

## PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT ("**Agreement**") is made by and between CITY OF RENO, a Nevada Municipality ("**Buyer**"), and SILO THIRTEEN HOLDINGS, LLC, a Nevada Limited liability company ("**Seller**"). The last date of the signatory parties shall be the effective date hereof ("**Effective Date**"). This Agreement constitutes both an agreement between Seller and Buyer and joint escrow instructions to Escrow Holder with respect to the transaction contemplated hereby.

### WITNESSETH:

For and in consideration of the mutual covenants and conditions herein, Seller and Buyer agree as follows:

1. **Property.** Seller hereby agrees to sell and Buyer hereby agrees to purchase a parcel of land approximately 3.18 acres in size located at 9390 N. Virginia Street, Reno, Nevada, APN: 570-271-07, more particularly described in Exhibit A attached hereto and made a part hereof, together with all easements, rights and appurtenances thereto ("**Property**"), all in accordance with the terms and conditions hereinafter set forth.

2. **Purchase Price.** The purchase price of the Property shall be TWO MILLION and NO/100 DOLLARS (\$2,000,000.00) ("**Purchase Price**"), payable as follows:

2.1 **Earnest Money.** Within five (5) business days after the Effective Date, Buyer shall deliver to Escrow Holder (defined in Section 5.1) an earnest money deposit in the amount of TEN THOUSAND and NO/100 DOLLARS (\$10,000.00) ("**Earnest Money**"), which shall be applied toward the Purchase Price. The Earnest Money shall be fully refundable to Buyer if Buyer terminates this Agreement on or before the expiration of the Due Diligence Period (defined in Section 3.1) or the Zoning Period (defined in Section 3.2), as further set forth in Section 3.5.

2.2 **Balance.** The balance of the Purchase Price shall be payable in cash at the Closing (defined in Section 5.2). The balance of the Purchase Price in excess of the Earnest Money, subject to adjustment for costs and pro-rations, shall be deposited by Buyer with Escrow Holder by wire transfer (or other form of immediately available funds) on or before the date of the Closing.

### 3. **Due Diligence Period.**

3.1 **General.** Buyer shall have an investigation period of thirty (30) days from the Effective Date hereof ("**Due Diligence Period**") to conduct, at Buyer's expense, such due diligence and feasibility investigations of the Property as Buyer deems appropriate to determine whether the Property is suitable for its purposes in its sole discretion, including without limitation soils reports, surveys and environmental reports, along with examination of title, zoning and Seller's Materials (defined in Section 3.4).

3.2 **License to Enter.** Buyer, its agents, representatives or designees, are hereby granted a license to enter onto the Property during the Due Diligence Period to conduct

its due diligence. Buyer shall indemnify, defend and hold harmless Seller from all liability, claims, costs and expenses whatsoever resulting from Buyer's activities on the Property prior to the Closing.

**3.3 Seller's Materials.** Within five (5) days after the Effective Date hereof, Seller shall deliver to Buyer for inspection all surveys, environmental reports, records (excluding recorded documents identified in the Title Report) and other documents in Seller's possession or control relating to the use, occupancy or condition of the Property (collectively, "**Seller's Materials**"). Seller makes no warranties or representations whatsoever about the accuracy or completeness of the information contained within Seller's Materials, other than that the copies provided to Buyer are true and correct copies, and Buyer assumes all risks associated with any reliance on the same. In the event Buyer terminates this Agreement pursuant to the termination provisions of Section 3.5, Buyer shall return all of Seller's Materials to Seller within five (5) business days after the Earnest Money is refunded to Buyer.

**3.4 Termination.** Buyer may, in its sole discretion and for any reason, refuse to purchase the Property and terminate this Agreement by delivering a written termination notice to Seller (a) at any time prior to the expiration of the Due Diligence Period, and (b) at any time prior to expiration of the Zoning Period if the change to commercial zoning is unsuccessful, or upon abandonment of the zoning process if Buyer determines the process will be unsuccessful or the conditions thereto will be unsatisfactory. If so terminated, Seller shall inform Escrow Holder of such termination and Escrow Holder shall immediately refund the Earnest Money to Buyer and neither party shall have any further rights or obligations to each other, except for any obligations arising out of the indemnity as set forth in Section 3.2. If Buyer fails to timely notify Seller of its decision to terminate this Agreement for one of the foregoing reasons, Buyer shall be deemed to have waived its rights to terminate under this Section 3.5.

#### **4. Title.**

**4.1 Title Report.** Within ten (10) days after the Effective Date, Seller shall cause the Escrow Holder to issue a preliminary title report on the Property ("**Title Report**") and deliver to Buyer the Title Report and legible copies of all exception documents identified therein.

**4.2 Title Objections.** During the Due Diligence Period, Buyer shall notify Seller of any objections Buyer has to any title exceptions. Buyer's failure to notify Seller of its disapproval of any title exception(s) within such period shall constitute Buyer's approval of the exceptions shown on the Title Report, provided in all events, on or before Closing, Seller shall cause any monetary or financing liens affecting the Property to be discharged or released at Closing. All title exceptions on the Title Report (except monetary liens and financing) not objected to or subsequently accepted by Buyer shall be "**Permitted Exceptions.**" If Buyer notifies Seller of any title objections, Seller shall have five (5) days after receipt thereof to use reasonable efforts to remove the objectionable matters prior to Closing. If Seller is unable to remove all objectionable title exceptions, Buyer may (a) terminate this Agreement, or (b) waive such objections (i.e., accept the objectionable title exceptions) or obtain appropriate title insurance endorsements at Buyer's expense, and close the transaction.



**4.3 Title Policy.** As a condition to closing, an updated Title Report shall show no changes in the status of title since the expiration of the Due Diligence Period, and Escrow Holder shall be prepared to issue, upon closing, a standard coverage CLTA Owner's Policy of title insurance or, at Buyer's option and cost (as to the additional premium), an extended coverage ALTA Owner's Policy of title insurance, in the full amount of the Purchase Price, insuring that marketable fee simple title to the Property is vested in Buyer, subject only to the Permitted Exceptions ("**Title Policy**").

**4.4 Survey.** Buyer, at Buyer's sole cost and expense, may elect to obtain an ALTA/ASCM survey ("**Survey**") of the Property certified to Buyer and Escrow Holder plotting all title exceptions set out in the Title Report to the extent plottable.

## **5. Escrow and Closing.**

**5.1 Escrow Instructions.** Escrow for this transaction shall be held at Tigor Title of Nevada, 5441 Kietzke Lane, Suite 100, Reno, Nevada 89511, Attn: Luann BAarnes ("**Escrow Holder**"). When a copy of this fully executed Agreement has been delivered to Escrow Holder, it shall constitute Escrow Holder's escrow instructions. Any standard form escrow instructions submitted by Escrow Holder or any other clarification or addition to the instructions contained here shall, when executed by Buyer and Seller, constitute additional escrow instructions. In the event of any conflict between such additional instructions and this Agreement, the terms of this Agreement shall prevail.

**5.2 Closing.** This transaction shall close at the offices of Escrow Holder on a date mutually agreed upon between the parties no later than thirty (30) days after the expiration of the Due Diligence Period ("**Closing**"). On or before the Closing, each of the parties shall deliver to the Escrow Holder such sums, instructions and documents as are required in Sections 5.5 and 5.6, or are customary in similar transactions in Washoe County, Nevada, and they shall do all other things reasonably necessary to close this transaction and carry out the purpose and intent of this Agreement.

**5.3 Possession, Risk of Loss and Condition of Property.** Possession of the Property shall be delivered to Buyer upon Closing. In the event all or any part of the Property is taken by eminent domain or under other governmental authority prior to Closing, Seller shall not be entitled to enforce this Agreement and Buyer may elect either (i) close without reduction in the Purchase Price, but with an assignment of all condemnation proceeds, or (ii) terminate this Agreement with a return of the Earnest Money, and neither party shall thereafter have any obligation or liability to the other party except for any liability arising under the license to enter. At the Closing, upon acceptance of the Deed to the Property, Buyer shall be deemed to have accepted the Property in "AS IS, WHERE IS" condition except for Seller's warranties set forth in Section 6.1.

**5.4 Prorations and Costs.** All property taxes on the Property shall be prorated as of the date of Closing. The premium for a CLTA title policy shall be paid by Seller. If Buyer elects to acquire an extended coverage ALTA title policy, Buyer shall pay the difference between a CLTA policy and an extended coverage ALTA policy, including any endorsements. All transfer fees, escrow fees, closing costs and recording costs shall be shared equally between

the parties. Any other closing costs shall be shared by Seller and Buyer as is normal and customary in the Reno-Sparks area. Each party shall be solely responsible for its respective legal fees and other advisory council fees.

**5.5** Seller's Deliveries in Escrow. At the Closing, Seller shall deliver in escrow to the Escrow Holder the following duly executed documents: (a) a Grant, Bargain and Sale Deed in a form normal and customary in the Reno-Sparks area, granting and conveying good and marketable title to the Property, free and clear of all liens and encumbrances, except the Permitted Exceptions ("Deed"), (b) such disclosures and reports required by applicable State and local law in connection with the conveyance of real property, (c) a Foreign Investment in Real Property Tax Act affidavit, (d) evidence of existence, organization, and authority of Seller and the authority of the person executing documents on behalf of Seller reasonably satisfactory to Escrow Holder, and (e) any additional documents that Buyer or Escrow Holder may reasonably require for the proper consummation of this transaction (in form reasonably acceptable to Seller).

**5.6** Buyer's Deliveries in Escrow. At the Closing, Buyer shall deliver into Escrow Holder (a) the balance of the Purchase Price, plus or minus applicable pro-rations, deposited with the Escrow Holder in immediate, same-day federal funds wired for credit into the Escrow Holder's escrow account, (b) evidence of existence, organization, and authority of Buyer and the authority of the person executing documents on behalf of Buyer reasonably satisfactory to Escrow Holder; and (c) any additional documents that Seller or Escrow Holder may reasonably require for the proper consummation of this transaction (in form reasonably acceptable to Buyer).

## **6. Representations and Warranties.**

**6.1** Seller's Representations and Warranties. Buyer's obligation to close this transaction is contingent upon the truth and correctness of the following matters unless at the Closing Buyer elects to waive the same. Seller represents and warrants to Buyer that:

(a) Authority. Seller is a Nevada limited liability company. Seller has the full right and authority and has obtained any and all consents required to enter into this Agreement, consummate or cause to be consummated the sale contemplated herein. The persons signing this Agreement on behalf of Seller are authorized to do so. This Agreement has been, and the documents to be executed by Seller pursuant to this Agreement will be, authorized and properly executed and will constitute the valid and binding obligations of Seller, enforceable against Seller in accordance with their terms.

(b) Conflicts and Pending Actions or Proceedings. Except as expressly stated herein, there is no agreement to which Seller is a party or, to Seller's knowledge, binding on Seller which is in conflict with this Agreement. There is no action or proceeding pending or, to Seller's actual knowledge, threatened against or relating to the Property, including, without limitation, any creditor or condemnation proceedings, or which challenges or impairs Seller's ability to execute or perform its obligations under this Agreement.



(c) Agreements with Governmental Authorities/Restrictions. Seller has not entered into, and has no knowledge of, any agreement with or application to any governmental authority with respect to any zoning modification, variance, exception, platting or other matter prior to the Effective Date of this Agreement and will not enter into any of the foregoing except Buyer's zoning change process described in Section 3.3. To Seller's knowledge, neither Seller nor the Property is in violation or non-compliance with any restriction or covenant affecting the Property.

(d) Tenancies. There are no unrecorded tenancies affecting the Property.

(e) Environmental. Except as otherwise set forth in Seller's Materials, Seller has no knowledge of any violation of Environmental Laws (as defined below) related to the Property or the presence or release of Hazardous Materials on or from the Property. The term "**Environmental Laws**" includes without limitation, the Resource Conservation and Recovery Act and the Comprehensive Environmental Response Compensation and Liability Act ("**CERCLA**") and other federal laws governing the environment as in effect on the date of this Agreement together with their implementing regulations and guidelines as of the date of this Agreement, and all state, regional, county, municipal and other local laws, regulations and ordinances that are equivalent or similar to the federal laws recited above or that purport to regulate Hazardous Materials (as defined below). The term "**Hazardous Materials**" includes petroleum as defined in CERCLA and any substance, material waste, pollutant or contaminant listed or defined as hazardous or toxic under any Environmental Law.

**6.2** Buyer's Representations and Warranties. Seller's obligation to close this transaction is contingent upon the truth and correctness of the following matters unless at the Closing Seller elects to waive the same. Buyer represents and warrants to Seller that:

(a) Organization and Authority. Buyer has the full right and authority to enter into this Agreement, subject to approval by the Reno City Council at a duly noticed public meeting. This Agreement and all of the documents to be delivered by Buyer at the Closing have been and will be authorized and properly executed and will constitute the valid and binding obligations of Buyer, enforceable in accordance with their terms.

(b) Conflicts and Pending Action. There is no agreement to which Buyer is a party or to Buyer's actual knowledge binding on Buyer which is in conflict with this Agreement. There is no action or proceeding pending or to Buyer's knowledge, threatened, against Buyer which challenges or impairs Buyer's ability to execute or perform its obligations under this Agreement.

**6.3** Effective Date of Representations and Warranties. Except as expressly stated otherwise herein, the representations and warranties set forth in this Section 6 are made as of the Effective Date of this Agreement and are remade as of the date of Closing.

## **7. Default; Liquidated Damages.**

**7.1** Default. In the event of any default hereunder by Seller, Buyer shall have the right to either cancel this Agreement or to enforce this Agreement by an action for specific

performance. In the event of cancellation by Buyer due to Seller's breach, the Earnest Money shall be immediately returned to Buyer without further instruction from Seller.

**7.2 Liquidated Damages.** IN THE EVENT OF ANY DEFAULT HEREUNDER BY BUYER, SELLER MAY CANCEL THIS AGREEMENT BY NOTICE TO BUYER AND THE ESCROW HOLDER. IN THE EVENT OF SUCH CANCELLATION, THE EARNEST MONEY PAID BY THE BUYER SHALL BE DEEMED LIQUIDATED DAMAGES. SELLER'S REMEDY HEREUNDER SHALL BE LIMITED TO SUCH PAYMENT, IT BEING EXPRESSLY AGREED THAT SELLER SHALL HAVE NO RIGHT TO ANY OTHER RELIEF FROM BUYER. BUYER AND SELLER AGREE THAT THE AMOUNT OF LIQUIDATED DAMAGES ESTABLISHED HEREIN IS A REASONABLE, PRESENT ESTIMATE OF WHAT SELLER'S DAMAGES WOULD BE IN THE EVENT OF A DEFAULT BY BUYER.

INITIALED BY SELLER \_\_\_\_\_

INITIALED BY BUYER \_\_\_\_\_

**7.3 Limitations on Liability.** The Buyer does not waive and intends to assert available NRS Chapter 41 liability limitations in all litigation and claims arising from this Agreement and the subject matter of this Agreement.

## **8. Miscellaneous.**

**8.1 Assignment/Parties Bound.** Seller may assign this Agreement without Buyer's prior written consent. Buyer may assign this Agreement to a related entity owned or controlled by Buyer without Seller's consent. Except for the foregoing, Buyer may not assign this Agreement without Seller's prior written consent, which consent shall not be unreasonably withheld. This Agreement shall be binding upon and inure to the benefit of the respective legal representatives, successors, assigns, heirs, and devisees of the parties. No assignment shall relieve the assignor of any obligation under this Agreement whether arising before or after such assignment.

**8.2 Headings.** The section and paragraph headings of this Agreement are for convenience only and in no way limit or enlarge the scope or meaning of the language hereof.

**8.3 Invalidity and Waiver.** If any portion of this Agreement is held invalid or inoperative, then so far as is reasonable and possible the remainder of this Agreement shall be deemed valid and operative, and effect shall be given to the intent manifested by the portion held invalid or inoperative. The failure by either party to enforce against the other any term or provision of this Agreement shall be deemed not to be a waiver of such party's right to enforce against the other party the same or any other such term or provision.

**8.4 Governing Law.** This Agreement and said other instruments shall, in all respects, be governed, construed, applied, and enforced in accordance with the law of the State of Nevada. Venue for any action to enforce this Agreement shall be in the State District Court in Washoe County, Nevada.

**8.5 Survival.** Except as otherwise specified herein, provisions of this Agreement that contemplate performance after the Closing and the obligations of the parties not



**8.12** Calculation of Time Periods. Unless otherwise specified, in computing any period of time described herein, the day of the act or event after which the designed period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is a Saturday, Sunday or legal holiday, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday, or legal holiday.

**8.13** Further Assurances. In addition to the acts and deeds recited herein and contemplated to be performed, executed and/or delivered by Seller to Buyer at closing, Seller and Buyer agree to perform, execute and make available, but without any obligation to incur any additional liability or expense, on or after the closing any further information and assurances as may be reasonably necessary to consummate the transactions contemplated hereby or to further perfect the conveyance, transfer and assignment of the Property to Buyer.

**8.14** Commissions. Buyer is exclusively represented by Kidder Mathews, Troy Keeney and Mark Keyzers who collectively shall be paid 3% of the gross purchase price through close of escrow. Seller is exclusively represented by Kidder Mathews, Ted Stoeve who shall be paid 3% of the gross purchase price through close of escrow. Except for the foregoing broker, the parties represent to each other that they have not used the services of any real estate broker or person who may claim a commission or finder's fee against Seller's proceeds with respect to this transaction, and each agrees to indemnify, defend and hold the other harmless from broker compensation claims arising from the indemnifying party.

**8.15** Intentionally Omitted.

**8.16** Entire Agreement. This Agreement contains the entire agreement between the parties hereto and supersedes any and all prior agreements, arrangements or understandings regarding the same subject matter as to this Agreement, which are null and void.

**8.17** Written Amendments. This Agreement may not be modified, amended, altered or changed in any respect whatsoever except by further agreement in writing, duly executed by both parties. No oral statements or representations subsequent to the execution hereof by either party are binding on the other party, and neither party shall have the right to rely on such oral statements or representations.

**8.18** No Recordation. Neither this Agreement nor any notice thereof shall be recorded.

**8.19** Tax Free Exchange. Buyer or Seller may wish to use the Property as a part of a tax-free exchange of property with a third party. If Buyer or Seller has in good faith entered into an agreement for such exchange, then Buyer or Seller shall have the right to assign its interest in this Agreement to the third party participating in such exchange. If Buyer or Seller assigns its interest in this Agreement to effectuate a tax-free exchange as aforesaid, then said party shall promptly so notify the other party and shall deliver to other party, a copy of the relevant assignment or assignments. Either party shall thereafter cooperate with reasonable requests to effectuate such tax-free exchange. The exchanging party shall pay any additional transfer taxes, recording fees or similar closing costs resulting from such tax-free exchange. Buyer and Seller hereby agree to indemnify, defend and save the other party harmless from and



against any additional claims or liabilities arising as a result of participation in such tax free exchange. Any assignee under this section shall be bound by the provisions of this Agreement.

**8.20** Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement via facsimile transmission or electronic mail shall be as effective as delivery of an executed original.

[signatures on following page]

MADE EFFECTIVE the last date of a signatory party below.

**BUYER:**

**CITY OF RENO, a Nevada Municipality**

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

Hillary Schieve, Mayor

Date: \_\_\_\_\_

**SELLER:**

**SILO THIRTEEN HOLDINGS, LLC, a  
Nevada Limited liability company**

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

Chad Giguere

Date: 7/14/22 \_\_\_\_\_

ATTEST: \_\_\_\_\_

Mikki Huntsman, Reno City Clerk

APPROVED AS TO FORM BY:

\_\_\_\_\_

Jasmine Mehta, Deputy City Attorney

The undersigned Escrow Holder joins in this Agreement for purposes of agreeing to the instructions to Escrow Holder set forth herein.

**Escrow Holder:**

Ticor Title Company of Nevada

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

Date: \_\_\_\_\_

PORTION OF SW¼ SECTION 9  
& NW¼ SECTION 16  
T20N - R19E

