

A RESOLUTION DECLARING INTENTION TO SELL PROPERTY

(Formerly Kingsbury Middle School located at 1900 Echo Drive, Zephyr Cove, Nevada 89448)

WHEREAS, the District has determined it is in the best interest of the District to sell the real property described on Exhibit A attached hereto and incorporated herein by this reference, together with all improvements located thereon, and all tenements, hereditaments, and appurtenances thereunto belonging (“District Property”) pursuant to NRS 393.220 et. seq.;

WHEREAS, the District desires to sell the District Property in its “as is” and “where is” condition, with all defects, and without any representation concerning the condition of or title to the District Property;

WHEREAS, the Board of Trustees of the Douglas County School District (“Board”) passed a motion to Appoint Appraisers Pursuant to NRS 393.240 on August 9, 2011 authorizing the District to appoint appraisers pursuant to NRS 393.240 to determine the value of the District Property;

WHEREAS, the two appraisers have completed and delivered their appraisals and the Board hereby determines pursuant to NRS 393.245.1(b) that the minimum sales price for the property shall be the \$4,000,000 appraised value, the highest value of the two appraisals;

WHEREAS, the Board adopted a Resolution Declaring Intention to Sell Property on January 10, 2012 (“Resolution”) providing that sealed proposals to purchase the District Property described in Exhibit A to the Resolution would be received and considered at 3:30 p.m. at its regularly scheduled Board meeting on April 10, 2012;

WHEREAS, the Board did not receive any proposals that were at least equal to the cash market value of the District Property, the Board amended the Resolution pursuant to NRS 393.270.2 and held subsequent public meetings at which sealed proposals to purchase the District Property were again to be received and considered, but the Board did not receive any proposals to purchase the District Property;

WHEREAS, the District obtained updated appraisals from the appraisers appointed pursuant to NRS 393.240 to update the appraiser’s opinions of the cash market value of the District Property;

WHEREAS, the Board held subsequent public meetings at which sealed proposals to purchase the District Property were again to be received and considered, but the Board did not receive any proposals;

WHEREAS, the Board hereby again determines pursuant to NRS 393.245.1(b) that it is in the best interest of the District to offer the District Property for sale through an open listing with real estate broker(s) licensed in the State of Nevada, to be selected by the Superintendent, and that the open listing shall provide that only the licensed real estate broker who procures the buyer shall receive a commission associated with the sale of the District Property, and if the

buyer is not procured by a licensed real estate broker then no broker will receive a commission from the transaction;

WHEREAS, the Board hereby again determines that the maximum commission payable in connection with the sale of the District Property, collectively by the Buyer and the District, shall not exceed 2½% of the purchase price, that the amount to be paid by the District shall not exceed 1% of the purchase price, that these commissions do not exceed the normal commissions prevailing in Northern Nevada;

WHEREAS, the Board hereby determines pursuant to NRS 393.245.1(b) that the purchase price shall be paid to the District in cash upon closing, or if deferred payments are accepted by the Board, for not less than 25% cash down with the balance payable pursuant to the terms of a promissory note of not more than 5 years, accruing interest at not less than 6% per annum, secured by a first priority deed of trust on District Property;

WHEREAS, the Board believes it is in the best interest of the District to sell the District Property through an open listing with licensed real estate broker(s), pursuant to NRS 393.245.1(b) for a minimum price equal to the average of the two updated appraised values established by the appraisers appointed pursuant to NRS 393.240, or \$3,125,000.00, for a sale to be completed pursuant to NRS 393.220 et. seq.;

NOW, THEREFORE, be it hereby resolved by the Board, pursuant to NRS 393.250 as follows:

RESOLVED, that it is in the best interest of the District to sell the District Property pursuant to the provisions of NRS 393.220 et. seq.;

RESOLVED FURTHER, that the two appraisers appointed pursuant to NRS 393.240 have determined the cash market value of the District Property as set forth in the statute, and that the average of the two appraisals was \$3,125,000.00;

RESOLVED FURTHER, that the Board has determined it is in the best interest of the District to sell the District Property pursuant to NRS 393.245.1(b) through licensed real estate broker(s), to be selected by the Superintendent, in the manner provided by NRS 393.250 to NRS 393.300, inclusive, for a minimum price equal to the average of the two appraised values of \$3,125,000.00, with the sale to be completed pursuant to NRS 393.220 et. seq.;

RESOLVED FURTHER, that the Board hereby determines that the open listing with the licensed broker(s) selected by the Superintendent shall provide that the maximum commission payable in connection with the sale of the District Property, collectively by the Buyer and the District, shall not exceed 2½% of the purchase price, that the commission to be paid by the District shall not exceed 1% of the purchase price, and that these commissions do not exceed the normal commissions prevailing in Northern Nevada;

RESOLVED FURTHER, except as provided in NRS 393.280.2 and the resolution below related to oral bids, the Board hereby determines that no commission shall be owed or paid by the District to any broker who is not the procuring cause of the sale, which for purposes of this resolution shall mean the broker that first delivers a written offer from the successful buyer that is accepted by the Board, and that commissions owed to cooperating brokers or other brokers, if any, shall be owed and paid by the buyer or the broker, and not the District;

RESOLVED FURTHER, that no commission shall be owed or paid by the District if, for any reason, the sale of the District Property does not close;

RESOLVED FURTHER, that the Board shall hold a public meeting, not less than three weeks from the date hereof, at the regularly scheduled Board meeting, to be held at its regular place of meeting, on July 12, 2016 at 3:30 p.m., at which sealed proposals to purchase the District Property will be received and considered;

RESOLVED FURTHER, that notice of the adoption of these resolutions and of the time and place of holding the meeting shall be given pursuant to NRS 393.260 by posting copies of the resolution in three public places in the school district not less than fifteen days before the date of the meeting, and publishing the resolution not less than once a week for 2 successive weeks before the meeting in a newspaper of general circulation published in the school district, if any such newspaper is published therein;

RESOLVED FURTHER, that parties desiring to submit a proposal to purchase the District Property shall first submit a signed Purchase Agreement in a form approved by the District's legal counsel stating the name of the purchaser, the purchase price offered, the amount of the non-refundable deposit amount, and the other terms and conditions set forth on Exhibit B attached hereto and incorporated herein by reference, together with a signed Property Condition Addendum and Release attached to the Letter of Intent agreeing to accept the District Property in its "as is" condition at the close of escrow;

RESOLVED FURTHER, the District Property shall be available for inspection by prospective purchasers by appointment to be scheduled through the District's administrative office that may be contacted at:

Douglas County School District
1638 Mono Avenue
Minden, Nevada 89423
(775) 782-5135

RESOLVED FURTHER, that upon receipt of offers or proposals to purchase the District Property the Board shall open and consider the proposals received pursuant to NRS 393.270;

RESOLVED FURTHER, that before accepting any written proposal, the Board shall call for oral bids pursuant to NRS 393.280, and if a responsible bidder offers to purchase the

District Property for a price exceeding by at least five percent (5%) of the highest written proposal, after deducting any applicable commissions, on the terms and conditions set forth in the purchase agreement and these resolutions, then that oral bid shall be accepted, subject to the Board's right to reject all bids as set forth below;

RESOLVED FURTHER, pursuant to NRS 393.280.2, if a sale is made on a higher oral bid to a purchaser procured by a licensed real estate broker, other than the broker who submitted the highest written proposal, the Board shall allow a 1% commission on the full amount for which the sale is confirmed, with one-half of the commission on the amount of the highest written proposal must be paid to the broker who submitted it, and the balance of the commission on the purchase price to the broker who procured the purchaser to whom the sale was confirmed; however, if a sale is made on a higher oral bid to a purchaser not procured by a licensed real estate broker, the board shall allow one-half of the 1% commission on the amount of the highest written proposal, if that highest written proposal was submitted by a licensed real estate broker;

RESOLVED FURTHER, that if a proposal or acceptable oral bid is received by the Board for equal to or more than the appraised value the proposal or bid may be accepted by the Board;

RESOLVED FURTHER, that pursuant to NRS 393.300 the Board reserves the right to reject any or all proposals received, and to withdraw the District Property from sale, if the Board determines that accepting the proposal(s) is not in the best interest of the District;

RESOLVED FURTHER, that any resolution of acceptance made by the Board shall authorize and direct the President of the Board to execute the deed and all related closing documents and deliver them upon performance and compliance by the purchaser;

RESOLVED FURTHER, that any money received from the sale of the District Property shall be deposited into the buildings and sites fund as required by NRS 393.320;

RESOLVED FURTHER, that if no bids or proposals are received for more than the appraised value, then the Board may amend the resolution, including, without limitation, setting a time not less than three weeks thereafter for another public meeting at which sealed proposals may again be received and considered;

RESOLVED FURTHER, that notice of the adoption of these resolutions and of the time and place of the meeting of the Board to consider proposals to acquire the District Property shall be given pursuant to NRS 393.260;

RESOLVED FURTHER, that the Board hereby authorized the Superintendent to take all actions she deems necessary and appropriate to carry out the intent of these resolutions;

RESOLVED FURTHER, this resolution shall be in full force and effect on and after its adoption.

Passed, adopted, and approved this _____ day of _____, 2016.

, President

, Clerk

(School District Seal)

EXHIBIT A

LEGAL DESCRIPTION OF THE DISTRICT PROPERTY (1900 Echo Drive, Zephyr Cove, Douglas County, Nevada 89448; APN# 1318-23-202-0010)

All that certain real property situate in the County of Douglas, State of Nevada, being a portion of Section 23, Township 13 North, Range 18 East, M.D.B. & M., more particularly described as follows:

Beginning at a U.S. Forest Service Brass Cap, being the C-N 1/16 corner of Section 23;
Thence South $0^{\circ}45'24''$ West 500.00 feet to an iron pipe;
Thence South $44^{\circ}50'02.11''$ West 945.42 feet to an iron pipe;
Thence North $89^{\circ}46'12.11''$ West 301.78 feet to a point;
Thence tangent North $20^{\circ}28'20''$ East on the arc of a circular curve to the left with a radius of 800 feet through a central angle of $40^{\circ}44'50''$ an arc distance of 568.94 feet to a point;
Thence North $20^{\circ}02'42''$ West 683.17 feet to a point;
Thence South $88^{\circ}35'38''$ East 1206.29 feet to the Point of Beginning.

APN: 1318-23-202-001

Document No. 83582 is provided pursuant to the requirements of NRS 111.312.

EXHIBIT B

TERMS TO BE CONTAINED IN PURCHASE BIDS

All parties desiring to submit a proposal to purchase the District Property shall submit a signed Purchase Agreement in a form approved by the District's legal counsel containing the general terms set forth below:

Purchaser: The Purchase Agreement shall contain the full legal name of the purchaser.

Property: The legal description of the District Property being purchased.

Purchase Price: The purchase price offered by the bidder.

Earnest Money Deposit: The amount of the earnest money deposit to be paid by the bidder, which shall become non-refundable after the expiration of the due diligence period.

Terms of Payment: The terms for payment of the purchase price offered to be paid. If the purchaser proposes that the District finance a portion of the purchase price (which may not exceed 75% of the total purchase price), then the Purchase Agreement shall include the form of Promissory Note, and the form of the first priority Deed of Trust securing the Promissory Note, as exhibits to the Purchase Agreement. The term of the promissory note shall not exceed five years and the interest rate shall not be less than 6% per annum.

Due Diligence Period and Review: The Purchase Agreement shall contain a due diligence period, not to exceed 90 days, to review the physical and environmental condition of the District Property, and the title to the District Property. The bidder shall indemnify and hold the District harmless from all claims, causes of action and damages arising out of or related to bidder's inspection of the District Property. Bidder shall deliver to the District, within three days of receipt, copies of all inspection, environmental, geotechnical, or other reports generated in the course of its due diligence review. All contingencies to the purchase, including any financing contingencies, shall be satisfied prior to the expiration of the due diligence period. If the bidder does not terminate the Purchase Agreement prior to the expiration of the due diligence period, then the bidder shall be conclusively deemed to have approved the condition of and title to the District Property.

As Is Purchase: The Purchase Agreement shall provide that following the due diligence and title review the bidder shall acquire the District Property in its "As Is, Where Is, With All Faults" condition, without representation or warranty from the District. The bidder shall rely on their own investigations and inspections and not on any representations or warranties from the District or its representatives or agents, and shall release and hold the District harmless from any liability arising out of or related to the District Property following the closing.

Title Review and Policy: The Purchase Agreement shall provide that the bidder shall review and approve the title to the District Property during the due diligence period. The buyer shall obtain a current title report and copies of all exception documents referred to therein from a Title

Company to be identified by the District within five days following the full execution of the Purchase Agreement. If the buyer reasonably objects to any exceptions listed in the title report, then buyer shall deliver a title objection notice to the District within five days specifying the items objected to. If the District is unwilling or unable to remove the objected exception, then the buyer may either terminate the Purchase Agreement and receive a refund of its deposit, or agree to purchase the District Property subject to the title exceptions. The District will convey title to the bidder subject to all permitted exceptions referenced in the Title Report, and deliver to the buyer at the closing a CLTA standard coverage owner's title insurance policy in accordance with the title report. If the buyer desires additional extended ALTA or other insurance coverage or endorsements, they shall be obtained by buyer at the buyer's cost and the issuance shall not be a condition to the closing. If buyer desires an ALTA or other survey of the District Property, it shall be obtained at buyers cost and delivered to the District upon receipt.

Risk of Loss and Condemnation: The Purchase Agreement shall contain provision for the transfer of the risk of loss and possession upon the closing and for the treatment of damage and destruction and condemnation during the escrow period.

Escrow and Closing: The Purchase Agreement shall provide for the closing of the transaction through the escrow agent selected by the District. The documents and funds necessary to close the transaction shall be delivered to the escrow company prior to the closing. The closing shall take place not later than ten days after the expiration of the due diligence period, unless mutually agreed by the District and buyer. The District shall deliver, through escrow, a grant, bargain and sale deed to the District Property to the buyer at closing. The Title Company will deliver the title policy to the buyer following the closing. The buyer will deliver the purchase price to the District, through escrow, including any promissory note and deed of trust, if applicable. If a promissory note and deed of trust are included the buyer shall pay for an ALTA lender's policy of title insurance insuring the lien of the District's deed of trust. The District and buyer shall deliver such other escrow instructions and documents as are reasonably necessary to close the transaction pursuant to the terms of the Purchase Agreement. Taxes, utilities, and expenses related to the District Property shall be prorated as of the closing date.

Commissions and Closing Costs: The Purchase Agreement shall provide that the District's obligation for real estate commissions shall be limited to 1% of the purchase price. Any additional commissions owed shall be the responsibility of the buyer. The cost of the standard CLTA policy shall be paid by the District. The cost of upgrading the title policy and any endorsements, and the lender's title policy, shall be paid by the buyer. The cost of buyer's due diligence inspection, any surveys, any costs associated with any financing, recording fees, UCC search fees, and transfer taxes shall be paid by the buyer. The escrow fee charged by the escrow agent shall be paid one-half by the District and one-half by buyer. All other costs shall be shared as customary in Douglas County, Nevada.

Other Provisions: The Purchase Agreement shall include such other provisions as the District's attorney deems necessary or appropriate.

Verification of Funds: Buyers must submit satisfactory verification of funds to complete the purchase with their offers.