

Carson City
Request for Board Action

Date Submitted: 02/12/13

Agenda Date Requested: 02/21/13

Time Requested: 10 minutes

To: Redevelopment Authority

From: Nick Providenti, Finance Director

Subject Title: For Possible Action: to adopt a Resolution authorizing a First Amendment to Purchase Agreement between the Authority and Fireside Investments, LLC, and an Assignment and Assumption Agreement between the Authority and Carson City, Nevada.

Staff Summary: The Board of Supervisors of Carson City, Nevada has heretofore determined that it is in the best interests of the City to purchase an office building located at 108 E. Proctor Street in the City, together with certain related land to provide office space and related parking (together known as "The Property") for the employees of the City and the Carson City Redevelopment Authority. The Carson City Redevelopment Authority has been granted an option to purchase the Property before June 30, 2013. This Resolution allows The Seller and the Authority to enter into a First Amendment to Purchase Agreement which will clarify certain aspects relating to the purchase of the Property and will also allow the Authority to assign its rights under the Purchase Agreement in order to place the City in a position to purchase the Property directly from the Seller.

Type of Action Requested: (check one)

Resolution

Ordinance

Formal Action/Motion

Other (Specify)

Does this action require a Business Impact Statement: () Yes (X) No

Recommended Board Action: I move to adopt Resolution # _____, a Resolution authorizing a First Amendment to Purchase Agreement between the Authority and Fireside Investments, LLC, and an Assignment and Assumption Agreement between the Authority and Carson City, Nevada.

Explanation of Recommended Board Action: See Staff Summary.

Applicable Statute, Code, Policy, Rule or Regulation: N/A

Fiscal Impact: N/A

Explanation of Impact: N/A

Funding Source: N/A

Alternatives: Elect not authorize the Assignment and Assumption Agreement

Supporting Material: Resolution, Purchase Agreement, Assignment and Assumption Agreement

Prepared By: Nick Providenti

Reviewed By:

(Department Head)

Date: 2/12/13

(City Manager)

Date: 2/12/13

(District Attorney)

Date: 2/12/13

(Finance Director)

Date: 2/12/13

Board Action Taken:

Motion: _____

1) _____

Aye/Nay

2) _____

(Vote Recorded By)

Summary - a resolution authorizing a First Amendment to Purchase Agreement between the Authority and Fireside Investments, LLC, and an Assignment and Assumption Agreement between the Authority and Carson City, Nevada

RESOLUTION NO._____

A RESOLUTION AUTHORIZING A FIRST AMENDMENT TO PURCHASE AGREEMENT BETWEEN THE AUTHORITY AND FIRESIDE INVESTMENTS, LLC, AND AN ASSIGNMENT AND ASSUMPTION AGREEMENT BETWEEN THE AUTHORITY AND CARSON CITY, NEVADA

WHEREAS, the Board of Supervisors of Carson City, Nevada (“City”) has heretofore determined that it is in the best interests of the City to purchase an office building located at 108 E. Proctor Street in the City (the “Building”), together with certain related land (the “Land,” and together with the Building, the “Property”), to provide office space and related parking for the employees of the City and the Carson City Redevelopment Authority (the “Authority”); and

WHEREAS, the Authority is currently leasing the Property from Fireside Investments, LLC (the “Seller”), pursuant to a Lease Agreement, dated as of June 4, 2010; and

WHEREAS, the Authority has been granted an option to purchase the Property before June 30, 2013, pursuant to a Purchase Agreement, dated as of June 2, 2010 (the “Original Purchase Agreement”), between the Seller and the Authority; and

WHEREAS, the Seller and the Authority desire to enter into a First Amendment to Purchase Agreement, dated as February 15, 2013 (the “First Amendment,” and together with the Original Purchase Agreement, the “Purchase Agreement”), in substantially the form attached hereto as **Appendix A** in order to clarify certain aspects relating to the purchase of the Property; and

WHEREAS, Section 8 of the Original Purchase Agreement permits the Authority to assign its rights in the Purchase Agreement “to one or more nominees, provided that any such nominees shall assume all of the obligations contained [t]herein;” and

WHEREAS, the Authority desires to assign, and the City desires to assume, all of the Authority’s rights under the Purchase Agreement in order to place the City in a position to purchase the Property directly from the Seller; and

WHEREAS, the Authority and the City have caused to be prepared the Assignment and Assumption Agreement between the Authority and the City attached hereto as **Appendix B** (the "Assignment").

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE CARSON CITY REDEVELOPMENT AUTHORITY, NEVADA:

Section 1. The forms, terms and provisions of the First Amendment and the Assignment be, and they hereby are, approved and the Authority shall enter into the First Amendment and the Assignment in substantially the forms of such documents presented to the Board of the Authority at this meeting, with such changes therein as are consistent with the facts and are not inconsistent herewith; and the Chair of the Authority is hereby authorized to execute and deliver the First Amendment and the Assignment and the Secretary of the Authority is hereby authorized to affix the Authority seal to and to attest and deliver the First Amendment and the Assignment.

Section 2. This resolution shall be effective upon passage and approval.

PASSED AND ADOPTED BY THE BOARD OF THE CARSON CITY REDEVELOPMENT AUTHORITY, NEVADA, THIS FEBRUARY 21, 2013.

(SEAL)

Chair

Attest:

Secretary

APPENDIX A

FORM OF FIRST AMENDMENT TO PURCHASE AGREEMENT

APPENDIX B

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

STATE OF NEVADA)
)
) ss.
CITY OF CARSON CITY)

I am the duly chosen and qualified City Clerk of the City of Carson City, Nevada, and the Secretary of the Carson City Redevelopment Authority (the “Authority”) and do hereby certify:

1. The foregoing pages constitute a true, correct and compared copy of a resolution adopted at a regular meeting of the Board of the Authority (the “Board”) held on February 21, 2013.

2. The members of the Board were present at the meeting on February 21, 2013 and voted on the resolution as follows:

Those Voting Aye:

Robert L. Crowell
Karen Abowd
Brad Bonkowski
John McKenna
Jim Shirk

Those Voting Nay:

Those Abstaining:

Those Absent:

3. The original of the resolution has been approved and authenticated by the signatures of the Chair of the Board and myself as the Secretary of the Board and has been recorded in the minute book of the Board kept for that purpose in my office, which record has been duly signed by the officers and properly sealed.

4. All members of the Board were given due and proper notice of such meeting held on February 21, 2013.

5. Public notice of such meeting was given and such meeting was held and conducted in full compliance with the provisions of NRS 241.020. A copy of the notice of meeting and excerpts from the agenda for the meetings relating to the resolution, as posted at least 3 working days in advance of the meeting on the Carson City, Nevada, website and at the:

(i) Community Center
 851 East William Street
 Carson City, Nevada

- (ii) Public Safety Complex
885 East Musser Street
Carson City, Nevada
- (iii) City Hall
201 North Carson
Carson City, Nevada
- (iv) Carson City Library
900 North Roop Street
Carson City, Nevada

are attached as Exhibit A hereto.

6. Prior to 9:00 a.m. at least 3 working days before such meeting, such notice was given to each person, if any, who has requested notice of the meetings of the Board in compliance with NRS 241.020(3)(b) by United States Mail, or if feasible and agreed to by the requestor, by electronic mail.

IN WITNESS WHEREOF, I have hereunto set my hand this February 21, 2013.

Secretary

EXHIBIT A

(Attach Notice of Meeting)

A /

LEASE AGREEMENT

THIS LEASE made and entered into this 4th day of June 2010 by and between Fireside Investments, LLC hereinafter referred to as LESSOR and Carson City Redevelopment Authority, hereinafter referred to as LESSEE without regard to number and gender.

WITNESSETH

In consideration of the mutual promises of both parties and other good and valuable consideration as hereafter set forth, the parties hereto covenant and agree as follows:

LESSOR does hereby lease to LESSEE; and LESSEE does hereby lease from LESSOR, the following described property hereinafter referred to as "the premises": Parcel # 004-215-07, Approximately 9,458 square feet, Office Building located at 108 East Proctor, Carson City, NV 89701, and Parcel# 004-202-01 & 02 the approximate 6,205 square foot parking lot.

1. **TERM:** The term of this lease is for a period of three-(3) years, twenty-six-(26) days, commencing on the 4th day of June 2010, and terminating at midnight on the 30th day of June, 2013, unless sooner terminated by mutual agreement of the parties or for violation of any term or condition of this lease.

Renewal Options: Two (2) Three-(3) year options.

2. **RENTAL:** As rental for the premises LESSEE agrees to pay LESSOR:

As base rental for the premises LESSEE agrees to pay LESSOR, (the following schedule) per month in advance on the first day of each month in lawful money of the United States of America, commencing on the 1st day of August, 2010, and continuing for a period of 35 months.

June 4, 2010 through June 30, 2010	Free Rent
July 1, 2010 through June 30, 2013	\$ 9,099.40 monthly

Renewal Option Rates: Each Option Period shall have a rent increase of Three-(3%) per Option Period.

Monthly rental for any partial month will be pro-rated at the rate of 1/30th of monthly rent per day. Rent shall be paid to LESSOR at: Fireside Investments, LLC, 3268 Madonna Drive, Edgewood, KY 41017 or at any such other place or places as LESSOR may from time to time direct. In the event rent is not paid within five (5) days after due date, LESSEE also agrees to pay a separate late fee of five percent (5%). LESSEE also agrees to pay separate and apart from any late charge Twenty-Five & 00/100 Dollars (\$25.00) for each dishonored check.

In consideration of LESSOR executing this lease, LESSEE hereby agrees to pay LESSOR the sum of NINE THOUSAND NINETY-NINE & 40/100 Dollars (\$9,099.40) which shall be applied as the rental due for the month of July 2010 LESSOR further agrees that if LESSEE is not in default of any of the terms, covenants, and conditions herein, the sum of NINE THOUSAND NINETY-NINE & 40/100 Dollars (\$9,099.40), constituting a security deposit will be repaid to LESSEE upon termination of this lease or applied to the Purchase Price of the premises.

3. **THE USE OF PREMISES:** The premises are leased to LESSEE for use as General Office, any change of said use shall not be made unless such change of use is lawful and LESSEE first obtains the written consent of LESSOR. LESSEE will not use the premises for any illegal trade, manufacturing or other business, or in violation of any law, statute, ordinance, rule, regulation of any governmental entity.
4. **REPAIRS AND MAINTENANCE:** Upon written notice from LESSEE, LESSOR will make at its sole expense, all necessary structural repairs to the roof, exterior doors, foundation, exterior walls and any load bearing interior walls of the premises and underground utilities.

Please initial: _____
LESSOR  LESSEE

Except for the repairs LESSOR is specifically obligated to make under the previous paragraph, LESSEE will make all repairs to the premises which are necessary or desirable to keep the premises in good repair and in a safe, dry and habitable condition. Without limiting the generality of the foregoing, LESSEE is specifically required to maintain all windows, window glass and frames, and all doors and door frames located on the premises. All doors and windows to be in good shape at time of occupancy. Landlord shall service and inspect the heating and air conditioning systems, backflow devices and alarm system with the Landlord guaranteeing these items in good working order until June 30, 2011.

6. **ALTERATIONS, LIENS, ENCUMBRANCES AND REPAIRS:** LESSEE will not make any permanent alterations, additions, improvements or repairs in the premises without first obtaining the consent of the LESSOR in writing. All alterations, additions, and improvements, which are made, will be at the sole cost and expense of LESSEE, and will become the property of LESSOR, at the termination of this lease. If the LESSEE performs the work with the consent of LESSOR, LESSEE agrees to comply with all laws, ordinances, rules and regulations of the local agencies having jurisdiction hereof. The LESSEE further agrees to hold the LESSOR free and harmless from all damage, loss or expense arising out of said work. LESSEE agrees to keep and maintain the leased premises free from any liens or encumbrances caused by any act of the LESSEE. Any Tenant improvements are to be done by a licensed contractor.
6. **NON-STORAGE:** LESSEE will not allow vehicles to be parked on the property for longer than 72 hours without the written consent of the LESSOR.
7. **ENTRY AND INSPECTION:** LESSEE will permit LESSOR and its agents to enter the premises during normal business hours and for any reasonable purpose, including, but not limited to: Inspections to show the premises to prospective purchasers or LESSEES; to post notices of non-responsibility for alterations, additions, repairs of utility installations; for the purpose of placing upon the property or building in which said premises are located any ordinary "for sale" or "for lease" sign.
8. **ASSIGNMENT AND SUBLÉASING:** LESSEE may only transfer, assign this lease or sublet the leased premises in whole or in part, after first obtaining the written consent of LESSOR. If LESSOR consents, no assignment or sublease will be effective until LESSEE delivers copy of the assignment and the assignee or SUBLÉASSEE executes a new lease assuming all of the obligations of LESSEE. No assignment or subletting will relieve LESSEE from any obligations under this lease. The consent by LESSOR to any transfer, assignment or subletting will not be deemed to be a waiver on the part of LESSOR of any prohibition against any future transfer, assignment, or subletting. Nothing herein shall prohibit Lessor from assigning this lease to a parent, subsidiary or affiliate company provided that the Assignee has at least the same financial wherewithal as Lessor.
9. **INDEMNIFICATION:** LESSEE hereby indemnifies and agrees to hold LESSOR harmless from and against all claims, either to person or property, which either arise from or in connection with the LESSEE'S possession, use, occupation, management, repair, maintenance or control of the premises or any portion thereof, or result from any default, breach violation or non-performance of this lease or any provision of this lease by LESSEE. LESSEE shall be defined to include LESSEE'S employees, agents, contractors, subtenants, customers, and business invitees. LESSEE will defend any claims against LESSOR with respect to the foregoing or in which he may be impleaded. LESSEE will pay, satisfy and discharge any judgments, orders and decrees, which may be recovered against LESSOR in connection with the foregoing. Any moneys that are advanced by LESSOR either to pay attorney's fees or other costs of defense, or any other payment made by LESSOR or LESSOR'S insurance company as a result of such claims, due to LESSEE'S failure to do so, shall accrue interest at a rate of ten percent (10%) per annum against LESSEE until said sums are reimbursed to LESSOR in full. LESSEE, as a material part of the consideration to LESSOR, hereby assumes all risk of damage to property or injury to persons in, upon, or about the premises arising from any cause and LESSEE hereby waives all claims in respect thereof against LESSOR except in connection with damage or injury resulting from the negligence or willful misconduct of LESSOR or its authorized agents.

Please initial:

LESSOR  LESSEE

Further, LESSOR shall not be liable for injury to LESSEE'S business or loss of income therefrom or for damage which may be sustained by the person, goods, property, equipment of LESSEE, its employees, invitees, customers, agents, or contractors or any other person in or about the premises used by or resulting from fire, steam, electricity, gas, water, or rain, except in connection with damage or injury resulting from the gross negligence or willful misconduct of LESSOR or its authorized agents.

LESSEE hereby indemnifies and agrees to hold LESSOR harmless from and against all claims, which either arise from or in connection with LESSEE'S storage, disposal, use, possession of any Hazardous Substance on, under or in the vicinity of the Property. For the purposes of this agreement, the term "Hazardous Substances" shall mean any hazardous or toxic substances, materials, or wastes, the removal of which is required, the storage, maintenance, or transport of which is prohibited or penalized, or for which a permit is required under applicable law, including, but not limited to, any substance, material, or waste which is petroleum, gas (including natural, synthetic or liquefied), asbestos, flammable, radioactive, corrosive or carcinogenic, polychlorinated biphenyl's, designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 USC Section 1251, et seq. (33 USC Section 1321), defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 USC Section 6901, et seq. (42 USC 6903), defined as a "hazardous substance" or "toxic substance" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 USC Section 9601, et seq. (42 USC Section 9601), or the Hazardous Materials Transportation Act, 49 USC Section 1801, et seq., listed in the United States Department of Transportation Hazardous Material Tables (49 CFR 172.101), designated by the Environmental Protection Agency as hazardous substances (40 CFR Part 302), as amended, or designated as hazardous or toxic under the Nevada Revised Statutes or the regulations issued thereunder.

LESSEE shall Indemnify, defend, (by counsel acceptable to the LESSOR), protect and hold harmless LESSOR and LESSOR'S directors, officers, employees, agents, attorney, successors and assigns, from and against any and all claims, liabilities, penalties, fines, judgments, forfeitures, losses, costs or expenses arising from LESSEE'S placement of any hazardous substance of or on the vicinity of said property. The indemnity obligations created hereunder shall include, without limitation, and whether foreseeable or unforeseeable, any and all costs incurred in connection with any site investigation, and any and all costs of repair, cleanup, detoxification, or decontamination, or other remedial action on the property. The obligations herein shall survive the term of this lease.

In the event, LESSEE fails to retain counsel and properly defend LESSOR under the provisions herein; LESSOR may retain counsel and may collect the cost of said defense plus interest thereon accruing at a rate of ten percent (10%) per annum.

10. **LIABILITY INSURANCE:** LESSOR will provide and maintain a comprehensive policy of liability insurance insuring the premises. LESSOR and any designee of LESSOR shall be named as additional insured. The liability insurance policy shall protect LESSOR, LESSEE and any designee of LESSOR against any liability which arises from any occurrence on or about the premises or its appurtenances which LESSEE shall have the right to use under the terms of this lease. The policy is to be written by a good and solvent insurance company approved by the State of Nevada. Said coverage shall be primary coverage, not excess coverage.

The coverage limits of the policy shall be at least One Million Dollars (\$1,000,000.00) with respect to any one person, at least One Million dollars (\$1,000,000.00) with respect to any one accident, and at least One Million dollars (\$1,000,000.00) with respect to property damage.

LESSEE will keep all plate glass on the premises insured against all risks for the benefit of LESSOR and LESSEE in amounts and with a company approved by the State of Nevada.

LESSEE agrees that every insurer will agree by endorsement upon the policy or policies issued by it, or by independent instrument furnished to LESSOR, that it will give LESSOR ten (10) days written notice at the address where rent is paid, before the policies in question will be altered or canceled.

Please initial:
LESSOR LESSOR

LESSOR will not be liable to LESSEE for any loss or damage caused by the acts or omissions of any persons occupying any space adjacent to or adjoining the premises. Except for loss or damage caused by LESSOR'S negligence, LESSOR shall not be responsible or liable to LESSEE for any loss or damage resulting to LESSEE or its property from water, gas, or steam; or the bursting, stoppage or leakage of pipes.

11. **WAIVER OF SUBROGATION:** LESSOR and LESSEE hereby release each other from any and all claims or demands for damages, loss, or injury to the premises or to the furnishings, fixtures and equipment, or inventory or other property of either LESSOR or LESSEE in, about or upon the premises, which may be caused by or result from events which are the subject of insurance carried by the respective parties and in force at the time of any such loss to the extent such insurance is not prejudiced thereby or the expense of such insurance is not thereby increased.
12. **REAL AND PERSONAL PROPERTY TAXES:** LESSEE will be liable for all taxes levied against personal property and trade fixtures on or about the premises, without restriction or limitation. If any such taxes on LESSEE's personal property or trade fixtures are levied against LESSOR's property or if the value of LESSOR'S premises is increased by the inclusion of a value placed on LESSEE'S property, LESSOR may pay the taxes or the proportionate increase in appraised value whether the levy is on or not and LESSEE will reimburse LESSOR for said taxes or the proportionate increase resulting from the increased value.

LESSOR will be liable for all property taxes and special assessments levied or assessed against the building of which the premises are a part and the land upon which said building is located and appurtenances thereto, as well as any increases in such taxes and special assessments during the term of the Lease or any extension thereof.

13. **DEFAULT:**

A. DEFINITION OF DEFAULT: Each of the following events shall constitute a default:

- (1) Insolvency, including an assignment for the benefit of creditors; filing or acquiescing to a petition in any court in any bankruptcy, reorganization, composition, extension, arrangement or insolvency proceedings.
- (2) Assignment by operation of law.
- (3) Vacating the premises.
- (4) Refusing to take possession of the premises or permitting the premises to remain unoccupied and unattended.
- (5) Failure to pay any installment of rent or any other charge required to be paid by LESSEE under this lease when due and payable and failure shall continue for ten (10) days after written notice.
- (6) Failure to perform any other condition required to be performed by LESSEE under this lease and the failure shall continue for fifteen (15) days after written notice.

B. EFFECT OF DEFAULT: If a default occurs, LESSOR may give LESSEE a notice of intention to cancel this lease at the expiration of the time specified in the notice. At the expiration of the notice period, the term of this lease shall end. LESSEE must then quit and surrender the premises to LESSOR. LESSEE's liability under all of the provisions of this lease will continue notwithstanding any expiration and surrender, or reentry, repossession or disposition pursuant to the following paragraph. LESSOR shall be entitled to retain all fixtures, and all tenant improvement items.

If the term of this lease expires, LESSOR or its agents or employees may immediately or anytime thereafter re-enter the premises and remove LESSEE, LESSEE'S agents, any subtenants, any licensees, any concessionaires and any invitees, and any of its or their property from the premises. Re-entry and removal may be effectuated by summary dispossessory proceedings or by a suitable action or proceeding at law, by force, or

otherwise. If the term of this lease expires, LESSOR may repossess and enjoy the premises. LESSOR will be entitled to the benefits of all provisions of law respecting the speedy recovery of lands and tenements held over by LESSEE or proceedings for forcible entry and detainer, LESSEE's liability will survive LESSOR's re-entry, the institution of summary proceedings, and the issuance of any warrants with respect thereto.

- C. **DEFICIENCY:** If this lease is canceled pursuant to (B) above, LESSEE will remain liable [in addition to accrued liabilities] to the extent legally permissible of the rent and all other charges LESSEE would be required to pay until the date this lease would have expired had such cancellation not occurred, LESSEE's liability for rent shall continue notwithstanding reentry or repossession of the premises by LESSOR.
- D. **ATTORNEY'S FEES AND COSTS:** LESSEE will pay LESSOR reasonable attorney's fees and court costs incurred in any lawsuit or action instituted by LESSOR to enforce any of the provisions of this lease. LESSOR shall have the same obligation to LESSEE arising from LESSEE's enforcement of lease provisions.
- E. **LESSOR'S RIGHT TO RELET:** LESSOR may relet all or any part of the premises for all or any part of the unexpired portion of the term of this lease or for any longer period. LESSOR may accept any rental then obtainable; and agree to paint or make any special repairs alterations, and decorations for any new tenant as it may deem advisable; all at LESSEE expense. LESSOR will make reasonable attempts to relet the premises. Any revenue received by LESSOR from reletting the premises pursuant to this paragraph shall offset any damages incurred by LESSOR from LESSEE's default.
- F. **WAIVER OF REDEMPTION:** LESSEE hereby waives [to the extent legally permissible], for itself and all persons claiming by, through, or under it, any right of redemption for the restoration of the operations of this lease in case LESSEE is dispossessed for any cause, or in case LESSOR obtains possession of the premises as herein provided.
- G. **LESSOR MAY CURE LESSEE'S DEFAULT:** If LESSEE is in default under this lease, LESSOR may cure the default at anytime for LESSEE. If LESSOR cures a default for LESSEE, LESSEE will reimburse LESSOR for any amount expended by LESSOR in connection with the cure. LESSOR will also be entitled to interest at rate of ten percent (10%) per annum on any amount advanced by LESSOR to cure a default of LESSEE from the date the expense is incurred to the date of reimbursement.

14. **DESTRUCTION OF THE PREMISES:** In case of partial destruction of the premises without fault, negligence or carelessness on the part of LESSEE, its agents, employees or those holding under it, the LESSOR may, at its option, repair such damage. The rent shall be reasonably abated and apportioned while said repair is being made. The LESSOR may, at its election, declare this lease ended, unless the LESSEE elected to make such repairs at its own expense, in which case repairs will remain upon said premises at the expiration of the terms hereof and become the property of the LESSOR.

15. **HOLDING OVER:** Should LESSEE holdover the term hereby created with the consent of LESSOR, LESSEE will become a tenant from month to month on the terms herein specified, but at a monthly rental of TEN THOUSAND & 00/100 Dollars (\$10,000.00) per month, payable monthly in advance of the 1st day of each month, and LESSEE will continue to be a month-to-month tenant until the tenancy is terminated by LESSOR or until LESSEE has given LESSOR a written notice at least sixty days prior to the date of termination of the monthly tenancy of his intention to terminate the tenancy.

16. **SALE OF PREMISES:** Except for the option provided for pursuant to the following paragraph, in the event of a sale or conveyance by LESSOR of the building containing the premises, LESSOR will be released from any future liability upon any of the covenants or conditions contained in this lease in favor of LESSEE. In such event, LESSEE agrees to look solely to the responsibility of the successor in interest of LESSOR. LESSOR may transfer any security deposits held from LESSEE to the purchaser of the reversion and thereupon LESSOR will be discharged from any further liability in reference thereto.

Please initial:

LESSOR LESSOR

LESSEE will have the option to purchase the property ("the premises") after the 12th month and before June 30, 2013, with a written sixty-(60) day notice to LESSOR for ONE MILLION ONE HUNDRED TWO THOUSAND TWO HUNDRED NINETY-NINE & NO/100 Dollars (\$1,102,299.00). The purchase agreement is attached to this Lease as Exhibit "A".

17. **CONDEMNATION:** If all of the demised premises is taken by eminent domain, condemnation, or purchase under threat thereof, except for a taking for temporary use, this lease will be canceled automatically as of the taking date. If a part of the premises is taken, LESSOR or LESSEE may cancel this lease or the LESSOR and LESSEE may agree to an amendment to this lease to modify the rent paid by LESSEE to reflect the partial taking of the premises. The option to cancel may be exercised within six (6) months of the taking date by giving LESSEE or LESSOR, respectively, notice that the option has been exercised.

If there is a taking of the premises for temporary use, this lease will continue in full force and effect and LESSEE will continue to comply with LESSEE's obligation under this lease, except to the extent compliance is rendered impossible or impracticable by reason of the taking. All compensation awarded upon the condemnation or taking will belong to the LESSOR. LESSEE hereby waives any interest in any condemnation proceeds or litigation.

18. **SUBORDINATION:** LESSEE agrees that this lease is and will be subordinate to any mortgage, deed of trust or other instrument of security which have been or will be placed on the land and building or land or building of which the premises is part. Such subordination is hereby made effective without any further act by LESSOR. LESSEE agrees at any time, upon request by LESSOR, to execute and deliver any instrument, release or other document that may be required in connection with subjecting and subordinating this lease to the lien of any mortgage, deed of trust or other instrument of security.

This provision will be without effect unless and until the holder of the mortgage, deed of trust or other instrument of security in question delivers to LESSEE a written agreement providing, in effect, that so long as LESSEE is not in default in the observance of performance of any obligation to be observed or performed by it hereunder, LESSEE will not be disrupted in its possession of the premises hereunder.

19. **SIGNS:** LESSEE will be allowed to place or permit to be placed any sign, marquee, awning, decoration or other attachment on or to the roof, front, windows, doors or exterior walls of the premises subject to all applicable City Ordinances.

It is the intention of the LESSOR to ensure aesthetically tasteful uniformity in the building in which the premises are a part. LESSOR may, without liability, enter upon the premises and remove any sign, marquee, awning, decoration or attachment affixed in violation of this paragraph. LESSEE agrees to pay the cost of removal thereof.

20. **SURRENDER OF LEASE:** No act or conduct of LESSOR, whether consisting of the acceptance of the keys to the premises, or otherwise, shall be deemed to or constitute an acceptance of the surrender of the premises by LESSEE prior to the expiration of the term hereof. Acceptance by LESSOR of surrender by LESSEE must be evidenced by a written acknowledgment of acceptance of surrender by LESSOR. The voluntary or other surrender of this lease by LESSEE, or a mutual cancellation thereof, will not work a merger, and LESSOR may terminate all of any existing subleases or subtenancies or concessions, or may at the option of LESSOR, operate as an assignment to him of any or all such subleases or subtenancies or concessions.

21. **NOTICES:** Notices to the respective parties must be in writing and sent by certified or registered mail, addressed to the respective party at the address set out below, or at such other address as either party may elect to provide in advance in writing to the other party:

LESSOR: Fireside Investments, LLC
3269 Madonna Drive
Edgewood, KY 41017

LESSEE: To the Premises

22. **WRITTEN CONSENT OF LESSOR:** In any case that requires the written consent of LESSOR, such consent will not be unreasonably withheld.

23. **ENTIRE AGREEMENT:** This instrument along with any exhibits and attachments hereto constitutes the entire agreement between the parties and this agreement may be altered, amended or revoked only by an instrument in writing signed by all the parties. It is understood that there are no oral or agreements between the parties hereto and that all previous, negotiations, discussions, between the parties hereto affecting this lease are superseded by this lease.

24. **SUCCESSOR AND ASSIGNS:** Except as otherwise provided, this lease shall bind and inure to the benefit of the parties and their respective successors, representatives, heirs, and assigns.

25. **UTILITIES:**
LESSEE will pay for and be responsible to supply all utilities to the premises.
LESSOR will not be liable for failure to furnish any of the above services when such failure is caused by conditions beyond the control of LESSOR, or by accidents, repairs or strikes; nor will LESSOR be liable under any circumstances for loss or injury to property, however occurring, through or in connection with or incidental to the furnishing of any of the aforementioned services, unless caused by LESSOR.

26. **QUIET ENJOYMENT:** The LESSOR agrees that the LESSEE, paying rental provided herein, and observing all of the terms, conditions and provisions hereof, will quietly enjoy the premises for the full term of this lease. No use will be made or permitted to be made of the premises or any part thereof and no acts will be done therein which may disturb the quiet enjoyment of any other tenant in the building of which the premises are a part.

27. **ADDITIONAL COVENANTS:** Any additional covenants hereof are as set forth in Exhibits A, and said exhibits are attached hereto and incorporated by reference herein.

28. **PETS:** It is agreed to and between all of the parties hereto that no pets of any kind shall be allowed in any office area without written permission from LESSOR.

29. **SEVERABILITY:** If any term of the Lease shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law. This Lease was negotiated at arms length between the parties and shall not be construed against either party.

30. **TIME IS OF THE ESSENCE:** Time is of the essence in this Lease and each and every provision hereof, except as to the conditions relating to the delivery of possession of the Premises to LESSEE.

31. **CUMULATIVE REMEDIES:** All rights and remedies of the parties shall be cumulative and nonexclusive of any other remedy at law or equity.

32. **WAIVER:** No covenant, term or condition or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver of the breach of any covenant, term or condition shall not be deemed to be a waiver of any other covenant, term or condition. Acceptance by LESSOR of any performance by LESSEE after the time the same shall have become due shall not constitute a waiver by LESSOR of the breach or default of any covenant, term or condition unless otherwise expressly agreed to by LESSOR in writing.

Please initial:
LESSOR LESSOR

33. **FORCE MAJEURE:** Any delay or stoppage of business due to strikes, lockouts, labor disputes, acts of God, governmental restrictions, governmental regulations or controls, enemy or hostile action, fire or other casualty, shall excuse the performance by such party for a period equal to any such delay.

34. **ESTOPPEL CERTIFICATES:** The LESSEE, within 10 days after notice from LESSOR shall execute and deliver to LESSOR, an Estoppel Certificate in the form requested by LESSOR. Failure to deliver the certificate within the 10 days shall be a default under the Lease herein.

35. **TERMINATION** **FOR** **NON-APPROPRIATION:**
The continuation of this Contract beyond June 30, 2010 is subject to and contingent upon sufficient funds being appropriated, budgeted, and otherwise made available by the Carson City Board of Supervisors. CITY may terminate this Contract, and CONTRACTOR waives any and all claim(s) for damages, effective immediately upon receipt of written notice (or any date specified therein) if for any reason the funding is not appropriated or is withdrawn, limited, or impaired.

IN WITNESS WHEREOF, the parties hereto have subscribed their names.

DATED this ____ rd day of June, 2010.

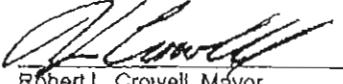
LESSOR:

BY:

Edward E. Meyer, Manager
Fireside Investments, LLC

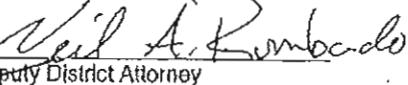
LESSEE:

BY:


Robert L. Crowell, Mayor
Carson City, Nevada

Approved as to Legality and Form by:

Neil A. Rombardo, District Attorney

By: 
Neil A. Rombardo
Deputy District Attorney

Please Initial:
LESSOR LESSEE

FIRST AMENDMENT TO PURCHASE AGREEMENT

This FIRST AMENDMENT TO PURCHASE AGREEMENT, dated as of February 15, 2013 ("First Amendment"), is entered into by and between Fireside Investments, LLC ("Seller") and the Carson City Redevelopment Authority, Nevada ("Buyer"), and amends in certain respects the Purchase Agreement, dated as of June 2, 2010 ("Purchase Agreement"), by and between Seller and Buyer, a copy of which is attached hereto as **Exhibit A**.

For and in consideration of the mutual covenants and the representations, covenants and warranties herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Paragraph 2 of the Purchase Agreement is hereby amended to read as follows:

2. Escrow. By no later than April 15, 2013, an escrow ("Escrow") shall be opened with Northern Nevada Title Company ("Escrowholder") by Buyer by delivering a fully executed copy of this Agreement (together with any amendments hereto) to Escrowholder along with the Deposit referred to in Section 4(a) below. Buyer has had possession of the premises from June 4, 2010, and has had sufficient opportunity to inspect the premises as needed. Seller knows of no defective condition of the premises.

Section 2. Paragraph 3 of the Purchase Agreement is hereby amended to read as follows:

3. Closing and Extension of Escrow. The terms "Closing" and "Close of Escrow" shall mean the completion of the purchase, exchange of money and documents, recording of the Grant Deed and delivery of possession of the Property to Buyer. The closing of the purchase and sale of the Property shall take place through Escrow not later than sixty (60) days from the date the Buyer deposits this Agreement (together with any amendments hereto) and the Deposit into Escrow in accordance with Section 2 hereof.

Section 3. Paragraph 4(a) of the Purchase Agreement is hereby amended to read as follows:

(a) The sum of TEN THOUSAND & NO/100 Dollars (\$10,000) to be delivered to Escrowholder by Buyer in the form of a check ("Deposit") to be deposited by Escrowholder. In the event Buyer fails to deposit the foregoing sum with Escrowholder by April 15, 2013 (in accordance with Section 2 hereof), the Escrow shall be deemed automatically canceled and this Agreement shall terminate.

Section 4. Seller acknowledges receipt of the written notice required to be given by Buyer to Seller in accordance with Section 16 of the Lease Agreement, dated June 4, 2010 (“Lease”), between Seller, as lessor, and Buyer, as lessee, relating to Buyer’s intent to purchase the Property. Provided the Buyer places this Agreement (together with any amendments hereto) and the Deposit into Escrow by April 15, 2013, Seller hereby covenants that no other or further notice with respect to Buyer’s intent to purchase the Property shall be required to be given by Buyer to Seller and that all notice requirements from Buyer to Seller with respect to the Property under the Lease and the Purchase Agreement (if any) shall be deemed satisfied.

Section 5. Seller acknowledges that Buyer has the right to assign its rights under the Purchase Agreement in accordance with Section 8 of the Purchase Agreement. Seller further acknowledges that Buyer presently intends to assign its rights in the Purchase Agreement to Carson City, Nevada (“City”). If such assignment is in fact made, and provided City satisfies all of Buyer’s conditions precedent to the sale of the Property set forth in the Purchase Agreement, Seller agrees to sell the Property to City on the Closing Date in accordance with the terms of the Purchase Agreement. Buyer agrees to deposit any assignment and assumption agreement entered into between Buyer and City into Escrow prior to the Closing Date.

Section 6. To the extent not otherwise amended by this First Amendment, the Seller and Buyer hereby ratify and confirm all of the terms and provision of the Purchase Agreement.

Section 7. This First Amendment may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute but one and the same instrument.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this First Amendment to Purchase Agreement as of the date first written above.

“Buyer”

“Seller”

By: _____

Karen Abowd, Chair
Carson City Redevelopment Authority

By: _____

Edward E. Meyer, Manager
Fireside Investments, LLC

Approved as to Legality and Form:
Neil A. Rombardo, District Attorney

By: _____

Deputy District Attorney

EXHIBIT A

COPY OF PURCHASE AGREEMENT

PURCHASE AGREEMENT
Exhibit "A"

THIS PURCHASE AGREEMENT ("Agreement") is made and entered into in as of June 2, 2010 by and between Fireside Investments, LLC ("Seller"), and Carson City Redevelopment Authority ("Buyer") or assignee with reference to the following:

1. Purchase and Sale. Upon all the terms and conditions contained in this Agreement, Buyer hereby agrees to purchase from Seller, and Seller hereby agrees to sell to Buyer, that certain real property consisting of approximately 8,408 square feet of office building located on approximately .1224 acres of land at 108 E. Proctor Street, Carson City, Nevada, known as AP# 004-215-07 and approximately .1424 acres of land known as AP# 004-202-01 & 02 now owned by Seller ("Property").

2. Escrow. Within three (3) business days after the date this Agreement has been signed and delivered by and between the parties hereto, an escrow ("Escrow") shall be opened with Northern Nevada Title Company ("Escrowholder"), by Buyer delivering a fully executed copy of the Agreement to Escrowholder along with the Deposit referred to in Section 4(a) below. Buyers have had possession of the premises from June 4, 2010, and have had sufficient opportunity to inspect the premises as needed. Seller knows of no defective condition of the premises.

3. Closing and Extension of Escrow. The terms "Closing" and "Close of Escrow" shall mean the completion of the purchase, exchange of money and documents, recording of the Grant Deed and Delivery of possession of the Property to Buyer. The closing of the purchase and sale of the Property shall take place through Escrow upon satisfaction (or waiver by the appropriate party) of all conditions to Closing set forth herein by on or before sixty-(60) days after execution of the agreement by all parties or such later date as the parties may mutually agree in writing ("Closing Date").

4. Purchase Price. The total purchase price ("Purchase Price") for the Property shall be ONE MILLION ONE HUNDRED TWO THOUSAND TWO HUNDRED NINETY NINE & NO/100 Dollars (\$1,102,299.00) Purchase Price shall be paid into escrow as follows:

(a) The sum of TEN THOUSAND & NO/100 Dollars (\$10,000.00) to be delivered to Escrowholder in the form of a check ("Deposit") to be deposited by Escrowholder. In the event Buyer fails to deposit the foregoing sum with Escrowholder, the Escrow shall be deemed automatically canceled and this Agreement shall terminate.

Escrowholder shall place the Deposit into a standard passbook interest-bearing savings account at a financial institution acceptable to Seller to be selected by Escrowholder with Escrowholder as Trustee for Buyer and Seller, with the interest on said Deposit being credited to Buyer.

(b) The sum of ONE MILLION NINETY TWO THOUSAND TWO HUNDRED NINETY NINE & NO/100 (\$1,092,299.00) to be deposited into Escrow in cash at, or prior to closing, to be combined with the Deposit of TEN THOUSAND & NO/100 Dollars (\$10,000.00) shall be considered full payment.

5. Cost and Prorations.

- (a) Buyer shall pay all of the Escrow fee.
- (b) Buyer shall pay all of the cost of any recording costs, documentary, conveyance or transfer fees or taxes.
- (c) Buyer shall pay the cost of the policy of title insurance referred to in Section 6 (b) below.
- (d) Buyer and Seller shall each bear their own respective legal and accounting costs outside of Escrow.
- (e) All non-delinquent real property taxes (including any non-delinquent general and special bonds and assessments) on the Property (based upon the latest available tax information) shall be prorated through Escrow between Buyer and Seller as of the Closing using the customary escrow procedures.
- (f) All other costs or expenses not otherwise provided for in this Agreement, if any, shall be apportioned or allocated between Buyer and Seller in the manner customary in Carson City.

6. Conditions to Closing. The obligations of Seller and Buyer to complete the purchase and sale of the Property are subject to satisfaction (or waiver by the appropriate party) of the following conditions at or prior to Closing:

(a) Transfer and Possession. Seller shall deliver into Escrow an Executed and recordable Grant Deed in form sufficient to convey good and marketable title to the Property to Buyer, subject only to the matters described in the next following subsection. When all required funds and instruments have been deposited into Escrow by the appropriate parties, and when all other conditions to Closing have been fulfilled (or waived by the appropriate party), Escrowholder shall cause to be recorded such Grant Deed, whereupon Buyer shall be entitled to possession of the Property.

(b) Title. Escrowholder shall be prepared or committed to deliver to Buyer a CLTA policy of title insurance, dated as of the Closing, insuring Buyer in an amount equal to the Purchase Price, and showing title vested in Buyer subject only to:

- (i) Non-delinquent real property taxes (including and non-delinquent

general and special bonds or assessments);

(ii) The printed exceptions contained in the foregoing title insurance policy;

(iii) All other matters approved in writing by Buyer; and

(iv) All matters shown on current preliminary title report, dated within thirty (30) days of the date of this Agreement, except only such matters as Buyer may have expressly disapproved by giving written notice to Seller through Escrow within five (5) business days after Buyer's acknowledged receipt of: (aa) such report and (bb) full copies of all instruments (other than tax bills) referred to therein. Buyer's failure to disapprove any such item by giving such notice to Escrowholder within the foregoing period shall constitute irrevocable approval of all such items.

(c) Buyer's Investigation. Refer to language in paragraph 2 above.

7. Title & Warranties. Seller hereby represents warrants and covenants as follows:

(a) Seller has full power and authority to enter into and perform this Agreement in accordance with its terms.

(b) Seller has not received notice of any defaults under the First Note and/or First Deed of Trust.

(c) Prior to Close of Escrow, Seller shall manage and maintain the Property in accordance with its established practices.

(d) Except as disclosed by Seller prior to execution hereof, there are no management, employment, service, or maintenance contracts or other similar agreements which will affect Buyer or the Property subsequent to the Close of Escrow.

(e) Seller has no actual knowledge of any claim, litigation, proceeding or governmental investigation pending against or relating to the Property and Seller does not have any belief that there is basis for any such claim, litigation, and other proceeding or governmental investigation.

(f) Seller has no actual knowledge of any notice of violation of any applicable zoning regulation or ordinance or other law, order, ordinance, rule regulation, code, or requirement or of any covenant, condition, or restriction affecting or relating to the construction, use or occupancy of the Property.

(g) Seller has no actual knowledge that the subject Property does not conform to all applicable zoning regulations and ordinances affecting or relating to the construction, use or occupancy of the Property.

(h) Seller has no actual knowledge of any encroachments onto the Property or improvements located on any adjoining property, or of any improvements located on the Property encroaching onto adjoining property.

(i) Seller has no actual knowledge of any intended public improvements, which will result in any charge being levied or assessed against, or in the creation of any lien upon the Property.

(j) Seller has no actual knowledge of any pending or contemplated condemnation of the Property, or any part thereof.

(k) To the extent of Seller's actual knowledge, all utilities including, but not limited to, gas, electricity, water, sewage, and telephone are currently available to the Property. Seller makes no warranty or representation as to the future availability of such utilities services.

(l) Seller has no actual knowledge of any fact or condition which will result in the termination of the present access to or from the Property and any existing highways and roads.

(m) Seller has no actual knowledge of any attachments, executions, or assignments for the benefit of creditors or voluntary or involuntary proceedings in bankruptcy pending against Seller.

(n) Seller has no actual knowledge of any order or directive of the applicable Department of Building Safety, Health Department, or any other City, County, State, or Federal authority that any work or repair maintenance or improvement be performed on the Property.

(o) If Seller or Buyer discovers any fact not now known to the Seller that would make any warranty or representation contained herein untrue, that party will immediately give notice to the other and the Buyer shall have as its sole remedy the right to terminate this Agreement.

(p) All of the documents, information, and records provided, shall to the best knowledge and belief of the Seller, contain true and accurate information except as otherwise disclosed to Buyer in writing.

(q) Certain principal(s) of both Buyer and Seller may possess Real Estate Broker's/Salesman's Licenses.

(r) To the best of Seller's knowledge the Property does not and has never contained any hazardous or toxic wastes, without limitation, under any applicable federal, state or local laws or regulations under state or local laws or regulations prior to

Buyer's possession June 4, 2010. The cost of any required toxic waste or hazardous material clean up shown to have existed prior to June 4, 2010 shall be paid by Seller prior to close of escrow.

(s) Buyer shall receive all mineral, gas and oil rights presently owned by Seller as part of the purchase of the property.

8. Assignability. Buyer shall have the right to assign his rights hereunder to one or more nominees, provided that any such nominees shall assume all of the obligations contained herein.

9. Time of Essence and Escrow Cancellation. Time is of the essence of every provision of this Agreement in which time is an element. If not executed, this Purchase Agreement will expire at 5:00 P.M., June 30, 2013.

(a) Seller's Failure. If Seller fails to deposit a recordable Grant Deed pursuant to Section 6(a) above, or Seller cannot by the Closing convey title to the Property subject only to the matters described in Section 6(b) above, then Buyer at his option may terminate this Agreement and the Escrow by giving written demand to Seller and Escrowholder within the applicable period or periods provided above. Thereupon:

(i) Escrowholder shall promptly return to Buyer the Deposits and Escrowholder shall return all other instruments to the parties who deposited the same;

(ii) All title and escrow cancellation charges shall be paid by Seller;

(iii) Each party shall be fully and completely excused and released from any further obligations hereunder or liability of any nature or amount whatsoever to the other party. If Buyer decides not to terminate this Agreement as provided above, then Buyer shall have any legal right to compel specific performance of Seller in accordance with the terms of this Agreement.

(b) Buyer's Failure. If Escrow does not close due to Buyer's default subsequent to compliance with 6(c) above, then Escrowholder is irrevocably instructed to deliver the deposits to seller as liquidated damages for Buyer's failure to complete the purchase, it being acknowledged by Buyer and Seller that the damages which seller would sustain would be impracticable or extremely difficult to fix or determine. Buyer and Seller agree that Seller's economic detriment resulting from the removal of the Property from the real estate market and other activities in furtherance of the agreement would be extremely difficult to ascertain. Accordingly, Buyer and Seller agree that the deposits required herein are a reasonable estimate of Seller's damages. Due to the special nature of negotiations which preceded acceptance by Seller of Buyer's offer to acquire the Property the parties acknowledge that the actual damages caused Seller by the failure to close escrow would be extremely difficult to establish. In addition buyer desires to have a limitation on his potential liability to Seller if this transaction fails to

In the event of breach by Buyer of his obligations hereunder, Buyer and Seller have agreed to the concept of liquidated damages as set forth herein, with the amount and timing of the payment having been the subject of negotiation between the parties. In addition, Buyer shall pay all title and escrow cancellation charges. By placing their initials below, Buyer and Seller acknowledge that they have read, understood, and agreed to be bound by this liquidation damages provision.

Seller's Initials


Buyer's Initials

10. Further Documents and Acts. Each of the parties hereto agrees to cooperate in good faith with the other, and to execute and deliver such further documents and perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the transaction contemplated under this Agreement.

11. Survivability. All covenants of Buyer and Seller which are expressly intended hereunder to be performed in whole or in part after the Closing, and all representations, warranties and indemnities by either party to the other, shall survive the Closing and shall be binding upon and inure to the benefit of the respective parties hereto and their respective heirs, successors and permitted assigns. Any agreements, understandings, warranties or representations not expressly contained herein shall in no way bind either Seller or Buyer. Seller and Buyer each expressly waive any right of rescission and all claims for damages by reason of any statement, representation, warranty, promise and/or agreement, if any, not contained in or attached to this Agreement.

12. Eminent Domain Proceedings. If at any time during the Escrow period the Property or any portion thereof is threatened with condemnation, or legal proceedings are commenced under the power of Eminent Domain or Force Majeure, Seller shall forthwith notify Buyer. Thereupon, if a substantial portion (i.e., at least ten percent) of the Property is so threatened, Buyer may terminate this Agreement and cancel Escrow by giving written notice to Escrowholder and the other party. If there be no such termination, then each of the parties shall cooperate with the other during the course of any such proceedings or threat thereof, and shall furnish to the other full copies of all pleadings, correspondence, documents, and other data concerning the same. Seller shall make all reasonable efforts to postpone any definitive proceedings, including, without limitation, a trial on the merits of the case, until after the Closing. Buyer at his expense shall be in control of any such condemnation proceedings or threat thereof during the Escrow period, but shall deal through Seller or consult with Seller prior to making any substantial negotiations or communications with public agencies or any substantial decisions affecting such proceedings or threat thereof. All court costs, appraisal fees and other expenses paid or incurred by Buyer in connection with such proceedings shall be credited to Buyer and Buyer shall be entitled to retain all condemnation proceeds.

close. Therefore, in order to induce Seller to waive all other remedies Seller may have in the event of breach by buyer of his obligations hereunder, Buyer and Seller have agreed to the concept of liquidated damages as set forth herein, with the amount and timing of the payment having been the subject of negotiation between the parties. In addition, Buyer shall pay all title and escrow cancellation charges. By placing their initials below, Buyer and Seller acknowledge that they have read, understood, and agreed to be bound by this liquidation damages provision.

EM

Seller's Initials

Buyer's Initials

10. Further Documents and Acts. Each of the parties hereto agrees to cooperate in good faith with the other, and to execute and deliver such further documents and perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the transaction contemplated under this Agreement.

11. Survivability. All covenants of Buyer and Seller which are expressly intended hereunder to be performed in whole or in part after the Closing, and all representations, warranties and indemnities by either party to the other, shall survive the Closing and shall be binding upon and inure to the benefit of the respective parties hereto and their respective heirs, successors and permitted assigns. Any agreements, understandings, warranties or representations not expressly contained herein shall in no way bind either Seller or Buyer. Seller and Buyer each expressly waive any right of rescission and all claims for damages by reason of any statement, representation, warranty, promise and/or agreement, if any, not contained in or attached to this Agreement.

12. Eminent Domain Proceedings. If at any time during the Escrow period the Property or any portion thereof is threatened with condemnation, or legal proceedings are commenced under the power of Eminent Domain or Force Majeure, Seller shall forthwith notify Buyer. Thereupon, if a substantial portion (i.e., at least ten percent) of the Property is so threatened, Buyer may terminate this Agreement and cancel Escrow by giving written notice to Escrowholder and the other party. If there be no such termination, then each of the parties shall cooperate with the other during the course of any such proceedings or threat thereof, and shall furnish to the other full copies of all pleadings, correspondence, documents, and other data concerning the same. Seller shall make all reasonable efforts to postpone any definitive proceedings, including, without limitation, a trial on the merits of the case, until after the Closing. Buyer at his expense shall be in control of any such condemnation proceedings or threat thereof during the Escrow period, but shall deal through Seller or consult with Seller prior to making any substantial negotiations or communications with public agencies or any substantial decisions affecting such proceedings or threat thereof. All court costs, appraisal fees and other expenses paid or incurred by Buyer in connection with such proceedings shall be credited to Buyer and Buyer shall be entitled to retain all

condemnation proceeds.

13. Broker's Commissions. The parties acknowledge that the sale of the Property is subject to a brokerage commission of five-(5%) of the sales price. Said commission shall be payable in full upon Close of Escrow and split equally between Realty Executives and to Sperry Van Ness/Gold Dust Commercial Associates. Escrowholder is hereby instructed to make such payments by Seller on the closing date out of the sale proceeds.

Except as expressly set forth above, Seller and Buyer each represent to the other that, to the best of their knowledge, no brokerage commission, finder's fee or other compensation of any kind is due or owing to any person or entity in connection with the transactions covered by this Agreement. Each party agrees to and does hereby indemnify and hold the other harmless from and against any and all costs, liabilities, losses, damages, claims, causes of action or proceedings which may result from any broker, agent or finder, licensees or otherwise, claiming through, under or by reason of the conduct of the indemnifying party in connection with this transaction.

14. Waiver, Consent and Remedies. Either party may specifically and expressly waive in writing any portion of this Agreement or any breach thereof, but no such waiver shall constitute a further or continuing waiver of any preceding or succeeding breach of the same or any other provision. The consent by one party to any act by the other for which such consent was required shall not be deemed to imply consent or waiver of the necessity of obtaining such consent for the same or any similar acts in the future. No waiver or consent shall be otherwise specified in the Agreement. All rights, remedies, undertakings, obligations, options, covenants, conditions, and agreements contained in this Agreement shall be cumulative and no one of them shall be exclusive of the other.

15. Attorney's Fees. In the event of any declaratory or other legal or equitable action instituted between Seller, Buyer and/or Escrowholder in connection with this Agreement, then as between Buyer and Seller the prevailing party shall be entitled to recover from the losing party all of its or his costs and expenses including, but not limited to, court costs and reasonable attorney's fees.

16. Notices. Any notice, request, demand, consent, approval or other communication required or permitted hereunder or by law shall be validly given or made only if in writing and delivered in person to the other party or to an officer or duly authorized representative of the other party or deposited in the United States mail, duly certified or registered (return receipt requested), postage prepaid, addressed to the party for whom intended, as follows:

If to Seller: Fireside Investments, LLC
P.O. Box 17346
Covington, KY 41017-0346

If to Buyer: Carson City Redevelopment Authority
 C/O Bruce Robertson
 Sperry Van Ness
 311 N. Carson St.
 Carson City, NV 89701

Any party may from time to time, by written notice to the other, designate a different address, which shall be substituted for that specified above. If any notice or other document is sent by mail as aforesaid, the same shall be deemed fully delivered and received forty-eight (48) hours after mailing as provided above.

17. Gender and Number. In this Agreement (unless the context requires otherwise), the masculine, feminine and neither genders and the singular and the plural shall be deemed to include one another as appropriate.

18. Entire Agreement. This Agreement and its exhibits constitute the entire agreement between the parties hereto pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions thereof. All prior agreements, representations, negotiations, and understandings of the parties hereto, oral or written, express or implied, are hereby superseded and merged herein.

19. Captions. The captions used herein are for convenience only and are not a part of this Agreement and to not in any way limit or amplify the terms and provisions hereof.

20. Governing Law. This Agreement and the exhibits attached hereto have been negotiated and executed in the State of Nevada and shall be governed and construed under the laws of the State of Nevada.

21. Invalidity of Provision. If any provision of this Agreement as applied to either party or to any circumstance shall be adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, the same shall in no way affect (to the maximum extent permissible by law) any other provision of this Agreement, the application of any such provision under circumstances different from those adjudicated by the court, or the validity or enforceability of the Agreement as a whole.

22. Amendments. No addition to or modification of any provision contained in the Agreement shall be effective unless fully set forth in writing by both Buyer and Seller.

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

24. No Representation by Seller. As of Close of Escrow, Buyer acknowledges that he has inspected, or has had the opportunity to inspect the Property and observe its physical characteristics and conditions, and hereby waives any and all objections to the physical characteristics and conditions except as otherwise recited herein. Buyer acknowledges that neither Seller nor any of its employees, agents, or representatives has made any representations, warranties or covenants by or on behalf of Seller as to any matters concerning the Property, the present or future usage of the Property, or the suitability of the Property for Buyer's intended use, except as contained in this Agreement.

25. Seller's Authority. Seller hereby represents and warrants to Buyer that Neither the execution or delivery of this Agreement, the incurrence of the obligations herein set forth, the consummation of the transactions herein contemplated, nor the compliance with the terms of this Agreement will conflict with, or result in a breach of, any of the terms, conditions, or provisions of, or constitute a default under, its partnership agreement or any bond, note or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which Seller is a party or by which Seller or any of Seller's properties may be bound. Seller further represents and warrants to Buyer that Seller is duly organized, validly existing and in good standing under the laws of the State of Nevada and has all requisite powers and authorities to own its properties and the individuals executing this Agreement (and any documents in connection therewith) have been duly authorized by all requisite action.

26. Buyer's Authority. Buyer hereby represents and warrants to Seller that neither the execution or delivery of this Agreement, the incurrence of the obligations herein contemplated, nor the compliance with the terms of this Agreement will conflict with, or result in a breach of, any of their terms, conditions, or provisions of, or constitute a default under, any agreement or any bond, note or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which Buyer is a party or by which Buyer or any of Buyer's properties may be bound. Buyer also represents and warrants to Seller that each of his nominees, partners or joint venturers has been duly organized and is validly existing and in good standing under the laws of the State of Nevada and the performance of this Agreement has been duly authorized by all requisite action and the individuals executing this Agreement or any other documents necessary to consummate this transaction on behalf of Buyer or his nominees and to execute all other documents and perform all other acts as may be necessary in connection with the performance of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

"Buyer"

"Seller"

By:



Robert L. Crowell, Mayor
City of Carson City, Nevada

By:

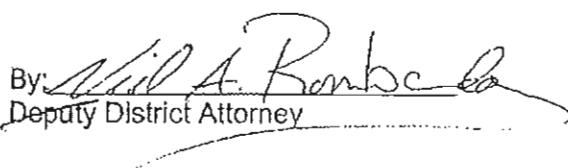
Edward E. Meyer, Manager
Fireside Investments, LLC

Date: _____

Date: _____

Approved as to Legality and Form:
Neil A. Rombardo, District Attorney

By:


Neil A. Rombardo
Deputy District Attorney

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

"Buyer"

By:

Lawrence Werner, City Manager
City of Carson City, Nevada

Date:

"Seller"

By:

Edward E. Meyer, Manager
Fireside Investments, LLC

Date: May 24, 10

ASSIGNMENT AND ASSUMPTION AGREEMENT

This **ASSIGNMENT AND ASSUMPTION AGREEMENT**, dated as of February __, 2013, is by and between the Carson City Redevelopment Authority, Nevada (the “Authority”), and Carson City, Nevada (the “City”).

WHEREAS, the Board of Supervisors of the City has heretofore determined that it is in the best interests of the City to purchase an office building located at 108 E. Proctor Street in the City (the “Building”), together with certain related land (the “Land,” and together with the Building, the “Property”), to provide office space and related parking for the employees of the City and the Authority; and

WHEREAS, the Authority is currently leasing the Property from Fireside Investments, LLC (the “Seller”), pursuant to a Lease Agreement, dated as of June 4, 2010; and

WHEREAS, the Authority has been granted an option to purchase the Property before June 30, 2013, pursuant to a Purchase Agreement, dated as of June 2, 2010 (the “Original Purchase Agreement”), between the Seller and the Authority; and

WHEREAS, the Seller and the Authority have entered into a First Amendment to Purchase Agreement, dated as February 15, 2013 (the “First Amendment,” and together with the Original Purchase Agreement, the “Purchase Agreement”), in order to clarify certain aspects relating to the purchase of the Property; and

WHEREAS, Section 8 of the Original Purchase Agreement permits the Authority to assign its rights in the Purchase Agreement “to one or more nominees, provided that any such nominees shall assume all of the obligations contained [t]herein;” and

WHEREAS, the Authority desires to assign, and the City desires to assume, all of the Authority’s rights under the Purchase Agreement in order to place the City in a position to purchase the Property directly from the Seller.

NOW, THEREFORE, for and in consideration of the mutual covenants and the representations, covenants and warranties herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Authority hereby fully and freely assigns all of its rights and interests in and to the Purchase Agreement, and the City hereby assumes all of the Authority’s rights and interests in and to the Purchase Agreement and further agrees to comply with all of the Authority’s obligations under the Purchase Agreement to the same extent as if the City been originally named therein in lieu of the Authority.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Assignment and Assumption Agreement as of the date first written above.

CARSON CITY REDEVELOPMENT
AUTHORITY, NEVADA

[S E A L]

By: _____
Chair

Attest:

Secretary

CARSON CITY, NEVADA

[S E A L]

By: _____
Mayor

Attest:

City Clerk