6-21-1954

Escrow instructions to the First National Bank of Nevada regarding the transfer of Las Vegas water production from the Union Pacific Railroad to the Las Vegas Valley Water District, June 21, 1954

First National Bank of Nevada

Los Angeles & Salt Lake Railroad Company

Las Vegas Valley Water District

Las Vegas Land and Water Company (Las Vegas, Nev.)

Union Pacific Railroad Company

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ESCROW INSTRUCTIONS

Escrow No. 12 - 1905

June 21st, 1954

To the FIRST NATIONAL BANK OF NEVADA,
Las Vegas, Nevada

The undersigned, LOS ANGELES & SALT LAKE RAILROAD COMPANY, a Utah corporation (hereinafter sometimes called "Salt Lake Company"), UNION PACIFIC RAILROAD COMPANY, a Utah corporation (hereinafter sometimes called "Union Pacific"), LAS VEGAS LAND AND WATER COMPANY, a Nevada corporation (hereinafter sometimes called "Water Company"), said three corporations being hereinafter sometimes collectively called "Sellers", and LAS VEGAS VALLEY WATER DISTRICT, a public corporation of the State of Nevada (hereinafter sometimes called "District"), hereby agree and instruct you as follows:

I

The parties to this escrow hand you herewith copy of agreement dated June 1, 1953 (hereinafter called "Sale Agreement"), between the Sellers and the District covering the sale to the District of the water production, storage and distribution system now owned and operated by the Water Company in the City of Las Vegas, Nevada, and Supplemental Agreement dated March 16, 1954, between the same parties supplementing the Sale Agreement. These agreements are handed to you for reference purposes only, and your obligations under this escrow are governed solely by the terms of these Escrow Instructions including any references in said Instructions to portions of said agreements.
II

It is the intention of the parties hereto that the properties referred to in Section 1 of the Sale Agreement shall be transferred to the District and that the Preliminary Purchase Price (hereinafter defined) be paid to the Sellers on July 1, 1954, or on such other date as the parties shall mutually designate in writing, which date is hereinafter referred to as the "sale date". It is agreed that the purchase price of said properties as of April 30, 1954, computed as provided in Sections 8, 9 and 10 of the Sale Agreement, is $2,317,663.43, which amount is herein referred to as the "Preliminary Purchase Price". Adjustments in the purchase price to be made pursuant to the provisions of Sections 9 and 10 of the Sale Agreement for the period, May 1, 1954, to the sale date, cannot be made until the accounting for said adjustments by Sellers and the approval thereof by the District have been completed subsequent to the sale date. However, the parties hereto estimate that the purchase price of the said properties upon the sale date will be $2,475,046.18, which amount is hereinafter referred to as "Estimated Purchase Price". The difference between the Preliminary Purchase Price and the Estimated Purchase Price, being $157,382.75, is hereinafter referred to as "Purchase Price Adjustment Fund". It is agreed that the said properties shall be transferred and conveyed to the District upon the sale date upon payment to the Sellers of the Preliminary Purchase Price and that the Purchase Price Adjustment Fund shall be held by you and disbursed to the party entitled thereto in accordance with these instructions after the accounting
for the adjustments in the purchase price to be made pursuant to the
provisions of Sections 9 and 10 of the Sale Agreement for the period,
May 1, 1954, to the sale date, has been completed by the Sellers
and approved by the District.

III

Sellers agree that on or before June 21, 1954, the Sellers
will hand you the following documents:

1. Deed from Water Company, Grantor, to the District,
as Grantee, conveying the lands referred to in paragraph
(a) of Section 1 of the Sale Agreement and described in
Exhibit "B" attached to said agreement.

2. Instrument Transferring Interests in Real and
Personal Property from Water Company, Grantor, remising,
releasing, quitclaiming, assigning, transferring and con-
vveying unto the District the property referred to in
paragraphs (b), (c), (d), (e), (f), (g), (h) and (j) of
Section 1 of said Sale Agreement, except the property de-
scribed in the document referred to in paragraph 7 of this
section.

3. Document in which Salt Lake Company and its les-
see, Union Pacific, as Grantors, grant to the District
rights of way and easements for the construction, mainte-
nance, operation, repair and replacement of the pipe lines
referred to in subparagraphs (k-1) to (k-5), inclusive, and
(k-7) to (k-14) of paragraph (k) of Section 1 of the Sale
Agreement.
4. Document in which Salt Lake Company and its Lessee, Union Pacific, as Grantors, grant to the District easement for the construction, maintenance, operation, repair and replacement of the electric power line referred to in subparagraph (k-15) of Paragraph (k) of Section 1 of the Sale Agreement.

5. Deed in which Salt Lake Company as Grantor conveys to Union Pacific the land described in Paragraph (1) of Section 1 of the Sale Agreement.

6. Deed in which Union Pacific as Grantor conveys to the District the land described in paragraph (1) of Section 1 of the Sale Agreement.

7. Bill of Sale in which the Water Company as Grantor assigns, transfers and conveys unto the District certain pipe lines and wire lines and appurtenances referred to in paragraphs (h) to (l) of Section 5 and a certain pumping station and appurtenances referred to in paragraph (d) of Section 5 of said Sale Agreement.

8. Copy of Deed, certified by the County Recorder of Clark County, Nevada, to be a true copy of Deed dated July 17, 1953, from Salt Lake Company as Grantor to Union Pacific as Grantee in which the Grantor conveyed to the Grantee the land described as Parcels 1 to 9, inclusive, in Exhibit "B" attached to the Sale Agreement in the form of and containing all of the provisions of said Exhibit "B", which deed was recorded July 31, 1953, in Book 71, Page 278, of
Deeds, in the office of the County Recorder of Clark County, Nevada.

9. Copy of Deed, certified by the County Recorder of Clark County, Nevada, to be a true copy of Deed dated July 18, 1953, from Union Pacific as Grantor to Water Company as Grantee wherein the Grantor conveyed to the Grantee the land described as Parcels 1 to 9, inclusive, in Exhibit "B" attached to the Sale Agreement, and which Deed contained a covenant on the part of the Grantor in the form of Exhibit "B-1" attached to the Sale Agreement assigning, transferring and conveying to the Grantee all of the rights and interests of the Grantor as the Grantee and Covenantee in the deed dated July 17, 1953, referred to in paragraph 8 of this Section, and which deed dated July 18, 1953, was recorded July 31, 1953, in Book 71, page 279, of Deeds, in the office of the County Recorder of Clark County, Nevada.

IV

The Sellers authorize you to record the Deed referred to in paragraph 5 of Section III of these Instructions and to deliver to the District the documents referred to in paragraphs 1 to 4, inclusive, and in paragraphs 6 to 9, inclusive, of said section upon the sale date, if on the sale date

(a) You pay to the Water Company the Preliminary Purchase Price of $2,317,663.43.

(b) You furnish to the District a policy of title insurance issued by the PIONEER TITLE INSURANCE COMPANY, of
Las Vegas, Nevada, with liability not exceeding $267,650.00, showing title to the lands described in Exhibit "B" attached to the Sale Agreement to be vested in the District free and clear of all encumbrances save and except all general and special State, County and City taxes for the calendar year 1954, and all conditions, restrictions, reservations, easements and Certificates of Appropriation of Water of Record including that certain Certificate of Appropriation bearing Application No. 7200 and Certificate Record No. 1631, Book 6, Page 1631, issued to Los Angeles & Salt Lake Railroad Company, authorizing the appropriation of 2.5 cubic feet of water per second for railroad and domestic use, which Certificate of Appropriation was recorded May 14, 1930, in Book 1 of Water Appropriations, Page 76, in the office of the County Recorder of Clark County, Nevada.

(c) You furnish to the District a preliminary title report issued by the Pioneer Title Insurance Company showing all easements, licenses, leases, contracts or permits of record pursuant to which the Water Company on the sale date owns the right to construct, maintain, operate or renew under, along, upon and across the lands of others any and all water pipe lines and their appurtenances owned or operated by the Water Company on said date for the purposes of distributing water as a public utility in the City of Las Vegas, Nevada.

(d) There shall remain in your possession the Fur-
purchase Price Adjustment Fund of $157,382.75, which you will hold
and disburse as provided in Section VII of these Instructions.

(e) There shall remain in your possession the Rele-
ocation Fund of $352,000.00, which you will hold and dis-
burse as provided in Section VIII of these Instructions.

V

The District agrees that on or before June 15, 1954, the
District will hand you the sum of $2,827,046.18, $2,475,046.18 of
which is the Estimated Purchase Price of the properties referred to
in Section 1 of the Sale Agreement, and $352,000.00 of which is the
amount of the Relocation Fund referred to in Section 5 of the Sale
Agreement.

VI

The District authorizes you to pay to Las Vegas Land and
Water Company upon the sale date the Preliminary Purchase Price of
$2,317,663.43, to hold the Purchase Price Adjustment Fund of
$157,382.75, subject to the provisions of Section VII of these
Instructions, and to hold the Relocation Fund of $352,000.00 subject
to the provisions of Section VIII of these Instructions, if on the
sale date:

(a) You record the deed referred to in paragraph 5
of Section III of these Instructions and deliver to the
District the documents referred to in paragraphs 1 to 4,
inclusive, and in paragraphs 6 to 9, inclusive, of said
section, all of which documents shall comply with the pro-
visions of the Sale Agreement.
(b) You have received written notice from the Sellers and the District that the Sellers have delivered to the District the documents, books, maps, records and file cabinets referred to in paragraph (m) of Section 1 of said Sale Agreement.

(c) You furnish to the District the policy of title insurance referred to in paragraph (b) of Section IV of these Instructions.

(d) All general and special State, County and City taxes for years prior to the calendar year 1954 upon the property referred to in Section 1 of the Sale Agreement have been paid.

(e) You furnish to the District a preliminary title report issued by the Pioneer Title Insurance Company showing all easements, licenses, leases, contracts or permits of record pursuant to which the Water Company on the sale date owns the right to construct, maintain, operate or renew under, along, upon and across the lands of others any and all water pipe lines and their appurtenances owned or operated by the Water Company on said date for the purpose of distributing water as a public utility in the City of Las Vegas, Nevada.

The District also authorizes you to record with the County Recorder of Clark County, Nevada, the documents referred to in paragraphs 1, 2, 3, 4 and 6 of Section III of these Instructions at the time of the delivery of said documents by you to the District.
You are instructed not to record the Bill of Sale referred to in paragraph 7 of Section III of these Instructions.

VII

It is agreed between the Sellers and the District that the final purchase price which the Water Company shall receive for the properties referred to in Section 1 of the Sale Agreement shall be the Preliminary Purchase Price of $2,317,663.43 plus amounts to be added thereto pursuant to the provisions of Section 9 of the Sale Agreement for the period, May 1, 1954, to the sale date, less amounts to be deducted therefrom pursuant to the provisions of Section 10 of the Sale Agreement for the period, May 1, 1954, to the sale date. Promptly after the sale date the Sellers shall complete the accounting for the adjustments in the purchase price of the properties referred to in Section 1 of the Sale Agreement to be made for the period from May 1, 1954, to the sale date pursuant to the provisions of Sections 9 and 10 of the Sale Agreement. Upon the completion of said accounting by Sellers the District shall promptly audit the records of the Sellers with respect to said adjustments. When the parties have agreed upon the adjustments in the purchase price of the said properties to be made for the period, May 1, 1954, to the sale date, all of said parties shall give you written instructions as to the manner in which you shall disburse the Purchase Price Adjustment Fund of $157,382.75 which you are holding pursuant to the provisions of paragraph (d) of Section IV and pursuant to Section VI of these Instructions. If the parties are unable to agree upon written instructions to you for the disbursement of said fund, you shall hold
said fund until ordered to disburse the same in accordance with the final judgment of a court of competent jurisdiction adjudicating the rights of the Sellers and the District to said fund, at which time you shall disburse the Purchase Price Adjustment Fund in accordance with said final judgment. After the final purchase price of the properties referred to in Section 1 of the Sale Agreement is determined either by agreement of the parties or by final judgment of a court of competent jurisdiction in the event the parties here-to are unable to agree, you shall disburse the Purchase Price Adjustment Fund as follows:

(a) If the final purchase price is less than the Preliminary Purchase Price of $2,317,663.43, the Water Company shall promptly pay to the District the difference between the final price so determined and the Preliminary Purchase Price received by the Water Company upon the sale date, and you shall pay the District the entire amount of the Purchase Price Adjustment Fund of $157,382.75.

(b) If the final purchase price is in excess of the Estimated Purchase Price of $2,475,046.18, the District shall promptly pay to the Water Company the difference between said Estimated Purchase Price and the final purchase price of said properties, determined as in this section provided, and you shall pay the Water Company the entire amount of the Purchase Price Adjustment Fund of $157,382.75.

(c) If the final purchase price shall be in excess of the Preliminary Purchase Price but less than the Estimated
Purchase Price, you shall promptly pay the entire amount of the Purchase Price Adjustment Fund of $157,382.75 to the Water Company and the District in such amounts as may have been determined by said agreement of the parties or by said final judgment of a court of competent jurisdiction.

VIII

All of the provisions of Section 5 of the Sale Agreement and all of the other portions of said agreement referred to in said Section 5 are incorporated herein by reference and made a part hereof as if fully set forth herein. After the sale date you are instructed to hold the Relocation Fund of $352,000.00 and to disburse it as provided in Section 5 of the Sale Agreement.

IX

You are instructed to prorate all general and special State, County and City taxes levied and assessed for the calendar year 1954 upon the property referred to in Section 1 of the Sale Agreement as of the sale date. It is agreed by the parties that such taxes shall not include taxes for the calendar year 1954 levied pursuant to assessments made by the Nevada Tax Commission under Section 6546 of the Nevada Compiled Laws of 1929 as amended upon any properties of the Salt Lake Company and the Union Pacific, which the said Railroad Companies agree to pay before delinquency. The proration of taxes provided for herein shall be made after the sale date at the time the final purchase price is determined and the Purchase Price Adjustment Fund is disbursed by you in accordance with the
provisions of Section VII hereof.

You are instructed to request the Pioneer Title Insurance Company at once to start preliminary search of title to the property referred to in paragraph (a) of Section I of the Sale Agreement and to start completion of the preliminary report referred to in paragraph (c) of Section IV of these Instructions which Union Pacific has heretofore ordered outside of this escrow.

The Sellers shall pay for the policy of title insurance and the preliminary title report referred to in paragraphs (b) and (c) of Section IV of these Instructions, the cost of documentary stamps to be affixed by you pursuant to Section 3482 of the Internal Revenue Code on all instruments conveying lands, tenements or realty to the District, the cost of recording the document referred to in paragraph 5 of Section III of these Instructions, and one-half of your escrow fees. Prior to the sale date the Sellers will instruct you as to the amount of documentary stamps to be affixed by you pursuant to Section 3482 of the Internal Revenue Code. The District shall pay the cost of recording the documents referred to in paragraphs 1, 2, 3, 4, and 6 of Section III hereof and one-half of your escrow fees.

All funds received by you in this escrow shall be held in trust by you as a special deposit and shall be kept separate and distinct from your general assets.

All payments made by you to the Water Company shall be made by cashier's check, which shall be sent by United States regis-
tered, air mail on the day of the payment to L. L. Burri, Treasurer of the Water Company, at 1416 Dodge Street, Omaha 2, Nebraska.

All payments made by you to the Salt Lake Company or the Union Pacific shall be made by cashier's check, which shall be sent by United States registered, air mail on the day of the payment to L. L. Burri, their Assistant Treasurer, at 1416 Dodge Street, Omaha 2, Nebraska.

XI

When the Sellers have delivered to you the documents referred to in Paragraph III of these Escrow Instructions, you shall promptly give written notice thereof to the District. When the District shall have delivered to you the total amount of money referred to in Paragraph V of these Instructions, you shall immediately give written notice thereof to the Sellers.

Time is of the essence of these Instructions. If you are unable to complete the transfer of the properties referred to in Section 1 of the Sale Agreement through this escrow on the sale date, any party who then shall have fully complied with its instructions may in writing demand the return of its money or property. If no party has complied, no demand for return thereof shall be recognized until twenty (20) days after the escrow holder shall have mailed copies of such demand to all other parties at their respective addresses shown in these Escrow Instructions.

Any amendment of or supplement to these Instructions must be in writing.

All notices to the Sellers, or any of them, shall be given
to WM. REINHARDT, Vice President of the Sellers at 422 West Sixth Street, Los Angeles 14, California. All notices to the District shall be given to the District at 900 South Fifth Street, Las Vegas, Nevada.

LOS ANGELES & SALT LAKE RAILROAD COMPANY
UNION PACIFIC RAILROAD COMPANY
LAS VEGAS LAND AND WATER COMPANY

By S. A. E. STODDARD
President

LAS VEGAS VALLEY WATER DISTRICT

By
President

The undersigned hereby accepts the foregoing escrow, this ___day of________, 1954.

FIRST NATIONAL BANK OF NEVADA

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