

PURCHASE OF LEASHOLD IMPROVEMENTS AND TERMINATION OF LEASE AGREEMENT

James I Gibson Library
280 S. Water Street
Henderson, Nevada

This Purchase of Leasehold Improvements and Termination of Lease Agreement (the "Agreement") is made at Henderson, Clark County, Nevada on the 20th day of March, 2008, by the City of Henderson, Nevada, a municipal corporation, 240 Water Street, Henderson, Clark County, Nevada, referred to as "Buyer", and Henderson District Public Libraries, referred to as "Seller."

RECITALS

WHEREAS Buyer leased to Seller 4.064 acres of land, being a portion of the City of Henderson Campus, for the exclusive purposes of constructing and operating a public library and other appurtenances necessary thereto and entered into a Lease Agreement for a term of 99 years, which was effective April 8, 1986; and a Modification of Lease Agreement (first amendment) which was effective August 12, 1987 and a Second Amendment to Lease Agreement reducing the Demised Premises to 2.607 acres which was effective September 20, 2005; and

WHEREAS Seller at its own expense constructed a one-story library building containing approximately 17,953 square feet and installed site improvements (the "Leasehold Improvements") on the Demised Premises containing 2.607 acres (the "Lease Area") situated in Henderson, Clark County, Nevada, bounded and described on Exhibit "A" and Sketch Exhibit "B" attached hereto and by reference made a part hereof; and

WHEREAS the Seller desires to relocate the public library operating on the Lease Area to another location in order to design a facility to current standards in such a manner as to better serve the community and the Buyer desires to recapture the Lease Area encumbered by the Lease Agreement in order to develop that portion of the site in the future with a use more compatible with the City of Henderson Campus and the re-development of Water Street; and

WHEREAS Seller agrees to sell the Leasehold Improvements and Buyer agrees to purchase the Leasehold Improvements, for the purchase price and on the terms and conditions set forth herein; and

WHEREAS the Buyer and Seller agree to an early termination of the Lease Agreement which was effective April 8, 1986; and a Modification of Lease Agreement (first amendment) which was effective August 12, 1987; and a Second Amendment to Lease Agreement which was effective September 20, 2005 upon close of escrow and the transfer of the Leasehold Improvements, for a compensation price to be paid by the Buyer and on the terms and conditions set forth herein.

NOW, THEREFORE, In consideration of the mutual and reciprocal promises contained therein, the parties agree as follows:

SECTION ONE
PURCHASE AND COMPENSATION PRICE AND TERMS OF PAYMENT

1. The Purchase Price for the Leasehold Improvements is \$2,000,000.00 and the Compensation Price for the early termination of the Lease Agreement is \$2,000,000.00, for a total price of \$4,000,000.00 which shall be paid as follows:
 - (a) Buyer to deposit \$3,000,000.00 into escrow on or before April 28, 2008.
 - (b) Buyer to deposit \$500,000.00 into escrow on or before September 25, 2008.
 - (c) Buyer to deposit \$500,000.00 into escrow on or before June 25, 2009.

SECTION TWO
CONDITIONS OF SALE

1. Upon receipt of evidence acceptable to the Buyer that the Seller has signed a Letter of Intent for the purchase of its re-location property, Seller may request in writing to the Buyer and Escrow Company the following disbursements prior to the close of escrow.
 - (a) Disbursement to the Seller in the amount of \$3,000,000.00 on May 1, 2008.
 - (b) Disbursement to the Seller in the amount of \$500,000.00 on October 1, 2008.
2. Seller to provide documentation to the Buyer from the State of Nevada regarding the final bond payment or any balance due that must be paid by the Seller and evidenced as paid prior to the close of escrow and a statement from the Chief Financial Officer for the Henderson District Public Libraries indicating that there are no outstanding debt payments for this library facility per the last fiscal audit.
3. The escrow company shall be First American Title Company.
4. Escrow fees are to be split 50% to be paid by the Buyer and 50% to be paid by the Seller.
5. All other fees, taxes and insurance shall be paid as is customary in Clark County, Nevada.
6. Owners/Buyers CLTA Title Policy in the amount of \$2,000,000.00 may be obtained by the Buyer at the Buyer's expense.
7. Seller shall allow Buyer or Buyer's contractors to perform walk through inspections of the Leasehold Improvements to determine the condition of the improvements prior to the close of escrow.
8. Seller to deliver possession of the Leasehold Improvements to the Buyer on or before September 1, 2009. In the event that Seller remains in possession of the Leasehold Improvements after September 1, 2009, the Seller agrees to pay the Buyer \$250.00 per day for the first 30 days and \$500.00 per day for any period thereafter as compensation for its continued occupancy and possession.

**SECTION THREE
INSURANCE**

All existing insurance covering the Leasehold Improvements in effect at the time of the execution of this Agreement shall be continued by Seller until the close of escrow and transfer of Leasehold Improvements from Seller to Buyer.

**SECTION FOUR
TRANSFER OF LEASEHOLD IMPROVEMENTS**

Seller shall maintain the Leasehold Improvements in its present condition pending the closing of this transaction, normal and reasonable wear excepted.

A current preliminary title report identifying all matters of public record affecting the Lease Area will be obtained by the Buyer and reviewed for acceptance prior to the close of escrow. All costs required to clear any liens, encumbrances, defects and burdens as a result of the Lease Agreement and occupancy of the Lease Area by the Seller shall be paid by the seller.

Seller shall provide a Bill of Sale or other conveyance document acceptable to the Buyer and Escrow Company at close of escrow describing the Leasehold Improvements, site improvements and other appurtenances located on the Lease Area to be transferred to the Buyer.

**SECTION FIVE
TIME OF ESSENCE; CLOSING**

Time is expressly declared to be of the essence of this Agreement. The Agreement shall be executed by the Seller and returned to the Buyer on or before April 1, 2008. The sale shall be closed, on or before July 1, 2009 or such other date as the parties may in writing agree. Each party shall fully perform all of the party's obligations under this Agreement at such times as to insure that the closing takes place within the period specified, or any mutually agreed extension of that period. Unless extended by mutual agreement of the parties this Agreement expires on September 2, 2009.

**SECTION SIX
TERMINATION OF LEASE AGREEMENT**

Buyer and Seller mutually agree that the Lease Agreement, which was effective April 8, 1986; and a Modification of Lease Agreement (first amendment) which was effective August 12, 1987; and a Second Amendment to Lease Agreement which was effective September 20, 2005 shall be terminated upon the close of escrow and transfer of the Leasehold Improvements.

Buyer and Seller mutually agree to execute a Termination of Lease document to be recorded by the Clark County Records office upon close of escrow.

**SECTION SEVEN
REMEDIES OF PARTIES**

If Buyer or Seller fails, refuses or is unable to comply with the conditions, either party may enforce this Agreement by appropriate action, including an action for specific performance, or for damages for breach.

**SECTION EIGHT
ASSIGNMENT; MODIFICATION;
ENTIRE AGREEMENT OF PARTIES EXPRESSED**

No right or interest of Seller under this Agreement shall be assigned without the prior written consent of Buyer.

No modification of this Agreement shall be valid or binding unless the modification is in writing, duly dated and signed by both parties.

Neither party shall be bound by any terms, conditions, statements, or representations, oral or written, not contained in this Agreement. Each party hereby acknowledges that in executing this Agreement the party has not been induced, persuaded, or motivated by any promise or representation made by the other party, unless expressly set forth in this Agreement. This Agreement, once fully executed by the Seller and Buyer, shall constitute the entire agreement between the Seller and Buyer, including escrow instructions.

**SECTION NINE
SIGNATURE AND EFFECTIVE DATE**

This agreement shall not be effective as an Agreement until duly signed by both parties. The date of signature by each party is the date indicated after the party's signature.

Signature page follows

PURCHASE OF LEASHOLD IMPROVEMENTS AND TERMINATION OF LEASE AGREEMENT

James I Gibson Library
280 S. Water Street
Henderson, Nevada

In witness whereof, the parties have executed this instrument.

BUYER
City of Henderson

SELLER
Henderson District Public Libraries

James B. Gibson, Mayor

Colleen Bell, Chair – Board of Trustees

Date

March 20, 2008

Date of Council Action: _____

Attest:

Attest:

Monica Martinez Simmons, CMC
City Clerk

John Simmons, Secretary – Board of
Trustees

Approved as to Form:

Approved as to Form:

Shauna Hughes, City Attorney

I.R. Ashelman, Attorney

STATE OF NEVADA)
COUNTY OF CLARK)

This instrument was acknowledged before me on _____ by **JAMES B. GIBSON** as **MAYOR** of the **CITY OF HENDERSON**.

Notary Public in and for said County and State.
My commission expires: _____

STATE OF NEVADA)
COUNTY OF CLARK)

This instrument was acknowledged before me on _____ by
MONICA MARTINEZ SIMMONS, CMC as **CITY CLERK** of the **CITY OF HENDERSON**.

Notary Public in and for said County and State.
My commission expires: _____

STATE OF NEVADA)
COUNTY OF CLARK)

This instrument was acknowledged before me on March 20, 2008 by Colleen Bell, Chair of the
Board of Trustees of the **HENDERSON DISTRICT PUBLIC LIBRARIES**.

Notary Public in and for said County and State.
My commission expires: _____

STATE OF NEVADA)
COUNTY OF CLARK)

This instrument was acknowledged before me on March 20, 2008 by John Simmons, Secretary
of the Board of Trustees of the **HENDERSON DISTRICT PUBLIC LIBRARIES**.

Notary Public in and for said County and State.
My commission expires: _____

Exhibit "A"

Ptn of APN 179-18-810-001

Amended Library Lease Description

A portion of the "School" lot as shown in Book 3 of Plats, Page 42 on file in the Office of the Clark County, Nevada Recorder, lying in the Southeast Quarter of Section 18, Township 22 South, Range 63 East, M.D.M., City of Henderson, Clark County, Nevada, more particularly described as follows:

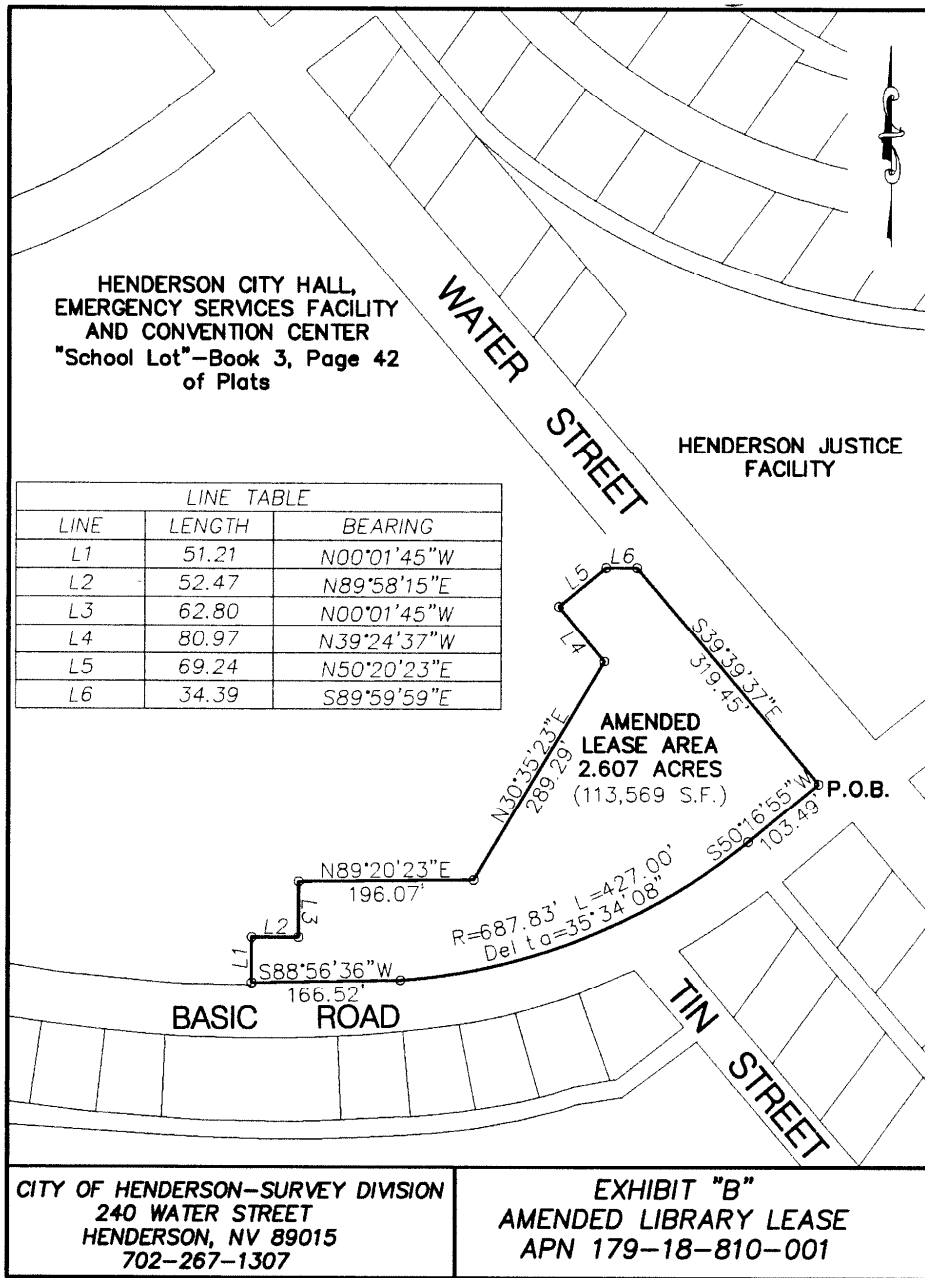
Beginning at the most easterly corner of said "School" lot, also being the intersection of the southwesterly right-of-way of Water Street and the northwesterly right-of-way of Basic Road; Thence South 50°16'55" West along the said northwesterly right-of-way of Basic Road, 103.49 feet to the beginning of a 687.83 foot radius curve, concave northerly; Thence westerly along said curve to the right and said northwesterly right-of-way, 427.00 feet through a central angle of 35°34'08"; Thence continuing along said northwesterly right-of-way, South 88°56'36" West, 166.52 feet; Thence departing said northwesterly right-of-way, North 00°01'45" West, 51.21 feet; Thence North 89°58'15" East, 52.47 feet; Thence North 00°01'45" West, 62.80 feet; Thence North 89°20'23" East, 196.07 feet; Thence North 30°35'23" East, 289.29 feet; Thence North 39°24'37" West, 80.97 feet; Thence North 50°20'23" East, 69.24 feet; Thence South 89°59'59" East, 34.39 feet to a point on the southwesterly right-of-way of said Water Street; Thence South 39°39'37" East along the said southwesterly right-of-way of Water Street, 319.45 feet to the Point of Beginning.

The above described area contains 2.607 acres (113,569 s.f), more or less.

END OF DESCRIPTION

Prepared by:
Robert L. Carrington, PLS
City of Henderson
240 Water Street
Henderson, NV 89015

Exhibit "B"



CITY OF HENDERSON—SURVEY DIVISION
240 WATER STREET
HENDERSON, NV 89015
702-267-1307

EXHIBIT "B"
AMENDED LIBRARY LEASE
APN 179-18-810-001