

DWP File P-85341

(Mohave Steam Generating Station)

(Sale of Mohave Pump Station to RS Nine LLC)

RESOLUTION NO. 015 098

BE IT RESOLVED:

That RS Nine LLC, a Nevada Limited Liability Corporation, be granted, for and in consideration of the sum of \$11,000, all that certain real property, consisting of 0.54 acres, owned by Mohave Generating Station Project partners, to which the Department of Water and Power of the City of Los Angeles owns a ten percent interest therein, and said 0.54 acres within that portion of Government Lot Nine (9) in fractional Section 24, in Township 32 South, Range 66 East, M.D. B. & M., in the County of Clark, State of Nevada, described as follows:

BEGINNING at a point in the South line of said Government Lot Nine (9), which bears North 89°26'48" East, 799.58 feet, measured along said South line, from a found 4 inch by 4 inch post, tagged "R. L. S. 2050", set for the Southwest corner of said Government Lot Nine (9), said Southwest corner also being the Southeast corner of the land described as Parcel Three (3) in the Grant Deed to Southern California Edison Company, recorded on October 26, 1966, as Instrument No. 606206, in Book 754, of Official Records, in the Office of the County Recorder of said County; Thence North 16.39 feet; Thence East, 219.30 feet, more or less, to a point in the high water line on the West bank of the Colorado River; Thence Southwesterly along said high water line of the Colorado River, to the point of intersection thereof with said South line of Government Lot Nine (9); Thence South 89°26'48" West, 209.99 feet, more or less, measured along said South line, to the POINT OF BEGINNING.

And

That portion of Government Lot Ten (10) in fractional Section 24, in Township 32 South, Range 66 East, M.D. B. & M., in the County of Clark, State of Nevada, described as follows:

BEGINNING at a point in the North line of said Government Lot Ten (10), which bears North 89°26'48" East, 799.58 feet, measured along said North line, from a found 4 in by 4 inch post, tagged "R. L. S. 2050", set for the Northwest corner of said Government Lot Ten (10), said Northwestern corner also being the Southeast corner of the land described as Parcel Three (3) in the Grant Deed to Southern California Edison Company, recorded October 26, 1966, as Instrument No. 606206, in Book 754 of Official Records, in the Office of the County Recorder of said County; Thence South, 116.61 feet; Thence East, 132.25 feet,

more or less, to a point in the high water line on the West bank of the Colorado River; Thence Northeasterly, along said high water line of the Colorado River to the point of intersection thereof, with said North line of Government Lot Ten (10); Thence South 89°26'48" West, 209.99 feet, more or less, measured along said North line, to the POINT OF BEGINNING.

Parcel 2 with Non-exclusive easements for road, underground utilities, cut and fill purposes as described and established by that certain "Grant of Rights of Way and Easements" recorded September 4, 1969 in Book 975 as Document No. 783165, Official Records, subject to the Conditions and Restrictions set forth therein; and as partially relinquished as described in that certain "Partial Quitclaim Deed, (Easement)", recorded December 28, 2000, in Book 20001228 as Document No. 00308, of Official Records.

PARCEL3 with Non-exclusive easements for access road and utility purposes as described and established by that certain instrument entitled "Non-exclusive Access Road Easement", recorded December 26, 2000, in Book 2001226 as Document No. 01087 and 01088, of Official Records, subject to the conditions and restrictions set forth therein.

RESERVING TO the City of Los Angeles a ten percent (10%) interest in all water and water rights appurtenant, whether surface or subsurface, if any, in relation to the Property and also reserving to City a ten percent (10%) interest in all oil, gas, petroleum, or other mineral or hydrocarbon substances, if any, without the right to enter upon the surface of said land for such use; and

SUBJECT TO conditions, covenants, restrictions, reservations, rights, rights-of-way and easements now of record, if any.

BE IT FURTHER RESOLVED:

1. The President or Vice President of this Board, or the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary, or Acting Secretary of the Board are hereby authorized and directed to execute a purchase and sale agreement for and on behalf of LADWP and the Manager of Real Estate is authorized, empowered and directed to execute escrow instructions and related documents necessary to consummate this transaction.

2. An instrument in writing, approved as to form and legality by the City Attorney, conveying said real property is authorized, and the President or Vice President of this Board, or the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary, or the Acting Secretary of the Board are hereby authorized and directed to execute said instrument for and on behalf of the LADWP.

3. The City Council is requested to authorize and direct the execution of said instrument as provided in Section 675(d)(2) of the City Charter.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held DEC 02 2014.

Barbara E. Prosehos

Secretary

APPROVED AS TO FORM AND LEGALITY
MICHAEL N. FEUER, CITY ATTORNEY

NOV 13 2014
BY JOHN BEANUM
JOHN BEANUM
DEPUTY CITY ATTORNEY



Los Angeles
Department of
Water & Power

BOARD LETTER APPROVAL

RESOLUTION NO. _____

A handwritten signature in black ink, appearing to read 'Randy S. Howard', is written over a horizontal line.

RANDY S. HOWARD
Senior Assistant General Manager
Power System

A handwritten signature in black ink, appearing to read 'Marcie L. Edwards', is written over a horizontal line.

MARCIE L. EDWARDS
General Manager

DATE: November 21, 2014

SUBJECT: Purchase and Sale Agreement No. P-85341 for the 0.54-Acre Mohave Pump Station Property of the Former and Decommissioned Mohave Steam Generating Station Project to RS Nine LLC

SUMMARY

The Los Angeles Department of Water and Power (LADWP), in partnership with Southern California Edison Company (SCE), Nevada Power Company (dba "NV Energy"), and the Salt River Project Agricultural Improvement and Power District, are owners of the Mohave Steam Generating Station (MSGs) Project. The partnership proposes to sell the 0.54-acre Mohave Pump Station property to RS Nine LLC. LADWP owns a 10-percent interest in the project. The RS Nine LLC will pay the partnership \$11,000.00 to purchase the property.

The transaction was agreed upon several years ago by all participants including LADWP. This is a minor real estate matter that requires closure by December 2014. Besides LADWP, all participants have signed off and approved this transaction.

LADWP will gain \$1,100.00 at the close of this transaction.

City Council approval is required by Charter Section No. 675(d)(2).

RECOMMENDATION

It is recommended that your Honorable Board adopt the attached Resolution that directs the execution of a Purchase and Sale Agreement No. P-85341 (Agreement) affecting the Mohave Pump Station property of MSGS Project, all upon the terms and conditions contained therein.

It is requested that the Board of Water and Power Commissioners adopt the attached Resolution recommending City Council's approval of the Agreement as required in Charter Section No. 675(d)(2).

BACKGROUND

The MSGS power plant was taken out of service and fully demolished in 2012. The partnership continues to own approximately 2500 acres of project lands in Clark County, Nevada. SCE operates and manages MSGS on behalf of the partnership.

The Mohave Pump Station is a non-continuous portion of the MSGS Project and lays adjacent to the Colorado River. During operation of the plant, the pump house was used to supply cooling water to the MSGS. All water rights ceased with the closure of the plant. As part of the plant decommissioning, the water supply pipeline was filled in with cement and slurry. The Mohave Pump Station is accessible only via a private road easement. The property is not considered functionally adequate for legally permissible commercial development.

Under the MSGS operating agreement, all partners are required to execute conveyances of MSGS property. LADWP owns a 10-percent interest in the MSGS project and therefore is allocated 10 percent of sale proceeds as project income.

The purchase price was determined and negotiated by SCE as MSGS Project Manager. SCE secured the services of a licensed appraiser who determined as of July 1, 2011, that the property and improvements were valued at \$11,000. An LADWP Real Estate staff appraiser has reviewed the appraisal and has determined it was prepared in accordance with established professional standards and therefore acceptable.

SCE has provided LADWP with a copy of the Agreement, attached hereto, which requires LADWP's execution. This Agreement, approved as to form and legality by the City Attorney's Office, when fully executed, will authorize the opening of an escrow account and thereafter, the details of the transaction will be finalized including the execution of deed counterparts by all of the partners.

In accordance with Mayoral Executive Directive No. 4 (ED 4), the City Administrative Officer Report was requested. However, to facilitate timely consideration of the Agreement by the Board of Water and Power Commissioners, the Mayor's Office granted LADWP with an ED 4 waiver on November 18, 2014.

ENVIRONMENTAL DETERMINATION

In compliance with the California Environmental Quality Act (CEQA), it has been determined that this work is exempt from further requirements under the Los Angeles City CEQA Guidelines, Article III, Class 12 Categorical Exemption.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved the Resolution and Agreement as to form and legality.

ATTACHMENT

- Resolution
- Purchase and Sale Agreement No. P-85341
- Incumbency Certificate

PURCHASE AND SALE AGREEMENT

By and Between

SOUTHERN CALIFORNIA EDISON COMPANY, a California corporation, the DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, a department organized and existing under the Charter of the City of Los Angeles, NEVADA POWER COMPANY, a Nevada corporation d/b/a NV ENERGY, and SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, an agricultural improvement district organized and existing under the laws of the State of Arizona,

Collectively as "Sellers",

and

RS NINE LLC,

A Nevada limited liability company,

as "Buyer"

_____, 2014

PURCHASE AND SALE AGREEMENT

(Mohave Pump Station – 2862 S. Casino Drive, Laughlin, Nevada)

This **PURCHASE AND SALE AGREEMENT** ("**Agreement**") is entered into by and between SOUTHERN CALIFORNIA EDISON COMPANY, a California corporation, the DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, a department organized and existing under the Charter of the City of Los Angeles, NEVADA POWER COMPANY, a Nevada corporation d/b/a NV ENERGY, and SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, an agricultural improvement district organized and existing under the laws of the State of Arizona (collectively "**Sellers**" and each a "**Seller**"), and RS NINE LLC, a Nevada limited liability company, ("**Buyer**") (all individually referred to herein as a "**Party**" and collectively, the "**Parties**").

RECITALS

A. Sellers are the collective owner of that real property consisting of an approximately 0.54 acre parcel of land and related surface and underground easements located at 2862 S. Casino Drive in the City of Laughlin, County of Clark, State of Nevada, or otherwise appurtenant and identified as Assessor's Parcel Number 264-24-302-002, and more particularly described in the attached Exhibit A (the "**Parcel**").

B. The Property contains a pump house and related improvements (collectively, "**Mohave Pump Station**") that Sellers previously used in connection with the operation of an electricity generating and distribution system.

C. Sellers desire to sell to Buyer, and Buyer desires to purchase from Sellers, the Parcel and the Mohave Pump Station (collectively, the "**Property**").

D. In 2011, Sellers and Buyer prepared an earlier Purchase and Sale Agreement in relation to Sellers' disposition and Buyer's acquisition of the Property (the "**Earlier PSA**"). However, the Earlier PSA was not fully executed and delivered in accordance with the conditions and timeframes set forth in the Earlier PSA; as such, the Earlier PSA was never established as a binding contract between the Parties and the transactions contemplated therein were never consummated.

E. Notwithstanding the lapse/failure of the Earlier PSA, Buyer remains desirous of acquiring the Property from Sellers, and Sellers remain willing to sell the Property to Buyer, all upon the terms and conditions set forth in this Agreement.

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

1. Confirmation of Lapse/Failure of Earlier PSA. The Parties acknowledge, confirm and agree that the Earlier PSA was never fully executed by the Parties and, accordingly, a binding agreement between the Parties in relation to the disposition/acquisition of the Property was never achieved. By virtue of the foregoing,

the Parties further acknowledge, confirm and agree that (i) Buyer has no obligations or duties to Sellers arising out of the Earlier PSA and (ii) Sellers have no obligations or duties to Buyer arising out of the Earlier PSA.

2. Purchase and Sale of Property. Subject to the prior satisfaction of the Conditions to Closing set forth in Section 5 hereof, Sellers shall sell to Buyer, and Buyer shall acquire from Sellers, the Property. The Parties agree that the value of the Property is Eleven Thousand and No/100 Dollars (\$11,000.00) (the "**Property Purchase Price**").

(a) Composition of "Sellers". The Parties acknowledge and agree that one (1) or more Sellers may sell, convey or otherwise transfer (collectively, "**Transfer**") its/their interest(s) in the Property to another Seller prior to the Closing. In such instance, (i) Sellers shall promptly notify Buyer and Escrow Agent of the Transfer of the interest(s), (ii) Sellers, as constituted/defined immediately following the Transfer, shall be obligated to satisfy the remaining obligations and duties of Sellers under this Agreement, (iii) the transferring Sellers shall be relieved of, and released from, all further obligations and duties under this Agreement and (iv) Buyer and Escrow Agent shall look solely to the remaining Sellers to satisfy any and all remaining obligations and duties of Sellers under this Agreement.

3. Opening of Escrow; Closing. The escrow (the "**Escrow**") for the consummation of this transaction shall be established by the deposit of an original, fully-signed copy of this Agreement with Escrow Agent (see Section 12.1, below) (the "**Opening**"). This transaction and the Escrow shall close (the "**Closing**") within thirty (30) days of the satisfaction of the Conditions to Closing set forth in Section 5, but in any event not later than January 31, 2015 (the "**Outside Date**"). The "**Closing**" shall mean the time and day the Grant Deed is filed for recording with the Clark County Recorder and the Property Purchase Price is paid to Sellers (as constituted/defined at the Closing). The "**Closing Date**" shall mean the day on which the Closing occurs.

4. Approval of Transaction by Sellers' Governing Bodies. Sellers' collective and individual obligations under this Agreement are expressly subject to, and conditioned upon, the review and approval of the transactions contemplated herein by the governing body of each Seller. Buyer expressly acknowledges and agrees that unless and until such time as the governing body of each Seller issues its written consent to the transactions contemplated herein, Sellers cannot convey the Property to Buyer or otherwise consummate the provisions of this Agreement. Each Seller shall use commercially reasonable efforts to obtain the written consent of its respective governing body ("**Seller Approval**") not later than December 31, 2014 ("**Seller Approval Deadline**"). Notwithstanding the foregoing, Sellers, and each of them, shall not be liable for breach of contract (or otherwise) for failure to convey the Property to Buyer as a result of Sellers' inability to obtain and deliver one or more Seller Approvals. Moreover, in the event that Sellers are unable to convey the Property to Buyer due to Sellers' inability to obtain and deliver one or more Seller Approvals, Buyer (i) expressly waives any and all rights, claims or causes of action relative to, or stemming from, Sellers' failure to convey the Property to Buyer (including, but not limited to, the right to

compel Sellers' conveyance of the Property through specific performance or otherwise) (collectively "**Buyer Claims**") and (ii) shall indemnify, defend and hold harmless Sellers and their respective directors, officers, shareholders, employees, agents, contractors, elected and appointed officials, governing boards and committees (collectively "**Seller Indemnitees**") from and against any and all actions, damages, costs, expenses and losses incurred by, or asserted against, Seller Indemnitees (or any of them) and arising out of any Buyer Claims.

5. Conditions to Closing. The Conditions to the Closing are as follows:

(a) Conveyance of the Property to Buyer pursuant to the terms of the Grant Deed (see Section 6.3(a), below);

(b) Escrow Agent's delivery of the Title Policy, in the amount of the full Property Purchase Price, subject only to the Permitted Exceptions (see Section 13.2, below);

(c) Satisfaction of all of Sellers' obligations enumerated in Section 6 hereof;

(d) Satisfaction of all of Buyer's obligations enumerated in Section 7 hereof; and

(e) All representations and warranties of Buyer and Sellers, respectively, contained herein shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date.

6. Sellers' Obligations.

6.1 Notice Regarding Seller Approvals. On or before the expiration of the Seller Approval Deadline, Sellers shall deliver written notice to Buyer and Escrow Agent advising as to whether Sellers have obtained individual Seller Approvals from the governing bodies of each Seller. In the event Sellers have obtained the individual Seller Approvals, Sellers shall so advise Buyer and Escrow Agent and the Parties shall proceed to the Closing within thirty (30) days thereafter in accordance with the provisions of this Agreement. Alternatively, in the event that Sellers have not obtained one or more Seller Approvals on or before the Seller Approval Deadline, Sellers shall so advise Buyer and Escrow Agent and this Agreement shall become null and void. In such event, Escrow Agent shall return the Deposit (see Section 12.2, below) to Buyer and the Parties shall be relieved of any and all liability hereunder EXCEPT with respect to those Party obligations that expressly survive the termination of this Agreement.

6.2 Cap and Mark Obligation. Sellers shall, at Sellers' sole cost and expense, cap and mark all existing underground utility lines outside of Casino Drive Right-of-Way on Parcel #264-24-202-006 at a mutually acceptable location within sixty (60) days following the Closing.

6.3 Pre-Closing Obligations. Provided that Sellers have tendered fully-

executed Seller Approvals to Escrow Agent on or before the Seller Approval Deadline, Sellers shall deliver the following to Escrow Agent no later than 12:00 o'clock noon, one (1) business day before the anticipated Closing:

(a) Grant, Bargain and Sale Deed, substantially in the form of Exhibit B attached hereto (the "**Grant Deed**"), duly executed and acknowledged by each Seller party (as constituted/defined at the time of execution) and in recordable form;

(b) A non-foreign transferor declaration (the "**Non-Foreign Transferor Declaration**"), substantially in the form of Exhibit C attached hereto, duly executed by Sellers (i.e., one form for each Seller party [as constituted/defined at the time of execution]); and

(c) Any additional documents that Escrow Agent may reasonably require from Sellers for the proper consummation of the transaction contemplated by this Agreement.

7. Buyer's Obligations. No later than 12:00 o'clock noon one (1) business day before the anticipated Closing, Buyer shall deliver to Escrow Agent the following:

(a) The Property Purchase Price, less the Deposit that is applied to the Property Purchase Price, plus or minus applicable prorations, fees and adjustments to be paid by Buyer in accordance with Section 12 hereof, in immediate, same-day federal funds; and

(b) Any additional documents that Escrow Agent may reasonably require from City for the proper consummation of the transaction contemplated by this Agreement.

8. Representations and Warranties.

8.1 Buyer represents and warrants to Sellers as follows:

(a) There are no actions, suits, material claims, legal proceedings, or any other proceedings pending or threatened against Buyer that would materially and adversely affect Buyer's ability to perform its obligations under this Agreement;

(b) Neither the execution of this Agreement nor the performance of the obligations herein will conflict with or breach any of the provisions of any agreement to which Buyer is a party or any agreement that, to Buyer's knowledge, is binding upon Buyer;

(c) Buyer has the legal right, power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, and the execution, delivery and performance of this Agreement have been duly authorized and no other action (by Buyer or otherwise) is requisite to the valid and binding execution, delivery and performance of this Agreement by Buyer; and

(d) Until the Closing, Buyer shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 8.1 not to be true as of Closing, immediately give written notice of such fact or condition to Sellers.

8.2 Sellers represent and warrant to Buyer as follows:

(a) Upon (and subject to) issuance of the Seller Approvals, Sellers have the legal right, power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, and the execution, delivery and performance of this Agreement have been duly authorized and no other action (by Sellers or otherwise) is requisite to the valid and binding execution, delivery and performance of this Agreement;

(b) To Sellers' Actual Knowledge, there are no pending or threatened actions, suits, material claims, legal proceedings, or any other proceedings affecting the Property or any portion thereof, at law or in equity, before any court or governmental agency, domestic or foreign;

(c) Neither the execution of this Agreement nor the performance of the obligations herein will conflict with or breach any of the provisions of any agreement to which Sellers are a party or any agreement that, to Sellers' Actual Knowledge, is binding upon Sellers;

(d) Until the Closing, Sellers shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 8.2 not to be true as of Closing, immediately give written notice of such fact or condition to Buyer; and

(e) Until the Closing or termination of this Agreement, Sellers shall not contract, market for sale or enter into any agreement with any third party for the sale of the Property.

For purposes of this Section 8.2, the phrase "**To Sellers' Actual Knowledge**" shall mean the actual (and not implied, imputed, or constructive) knowledge of Daniel Cobb, Manager of Mohave Generating Station, without any inquiry or investigation of any other parties, documents, proceedings or events.

8.3 Unless otherwise specifically and expressly provided in this Agreement, the representations and warranties made by Buyer and Sellers in this Agreement shall survive the recordation of the Grant Deed for a period of six (6) months and any action for a breach of a Party's representations or warranties must be made and filed within said six (6) month period.

9. No New Contracts. Following the Opening, Sellers will not enter into any contract that will be an obligation affecting the Property subsequent to the Closing (except contracts entered into in the ordinary course of business that are terminable without cause on thirty (30) days' notice), without the prior consent of Buyer, which shall

not be unreasonably withheld or delayed.

10. Due Diligence. Commencing upon the Opening and continuing thereafter until the earlier of the Closing or the expiration/termination of this Agreement, Buyer, its agents, and employees shall have a limited license (the "**License**") to enter upon the Property for the purpose of making inspections at Buyer's sole risk, cost and expense. Before any such entry, Buyer shall provide Sellers with a certificate of insurance naming Sellers as additional insureds and with an insurer and insurance limits and coverage reasonably satisfactory to Sellers. All of such entries upon the Property shall be at reasonable times during normal business hours and after at least forty-eight (48) hours prior notice to Sellers or Sellers' agent. Sellers or Sellers' agent shall have the right to accompany Buyer during any inspection activities performed by Buyer on the Property. At Sellers' request, Buyer shall provide Sellers (at no cost to Sellers) with a copy of the results of any tests and inspections made by Buyer, excluding only market and economic feasibility studies. If any inspection or test disturbs the Property, Buyer will restore the Property to the same condition as existed before the inspection or test (unless otherwise specified or waived by Seller). Buyer shall defend, indemnify and hold the Seller Indemnitees (and each of them) harmless from and against any and all losses, costs, damages, claims, or liabilities, including but not limited to, mechanic's and materialmen's liens and Seller Indemnitees' attorneys' fees, arising out of or in connection with Buyer's, its agents', contractors', employees', or invitees' entry upon or inspection of the Property. Notwithstanding any provision herein to the contrary, Buyer shall not perform any invasive testing/investigation on or about the Property without Sellers' prior written consent. The provisions of this Section 10 shall survive the Closing or the earlier termination of this Agreement.

11. "AS IS" Acceptance of the Property at Closing. As of the Closing, Buyer will have:

(a) examined and inspected the Property and will know and be satisfied with the physical condition, quality, quantity and state of repair of the Property in all respects and by proceeding to Closing, Buyer shall be deemed to have determined that the same is satisfactory to Buyer;

(b) reviewed all instruments, records and documents which Buyer deems appropriate or advisable to review in connection with this transaction, including, but not by way of limitation, any and all plans, specifications, surveys, environmental assessments and reports, and Buyer, by proceeding to Closing, shall be deemed to have determined that the same and the information and data contained therein and evidenced thereby are satisfactory to Buyer;

(c) reviewed all applicable laws, ordinances, rules and governmental regulations (including those relating to building, zoning and land use) affecting the development, use, occupancy or enjoyment of the Property, and Buyer, by proceeding to Closing, shall be deemed to have determined that the same are satisfactory to Buyer; and

(d) at its own cost and expense, made its own independent investigation respecting the Property and all other aspects of this transaction, and shall have relied thereon and on the advice of its consultants in entering into this Agreement, and Buyer, by proceeding to Closing, shall be deemed to have determined that the same are satisfactory to Buyer.

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, AND EXCEPT FOR SELLERS' REPRESENTATIONS AND WARRANTIES IN SECTION 8.2 OF THIS AGREEMENT AND ANY WARRANTIES OF TITLE CONTAINED IN THE GRANT DEED DELIVERED AT THE CLOSING ("**SELLERS' WARRANTIES**"), THIS SALE IS MADE AND WILL BE MADE WITHOUT REPRESENTATION, COVENANT, OR WARRANTY OF ANY KIND (WHETHER EXPRESS, IMPLIED OR, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, STATUTORY) BY SELLERS. AS A MATERIAL PART OF THE CONSIDERATION FOR THIS AGREEMENT, BUYER AGREES TO ACCEPT THE PROPERTY ON AN "AS IS" AND "WHERE IS" BASIS, WITH ALL FAULTS, AND WITHOUT ANY REPRESENTATION OR WARRANTY, ALL OF WHICH SELLERS HEREBY DISCLAIM, EXCEPT FOR SELLERS' WARRANTIES. EXCEPT FOR SELLERS' WARRANTIES, NO WARRANTY OR REPRESENTATION IS MADE BY SELLERS AS TO FITNESS FOR ANY PARTICULAR PURPOSE, MERCHANTABILITY, DESIGN, QUALITY, CONDITION, OPERATION OR INCOME, COMPLIANCE WITH DRAWINGS OR SPECIFICATIONS, ABSENCE OF DEFECTS, ABSENCE OF HAZARDOUS OR TOXIC SUBSTANCES, ABSENCE OF FAULTS, FLOODING, OR COMPLIANCE WITH LAWS AND REGULATIONS INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO HEALTH, SAFETY, AND THE ENVIRONMENT (INCLUDING, WITHOUT LIMITATION, THE ADA). BUYER ACKNOWLEDGES THAT BUYER HAS ENTERED INTO THIS AGREEMENT WITH THE INTENTION OF MAKING AND RELYING UPON ITS OWN INVESTIGATION OF THE PHYSICAL, ENVIRONMENTAL, ECONOMIC USE, COMPLIANCE, AND LEGAL CONDITION OF THE PROPERTY AND THAT BUYER IS NOT NOW RELYING, AND WILL NOT LATER RELY, UPON ANY REPRESENTATIONS AND WARRANTIES MADE BY SELLERS OR ANYONE ACTING OR CLAIMING TO ACT, BY, THROUGH OR UNDER OR ON SELLERS' BEHALF CONCERNING THE PROPERTY. ADDITIONALLY, BUYER AND SELLERS HEREBY AGREE THAT (A) EXCEPT FOR SELLERS' WARRANTIES, BUYER IS TAKING THE PROPERTY "AS IS" WITH ALL LATENT AND PATENT DEFECTS AND THAT EXCEPT FOR SELLERS' WARRANTIES, THERE IS NO WARRANTY BY SELLERS THAT THE PROPERTY IS FIT FOR A PARTICULAR PURPOSE, (B) EXCEPT FOR SELLERS' WARRANTIES, BUYER IS SOLELY RELYING UPON ITS EXAMINATION OF THE PROPERTY, AND (C) BUYER TAKES THE PROPERTY UNDER THIS AGREEMENT UNDER THE EXPRESS UNDERSTANDING THAT THERE ARE NO EXPRESS OR IMPLIED WARRANTIES (EXCEPT FOR THE LIMITED WARRANTIES OF TITLE SET FORTH IN THE GRANT DEED AND SELLERS' WARRANTIES).

WITH RESPECT TO THE FOLLOWING, BUYER FURTHER ACKNOWLEDGES AND AGREES THAT SELLERS SHALL NOT HAVE ANY LIABILITY, OBLIGATION OR RESPONSIBILITY OF ANY KIND AND THAT SELLERS HAVE MADE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND REGARDING:

(a) THE CONTENT OR ACCURACY OF ANY REPORT, STUDY, OPINION OR CONCLUSION OF ANY SOILS, TOXIC, ENVIRONMENTAL OR OTHER ENGINEER OR OTHER PERSON OR ENTITY WHO HAS EXAMINED THE PROPERTY OR ANY ASPECT THEREOF; OR

(b) THE CONTENT OR ACCURACY OF ANY OF THE ITEMS DELIVERED TO BUYER PURSUANT TO BUYER'S REVIEW OF THE CONDITION OF THE PROPERTY.

BUYER IS A SOPHISTICATED REAL ESTATE INVESTOR AND IS, OR WILL BE AS OF THE CLOSING, FAMILIAR WITH THE PROPERTY AND ITS SUITABILITY FOR BUYER'S INTENDED USE. THE PROVISIONS OF THIS SECTION 11 SHALL SURVIVE INDEFINITELY ANY CLOSING OR TERMINATION OF THIS AGREEMENT AND SHALL NOT BE MERGED INTO THE DOCUMENTS EXECUTED AT CLOSING.

BUYER'S INITIALS

12. Escrow.

12.1 Deposit of Agreement into Escrow. Within five (5) days after the execution of this Agreement by Buyer and Sellers, the Parties shall open escrow with Chicago Title of Nevada Inc. Escrow Officer: Jennifer Reinink, 9075 W. Diablo Drive, #100, Las Vegas, NV 89148, Phone: (702) 836-8000 ("**Escrow Agent**").

12.2 Deposit. Buyer shall deposit Eleven Thousand and No/100 Dollars (\$11,000.00) with Escrow Agent within three (3) days of the Opening as a deposit toward the Property Purchase Price (the "**Deposit**"). The Deposit shall be refundable in full to Buyer if any of the conditions set forth in Section 5 of this Agreement cannot be satisfied or completed.

12.3 Escrow Fees. Buyer and Sellers shall each pay one-half (1/2) of the following (the "**Escrow Fees**"):

- (a) The Escrow Agent's fee;
- (b) The cost of any documentary transfer taxes, if any, on the Grant Deed;
- (c) Fees for recording and filing all documents required by this Agreement in connection with the transfer of the Property, including the Grant Deed; and
- (d) Appraisal Fee of Timothy Morris, MAI as approved by both Sellers and Buyer.

12.4 Title Policy Fees. Sellers shall pay the costs associated with the standard CLTA Owner's Title Policy (see Section 13.3, below). Buyer shall pay the

premiums and any additional costs (including any survey costs) associated with upgrading the title policy to an extended coverage policy and the cost of any endorsements to the Title Policy, if required by Buyer.

12.5 Other Fees and Charges. Except to the extent otherwise specifically provided herein, all other expenses incurred by Sellers and Buyer with respect to the negotiation, documentation and closing of this transaction, including, without limitation, Buyer's and Sellers' attorneys' fees, shall be borne and paid by the Party incurring same.

12.6 Failure to Close Escrow Due to Party Default. Notwithstanding any provision herein to the contrary, if the Close of Escrow does not occur by reason of Buyer's or Sellers' default under this Agreement, then all Escrow and Appraisal Fees and title charges (including cancellation fees) shall be borne by the Party in default.

13. **Preliminary Title Report; Title Policy.**

13.1 Preliminary Title Report. Within five (5) business days after the Opening, Escrow Agent shall procure and provide to Buyer a Preliminary Title Report on the Property issued by Chicago Title of Nevada Inc. ("**Title Company**"), Title Officer, Bonnie Blackburn; 9075 W. Diablo Drive, #100, Las Vegas, NV 89148 Phone # (702) 836-8126. The Preliminary Title Report shall be accompanied by legible copies of all underlying documents for all exceptions ("**Exceptions**") set forth in the Preliminary Title Report. Buyer shall have ten (10) business days from receipt of the Preliminary Title Report within which to give written notice to Sellers of Buyer's approval or disapproval of any of such Exceptions. Buyer's failure to give written approval of the Preliminary Title Report within such time limit shall be deemed disapproval of the Preliminary Title Report. No deeds of trust, mortgages or other liens, except for the lien of property taxes and assessments not yet due, shall be approved Exceptions. If Buyer notifies Sellers of its disapproval of any Exceptions in the Preliminary Title Report, or is deemed to have disapproved the Preliminary Title Report, Sellers shall have the right, but not the obligation, to remove any disapproved Exceptions within thirty (30) days after receiving written notice of Buyer's disapproval or provide assurances to Buyer that such Exception(s) will be removed on or before the Closing. If Sellers cannot or do not elect to remove any of the disapproved Exceptions within that period, Buyer shall have ten (10) days after the expiration of such thirty (30) day period to either give Sellers written notice that Buyer elects to proceed with the acquisition subject to the disapproved Exceptions or to give Sellers written notice that Buyer elects to terminate this Agreement.

13.2 Updated Title Report; Confirmation of Condition of Title. Within five (5) business days following Escrow Agent's receipt of written notice from Sellers advising that Sellers have obtained all Seller Approvals (see Sections 4 and 6.1, above), Escrow Agent shall order from Title Company an updated Title Report (the "**Updated Report**") and deliver a copy of thereof to Buyer and Sellers. Following Buyer's receipt of the Updated Report, Buyer shall have ten (10) business days to review the Updated Report and to confirm that the condition of title relative to the

Property has not changed and is acceptable to Buyer. In the event that the condition of title is unchanged, Buyer shall so notify Sellers and Escrow Agent in writing and the Parties shall proceed with the Closing in accordance with the provisions of this Agreement. Alternatively, if the condition of title has changed in a manner that is unacceptable to Buyer, Buyer shall notify Sellers and Escrow Agent, in writing, concerning the specific title objections and Sellers shall have ten (10) business days to either cure the objections or declare to Buyer, in writing, that Sellers will not cure the objections. If Sellers elect to cure the title objections, said objections shall be fully cured/resolved prior to the Closing. If Sellers declare that they shall not cure the identified title objections, Buyer shall have the right to either (i) proceed with the Closing and waive Buyer's objections relative to the condition of title or (ii) terminate this Agreement upon written notice to Sellers and Escrow Agent. Upon such termination, Buyer shall receive a refund of the Deposit and the Parties shall be relieved of any and all liability hereunder EXCEPT with respect to each Party's respective obligations that expressly survive the termination of this Agreement.

13.3 Title Policy. As a condition precedent to the Closing of Escrow, the Title Company shall have issued and delivered to Buyer, or shall have committed to issue and deliver to Buyer, with respect to the Property, an CLTA Owner's Standard Policy of Title (the "**Title Policy**") issued by the Title Company as of the date and time of the recording of the Grant Deed, in the amount of the Property Purchase Price, insuring Buyer as owner of good, marketable and indefeasible fee simple title to the Property, subject only to the Permitted Exceptions (as hereinafter defined). For purposes of this Agreement, "**Permitted Exceptions**" shall mean and include (a) any lien to secure payment of real estate taxes, including special assessments, not delinquent, (b) the lien of supplemental taxes assessed pursuant to applicable law, (c) all matters which could be revealed or disclosed by a physical inspection or a survey of the Property, (d) matters affecting the Property which are created by or with the written consent of Buyer; (e) all exceptions disclosed by the Title Report and the Updated Title Report relating to the Property and which are approved or deemed approved by Buyer in accordance with Sections 13.1 and 13.2 hereof, and (f) all applicable laws, ordinances, rules and governmental regulations (including, without limitation, those relating to building, zoning and land use) affecting the development, use, occupancy or enjoyment of the Property.

14. Escrow Instructions. This Agreement constitutes the joint escrow instructions of Buyer and Sellers, and Escrow Agent to whom these instructions are delivered is hereby empowered to act under this Agreement.

14.1 By 12 o'clock noon, on the last business day before Closing, Buyer and Sellers will deposit the documents as required by Sections 6 and 7 hereof with Escrow Agent. Buyer and Sellers agree to deposit with Escrow Agent and Title Company, as appropriate, any additional instruments as may be reasonably necessary to complete this transaction.

14.2 Insurance policies for fire or casualty are not to be transferred, and Sellers will cancel their policies after the Closing.

14.3 All funds received in the Escrow (e.g., the Deposit) shall be deposited in a federally insured interest-bearing account, with all interest accruing thereon either credited to the Property Purchase Price or, in the event of a Default, released to the Buyer or Sellers (with the Deposit) in accordance with Section 17.

14.4 If Escrow Agent requires separate or additional escrow instructions which it deems necessary for the performance of its responsibilities under this Agreement, Sellers and Buyer hereby agree to execute and deliver to Escrow Agent such separate or additional escrow instructions as reasonably requested (in writing) by Escrow Agent (the "**Additional Instructions**"). In the event of any conflict or inconsistency between this Agreement and the Additional Instructions, this Agreement shall prevail and govern, and the Additional Instructions shall so provide. The Additional Instructions shall not modify or amend the provisions of this Agreement unless otherwise agreed to in writing by Sellers and Buyer.

15. Tax and Assessment Adjustment Procedure. Escrow Agent is authorized and is instructed to comply with the following:

15.1 Pay and charge Sellers for any unpaid delinquent real estate taxes imposed by any governmental authority ("**Taxes**") against the Property and/or penalties and interest thereon, and for any delinquent or non-delinquent assessments or bonds against the Property;

15.2 Current Taxes and assessments with respect to the Property for the relevant tax year in which the Property is being sold and that are not yet due and payable or that have not yet been paid shall be prorated as of the Close of Escrow based upon the most recent ascertainable assessed values and tax rates and based upon the number of days Buyer and Sellers will have owned the Property during such relevant tax year;

15.3 Sellers shall have the sole right, after the Closing, to apply to the County Tax Collector of Clark County for a refund of the amount over and above the amount of the Sellers' pro rata share of Taxes then due; and

15.4 Escrow Agent shall forward a separate receipt and check for prorated Taxes to Sellers pursuant to Section 15.3, above, with separate written notice to Buyer.

16. Closing Obligations; Authority of Escrow Agent. On the Closing Date, provided that the conditions set forth in Section 5 hereof have been satisfied or waived, Escrow Agent shall take the following actions in the order indicated below:

(a) With respect to all closing documents delivered to Escrow Agent hereunder, and to the extent necessary, Escrow Agent is authorized to insert into all blanks requiring the insertion of dates the date of the recordation of the Grant Deed or such other date as Escrow Agent may be instructed in writing by Sellers and Buyer;

(b) Deliver to Sellers, in cash or current funds, the Property

Purchase Price (plus or minus, as the case may be, the amounts determined in accordance with the provisions of this Agreement (e.g., Sellers' portion of the Escrow Fees));

(c) Record the Grant Deed in the official records of Clark County, Nevada;

(d) Deliver to Buyer and to Sellers a conformed copy of the recorded Grant Deed;

(e) Cause the Title Company to issue the Title Policy for the Property in accordance with the provisions of Section 13.3 hereof; and

(f) Deliver to Sellers and to Buyer a final closing statement which has been certified by Escrow Agent to be true and correct.

In addition to the foregoing, Escrow Agent is authorized to, and shall:

(i) Charge Buyer for Escrow Fees in accordance with Section 12 of this Agreement; and

(ii) Prepare and file with all appropriate governmental or taxing authorities a uniform settlement statement, closing statement, a Declaration of Value (in such form as required by NRS Section 375.060), tax withholding forms (including an IRS 1099-S form), and be responsible for withholding taxes, if any such forms are provided for or required by law. Escrow Agent shall provide copies of all such statements and forms to each of Buyer and Sellers.

17. Default and Damages.

17.1 Default by Buyer. BUYER AND SELLERS HEREBY ACKNOWLEDGE AND AGREE THAT, IN THE EVENT THE CLOSE OF ESCROW FAILS TO OCCUR DUE TO A BUYER DEFAULT (ALL OF THE CONDITIONS TO BUYER'S OBLIGATIONS TO CLOSE HAVING BEEN SATISFIED OR WAIVED), SELLERS WILL SUFFER DAMAGES IN AN AMOUNT WHICH WILL, DUE TO THE SPECIAL NATURE OF THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT AND THE SPECIAL NATURE OF THE NEGOTIATIONS WHICH PRECEDED THIS AGREEMENT, BE IMPRACTICAL OR EXTREMELY DIFFICULT TO ASCERTAIN. IN ADDITION, BUYER WISHES TO HAVE A LIMITATION PLACED UPON THE POTENTIAL LIABILITY OF BUYER TO SELLERS IN THE EVENT THE CLOSE OF ESCROW FAILS TO OCCUR DUE TO A BUYER DEFAULT, AND WISHES TO INDUCE SELLERS TO WAIVE OTHER REMEDIES WHICH SELLERS MAY HAVE IN THE EVENT OF A BUYER DEFAULT. BUYER AND SELLERS, AFTER DUE NEGOTIATION, HEREBY ACKNOWLEDGE AND AGREE THAT THE AMOUNT OF THE DEPOSIT REPRESENTS A REASONABLE ESTIMATE OF THE DAMAGES WHICH SELLERS WILL SUSTAIN IN THE EVENT OF SUCH BUYER DEFAULT. BUYER AND SELLERS HEREBY AGREE THAT, IN THE EVENT THE CLOSE OF ESCROW FAILS TO OCCUR DUE TO A BUYER DEFAULT, SELLERS MAY

BUYER AND SELLERS HEREBY AGREE THAT, IN THE EVENT THE CLOSE OF ESCROW FAILS TO OCCUR DUE TO A BUYER DEFAULT, SELLERS MAY (I) TERMINATE THIS AGREEMENT BY WRITTEN NOTICE TO BUYER AND ESCROW AGENT AND (II) CANCEL THE ESCROW AND RECEIVE THE DEPOSIT AS LIQUIDATED DAMAGES. UPON SELLERS' EXERCISE OF THE FOREGOING RIGHTS, ESCROW AGENT SHALL IMMEDIATELY DELIVER THE DEPOSIT TO SELLERS. RECEIPT AND RETENTION OF THE DEPOSIT BY SELLERS IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES PURSUANT TO NEVADA LAW AND SHALL NOT BE DEEMED TO CONSTITUTE A FORFEITURE OR PENALTY.

NOTHING IN THIS SECTION 17.1 SHALL (A) PREVENT OR PRECLUDE ANY RECOVERY OF ATTORNEYS' FEES OR OTHER COSTS INCURRED BY SELLERS PURSUANT TO SECTION 19.3 OR (B) IMPAIR OR LIMIT THE EFFECTIVENESS OR ENFORCEABILITY OF THE INDEMNIFICATION OBLIGATIONS OF BUYER CONTAINED IN SECTIONS 4, 10 AND 19.1 HEREOF. SELLERS AND BUYER ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE PROVISIONS OF THIS SECTION 17.1 AND BY THEIR INITIALS IMMEDIATELY BELOW AGREE TO BE BOUND BY ITS TERMS.

Sellers' Initials: _____

RA

Buyer's Initials: _____

17.2 Default by Sellers. If Sellers default in their obligations to sell and convey the Property to Buyer pursuant to this Agreement, Buyer's sole and exclusive remedy shall be to terminate this Agreement, in which event Buyer shall be entitled to the return by the Escrow Agent of the Deposit. This Agreement confers no present right, title or interest in the Property to Buyer and Buyer agrees not to file a *lis pendens* or other similar notice against the Property.

18. Loss or Damage. Loss or damage to the Property, by fire or other casualty, occurring prior to the recordation of the Grant Deed shall be at the risk of Sellers. In the event that loss or damage to the Property, by fire or other casualty, occurs prior to recordation of the Grant Deed, Buyer may elect to require that Sellers pay to Buyer the proceeds of any insurance which may become payable to Sellers by reason thereof, or to permit such proceeds to be used for the restoration of the damage done, or to reduce the Property Purchase Price by an amount equal to the diminution in value of the Property by reason of such loss or damage or the amount of insurance payable to Sellers, whichever is greater.

any broker or finder with regard to the acquisition of the Property, and Sellers represent to Buyer that they have likewise not contracted with any broker or agent for the sale of the Property. Each Party agrees to indemnify, defend and hold harmless the other from and against any and all liability, claims, demands, damages and costs of any kind, including attorney's fees, arising out of or in connection with any broker's or finder's fee, commission or charges claimed to be due any person in connection with such person's conduct respecting this transaction except as set forth herein.

19.2 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of Buyer and Sellers and their respective heirs, personal representatives, successors and assigns.

19.3 Attorneys' Fees. If any legal action or other proceeding is brought or if an attorney is retained for the enforcement of this Agreement or any portion thereof, or because of any alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the Prevailing Party shall be entitled to recover from the other reimbursement for the reasonable fees of attorneys and other costs (including court costs and witness fees) incurred by it, in addition to any other relief to which it may be entitled. The term "**Prevailing Party**" means the Party obtaining substantially the relief sought, whether by compromise, settlement or judgment.

19.4 Approvals and Notices. Any approval, disapproval, demand, document or other notice ("**Notice**") which either Party may desire or be required to give to the other Party under this Agreement must be in writing and may be given by any commercially acceptable means to the Party to whom the Notice is directed at the address of the Party as set forth below, or at any other address as that Party may later designate by Notice. Any Notice given under this paragraph, whether personally or by mail, shall be deemed received only upon actual receipt by the intended Party.

To Sellers: Southern California Edison
 Real Estate Revenue
 2131 Walnut Grove Avenue
 G.O. 3 Second Floor
 Rosemead, CA 91770
 Attn: Richard Fujikawa

Los Angeles Department of Water and Power
P.O. Box 51111, Room 1031
Los Angeles, CA 90051
Attn: Reynan Ledesma

Salt River Project
Mail Station PAB348
P.O. Box 52025
Phoenix, AZ 85072 - 2025
Attn: Matthew E. Streeper

NV Energy
Manager, Property Services Department
6226 W. Sahara Avenue - MS#09
Las Vegas, NV 89146

With a copy to: Paskerian Block Martindale & Brinton, LLP
16A Journey, Suite 100
Aliso Viejo, California 92656
Attn: Robin C. Martindale, Esq.

To Buyer: RS Nine LLC
c/o RB Properties, Inc.
P.O. Box 31950
1631 Cal Edison Drive, Suite A-6
Laughlin, NV 89028
Attn: Robert P. Bilbray

19.5 Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada, without giving effect to its choice or conflicts of law provisions. All actions arising from this Agreement must be initiated in the courts of Clark County, Nevada or the federal district court with jurisdiction over Clark County, Nevada. The Parties agree they will not initiate an action against each other in any other jurisdiction.

19.6 Titles and Captions. Titles and captions are for convenience of reference only and do not define, describe or limit the scope or the intent of this Agreement or of any of its terms. References to section numbers are to sections in this Agreement, unless expressly stated otherwise.

19.7 Interpretation. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others where and when the context so dictates. The word "including" shall be construed as if followed by the words "without limitation." This Agreement shall be interpreted as though prepared jointly by both parties.

19.8 No Waiver. A waiver by either Party of a breach of any of the covenants, conditions or agreements under this Agreement to be performed by the other Party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions of this Agreement.

19.9 Modifications. Any alteration, change or modification of or to this

Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each Party.

19.10 Severability. If any term, provision, condition or covenant of this Agreement or its application to any Party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, and the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

19.11 No Third Party Beneficiaries. This Agreement is for the sole and exclusive benefit of the Parties hereto and their respective permitted successors and assigns, and no third party is intended to, or shall have, any rights hereunder.

19.12 Possession of the Property. Buyer shall first be entitled to possession of the Property on the Closing Date.

19.13 Computation of Time. Any reference in this Agreement to time of day refers to local time in Las Vegas, Nevada. Unless specifically stated to the contrary, all references to days in this Agreement refer to calendar days. Any reference in this Agreement to a "business day" refers to a day that is not a Saturday, Sunday or legal holiday (or observed as a legal holiday) for Nevada state governmental offices under the Nevada Revised Statutes. If the final date for payment of any amount or performance of any act required by this Agreement falls on a Saturday, Sunday or legal holiday, that payment is required to be made or act is required to be performed on the next business day.

19.14 Legal Advice. Each Party represents and warrants to the other the following: they have carefully read this Agreement, and in signing this Agreement, they do so with full knowledge of any right which they may have; they have received independent legal advice from their respective legal counsel as to the matters set forth in this Agreement, or have knowingly chosen not to consult legal counsel as to the matters set forth in this Agreement; and, they have freely signed this Agreement without any reliance upon any agreement, promise, statement or representation by or on behalf of the other Party, or their respective agents, employees, or attorneys, except as specifically set forth in this Agreement, and without duress or coercion, whether economic or otherwise.

19.15 Time of Essence. Time is expressly made of the essence with respect to the performance by Buyer and Sellers of each and every obligation and condition of this Agreement including, without limitation, the Closing.

19.16 Cooperation. Each Party agrees to cooperate with the other in the Closing of this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful, or appropriate to carry out the purposes and intent of this Agreement including, but not limited to, releases or additional agreements.

19.17 Confidentiality. Buyer and Sellers shall not discuss or disclose the

contents of this Agreement, the transactions contemplated herein, or any information or documentation furnished by one Party to the other with any individual or entity who/that is not a Party to this Agreement (including the public), except:

- (a) as required by the terms of this Agreement,
- (b) as may be required by applicable law or regulation,
- (c) in confidential internal communications between principals and employees, and in discussions with their accountants and attorneys,
- (d) in communications with banking and other financial representatives, and
- (e) in communications with governmental entities and their representatives.

The above restrictions do not apply to information that (i) is or becomes generally available to the public through lawful means, (ii) is in one Party's possession before being furnished by the other Party or (iii) becomes available to a Party from a source other than the other Party or any of its representatives.

19.18 No Recording of this Agreement. This Agreement shall not be recorded in the office for the recording of deeds or in any other office or place of public record.

19.19 Agreement in Total.

(a) Entire Agreement. This Agreement contains the entire understanding between the Parties relating to the transaction contemplated by this Agreement. No subsequent agreement, representation, or promise made by either Party hereto, or by or to an employee, officer, agent or representative of either Party shall be of any effect unless it is in writing and executed by the Party to be bound thereby. Each Party hereto acknowledges that this Agreement accurately reflects the agreements and understandings of the Parties hereto with respect to the subject matter hereof and hereby waive any claim against the other Party which such party may now have or may hereafter acquire to the effect that the actual agreements and understandings of the Parties hereto with respect to the subject matter hereof may not be accurately set forth in this Agreement.

(b) Counterparts. This Agreement may be signed in multiple counterparts which, when signed by all Parties, shall constitute a binding agreement.

(c) Exhibits Incorporated by Reference. All Exhibits attached to this Agreement are incorporated in this Agreement by this reference. This Agreement includes nineteen (19) pages and Exhibits A through C.

[THIS SPACE INTENTIONALLY LEFT BLANK; SIGNATURES TO FOLLOW]

IN WITNESS WHEREOF, Buyer and Sellers have signed this Agreement on the dates set forth below.

BUYER:

RS NINE LLC,
a Nevada limited liability company

Dated: _____

By: RB Properties, Inc.
Its: Managing Member

By: _____
Robert P. Bilbray
President

SELLERS:

SOUTHERN CALIFORNIA EDISON
COMPANY, a California corporation

Dated: 11/6/14

By: _____
Name: Richard A. Fojtko
Title: Right of Way Agent

LOS ANGELES DEPARTMENT OF WATER
AND POWER, a department organized and
existing under the Charter of the City of Los
Angeles

Dated: _____

By: _____
Name:
Title:

IN WITNESS WHEREOF, Buyer and Sellers have signed this Agreement on the dates set forth below.

BUYER:

RS NINE LLC,
a Nevada limited liability company

Dated: _____

By: RB Properties, Inc.
Its: Managing Member

By: _____
Robert P. Bilbray
President

SELLERS:

SOUTHERN CALIFORNIA EDISON
COMPANY, a California corporation

Dated: _____

By: _____
Name: _____
Title: _____

LOS ANGELES DEPARTMENT OF WATER
AND POWER, a department organized and
existing under the Charter of the City of Los
Angeles

Dated: _____


By: _____
Name: _____
Title: _____

APPROVED AS TO FORM AND LEGALITY
MICHAEL N. FEUER, CITY ATTORNEY

NOV 13 2014
BY JOHN BEANUM
JOHN BEANUM
DEPUTY CITY ATTORNEY

NEVADA POWER COMPANY, a Nevada
corporation d/b/a NV ENERGY

Dated: 8/11/2014

By: 
Name: VAN CANDLER
Title: PRESIDENT & CEO

SALT RIVER PROJECT AGRICULTURAL
IMPROVEMENT AND POWER DISTRICT, an
agricultural improvement district organized and
existing under the laws of the State of Arizona

Dated: 8/27/2014

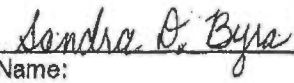
By: 
Name:
Title:

EXHIBIT A

LEGAL DESCRIPTION OF THE PARCEL

PARCEL 1:

That portion of Government Lot Nine (9) in fractional Section 24, in Township 32 South, Range 66 East, M. D. B. & M., in the County of Clark, State of Nevada, described as follows:

BEGINNING at a point in the South line of said Government Lot Nine (9), which bears North 89°26'48" East, 799.58 feet, measured along said South line, from a found 4 inch by 4 inch post, tagged "R. L. S. 2050", set for the Southwest corner of said Government Lot Nine (9), said Southwest corner also being the Southeast corner of the land described in Parcel Three (3) in the Grant Deed to Southern California Edison Company, recorded on October 26, 1966, as Instrument No. 606206, in Book 754, of Official Records, in the Office of the County Recorder of said County; Thence North 16.39 feet; Thence East, 219.30 feet, more or less, to a point in the high water line on the West bank of the Colorado River; Thence Southwesterly along said high water line of the Colorado River, to the point of intersection thereof with said South line of Government Lot Nine (9); Thence South 89°26'48" West, 209.99 feet, more or less, measured along said South line, to the POINT OF BEGINNING.

(Deed reference 20011130-03445)

AND

That portion of Government Lot Ten (10) in fractional Section 24, in Township 32 South, Range 66 East, M. D. B. & M., in the County of Clark, State of Nevada, described as follows:

BEGINNING at a point in the North line of said Government Lot Ten (10), which bears North 89°26'48" East, 799.58 feet, measured along said North line, from a found 4 in by 4 inch post, tagged "R. L. S. 2050", set for the Northwest corner of said Government Lot Ten (10), said Northwestern corner also being the Southeast corner of the land described as Parcel Three (3) in the Grant Deed to Southern California Edison Company, recorded October 26, 1966, as Instrument No. 606206, in Book 754 of Official Records, in the Office of the County Recorder of said County;
Thence South, 116.61 feet;
Thence East, 132.25 feet, more or less, to a point in the high water line on the West bank of the Colorado River;
Thence Northeasterly, along said high water line of the Colorado River to the point of intersection thereof, with said North line of Government Lot Ten (10);
Thence South 89°26'48" West, 209.99 feet, more or less, measured along said North line, to the POINT OF BEGINNING.

(Deed reference 20011130-03445)

PARCEL 2:

Non-exclusive easements for road, underground utilities, cut and fill purposes as described and established by that certain "Grant of Rights of Way and Easements" recorded September 4, 1969 in Book 975 as Document No. 783165, Official Records, subject to the Conditions and Restrictions set forth therein, and as partially relinquished as described in that certain "Partial Quitclaim Deed, (Easement)", recorded December 28, 2000, in Book 20001228 as Document No. 00308, of Official Records.

PARCEL3:

Non-exclusive easements for access road and utility purposes as described and established by that certain instrument entitled "Non-exclusive Access Road Easement", recorded December 26, 2000, in Book 2001226 as Document No. 01087 and 01088, of Official Records, subject to the conditions and restrictions set forth therein.

EXHIBIT B

GRANT, BARGAIN AND SALE DEED

WHEN RECORDED, RETURN TO:

RS Nine LLC
c/o RB Properties, Inc.
P.O. Box 31950
Laughlin, NV 89028
Attn: Robert P. Bilbray

(Space above line for Recorder's use only)

GRANT BARGAIN AND SALE DEED

In consideration of \$10.00 and other good and valuable consideration, receipt of which is hereby acknowledged, SOUTHERN CALIFORNIA EDISON COMPANY, a California corporation, the DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, a department organized and existing under the Charter of the City of Los Angeles, NEVADA POWER COMPANY, a Nevada corporation d/b/a NV ENERGY, and SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, an agricultural improvement district organized and existing under the laws of the State of Arizona, collectively as "**Grantor**," does hereby grant, bargain, sell and convey to RS NINE, LLC, a Nevada limited liability company, as "**Grantee**," the real property in the County of Clark, State of Nevada, together with all improvements lying thereon (hereinafter referred to as the "**Property**") described on Exhibit 1 hereto and incorporated herein by this reference.

RESERVING TO the City of Los Angeles ("**City**") a ten percent (10%) interest in all water and water rights appurtenant, whether surface or subsurface, if any, in relation to the Property and also reserving to City a ten percent (10%) interest in all oil, gas, petroleum, or other mineral or hydrocarbon substances, if any, without the right to enter upon the surface of the Property for such use; and

SUBJECT TO conditions, covenants, restrictions, reservations, rights, rights-of-way and easements now of record, if any.

To have and to hold together, with any and all tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining to the Property.

[THIS SPACE INTENTIONALLY LEFT BLANK; SIGNATURES TO FOLLOW]

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed on the dates set forth below.

GRANTOR:

SOUTHERN CALIFORNIA EDISON
COMPANY, a California corporation

Dated: 11/13/14

By: [Signature]

Name: Richard M. Fujikawa
Title: Right of Way Agent

State of California

ACKNOWLEDGMENT

County of Los Angeles

On 11/13, 2014, before me, C.S. Vasquez, Notary Public,
(Please insert name and title of the officer)
personally appeared Richard M. Fujikawa,
who proved to me on the basis of satisfactory evidence to be the person(s) whose
name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by
his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Signature]

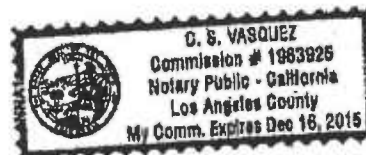


Exhibit A

NEVADA POWER COMPANY, a Nevada
corporation d/b/a NV ENERGY

Dated: 8/11/2014

By:

Name:

Title:

Paul Caudill
President & CEO

STATE OF NEVADA)

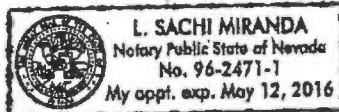
COUNTY OF CLARK)

This instrument was acknowledged before me on August 11, 2014 by
Paul Caudill as President & CEO
of Nevada Power Company, a Nevada corporation d/b/a NV Energy.

L. Sachi Miranda
Signature of Notary Public

L. Sachi Miranda
Printed Name

Seal Area →



My Commission Expires:

May 12, 2016

MOHAVE RIVER PUMPING STA. DISP.
APN 164,24,302.002 GBS Deed

Exhibit A

SALT RIVER PROJECT AGRICULTURAL
IMPROVEMENT AND POWER DISTRICT, an
agricultural improvement district organized and
existing under the laws of the State of Arizona

Dated: _____

By: _____
Name: _____
Title: _____

STATE OF ARIZONA)
) ss.
County of _____)

On this _____ day of _____, 20____, before me personally
appeared _____, whose identity was proved to me
on the basis of satisfactory evidence to be the person whose name is subscribed to this
document, and who acknowledged that he/she signed the above/attached document.

(seal)

Notary Public

My Commission Expires:

Exhibit A

LOS ANGELES DEPARTMENT OF WATER
AND POWER, a department organized and
existing under the Charter of the City of Los
Angeles

Dated: _____

By: _____

Name: _____

Title: _____

State of California)
)
County of _____)

ACKNOWLEDGMENT

On _____, 20__, before me, _____
(here insert name and title of the officer)
personally appeared _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose
name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by
his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

Exhibit A

EXHIBIT 1

Property Legal Description

PARCEL 1:

That portion of Government Lot Nine (9) in fractional Section 24, in Township 32 South, Range 66 East, M. D. B. & M., in the County of Clark, State of Nevada, described as follows:

BEGINNING at a point in the South line of said Government Lot Nine (9), which bears North 89°26'48" East, 799.58 feet, measured along said South line, from a found 4 inch by 4 inch post, tagged "R. L. S. 2050", set for the Southwest corner of said Government Lot Nine (9), said Southwest corner also being the Southeast corner of the land described in Parcel Three (3) in the Grant Deed to Southern California Edison Company, recorded on October 26, 1966, as Instrument No. 606206, in Book 754, of Official Records, in the Office of the County Recorder of said County; Thence North 16.39 feet; Thence East, 219.30 feet, more or less, to a point in the high water line on the West bank of the Colorado River; Thence Southwesterly along said high water line of the Colorado River, to the point of intersection thereof with said South line of Government Lot Nine (9); Thence South 89°26'48" West, 209.99 feet, more or less, measured along said South line, to the POINT OF BEGINNING.

(Deed reference 20011130-03445)

AND

That portion of Government Lot Ten (10) in fractional Section 24, in Township 32 South, Range 66 East, M. D. B. & M., in the County of Clark, State of Nevada, described as follows:

BEGINNING at a point in the North line of said Government Lot Ten (10), which bears North 89°26'48" East, 799.58 feet, measured along said North line, from a found 4 in by 4 inch post, tagged "R. L. S. 2050", set for the Northwest corner of said Government Lot Ten (10), said Northwestern corner also being the Southeast corner of the land described as Parcel Three (3) in the Grant Deed to Southern California Edison Company, recorded October 26, 1966, as Instrument No. 606206, in Book 754 of Official Records, in the Office of the County Recorder of said County;

Thence South, 116.61 feet;

Thence East, 132.25 feet, more or less, to a point in the high water line on the West bank of the Colorado River;

Thence Northeasterly, along said high water line of the Colorado River to the point of intersection thereof, with said North line of Government Lot Ten (10);

Thence South 89°26'48" West, 209.99 feet, more or less, measured along said North line, to the POINT OF BEGINNING.

(Deed reference 20011130-03445)

PARCEL 2:

Non-exclusive easements for road, underground utilities, cut and fill purposes as described and established by that certain "Grant of Rights of Way and Easements" recorded September 4, 1969 in Book 975 as Document No. 783165, Official Records, subject to the Conditions and Restrictions set forth therein, and as partially relinquished as described in that certain "Partial Quitclaim Deed, (Easement)", recorded December 28, 2000, in Book 20001228 as Document No. 00308, of Official Records.

PARCEL3:

Non-exclusive easements for access road and utility purposes as described and established by that certain instrument entitled "Non-exclusive Access Road Easement", recorded December 26, 2000, in Book 2001226 as Document No. 01087 and 01088, of Official Records, subject to the conditions and restrictions set forth therein.

EXHIBIT "C"

NON-FOREIGN TRANSFEROR DECLARATION

Section 1445(a) of the Internal Revenue Code of 1954, as amended (hereinafter referred to as the "Code"), provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by Southern California Edison (hereinafter referred to as the "Transferor"), the undersigned hereby certifies the following on behalf of the Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Code and Income Tax Regulations);
2. The U.S. Employer Identification Number of Transferor is 95-1240335; and
3. Transferor's address is 2131 Walnut Grove Avenue, Rosemead, CA 91770

Transferor understands that this Certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury, I declare that I have examined this Certification and to the best of my knowledge and belief, it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of the Transferor.

Date: October 16, 2014.

Southern California Edison,
a California corporation

By: 
Its: Robert W. Dandridge

EXHIBIT "C"

NON-FOREIGN TRANSFEROR DECLARATION

Section 1445(a) of the Internal Revenue Code of 1954, as amended (hereinafter referred to as the "Code"), provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by Nevada Power Company, a Nevada corporation d/b/a NV Energy (hereinafter referred to as the "Transferor"), the undersigned hereby certifies the following on behalf of the Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Code and Income Tax Regulations);
2. The U.S. Employer Identification Number of Transferor is 88-0420104 and
3. Transferor's address is 6226 W. Sahara Ave., Las Vegas, NV 89146.

Transferor understands that this Certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury, I declare that I have examined this Certification and to the best of my knowledge and belief, it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of the Transferor.

Date: SEP. 25, 2014.

Nevada Power Company, a Nevada corporation
d/b/a NV Energy

By. 

Its: VP, Electric Delivery

EXHIBIT "C"

NON-FOREIGN TRANSFEROR DECLARATION

Section 1445(a) of the Internal Revenue Code of 1954, as amended (hereinafter referred to as the "Code"), provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by the Department of Water and Power of the City of Los Angeles, department organized and existing under the Charter of the City of Los Angeles (hereinafter referred to as the "Transferor"), the undersigned hereby certifies the following on behalf of the Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Code and Income Tax Regulations);
2. The U.S. Employer Identification Number of Transferor is 95-6000736 and
3. Transferor's address is 111 North Hope Street, Los Angeles, CA 90012

Transferor understands that this Certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury, I declare that I have examined this Certification and to the best of my knowledge and belief, it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of the Transferor.

Date: _____, 20____.

Los Angeles Department of Water and Power, a
department organized and existing under the
Charter of the City of Los Angeles

By: _____

Marcie L. Edwards

Its: General Manager

And: _____

Barbara E. Moschos

Board Secretary

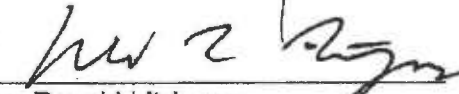
Southern California Edison
INCUMBENCY CERTIFICATE

I, Ronald Litzinger, President of Southern California Edison, doing business as Southern California Edison, a California Corporation (the "Company"), do hereby certify that the following officer is duly elected, qualified and acting officer of the Company, holding the office set forth below, and that the signature set opposite his name is the true and correct signature of said officer:

<u>Name</u>	<u>Title</u>
Enrique Martinez	Vice President, Power Production

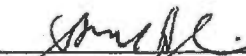
Signature


Dated as of May 28, 2014

By: 
Name: Ronald Litzinger
Title: President

I, Stuart Hemphill, Senior Vice President of Power Supply and Acting Chief Financial Officer of the Company, hereby certify that Ronald Litzinger is the President and the signature appearing above is his genuine signature.

Dated as of May 28, 2014.

By: 
Name: Stuart Hemphill
Title: Senior Vice President Power
Supply and Acting Chief Financial
Officer

See attached notary certificate

CALIFORNIA JURAT WITH AFFIANT STATEMENT

State of California
County of Los Angeles

Subscribed and sworn to (or affirmed) before me on this 28th day of May 2014, by

(1) Enrique Martinez
(Name of Signer)

proved to me on the basis of satisfactory evidence to be the person who appeared before me, and

(2) Ronald Litzinger
(Name of Signer)

proved to me on the basis of satisfactory evidence to be the person who appeared before me, and

(3) Stuart Hemphill
(Name of Signer)

proved to me on the basis of satisfactory evidence to be the person who appeared before me.

Lisa A. Smith
Signature of Notary Public

