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REAL ESTATE PURCHASE AGREEMENT

This agreement made this 31 day of July 1984, by and between LYMAN B. SUTTER, hereinafter called "Purchaser", and GERY GOMEZ and LINDA L. GOMEZ, his wife, hereinafter called "Sellers", upon the following terms and conditions:

1. Purchaser agrees to purchase, and Seller agrees to sell, the real property, together with all improvements thereon, located in the County of Douglas, commonly known as Lot 1, Cedarbrook Subdivision, Douglas County, Nevada, and more particularly described in Exhibit "A" hereto, specifically including, but not by limitation, pier improvements and building foundations.

2. The purchase price shall be the sum of \$825,000 payable as follows:

A. A down payment in the amount of \$350,000 including the deposit referred to hereinafter.

B. A note secured by a first deed of trust in the amount of \$300,000 to be made by Purchaser payable to Sellers bearing interest at the rate of fifteen percent (15%) per annum payable monthly commencing one month from the conveyance of the real property and continuing monthly thereafter until five (5) years from the date of conveyance of the property at which time the entire remaining principal and accrued interest shall be due and payable. In addition to the interest payments, Purchaser shall make partial principal reduction payments in the amount of \$50,000 commencing six months from the date of conveyance of the property, but not before January 1, 1985, and thereafter on or before the same day of each calendar year thereafter, Purchaser shall make additional annual payments of \$50,000 on account of principal. The privilege or prepaying all or part of the unpaid balance of principal plus accrued interest after January 1, 1985 shall be reserved to Purchaser. Unpaid accrued interest shall be added to principal and earn interest until paid. Said note shall be assumable by a subsequent purchaser (hereinafter referred to

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as the "Assuming Party") of the subject real property. However, such assumption shall be subject to Sellers' prior written consent based upon said Assuming Party's credit worthiness, which consent shall not be unreasonably withheld by Sellers. The lien of the deed of trust securing the note shall be prior to liens and encumbrances upon the property except for liens for current real property taxes not yet due.

C. The balance of the purchase price shall be represented by a promissory note made by Purchaser payable to Sellers in the amount of \$175,000 secured by a second deed of trust upon the subject property. The note shall bear interest at the rate of twelve percent (12%) per annum payable monthly commencing one month from the conveyance of the property. The principal shall be due five (5) years from the date of conveyance of the property. The privilege of prepaying all or part of the unpaid balance of the principal and accrued interest after January 1, 1985 shall be reserved to Purchaser. Unpaid accrued interest shall be added to the principal and earn interest until paid. Said note shall be assumable by a subsequent purchaser (hereinafter referred to as the "Assuming Party") of the subject real property. However, such assumption shall be subject to offeree's prior written consent to said assumption based on said Assuming Party's credit worthiness, which consent shall not be unreasonably withheld by Sellers.

D. Both of said notes shall provide that in the event of default, at the option of the holder, the entire remaining balance of the principal and accrued interest shall become immediately due and payable. Said notes shall provide for reasonable attorney's fees incurred in connection with the collection of the notes or foreclosure upon the property.

The deeds of trust securing the notes shall provide for subordination of the liens of the deeds of trust to lien of a new first deed of trust securing a construction loan to be used for the construction of improvements upon the real property. The principal amount of such construction loan shall



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not exceed the total principal payments, including the down payment, made to Sellers at the date that subordination is requested. The loan shall be from an institutional lender at prevailing rates and terms with disbursement according to lender's prevailing practice and shall be used exclusively for the payment of such construction costs.

3. Upon execution of this agreement, Purchaser shall deposit with Douglas County Title Insurance Company a good faith deposit in the amount of \$5,000 to be applied upon the down payment hereinabove provided for.

4. The property shall be conveyed, and the consideration shall be paid to Sellers on July 31, 1984. Real property taxes, rents, and insurance premiums on policies retained by Purchaser shall be prorated as of the date of conveyance. The amount of any bond or assessment which may be a lien upon the property shall be paid by Sellers. The cost of revenue stamps, title insurance, escrow fees, and engineers' inspection and report on the foundation shall be shared equally between Purchaser and Sellers.

  **ALTA** Title to the property shall be evidenced by a ~~California~~ Land Title Association joint protection extended coverage title policy issued by Douglas County Title Insurance Company showing title vested in Purchaser and subject to only the liens for current real property taxes not yet payable and, to the first and second deeds of trust securing the notes to Sellers and to easements, restrictions, right and conditions of record as set forth in the preliminary title report approved by Purchaser.

5. The obligations of Purchaser to acquire the real property are subject to the following conditions:

A. Purchasers' approval, at his sole discretion, of the preliminary title report issued by Douglas County Title Insurance Company with respect to the property.

B. Examination of all documents constituting liens and encumbrances, easements, conditional or special use permits, licenses, variances and rights of way on the subject property,

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including, but not by way of limitation, CC&Rs, agreements concerning ownership and use of the pier.

C. Approval of the tract, plat, and assessor's maps.

D. Approval of current and prior years real property tax bills.

E. Physical inspection and approval of the real property, including, but not by way of limitation, water supply, plumbing and sewer systems.

F. Inspection and approval of pier permits, U. S. Corps of Engineers reports concerning the pier or the pier sites and any and all plans, working drawings and engineering reports currently being used in connection with the pier construction.

G. The written report of a Nevada or California state licensed structural engineer including, but not by way of limitation, information on the structural integrity, deterioration and loading-bearing capacity of existing foundation and pier structure.

H. Written verification of all current rights of ingress and egress, over and across the subject real property whether held by Sellers or any other party.

I. Consent from all applicable governmental authority, agencies and adjoining or adjacent real property owners to the paving of all current and planned access roads to the subject property.

J. Verification in writing from all necessary governmental authorities and agencies that the presently approved building plans can be modified to the extent hereinafter set forth.

K. Verification in writing from the Douglas County Building Department and all other necessary governmental authorities and agencies that the current residential building and pier permits are valid, in force and will remain so until October 1984 together, a statement of the requirements for extension and/or renewal.

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In the event that Purchaser shall fail to approve any one of the foregoing conditions, he shall have the right to notify Sellers on or before July 31 of such disapproval. In such event this agreement shall terminate, and the deposit made by Purchaser shall be returned to him. Provided, however, that Purchaser and Sellers shall each bear one-half of all costs incurred in connection with this transaction prior to the date of termination.

In the event that Purchaser does not elect to terminate the agreement, then it is agreed that Purchaser shall have satisfied himself with respect to all of the foregoing matters, and that he is purchasing the property in its current condition, and is not relying on any representation or warranty of Sellers, or their broker, whatsoever. Provided, however, that Purchaser shall retain the right to rescind this transaction as hereinafter provided. Provided further, that Sellers shall assign to Purchaser to the extent possible all warranties or rights which they may have against third parties arising out of the construction of the foundation and pier.

6. Sellers agree to complete the construction of the pier in accordance with the plans and specifications delivered to Purchaser at their sole cost and expense prior to conveyance of the property.

7. Possession of the real property shall be delivered to Purchaser upon the recording of the conveyance. However, upon execution of this agreement and prior to the conveyance of the property Purchaser shall have the right to go upon the property to make reasonable inspections.

8. The parties specifically agree that Purchaser may rescind this transaction and recover all cash payments made by Purchaser to Sellers in the event that a building permit is not available for the construction in accordance with the existing plans, with such modification to the interior plans only as Purchaser shall wish to make. No such modification shall affect the exterior of the building or require the approval of the Tahoe

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Regional Planning Agency. Such modification may require the approval of the Douglas County Planning Department or Building and Safety Department. Provided, however, that this right of rescission shall expire if not exercised prior to September 1, 1984, unless Sellers by written notice to Purchaser extends said time. In event of rescission, the parties shall share equally in all costs and expenses incurred in connection with this transaction to the date of rescission. Subject to the payment of Purchaser's share of such costs and expenses, Sellers agree to refund all funds paid to them on account of the purchase price and to cancel the notes upon a valid exercise of this right of rescission and tender of a deed reconveying the property to Sellers subject to the same encumbrances and restrictions which existed upon the property at the date of sale and conveyance to Purchaser.

9. In order to secure the right of Purchaser to obtain a refund of all such amounts paid in the event of rescission, Sellers agree that the down payment to be received for the sale of the property, less any expenses incurred in connection with the transaction payable by Sellers shall be held by Rudy, Rapoport and Holden, a professional corporation, in such certificates of deposit and interest bearing accounts as may be designated by Sellers until the right of rescission shall have expired. In the event that the right of rescission is not exercised, all interest earned on said accounts shall belong to Sellers. In the event that the right of rescission is validly exercised, all interest earned shall be paid to Purchaser, subject to Purchaser's obligations with respect to costs and expenses. Unless said escrow holder is notified on or before September 1, 1984 that Purchaser has elected to rescind this transaction, on or after that date, escrow holder shall have the right to pay over the funds to Sellers.

Purchaser shall be obligated to use his best efforts to obtain the approval within the time provided and any extensions thereof granted by Sellers.

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10. Purchaser and Sellers agree to hold escrow holder harmless from any claim, liability, damage, or expense, including reasonable attorney's fees arising out of their performance of the duties provided for herein so long as the escrow holder complies with all the terms and conditions of this agreement.

11. In the event that a dispute shall arise between the parties with respect to their rights and obligations hereunder, or with respect to the rights and obligations relating to the real property sold, and either party shall bring an action against the other party, the party prevailing in such action shall be entitled to receive from the other party a reasonable attorney's fee to be determined by the court in which such action may be brought.

12. It is expressly understood that this agreement contains all the terms, conditions, and agreements between the parties hereto relating to the subject matter of this agreement and that no prior agreements or understandings, either written or oral, pertaining to the same shall be valid or of any force or effect, and provisions of this agreement cannot be altered, changed, modified, or added to except in writing by the parties hereto.

13. Sellers have employed Bowser Realty & Associates as brokers in connection with this transaction and agree to pay said brokers for services rendered the sum of \$25,000 in the event that the real property is conveyed to Purchaser pursuant to this agreement or any amendment to this agreement, and Purchaser does not validly exercise his right of rescission provided for herein. In the event that the sale is not completed on account of any default by Purchaser, said commission shall be payable only in the event that Sellers collect damages in which event the amount payable shall not exceed one-half of the damages recovered or the sum of \$25,000, whichever is the lesser.

The commission payable hereunder shall be payable from the funds held in escrow by Rudy, Rapoport and Holden pursuant to this agreement upon expiration of the right to rescind granted to Purchaser.

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PROPOSED REVISIONS TO PLANS AND PERMIT

LOT 1 Cedarbrook Subdivision, Douglas County, Nevada

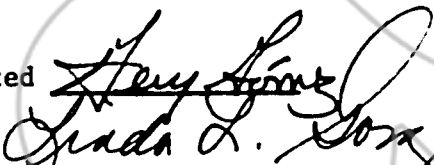
1. No addition of impervious surface coverage or change in permitted height is proposed.
2. The existing foundation will be used, however, a mandatory correction will be made per Engineer's letter of July 27, 1984, attached.
3. Interior plan changes:
 - a. Expand third floor to increase size of master bedroom and bath, add sitting room, change other room locations. Change area above garage. Add laundry room.
 - b. Second floor: change locations of kitchen, bath, dining room, stairway, etc.
 - c. Lower floor: add pool (approx. 15x30 ft) and spa; change locations of family room, bedrooms and baths.
 - d. Change plumbing, electrical and mechanical systems as necessary for the above plan changes.
4. Exterior plan changes:
 - a. Cantilever balconies at each floor (3 total) per recommendations of permitted plan. Coverage will not change.
 - b. Change roof pitch from 8:12 to 5: 12 to allow for expanded third floor without change in permitted height.
 - c. Change location of windows and doors.
 - d. Change exterior finish and trim.
 - e. Change driveway location for better access.
 - f. Path to pier to be straightened and coverage to be decreased.

Submitted July 30, 1984



Lyman Sutter

Accepted



Gada L. Gora

Note: These changes have been discussed with Douglas County Planning and Building Departments in a recent meeting; and it was felt that these items would be approved as a revision to the existing building permit.


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In the event there is any action brought by broker against Sellers on account of the agreement to pay commission, the prevailing party shall be entitled to a reasonable attorney's fee incurred in such action.


IN WITNESS WHEREOF, the parties, the escrow holder, and the broker have executed this agreement.



LYMAN B. SUTTER, Purchaser



GERY GOMEZ

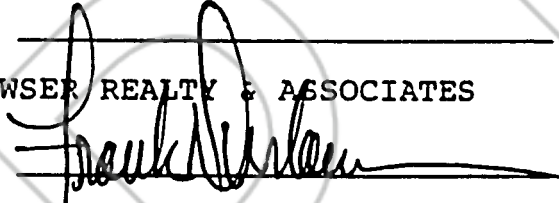


LINDA L. GOMEZ, Sellers

RUDY, RAPOPORT AND HOLDEN,
A Professional Corporation

By _____

BOWSER REALTY & ASSOCIATES

By 

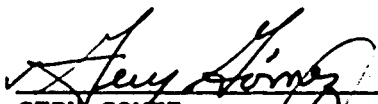
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SUPPLEMENT TO GOMEZ/SUTTER AGREEMENT OF JULY 31, 1984

Purchaser shall also have the right to rescind prior to September 1, 1984 if the following condition is not satisfied:

- A - the Policy of Title Insurance issued to Purchaser shall be amended to confirm that the subject property is not subject to the Covenants, Conditions and Restrictions established by Document No. 14817 recorded on August 19, 1959; or
- B - it is otherwise established to the satisfaction of Purchaser that said Covenants, Conditions and Restrictions do not apply to or have been waived with respect to the subject property.

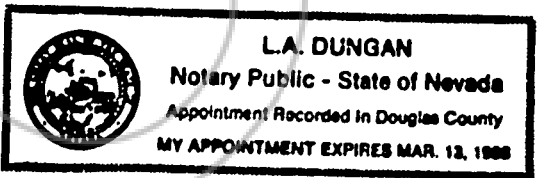

GERY GOMEZ



LYMAN B. SUTTER


LINDA L. GOMEZ

STATE OF NEVADA }
COUNTY OF Douglas } ss.
On July 31, 1984 before me, the undersigned, a Notary Public in and for
said State, personally appeared Lyman B. Sutter, Gery Gomez and Linda L. Gomez

known to me to be the person s whose name s are
subscribed to the within instrument and acknowledged to me
that they executed the same.
WITNESS my hand and official seal.



Signature 
L.A. Dungan
Name (Typed or Printed)

(This area for official notorial seal)

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E. G. H. & ASSOCIATES, INC.

CIVIL ENGINEERING • LAND PLANNING • LAND SURVEYING

July 27, 1984

Faradg GilanFarr, Architect, A.I.A.
P. O. Box 3608
Incline Village, Nevada 89450

Re: **PROPOSED SUTTER RESIDENCE**
Cedarbrook Subdivision

Dear Faradg:

Mr. Gary Dalton of Pezonella Associates, Inc. visited the job site, per my request, on July 24, 1984. He checked the wall reinforcing in the retaining and stem walls, verified the footing sizes and reinforcing in selected locations, performed two compaction tests and took one core sample from the 12" retaining wall.

Attached is a copy of his field notes and conclusions. The areas tested have been marked in red on the original drawings for reference.

To summarize the results of the test, it appears that the walls were built in conformance with the drawings and in a workman like manner. Refer to page 13 and 14 of Pezonella's field report for his conclusions.

Gary has noted one area of concern in his report that should be corrected before any further construction proceeds. The west footing line facing the lake has been placed in loose, uncompacted, organic soils that are not a suitable bearing material. These soils should be excavated from below the existing footings down to an adequate bearing strata (approximately 1 to 2 feet) and the void filled with structural concrete. If this procedure is done in sections; it will not be necessary to remove the existing walls and footings.

An analysis of the existing 12" block retaining wall indicates that the wall can retain up to 9 feet of earth above the footing plus a 150 PSF surcharge loading (snow). In areas where snow accumulation is not possible, as in the garage, the wall can retain 10 feet of earth. Attached is a copy of the analysis of the retaining wall.

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Faradg GilanFarr

Proposed Sutter Residence, Cedarbrook Subdivision

July 27, 1984

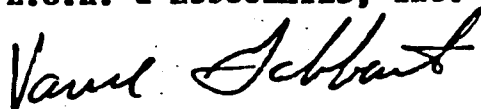
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In conclusion, the existing foundations are of good quality, except as noted above, and will be adequate to support normal residential loads. It may be necessary to modify the existing foundations somewhat at concentrated load areas since a new framing plan may be different from the original that the foundations were designed to support.

If you can be of further assistance or if you have any questions, please call.

Sincerely,

E.G.H. & ASSOCIATES, INC.



Vance Gabbart, P.E.

VG/jd

Attachment



991 Bible Way, Reno, Nevada 89502 • (702) 322-0656

Recorded at Request of
DOUGLAS COUNTY TITLE

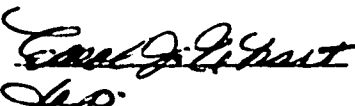
7-31-84 10:16 AM

At 3 Min. Past 1 P.M.

Official Records of

Douglas County, Nevada

Suzanne Berwick, Recorder

By 
Sep.

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