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DA's  
Tom Perkins

Approved 1/17/02 item #22a  
Douglas Co. Commissioners

FILED

2002.032

AGREEMENT

'02 JAN 24 P3:51

THIS AGREEMENT is entered between Falcon Capital, LLC,  
a limited partnership organized under the laws of the State of  
Wyoming (Owners) and Douglas County, a political subdivision of  
the State of Nevada (County).

The agreement concerns certain real property and  
improvements owned by Owners situated 151 Highway 50, in  
Stateline, Douglas County, Nevada, (APN 07-120-09), referred to  
herein as the "Love Chapel". It also concerns the following  
real property and improvements owned by the County:

- A. Assessor's Parcel Number 0000-07-325-030 (the Crestview parcel),
- B. APN 0000-11-224-050 and 0000-11-224-060 (the South Benjamin parcels),
- C. APN 07-453-010, (the large Granite Springs parcel) and
- D. APN 07-451-01 (the smaller Granite Springs parcel)
- E. APN 07-350-110 (the Buchanan parcel).

In consideration of the mutual promises contained herein,  
the parties agree as follows:

- 1. Owners agree to sell the property and improvements at 151 U.S. Highway 50, Stateline, Nevada, (APN 0000-07-120-09), together with all associated development rights, including, but not limited to commercial floor area and land coverage, to the County for the sum of \$802,000.

2. The County will pay the price with a combination of cash and transfer of real property, with the real property to be transferred at current appraised values, subject to conditions, as set forth herein:

A. Cash in the amount of \$172,000.

B. Assessor's Parcel Number 0000-07-325-030 (the Crestview Drive parcel), for \$225,000, based on the September 12, 2001 updated appraisal by Johnson-Perkins & Associates, Inc.

C. APN 0000-11-224-050, on South Benjamin Drive, for \$85,000, based on the September 12, 2001 updated appraisal by Johnson-Perkins & Associates, Inc.

D. APN 0000-11-224-060 on South Benjamin Drive, for \$120,000, based on the September 12, 2001 updated appraisal by Johnson-Perkins & Associates, Inc.

E. APN 07-453-01, the larger Granite Springs parcel, for \$200,000, based on the November 19, 2001 updated appraisal by Johnson-Perkins & Associates, Inc.

3. The cash to execute the terms of the transaction is to be realized from the sale of commercial floor area and land coverage from the Love Chapel. Owners agree to cooperate with the County in the sale of the same, and to sign the instruments necessary to effectuate the transfer of the same.

4. The parties acknowledge that the market for real estate in the Lake Tahoe basin, in which the property subject to

this agreement is located, is in a state of transition as a consequence of the national economic recession, and that the appraisals referred to herein are or were based on comparable sales of real property that took place before the effects of the recession reached this area. The parties further acknowledge that it is possible that good faith transactions between willing sellers and buyers dealing at arms length in the current economic climate may not result in values equivalent to the appraised values set forth herein. Accordingly, for a period of twelve months following approval of this agreement by the Douglas County Board of County Commissioners, the parties agree to the following:

A. The Owners may apply for adjustment of the credit allowed for the sale of any one or more of the properties offered in exchange. Each such application shall be based on a good faith transaction between a willing seller and buyer dealing at arms length at a price supported by the opinion of a competent, disinterested appraiser, subject to review by the County and its appraisers, if any, and approval by the Board, which will not be unreasonably withheld.

B. The County further grants an option to Owners to purchase APN 0000-07-350-110 (the Buchanan parcel), at the September 12, 2001 appraised value of \$275,000, for credit against the purchase price in that amount. In connection

therewith, the County agrees to cooperate with Owners in securing legal access to the parcel. The option must be exercised, by Owners giving County notice thereof, in writing, within twelve months of approval of this agreement by the Board of Commissioners. If the option is exercised and the value or proceeds, or combination thereof, when combined with the proceeds or credit for the remaining properties, exceeds \$802,000, then County shall be entitled to the balance of the appraised value of \$275,000.

C. The County further grants an option to Owners to purchase APN 07-451-01 (the smaller Granite Springs parcel, at the November 19, 2001 appraised value of \$150,000, for credit against the purchase price in that amount. The option must be exercised, by Owners giving County notice thereof, in writing, within twelve months of approval of this agreement by the Board of Commissioners. If the option is exercised and the value or proceeds, or combination thereof, when combined with the proceeds or credit for the remaining properties, exceeds \$802,000, then County shall be entitled to the balance of the appraised value of \$150,000.

D. In the event a credit or credits is granted to Owners for adjustment of the price of any parcel or parcels, pursuant to Paragraph 4.A., above, then such credit may be applied against the price upon exercise of the option or options

granted in Paragraph 4.B. or 4.C. By way of example, only, if upon the sale of one of the parcels taken in exchange an adjustment downward in the amount of \$25,000 is approved, then Owners may apply a credit in the amount of \$25,000 toward the purchase of either of the lots described in Paragraphs 4.B. or 4.C. If a credit or credits is approved by the Board, but no option is exercised, then the credit or credits will lapse at the end of the one year period, and the County will be under no obligation to liquidate or otherwise pay them.

E. Any application for modification in the price of the properties as to which an option to purchase is granted, as described in Paragraphs 4B and 4C, must be supported by a disinterested, competent appraisal, subject to review by the County and its appraisers, and subject to approval by the Board of Commissioners.

F. The rights granted herein lapse on the one year anniversary date of the Board's approval of this agreement. For purposes of calculation of time, the right shall be deemed to have been exercised within the one year period if written notice of application for adjustment or exercise of option is delivered to the County on or before the anniversary date.

5. Owner's purchase of the property included the existing business, Love's Chappel, as well as the personal property associated therewith. If Owner sells, assigns, conveys,

leases, hypothecates or otherwise liquidates the business, its assets, name, goodwill or any part thereof, then it agrees to assign the benefits thereof to the County or provide the County credit against the purchase price in the amount of the proceeds thereof. Owner agrees to render a true account of the disposition of the business and its assets at of the close of escrow of this agreement. The County shall have the right to inspect the premises and Owner's books concerning the business before the close of escrow.

6. The parties agree to open an escrow at a title company of Owner's choice qualified to do business in the State of Nevada. The costs of escrow, including preparation of deeds, will be divided by the parties.

7. Standard forms of title insurance will be purchased for each parcel being transferred hereunder. Owner will pay the premiums associated with the property it is selling to the County. The County will pay the premiums for the policies issued on the property it is conveying to Owner.

8. This transaction is subject to availability of funding and approval of the Douglas County Board of Commissioners in the manner, and according to the requirements of law. The value of the land and improvements being conveyed by the Owner to the County is established by the February 1, 2001 appraisal update by Johnson-Perkins & Associates, and the actual purchase

price by Falcon Capital, LLC in its April 30, 1998 purchase of the property. In connection therewith, the parties agree that purchase of the property under threat of eminent domain would result in severance damages for destruction of the business in excess of the difference between the appraised value of the property and the purchase price.

Sale of the real property being transferred to Owners as set forth herein is subject to the provisions of NRS 244.281, which requires, among other things, a public hearing, on notice, and the entertainment of competing bids, if any. If any parcel is sold to a competing bidder at such public hearing, then the proceeds of such sale shall be paid to Owners and credit in the amount of such proceeds shall be allowed toward payment of the price.

9. The parties agree to submit disputes to mediation. If they are unable to agree on a mediator, then each of them shall nominate a mediator, and the nominees will agree on a third person to mediate the dispute. The costs of mediation will be paid equally by the parties. The mediator will have the authority to grant extensions to the times provided in this agreement equal to the time the dispute is in mediation, should the circumstances support such an extension. Any agreement made by the County in mediation will be subject to approval by the Board of Commissioners, as required by law. No legal action may

be taken by either party for disputes arising out of this agreement unless first submitted to mediation.

10. Except as otherwise set forth herein, there shall be no adjustment of the prices or values ascribed to the parcels, and no interest will accrue during the twelve months following approval of the agreement.

11. Time is of the essence of this agreement. The parties agree to close escrow on or before January 31, 2002.

12. The parties agree that the land being transferred pursuant to the terms hereof will be delivered free of all liens and encumbrances.

13. This agreement shall be governed by the laws of the State of Nevada.

14. This agreement shall be binding on, and inure to the benefit of the parties, their heirs, successors and assigns. Owners' rights under this agreement may not be assigned without the prior written approval of the County.

Date:

FALCON CAPITAL, LLC

*G. R. Lane*

By:

*G. R. Lane*  
*Managing Member.*

Date:

DOUGLAS COUNTY, NEVADA

*Jan. 17, 2002*

*[Signature]*

By:



ATTEST:  
BARBARA REED,  
Douglas County Clerk

APPROVED AS TO FORM:  
SCOTT DOYLE, Douglas County  
District Attorney

Barbara J. Reed  
By: L. Lynch Deputy

Tomhi  
By: \_\_\_\_\_

REQUESTED BY  
**DOUGLAS COUNTY**  
IN OFFICIAL RECORDS OF  
DOUGLAS CO. NEVADA

2002 JAN 25 AM 11:27

LINDA SLATER  
RECORDER

s. o PAID K2 DEPUTY

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**CERTIFIED COPY**

The document to which this certificate is attached is a full, true and correct copy of the original on file and on record in my office.

DATE: January 25 2002  
B. Reed Clerk of the 9th Judicial District Court  
of the State of Nevada, in and for the County of Douglas.

By: Scott Doyle Deputy

SEAL