California.

EXHIBIT B
Form of Restroom Easement

Parcel No. _____

Recording Requested by and
when recorded, return to and
Mail Tax Statements to:

SPACE ABOVE THIS LINE RESERVED FOR
RECORDER'S USE

GRANT OF EASEMENT

THIS INDENTURE, made and entered effective _____, 2019 by and between _____ (hereinafter referred to as "Grantor") and TRUCKEE MEADOWS WATER AUTHORITY, a joint powers authority and political subdivision of the State of Nevada (hereinafter referred to as "Grantee") (collectively, the "Parties").

RECITALS:

WHEREAS, Grantor is the owner of that certain real property located in Nevada County, State of California, more particularly described in Exhibit "A" attached hereto and incorporated herein by reference _____ (the "Property");

WHEREAS, Grantee is a political subdivision of the State of Nevada a non-profit corporation that desires to reserve rights to establish, or to assign to a third party rights to establish, a restroom for use by Grantee and the public for recreational purposes, upon, over, through and across the Property and Grantor wishes to grant an easement, as described herein, to Grantee for said purpose ("Easement");

NOW THEREFORE, for valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

1. Grant of Easement. Grantor hereby grants to Grantee, its successors, assigns, agents, and licensees a non-exclusive permissive easement upon, over, through and across a portion of the Property, as more particularly described in Exhibit "A" attached hereto and fully incorporated herein ("Easement Area") to install, operate, maintain and use a restroom and related facilities ("Restroom Facilities") for use by Grantee and use by the public in connection with walking, jogging, running, hiking, bicycling and similar recreational activities on the Property. The Easement Area shall not exceed _____ () square feet in total width. Grantee may erect within the Easement Area minimally intrusive signs and symbols to identify the Restroom Facilities. Grantee may install within the Easement Area fences, gates, and barriers to control access, provided that such facilities do not interfere with Grantor's use of the Property for Grantor's intended purposes. Grantee shall be solely responsible for the construction, operation and maintenance of the Easement Area and Restroom Facilities. Grantor expressly reserves the right to remove or exclude from the Grantor's Property any persons who are (i) in locations other than the Easement Area or (ii) are engaged in illegal activities within the Easement Area.

2. Grantor Disclaimers and Liability Limitations. Grantee covenants and agrees, for itself and its permitted invitees including the public, that Grantor owes no duty of care: i) to keep the Easement Area safe for entry or use by others for any recreational purpose; ii) to give any warning of hazardous

conditions, uses of, structures, or activities on such premises to persons entering the Easement Area; iii) for defects in the location, design, installation, maintenance or repair of the Restroom Facilities; iv) for any unsafe conditions within the Easement Area or for failure to inspect for or warn against possibly unsafe conditions; v) to close the Restroom Facilities when unsafe conditions may be present. Grantor does not (a) extend any assurance that the Easement Area is safe for such purpose, or (b) constitute the person to whom permission has been granted the legal status of an invitee or licensee to whom a duty of care is owed, or (c) assume responsibility for or incur liability for any injury to person or property caused by any act of such person to whom permission has been granted except to the extent provided by applicable law. Use of the Easement Area is at the risk of the user. Nothing in this Agreement limits, reduces or otherwise impairs the right and ability of Grantor to avail itself of the protections offered by any applicable law affording immunity or limited liability to Grantor.

3. Protections of Recreational Use Statute. Grantor makes and Grantee accepts this Grant of Easement with the explicit intention, understanding and belief that the limitations on liability contained in the provisions of California's Recreational Use Statute, Civil Code Section 846, shall at all times apply for the benefit of Grantor to the recreational activities within the Easement Area. The Parties covenant and agree that nothing herein is intended to be nor shall be construed to be a dedication or offer of dedication of land to public use, and that all rights granted herein and use of the Easement Area is expressly authorized by permission of Grantor.

4. Indemnification. The Grantee or its successors and assigns shall indemnify, protect, defend and holds harmless the Grantor and its successors and assigns from and against all liabilities, costs, losses, orders, liens, penalties, claims, demands, damages, expenses, or causes of action or cases, including without limitation reasonable attorneys' fees, arising out of or in any way proximately connected with or relating to the authorized use of the Restroom Facilities. The Grantor shall have no responsibility for the operation of the Easement Area, monitoring of hazardous conditions on it or the protection of the public or any third parties from risks relating to conditions on the Easement Area.

5. Insurance. Prior to the use of the Easement Area, and at all times thereafter during the term of this Agreement, Grantee shall, at Grantee's expense, maintain a commercial general liability insurance policy as provided in this Section to cover the recreational activities on the Easement Area. Concurrent with execution of this Agreement, Grantee shall deliver to Grantor a certificate of insurance evidencing insurance coverage in compliance with the terms of this Section and providing that Grantor shall receive thirty (30) days prior written notice before cancellation of such coverage. The commercial general liability insurance policy shall have a combined liability limit of at least Two Million and 00/100 Dollars (\$2,000,000) and property damage limits of at least Two Million and 00/100 Dollars (\$2,000,000). The liability insurance policy shall be primary and noncontributing with any insurance which may be carried by Grantor, and shall name Grantor as additional insured.

6. Compliance with Laws. All work by or on behalf of Grantee within the Easement Area shall be conducted in compliance with all applicable federal, state and local laws, rules, regulations, and ordinances, including but not limited to all rules, regulations and procedures of the applicable utility and local government with jurisdiction over such work. Grantee shall obtain all permits and approvals required to perform the Public Improvements at Grantee's sole expense.

7. Relocation of Easement Area and/or Restroom Facilities. Grantor may, at any time in Grantor's sole discretion, relocate the Easement Area and Restroom Facilities to a new location on the Grantor Property provided (i) such location is reasonably suitable for Grantee's intended purposes, (ii)

Grantor conveys to Grantee an equivalent easement in the new location; (ii) the new Restroom Facilities constructed provide comparable continuous access to public recreational trails and/or access points on the Property; and iv) Grantor pays for all costs and expenses arising from or related to the relocation of the Restroom Facilities.

8. Notices. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other shall be in writing and either served personally or sent by first class mail, postage prepaid, addressed as follows:

To Grantor:

To Grantee: Truckee Meadows Water Authority
1355 Corporate Blvd.
Reno, Nevada 89502

or such other address specified in written notice to the other party. Notice, if mailed, shall be deemed to have been given upon the day following the day shown on the postmark of the envelope in which the notice is mailed.

9. Severability. If any term, provision, covenant, condition, or restriction of this Easement is held by a court of competent jurisdiction to be unlawful, invalid, void, unenforceable, or not effective, the remainder of this Easement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

10. Assignment. Grantee may assign all rights and obligations under this Easement at any time without Grantor's consent by recordation of a notice of assignment notice. In the event of such assignment, the assignor shall have no further liability or obligations hereunder from and after the date of such assignment.

TO HAVE AND TO HOLD all and singular the said premises, granted together with the appurtenances, unto said Grantee, its successors, agents and assigns forever.

TOGETHER WITH ALL AND SINGULAR the tenements, hereditaments and appurtenances thereunto belonging or in anyways appertaining thereto.

IN WITNESS WHEREOF, Grantor and Grantee have caused these presents duly to be executed the day and year first above written.

<p>“GRANTEE”</p> <p>TRUCKEE MEADOWS WATER AUTHORITY</p> <p>By: _____</p> <p>Name: _____</p> <p>Its: _____</p>	<p>“GRANTOR”</p> <p>By: _____</p> <p>Name: _____</p> <p>Its: _____</p>
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[Notary Page Follows]

EXHIBIT "A" to Restroom Easement



EXHIBIT C
Form of Restrictive Covenant

**Parcel Nos. 048-030-14-000, 048-040-02-000,
048-050-01-000, 048-050-10-000, 048-060-07-000,
048-130-04-000**

**Recording Requested by and
when recorded, return to and
Mail Tax Statements to:**

SPACE ABOVE THIS LINE RESERVED FOR
RECORDER'S USE

PERPETUAL RESTRICTIVE COVENANT

THIS PERPETUAL RESTRICTIVE COVENANT is made as of August ____, 2019, by and between TRUCKEE MEADOWS WATER AUTHORITY, a joint powers authority and political subdivision of the State of Nevada ("TMWA") and _____ ("Owner").

WITNESSETH:

WHEREAS, Owner is the owner of certain real property situate in the County of Nevada, State of California, more particularly described in Exhibit "A" attached hereto and incorporated herein by reference ("Property").

WHEREAS, TMWA is a public purveyor of water in the greater Reno/Sparks metropolitan area and owns Truckee River water rights.

WHEREAS, as a material condition of TMWA selling the Property to Owner, TMWA has required the Property be subject to a perpetual restrictive covenant encumbering the Property in order to protect and provide certain appurtenant property rights for the benefit of TMWA as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereby agree as follows:

1. Creation of Restrictive Covenant and Equitable Servitude. In furtherance of the easements and rights herein granted, there is hereby created a perpetual restrictive covenant and equitable servitude over, across, through and upon the Property for the benefit of TMWA and its successors and assigns, as follows:

- a) No point of diversion or redirection of any water, water right, or right to use the waters of the Truckee River or any tributary of the Truckee River shall be located on any portion of the Property, nor may any water or water right of the Truckee River or any tributary of the Truckee River be diverted or redirected from such source on the Property, or at any point within the Property, whether intended for use on or from the Property or otherwise, whether intended for use by Owner or otherwise, without the prior written consent of the Truckee Meadows Water Authority, which it may grant or deny in its sole and absolute discretion.

- b) Owner hereby covenants, for itself and its successors and assigns, at all times hereafter, that it will not take any action, or cause or allow any third party to take any action, which would conflict or interfere with or infringe on the rights hereunder granted to TMWA.
- c) In furtherance of the covenants and rights herein granted, Owner hereby conveys to the Truckee Meadows Water Authority all rights to divert or redivert water or water rights from the Truckee River or its tributaries on the Property.

The covenants, conditions and restrictions in this Section shall be perpetual and irrevocable, shall run with and encumber the Property for the benefit of TMWA and its successors and assigns, and shall be binding on Owner and its successors and assigns and may be enforced by Authority, including, without limitation, by injunctive relief.

2. General Provisions.

2.1. Attorneys' Fees. Should either party or any of their respective successors or assigns retain counsel to enforce any of the provisions herein or protect their interests in any matter arising under this Agreement, or to recover damages by reason of any alleged breach of any provision of this Agreement, the losing party in any action pursued in a court of competent jurisdiction shall pay to the prevailing party all costs, damages, and expenses incurred by the prevailing party, including, but not limited to, attorneys' fees and costs incurred in connection therewith.

2.2. Waiver. No violation or breach of any provision of this Agreement may be waived unless in writing. Waiver of any one breach of any provision of this Agreement shall not be deemed to be a waiver of any other breach of the same or any other provision of this Agreement.

2.3. Severability. In the event that any one or more covenant, condition, right or other provision contained in this Agreement is held to be invalid, void or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall in no way affect, impair or invalidate any other covenant, condition, right or other provision contained in this Agreement.

2.4. Governing Law. This Agreement has been negotiated and entered into in the State of Nevada, and shall be governed by, construed and enforced in accordance with the statutory, administrative and judicial laws of the State of Nevada.

2.5. Integration. This Agreement, including the exhibits, constitutes the final, complete and exclusive statement of the parties relative to the subject matter hereof and there are no oral or parol agreements existing between the parties relative to the subject matter hereof which are not expressly set forth herein and covered hereby. This is an integrated agreement.

2.6. Binding on Successors. This Agreement shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of the undersigned, and shall remain in full force and effect, and shall obligate, inure to and pass with each and every portion of the herein described real property.

2.7. Run With the Land. This Agreement and all the terms contained herein, shall be recorded and run with the herein described real property and be binding upon all current and future owners of the herein described Property.

[Signature Page Follows]

EXHIBIT “A” to Restrictive Covenant

DESCRIPTION OF PROPERTY

APN: 048-040-02

All that certain real parcel of land situate within a portion of the Northwest One-quarter (NW1/4) of Section 7, Township 18 North, Range 18 East, Mount Diablo Meridian and a portion of Resultant Parcel 2 as described by Grand Deed in favor of Truckee Meadows Water Authority, recorded as Document No. 2007-13480 on April 27, 2007 in the Nevada County Recorder, State of California.

APN: 048-050-01, 048-030-14, 048-060-07, 048-050-10

All that certain real parcel of land situate within a portion of the East half of Section 12 and a portion of the Northeast quarter of Section 13, Township 18 North, Range 17 East, together with a portion of the Northwest quarter of Section 18, a portion of the West half of Section 19 and a portion of the Northwest quarter of Section 30, Township 18 North, Range 18 East, M.D.M., Nevada County, California, more particularly described as:

Resultant Parcel 3 of a Grant Deed, recorded as File Number 2007-0008431-00 on March 16, 2007, Official Records of Nevada County, California.

APN: 048-130-04

All that certain real parcel of land situate within a portion of Lots 2, 3, 4, 5 and 6 of Section 30, Township 18 North, Range 18 East, Mount Diablo Meridian and a portion of Parcel Fourteen as described by Grand Deed in favor of Truckee Meadows Water Authority, recorded as Document No. 2007-13480 on April 27, 2007 in the Nevada County Recorder, State of California.

EXHIBIT D

**Parcel Nos. 048-030-14-000, 048-040-02-000,
048-050-01-000, 048-050-10-000, 048-060-07-000,
048-130-04-000**

**Recording Requested by and
when recorded, return to and
Mail Tax Statements to:**

SPACE ABOVE THIS LINE RESERVED FOR
RECORDER'S USE

QUITCLAIM DEED

The undersigned grantor declares DOCUMENTARY TRANSFER TAX is \$ _____.00; CITY TRANSFER TAX IS \$ _____; SURVEY MONUMENT FEE IS \$ _____.

computed on full value of property conveyed, or

computed on full value less value of liens and encumbrances remaining at time of sale

unincorporated area; City of _____

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, TRUCKEE MEADOWS WATER AUTHORITY, a political subdivision of the State of Nevada, does hereby quitclaim, remise, sell and convey to _____ all that real property, described as follows:

SEE EXHIBIT "A"

- SUBJECT TO: 1. All general and special taxes for the fiscal year.
2. Covenants, conditions, restrictions, reservations, rights, of way and easements of record.

Together with all tenements, hereditaments and appurtenances, thereunto belonging or in anywise appertaining, and any reversions, remainders, rents, issues or profits thereof.

RESERVING TO GRANTOR any and all water rights appurtenant to or otherwise beneficially used in connection with the foregoing property and all rights to divert water from the Truckee River or tributaries of the Truckee River on or from the real property.

Witness this ____ day of _____, 2019.

TRUCKEE MEADOWS WATER AUTHORITY

By: _____

Name: _____

Title: _____

[Notary Page Follows]

STATE OF NEVADA)

) ss.

COUNTY OF _____)

On this . day of _____, 2019, before me, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signatures on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public

EXHIBIT A

DESCRIPTION OF PROPERTY

APN: 048-040-02

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