



601 N. Moapa Valley Boulevard * Post Office Box 257
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To: Chairman Randy Tobler, & MVWD Board of Directors
From: Lon Dalley, Assistant General Manager
Date: June 2, 2022
Subject: Purchase of APN 070-11-801-013 / 585 N. MV Blvd. for \$475,000.00 from OPD

Background

Staff has been working with the Board of Directors and OPD on the purchase of the vacant land of 4.9 acres directly south and adjacent to MVWD existing office and shop facilities. A few months ago, the MVWD Board of Directors gave Staff the go ahead to proceed with negotiating an agreement with OPD for the purchase of the land, pending the sale of the MVWD Logandale property to MVIC.

Purpose

Staff recommends the purchase of the property due to the need for growth in storage and protection of MVWD inventory and equipment. It is especially critical at this time, to keep enough supplies and materials on hand due to the existing climate of material availability or lack thereof, to maintain MVWD operations with minimal interruptions.

Suggested Motion

Move to approve the acceptance of and instruct Staff to sign the OPD #5

Real Estate Purchase Agreement
Promissory Note
Deed Of Trust
Deed

for the purchase of APN 070-11-801-013 / 585 N. MV Blvd. in the amount of \$475,000.00

REAL ESTATE PURCHASE AGREEMENT

This Real Estate Purchase Agreement (this "Agreement") is entered into as of the ____ day of _____, 2022 by and between OVERTON POWER DISTRICT #5, a corporation located at 615 N Moapa Valley Blvd P.O. Box 395, Overton, NV 89040 ("Seller") and MOAPA VALLEY WATER DISTRICT located at 601 N Moapa Valley Blvd, Overton, NV 89040 ("Buyer"). Each Seller and Buyer may be referred to in this Agreement individually as a "Party" and collectively as the "Parties."

1. Property. Seller hereby agrees to sell to Buyer, and Buyer hereby agrees to purchase from Seller (the "Transaction"), all of Seller's right, title and interest in the real property located at 585 N. Moapa Valley Blvd, Overton, NV 89040, and the legal description:

That portion of the Southeast Quarter (SE $\frac{1}{4}$) of the Southeast Quarter (SE $\frac{1}{4}$) of Section 11, Township 16 South, Range 67 East, M.D.M. described as follows:

Lots One (1) and Two (2) of that certain Parcel Map in File 53 of Parcel Maps, Page 51, in the Office of the County Recorder of Clark County, Nevada, and recorded July 2, 1987 in Book 870702 as Document No. 01131, Official Records.

APN #07011801013 (the "Property").

2. Purchase Price. The purchase price for the Property is \$475,000.00 (the "Purchase Price"). Buyer will make a down payment of \$98,500 on July 1, 2022. The balance of the purchase price will be amortized over 4 years at an annual interest rate of 3.9%, with equal annual payments of \$103,477.67 to begin on July 1, 2023, and each anniversary thereafter until paid in full.¹

Unless otherwise stated in the Agreement, all payments shall be made in proceeds that are immediately available to Seller by _____

3. Deed of Trust and Promissory Note. In conjunction with this Purchase Agreement, Buyer will execute a Promissory Note evidencing the debt on the terms set forth above. Buyer will also execute a Deed of Trust with Power of Sale naming Seller as Trustee and Beneficiary.

4. Disclosures. Seller shall provide Buyer with all disclosures, and signed disclosure forms, as required by law. Seller shall also disclose to Buyer in writing any defects in the Property known to Seller that materially affects the value or quiet enjoyment of the Property. Buyer's obligations under this Agreement are contingent upon Buyer's review and approval of all required Seller disclosures and reports, including any preliminary title report.

¹ See Exhibit 1.

5. Sale of Another Property Contingency. Buyer's obligations under this Agreement are contingent upon Buyer's sale and closing of Buyer's property located at 2625 N. Moapa Valley Blvd, Logandale, NV 89021.

6. Seller Representations and Warranties. Seller represents and warrants that:

(A) Seller is the sole owner of record of the Property and has full right, power, and authority to sell, convey, and transfer the Property.

(B) Seller will convey to Buyer good and marketable title to the Property by providing to Buyer a valid general warranty deed.

(C) The Property, and the present use of the Property, are not in violation of any governmental rules, codes, permits, regulations, or limitations, and represents that nothing will be done, or allowed to be done on or about the Property between the signing of this Agreement and the date of the Closing which will result in any such violation.²

(D) Seller is not a "foreign person" as defined in Section 1445(f) of the Internal Revenue Code of 1986, as amended.

7. Inspection. Buyer's obligations under this Agreement are contingent upon Buyer's inspection of the Property. Buyer may use any inspectors of Buyer's choice, at Buyer's expense. Seller shall cooperate in making the Property reasonably available for Buyer's inspection. If Buyer is not, in good faith, satisfied with the condition of the Property after any inspection thereof, Buyer shall deliver to Seller a written request that Seller fix or remedy any unsatisfactory conditions. If Buyer and Seller are unable to reach an agreement regarding fixing or remedying the unsatisfactory conditions, Buyer shall have the right to terminate this Agreement and be refunded any amounts previously paid under this Agreement.

8. Title Insurance. As a condition to the Closing, Buyer shall obtain, at Buyer's expense, a title insurance policy (the "Title Policy") by a title insurance company selected by Buyer which is authorized to do business in Nevada (the "Title Company").

Promptly after the date hereof, Buyer shall order a preliminary title report from the Title Company. Within fourteen (14) days of receiving the report, Buyer shall forward a copy of the report to Seller and shall notify Seller of any objections to title in the report or otherwise known to Buyer. Seller shall have fourteen (14) days after receipt of Buyer's objections to correct or address the objections. If Seller fails to correct or address the objections within the specified time period, Buyer shall have the right to terminate this Agreement and be refunded any amounts previously paid under this Agreement.

² Seller applied for a zoning change from R-E to M-1, which was approved on 5/16/2022. Final paperwork should be available from Clark County within approximately 2 months from the date of this agreement.

9. Closing. The closing of the Transaction (the "Closing") shall occur on June 30, 2022 and shall take place at 615 N Moapa Valley Blvd, Overton, NV 89040, unless otherwise agreed upon by mutual consent of the Parties. Buyer has the right to make a final inspection of the Property prior to the Closing.

10. Seller Closing Deliverables. At the Closing, Seller shall deliver to Buyer the following:

- (A) A general warranty deed conveying to Buyer title to the Property, duly executed and acknowledged by Seller.
- (B) A certificate from Seller certifying that Seller's representations and warranties in this Agreement are true and correct as of the date of the Closing.
- (C) Such affidavits or other evidence as the Title Company shall reasonably require for its title insurance policy.

11. Buyer Closing Deliverables. At the Closing, Buyer shall deliver to Seller the following:

- (A) Executed Promissory Note and Deed of Trust in favor of Seller as Beneficiary and Trustee.
- (B) Such affidavits or other evidence as the Title Company shall reasonably require for its title insurance policy.
- (C) Any other documents, certificates, notices or statements required by this Agreement, the Title Company, the escrow agent (if any) or law to complete the Transaction.

12. Seller Closing Costs. On or before the Closing, Seller shall pay:

- (A) All costs related to the preparation and recordation of the Purchase Agreement, Warranty Deed, Promissory Note and Deed of Trust with Power of Sale.

13. Buyer Closing Costs. On or before the Closing, Buyer shall pay:

- (A) Cost of a Title Policy (obtained at Buyer's election).
- (B) All transfer taxes and conveyance fees.

14. Risk of Loss. Seller assumes the risk of loss or damage by fire, natural disaster or other casualty to the Property until the Closing. In the event that all or a portion of the Property is destroyed or otherwise materially damaged prior to the Closing, Buyer shall have the option (a) to complete the Transaction and receive any insurance proceeds payable or (b) to terminate this Agreement and be refunded any amounts previously paid under this Agreement.

15. Possession of the Property. Seller shall deliver exclusive possession of the Property on June 30, 2022.

16. Condition of Property. Buyer acknowledges that Buyer is purchasing the Property "AS IS" in the condition that it is in at Buyer's final inspection. Seller agrees that the Property shall be in the same condition on the date of the Closing as of the date that Buyer's final inspection is completed. Seller has applied for a zoning change from R-E to M-1, which is anticipated to be approved on May 16, 2022. Seller, at its own cost, will take all reasonable steps necessary to ensure that the zoning change is approved.

17. Real Estate Taxes. All real property taxes and adjustments which are delinquent shall be paid at the Closing out of funds due to Seller. Any non-delinquent real property taxes and adjustments, if any, shall be apportioned pro rata on an accrual basis.

18. Bankruptcy. In the event a bankruptcy petition is filed naming Seller as a debtor under any Bankruptcy Code, between the signing of this Agreement and the Closing, then this Agreement shall be terminated and Buyer shall be entitled to a refund of any and all sums paid under this Agreement.

19. Attorney's Fees. Except as otherwise expressly provided in this Agreement, in the event of any litigation brought in law or equity to enforce any material provision of this Agreement, the prevailing Party shall be entitled to recover its reasonable attorneys' fees and court costs from the other Party.

20. Governing Law. The terms of this Agreement shall be governed by and construed in accordance with the laws of the State of Nevada, not including its conflicts of law provisions.

21. Disputes. Any dispute arising from this Agreement shall be resolved through mediation. If the dispute cannot be resolved through mediation, then the dispute will be resolved through binding arbitration conducted in accordance with the rules of the American Arbitration Association.

22. Notices. Any notice or other communication given or made to any Party under this Agreement shall be in writing and delivered by hand, sent by overnight courier service, or sent by certified or registered mail, return receipt requested, to the address stated above or to another address as that Party may subsequently designate by notice and shall be deemed given on the date of delivery.

23. Amendment. This Agreement may be amended or modified only by a written agreement signed by all of the Parties.

24. Waiver. No Party shall be deemed to have waived any provision of this Agreement, or the exercise of any rights held under this Agreement, unless such waiver is made expressly and in

writing. Waiver by any Party of a breach or violation of any provision of this Agreement shall not constitute a waiver of any other subsequent breach or violation.

25. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective legal representatives, heirs, executors, administrators, successors, and permitted assigns.

26. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document.

27. Severability. If any provision of this Agreement is held to be invalid, illegal or unenforceable in whole or in part, the remaining provisions shall not be affected and shall continue to be valid, legal and enforceable as though the invalid, illegal or unenforceable parts had not been included in this Agreement.

28. Headings. The section headings herein are for reference purposes only and shall not otherwise affect the meaning, construction or interpretation of any provision in this Agreement.

29. Entire Agreement. This Agreement contains the entire understanding between the Parties and supersedes and cancels all prior agreements of the Parties, whether oral or written, with respect to the subject matter.

IN WITNESS WHEREOF, the Parties hereto, individually or by their duly authorized representatives, have executed this Agreement as of the first date written above

Overton Power District #5		MENDIS COOPER General Manager
Seller Full Name	Seller Representative Signature	Seller Representative Name and Title

MOAPA VALLEY WATER DISTRICT		Joseph Davis General Manager
Buyer Full Name	Buyer Representative Signature	Buyer Representative Name and Title

Exhibit 1

Down Payment: \$98,500 on July 1, 2022.

Amortization Schedule

Date	Beginning Balance	Payment	Interest	Principal	Ending Balance
7/1/2023	\$376,500.00	\$103,477.67	\$14,683.50	\$88,794.17	\$287,705.83
7/1/2024	\$287,705.83	\$103,477.67	\$11,220.53	\$92,257.14	\$195,448.69
7/1/2025	\$195,448.69	\$103,477.67	\$7,622.50	\$95,855.17	\$99,593.52
7/1/2026	\$99,593.52	\$103,477.67	\$3,884.15	\$99,593.52	\$0.00