

## **PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS**

THIS PURCHASE SALE AGREEMENT AND ESCROW INSTRUCTIONS ("Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_ 2025, by and between the CITY OF FALLON, a political subdivision located within Churchill County, Nevada ("Seller") and RUDY ZAVALANI, an individual, and/or his assigns ("Buyer"). The "Effective Date" of this Agreement shall be the date that it is fully executed by the last party to this Agreement.

### **RECITALS:**

WHEREAS, Seller is the owner of certain real property situated in the City of Fallon, County of Churchill, State of Nevada, commonly referred to as 1101 Harrigan Rd., and identified by Churchill County Assessor's Parcel Number 001-781-05, totaling approximately 9.6 acres, and is depicted on **Exhibit A** (the "Real Property").

WHEREAS, Seller desires to sell and Buyer desires to purchase the Real Property together with all its improvements, tenements, hereditaments and appurtenances.

NOW THEREFORE, IN CONSIDERATION OF THE FOREGOING and the mutual agreements hereinafter contained, Seller and Buyer agree as follows:

### **ARTICLE 1**

#### **Escrow Instructions**

**Section 1.1** Agreement to Constitute Escrow Instructions. This Agreement shall constitute escrow instructions to WESTERN NEVADA TITLE COMPANY OF NEVADA, a Nevada corporation, located at 2215 W. Williams Avenue, Suite A, Fallon, Nevada (the "Escrow Agent"), upon acceptance by the Escrow Agent of this Agreement as instructions to it and shall govern the close of escrow as set forth below. The Escrow Agent

Sellers Initials: \_\_\_\_\_

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Buyers Initials: \_\_\_\_\_

may supplement these instructions with its usual and customary escrow instructions, provided however, that any additional instructions do not contradict the terms set forth herein.

## **ARTICLE 2**

### **Purchase and Sale of Real Property**

**Section 2.1** Purchase. Seller agrees to sell and Buyer agrees to purchase the Real Property on the terms and conditions set forth in this Agreement.

**Section 2.2** Consideration. The purchase price for the Real Property ("Purchase Price") shall be SIX HUNDRED TWENTY THOUSAND DOLLARS and 00/100 (\$620,000.00), United States currency.

**Section 2.3** Earnest Money. Within three (3) business days of the Effective Date of this Agreement, Buyer shall deposit with the Escrow Agent the sum of ONE HUNDRED THOUSAND DOLLARS and 00/100 (\$100,000.00) ("Earnest Money"). The Escrow Agent shall hold the Earnest Money in escrow until the Closing Date. The entire Earnest Money shall be applied toward the Purchase Price at the close of escrow. The Earnest Money shall be refunded to Buyer in the event this transaction does not close.

## **ARTICLE 3**

### **Title**

**Section 3.1** Title to Real Property. Title to the Real Property shall be evidenced by a Grant, Bargain and Sale Deed conveying good and marketable title to the Real Property to Buyer in fee simple, free and clear of all liens and encumbrances, subject only to the title exceptions approved by Buyer during the Investigation Period described below. Buyer shall pay for a standard ALTA owner's policy of title insurance issued by title

insurance agents of Escrow Agent in favor of Buyer in the amount of the Purchase Price, insuring title to the Real Property.

**Section 3.2 Permitted Exceptions.** Within three (3) days from the Effective Date of this Agreement, Buyer shall open an escrow with the Escrow Agent and Buyer shall order a preliminary title report ("Title Report") on the Real Property with instructions to provide a copy of said report to Seller and Buyer upon its completion. Buyer shall be allowed thirty (30) days from the receipt of the Title Report to examine the title to the Real Property and to give notice to Seller of any objections thereto. All exceptions to the title contained in the Title Report (other than monetary liens) shall be deemed permitted exceptions unless written notice of objection is given by Buyer to Seller within said thirty (30) days. If Buyer objects to any exceptions to the title, Seller shall use due diligence to the extent possible, to remove such exceptions at Seller's own expense before the Closing Date. If such exceptions cannot be removed before the Closing Date, all rights and obligations hereunder may, at the election of Buyer, terminate. If Seller is unwilling or unable to remove such Buyer objections, Seller shall so notify Buyer within ten (10) days of receipt of said objections and in that event Buyer may terminate this Agreement.

**Section 3.3 No Further Encumbrances.** While this Agreement is in effect, Seller shall not do any of the following without the prior written consent of Buyer: (a) make or allow to be made, extend or allow to be extended any leases, contracts, options or agreements whatsoever affecting the Real Property; (b) cause or permit any lien, encumbrance, mortgage, deed of trust, right, restriction or easement to be placed upon the Real Property; or (c) permit any mortgage, deed of trust or other lien to be foreclosed upon due to Seller's actions or omissions, including failure to make a required payment or

failure to obtain the consent of a beneficiary under any deed of trust and/or mortgage under any mortgagee under any mortgage on the Real Property to enter into this Agreement, if such consent is required under the terms of such deed of trust and/or mortgage.

## **ARTICLE IV**

### **"As-is" sale or real property**

**Section 4.1** Investigation Period. Buyer has examined the Real Property and finds that it is fit and suitable for his purposes. Buyer understands that the sale of the real property is "as is".

**Section 4.2** Buyer's Reliance On Buyer's Own Investigation. Buyer acknowledges and agrees that Buyer has made its own investigation of the suitability of the Real Property and its appurtenances for Buyer's intended uses and therefore acknowledges that Buyer has not entered into this Agreement based upon any representations or warranties made by Seller other than those expressly contained herein. Buyer expressly acknowledges that Seller has made no representations or warranties regarding the Real Property and its appurtenances, or their fitness for any particular use. Buyer further acknowledges that upon the close of escrow, Buyer shall take possession and title of the Real Property and its appurtenances in an "AS IS" physical condition with all faults.

**Section 4.3** Feasibility Contingency.

(a) The obligations of Buyer under this Agreement and consummation of the Closing Date are, in Buyer's sole and absolute discretion, subject to Buyer performing due diligence, completing an inspection of the Real Property, and determining, in Buyer's sole and absolute discretion, that it is feasible for Buyer to own and

operate the Real Property in a manner and upon terms and conditions satisfactory to Buyer. Buyer will have until 11:59 p.m., Pacific Time, on that date which is thirty (30) days after the Effective Date, unless extended by written mutual agreement between Seller and Buyer (the "Inspection Period"), to perform his due diligence activities as Buyer may desire in his own sole and absolute discretion, including, but not limited to, invasive testing, such as soil borings and collection of soil in connection with a Phase II environmental assessment. During the Inspection Period, Buyer may file applications with applicable governing authorities for approval and to obtain development commitments, entitlements, permits and approvals, all as may be deemed necessary by Buyer in connection with his contemplated use and development of the Real Property (collectively, all of the foregoing commitments, entitlements, permits, and approvals are the "Approvals"), and Seller agrees to cooperate with Buyer in connection with the Approvals. Such Approvals will not impose any burden or be binding upon the Real Property prior to the Closing Date, nor impose any cost or liability on Seller, except to the extent consented to in writing by Seller.

- (b) Prior to any entry upon the Real Property by Buyer, or Buyer's contractor(s), agent(s), employee(s), consultant(s), or other third party(s) at Buyer's discretion (each, a "Buyer Consultant"), Buyer and any Buyer Consultant entering the Real Property shall maintain liability insurance coverage issued with combined single limits of not less than \$2,000,000 per occurrence which includes Seller as an additional insured on a primary and noncontributory basis, and, if requested by

Seller in writing, Buyer will provide Seller with proof of such coverage. Any Buyer Consultant that seeks to perform invasive testing or collect samples from the Real Property shall maintain pollution liability insurance with limits of not less than \$2,000,000 and shall provide evidence that Seller is named as an additional insured on such policy prior to entering the Real Property.

(c) Buyer and Buyer Consultant may enter upon the Real Property at all reasonable times during the term of the Agreement to conduct engineering, environmental and geotechnical studies or any other inspections or tests. Buyer shall indemnify and hold Seller harmless from and against any and all losses or costs incurred by Seller due to any injuries to persons or damage to the Real Property resulting from such studies, inspections, and/or tests, and if Buyer fails to close his acquisition of the Real Property pursuant to this Agreement, Buyer will restore any material damage to the Real Property caused by Buyer or Buyer's Consultant to a reasonable equivalent of its pre-inspection condition. Buyer's obligations under this section shall survive termination of this Agreement for a period of twelve (12) months.

(d) Buyer may extend the Inspection Period for up to one (1) additional period of thirty (30) days by delivering to Seller and Escrow Agent written notice of Buyer's election to extend the Inspection Period then in effect.

(e) If Buyer elects to proceed with the closing of this transaction, then Buyer shall notify Seller and Escrow Agent in writing (the "Approval Notice") prior to the expiration of the Inspection Period. Unless the Approval Notice is previously delivered to Seller, upon the expiration of the Inspection Period, Escrow Agent

will promptly return the Earnest Money to Buyer and all obligations of the parties under this Agreement will terminate, excepting those obligations that expressly survive termination. In addition, if Buyer notifies Seller during the Inspection Period that he does not intend to proceed with the acquisition of the Real Property then Escrow Agent shall promptly return the Earnest Money to Buyer and all obligations of the parties under this Agreement will terminate, except for those obligations that expressly survive termination of this Agreement.

## **ARTICLE 5**

### **Closing Date and Closing Date Obligation**

**Section 5.1** Closing Date. The "Closing Date" shall be at such time as all funds are deposited to escrow and Escrow Agent can provide an ALTA policy of title insurance in favor of Buyer in the amount of the Purchase Price, subject only to the exceptions described in Section 3.2 above. Escrow shall close no later than sixty-five (65) days from the Effective Date of this Agreement and all ownership rights to the Real Property shall pass to Buyer by said date.

**Section 5.2** Apportionment of Certain Times; Deferred Taxes. All real and personal property taxes, assessments, and utility charges of whatsoever nature shall be apportioned as of the Closing Date. In making apportionments, all property taxes, assessments and similar items will be prorated on the basis of the number of days in the period in question before and after the Closing Date. The amounts to be apportioned under the provisions of this Section shall be apportioned and paid as soon as they can be calculated.

**Section 5.3 Buyer's Obligations.** On or before the Closing Date, Buyer shall deliver to the Escrow Agent the following:

- (a) Cash, certified check, or electronic funds transfer in the amount of SIX HUNDRED TWENTY THOUSAND DOLLARS and 00/100 (\$620,000.00);
- (b) An amount equal to the premium on a standard ALTA owner's policy of title insurance;
- (c) An amount equal to one half (1/2) of the escrow fees and closing costs charged by Escrow Agent;
- (d) An amount equal to the Real Property Transfer Tax;
- (e) An amount equal to Buyer's share of items to be apportioned as provided in Section 5.2.

**Section 5.4 Seller's Obligations.** On or before the Closing Date, Seller shall:

- (a) Deliver to the Escrow Agent the executed Grant, Bargain and Sale Deed to be recorded at the recorder's office of the County of Churchill, State of Nevada;
- (b) An amount equal to one half (1/2) of the escrow fees and closing costs charged by Escrow Agent;
- (c) Seller agrees to pay from their proceeds at close of escrow an amount equal to Seller's share of items to be apportioned as provided in Section 5.2.

**Section 5.5 Escrow Agent's Obligations.** On the Closing Date, the Escrow Agent shall:

Sellers Initials:\_\_\_\_\_

Buyers Initials:\_\_\_\_\_

- (a) Issue and deliver to Buyer its ALTA owner's policy of title insurance in favor of Buyer in the amount of the Purchase Price;
- (b) Record the original of the Grant, Bargain and Sale Deed and deliver a copy of the same to the Buyer;
- (c) Pay the Real Property Transfer Taxes;
- (d) Pay all sums deposited by Buyer to Seller (less any charges to Seller);
- (e) Make the apportionment required by Section 5.2 of this Agreement;
- (f) Pay itself its escrow fee and its premium on its title policy; and
- (g) Close the Escrow.

## **ARTICLE 6**

### **Landscaping**

**Section 6.1** Buyer agrees to landscape the northern boundary of the Real Property abutting New River Parkway. This obligation shall include, but is not limited to, the installation of approximately five hundred (500) linear feet of sod or natural grass along the northern boundary of the Real Property. The sod or natural grass shall be installed within (6) months following the Closing Date.

## **ARTICLE 7**

### **Seller's Representations, Warranties and Covenants**

Seller Represents that as of the date of this Agreement and through the Closing Date that:

**Section 7.1** Seller is the sole owner of the Real Property and has good and marketable fee title thereto, subject only to the conditions and exceptions set forth herein.

**Section 7.2** This Agreement is a legal, valid and binding obligation of Seller and is enforceable against Seller in accordance with all material terms.

**Section 7.3** To the best of Seller's knowledge there are no claims, litigations, actions, suits or proceedings, administrative or judicial, filed or pending against Seller with respect to the Real Property, this Agreement or the transactions contemplated hereby, at law or in equity, before any federal, state or local court, regulatory agency, or other government agency; there are no claims that Seller's operation of the Real Property has not complied with all applicable laws that are now in effect that pertain to the Real Property.

## **ARTICLE 8**

### **Miscellaneous**

**Section 8.1** Breach of Representations, Warranties and Covenants. All representations, warranties and covenants made as part of this Agreement are material and are relied upon by the parties.

**Section 8.2** Successors and Assigns, Assignment. This Agreement shall be binding not only upon the parties but also upon their respective heirs, personal representatives, assigns, and other successors in interest. Buyer may, at his option and at any time during the term of this Agreement, assign this Agreement with the written consent of the Seller.

**Section 8.3** Time. Time is of the essence of this Agreement.

**Section 8.4** Execution of Additional Documents. In addition to documents and other matters specifically referenced in this Agreement, Seller and Buyer agree to execute and/or deliver, or cause to be executed and/or delivered such other documents and /or materials, including additional escrow instructions carrying out the terms and conditions

of this Agreement, as may be reasonably necessary to effectuate the transaction contemplated by this Agreement.

**Section 8.5** Notices and Other Communications. Every notice or other communication required or contemplated by this Agreement by any party shall be in writing delivered either by a) personal delivery, b) prepaid overnight delivery service or c) facsimile addressed to the party for whom intended at the address specified in this Section.

To Seller: City of Fallon  
c/o Trent deBraga  
55 W. Williams Ave.  
Fallon, NV 89406

To Buyer: Rudy Zavalani  
\_\_\_\_\_  
\_\_\_\_\_

Notices by overnight delivery service shall be effective on the date they are officially recorded as delivered to the intended recipient. All notices delivered in person or sent by facsimile shall be deemed to have been delivered to and received by the addressees and shall be effective on the date of personal delivery or on the date sent, respectively. Notice not given in writing shall be effective only if acknowledged in writing by a duly authorized representative of the party to whom it was given.

**Section 8.6** Governing Law/Venue. The validity, construction and enforceability of this Agreement shall be governed in all respects by the laws of Nevada applicable to agreements negotiated, executed and performed in Nevada, by Nevada residents, whether one or more of the parties shall now be or hereafter become a resident of another state and venue for any action brought to enforce the terms of this Agreement shall be exclusively in the Tenth Judicial District Court of the State of Nevada in and for Churchill County.

Sellers Initials:\_\_\_\_\_

11 Buyers Initials:\_\_\_\_\_

**Section 8.7** Entire Agreement; Modification; Waiver. This Agreement constitutes the entire agreement between Buyer and Seller pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements, representations, and understandings. No supplement, modifications, or amendments of this Agreement shall be binding unless executed in writing by all the parties. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

**Section 8.8** Counterparts. This Agreement may be executed in one or more counterparts, and each counterpart shall constitute an original instrument but all such counterparts shall only constitute one and the same instrument.

**Section 8.9** Captions. The captions of this Agreement do not in any way limit or amplify the terms and provisions of this Agreement.

**Section 8.10** Attorney's Fees. In the event of any litigation between the parties hereto arising out of this Agreement, or if one party seeks to judicially enforce the terms of this Agreement, the prevailing party shall be reimbursed for all reasonable costs, including, but not limited to, reasonable attorney's fees.

**Section 8.11** Severability. Each provision of this Agreement is severable from any and all other provisions of this Agreement. Should any provision(s) of this Agreement be for any reason unenforceable, the balance shall nonetheless be of full force and effect.

**Section 8.12** Agents. Except for Dickson Commercial Group to whom Seller will pay a commission (the "Commission") pursuant to a separate written agreement(s), each party represents and warrants to the other that no other broker or finder is

connected with or has been engaged by it in connection with any of the transactions contemplated by this Agreement. Seller will be obligated to pay any and all commissions or fees which may be due to Dickson Commercial Group in connection with the transaction contemplated herein. In the event of a claim for any other broker's or finder's fee or commissions in connection herewith, each party will indemnify the other against any such claims made based upon any act, statement, or agreement alleged to have been made by the indemnifying party.

**Section 8.13 Attorneys.** Seller and Buyer will each be responsible for the fees and expenses of their respective attorneys.

**Section 8.14 Signatures.** Each of the signatories hereto warrants and represents that it is competent and authorized to enter into this Agreement and to bind its respective party.

IN WITNESS WHEREOF, the Seller and Buyer have executed this Agreement on the date first above written.

SELLER:

BUYER:

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KEN TEDFORD, Mayor  
City of Fallon

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RUDY ZAVALANI

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MICHAEL O'NEILL, Clerk  
City Clerk/Treasurer  
City of Fallon

Sellers Initials: \_\_\_\_\_

13 Buyers Initials: \_\_\_\_\_

# Exhibit A



Assessor Parcel Number: 001-781-05

Zoom to

Primary Address / Location: 1101 HARRIGAN RD

[View Assessor Information](#)

[View Plat Page 001\\_78](#)

(Links open in a new browser window/tab)

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