

LEASE AGREEMENT

THIS AGREEMENT is made and entered into this day of _____, 2025, by and between GERLACH GENERAL IMPROVEMENT DISTRICT hereinafter referred to as "Lessor" and WASHOE COUNTY, a political subdivision of the State of Nevada, hereinafter called "Lessee".

WITNESSETH

WHEREAS, Lessor is the sole owner of the premises located at 380 SHORT STREET, GERLACH, NEVADA 89412; and

WHEREAS, Lessee is the sole owner of the personal property, manufactured home serial number NVPH2010590AB.

WHEREAS, Lessor has agreed to a 10 year term; and

WHEREAS, the parties desire by this Agreement to define their respective rights, duties and liabilities for the continued occupancy of 8,058.6 square feet of land from Lessor for the GERLACH ROAD OPERATION AND MAINTENANCE PROGRAM and other associated offices; and

WHEREAS, upon final execution, it is the parties intent that this Agreement will supersede and replace any and all previous agreements between the parties, that are related to this specific location; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

SECTION ONE

DESCRIPTION OF PREMISES

Lessor hereby leases unto Lessee, and Lessee hereby leases from Lessor, approximately 8,058.6 square feet of land known as 380 Short Street, APN# 071-264-06, ("Premises"). Lessee, its employees and invitees shall have the exclusive use of Premises,

SECTION TWO

TERM OF AGREEMENT

The term of this Agreement shall be for a 10year term, commencing upon approval by both parties and terminating on April 30, 2035, unless sooner terminated or extended upon mutual agreement of the parties or as otherwise provided herein.

SECTION THREE

RENT

A. Effective upon the commencement date as defined in Section Two, Lessee agrees to pay Lessor the sum of \$1,200/year for the term of the lease.

B. All rental payments shall be made payable to the Lessor. Rent payable hereunder is due the first of May, each year.

SECTION FOUR

USE OF PREMISES

A. Lessee shall use the Premises for residential employee housing for its Gerlach Road Operation and Maintenance Program purposes only.

B. Lessee shall not conduct or at any time knowingly permit its employees, agents or visitors to conduct activity on the Premises that is unlawful or in violation of any federal or state statute, code or regulation.

SECTION FIVE

TENANT IMPROVEMENTS AND REPAIRS

A. Lessor shall permit Lessee to:

a construct utility connections in support of manufactured home, at the sole cost to the Lessee.

b install a manufactured home and foundation at the sole cost to the Lessee

B. With written consent of Lessor, Lessee may make other improvements to Premise

C. The erection, construction, installation or making of any improvements shall be accomplished in a workmanlike manner and in compliance with all applicable federal, state, county and municipal laws and regulations,

SECTION SIX

LESSOR IMPROVEMENTS

A. Lessor reserves the right from time to time and at its own expense to make such improvements, alterations, renovations, changes, and repairs to the Premises Except where such improvements, alterations, changes and repairs unreasonably disrupt Lessee's use and peaceful enjoyment of the Premises, Lessee shall make no claim against Lessor for abatement of rent for interference with Lessee's leasehold interest or for loss or damage to its business during such improvements, alterations, changes and repairs.

B. Lessor shall make all improvements in a safe, workmanlike manner so as not to prove hazardous to Lessee and/or the public.

C. Lessor shall give 30 days' notice of its intent to enter the premise to conduct improvements pursuant to this section.

SECTION SEVEN

MAINTENANCE, REPAIRS AND INSPECTIONS

A. Lessee shall keep the Premises free from any liens arising out of any work that it may perform, or materials furnished, or obligations incurred by Lessee. Lessee shall have thirty (30) days from the date of notice of said lien, as provided by Lessor, within which to remove said encumbrance without breaching the provisions of this Agreement.

B. Lessee shall maintain the Premises in good repair, free of trash, debris, and weeds taller than one foot.

C. Lessee shall permit Lessor or its authorized agent to enter into and upon the Premises at all reasonable times for the purpose of inspecting the same, or for the purpose of making repairs or maintaining the Premises.

SECTION EIGHT

UTILITIES, TELEPHONE AND TAXES

A. All gas, electricity, water, sewer, and other public utility uses specifically used upon and separately metered to the Premises shall be at the sole cost and expense of Lessee.

B. Lessee shall pay for all telephone service costs incurred for installation of equipment and establishment of initial service and for ongoing monthly service charges for equipment, fees, line and toll charges or any changes thereto specifically requested by Lessee.

C. Lessor shall pay costs for all real property taxes and/or assessment fees without cost or obligation to the Lessee.

SECTION NINE

WAIVER

Any failure on the part of either party to take action against the other for any breach or covenant herein shall not be construed to constitute a waiver of any other or subsequent breach.

SECTION TEN

IDEMNIFICATION

A. Lessor shall hold harmless, indemnify and defend Lessee from and against any loss, damage, claim, suit or liability due to injury including death, or property damage, to any third party arising out of the negligent acts or omissions of the Lessor, its agents or employees, in connection with the ownership of the Premises and the Lessor's duties and responsibilities pursuant to this Agreement.

B. Lessee shall hold harmless, indemnify and defend Lessor from and against any loss, damage, claim, suit or liability due to injury, including death, or property damage, to any third party arising out of the negligent acts or omissions of the Lessee, agents, or its employees, arising out of the use of the Premises and the Lessee's duties and responsibilities pursuant to this Agreement and to the fullest extent provided by law and in the manner authorized by law.

C. Pursuant to Nevada Revised Statutes, Chapter 41 and without waiving any provisions thereof, Lessee, shall hold harmless, indemnify and defend Lessor from and against any loss, damage, claim, suit or liability due to injury, including death, or property damage, to any third party arising out of the negligent or alleged negligent acts or omissions of the Lessee, its agents, contractors or employees, arising out of the use of the Premises and the Lessee's duties and responsibilities pursuant to this Agreement.

SECTION ELEVEN

INSURANCE

A. Lessor, at its sole cost and expense, secure and maintain premises liability insurance in an amount and coverage determined by Lessor during the term or any extended term of this Agreement.

B. Lessee may fund any financial obligation relating to its negligence and liability through a program of self-funding administered by its Risk Management Division. Any and all claims related to the use of the Premises by Lessee shall be forwarded to Lessee in a timely manner.

SECTION TWELVE

HAZARDOUS SUBSTANCES

A. Lessee shall not cause or permit any hazardous substances to be used, stored, manufactured, released or disposed in or upon the Premises, except in the minimum quantities as are customary and usual in connection with Lessee's permitted use. If the Premises become contaminated as a result of a violation by Lessee, its agents, or employees of this Section, for which Lessee, its agents, or employees are legally liable, Lessee shall indemnify, defend and hold Lessor

harmless from all related claims, judgments, penalties, costs or losses, including all expenses incurred for investigation, removal, remediation and restoration mandated by federal, state and local governments, together with Lessor's attorney's fees,

B. If hazardous substances have been used, stored, manufactured, released or disposed in or upon the Premises or connected areas outside the Premises, or if the Premises or connected areas outside the Premises, are or become contaminated in any manner, for which Lessor is legally liable, Lessor shall indemnify, defend and hold Lessee harmless from all related claims, judgments, penalties, costs or losses, including all expenses incurred for investigation, removal, remediation and restoration mandated by federal, state and local governments, together with Lessee's attorney fees.

C. "Hazardous Substances" mean all toxic, ignitable, reactive and corrosive substances regulated by federal, state or local governments.

SECTION THIRTEEN

SUBORDINATION, ATTORNMENT AND NON-DISTURBANCE

A. This Agreement at Lessor's option, shall be subordinated to any mortgage, deed of trust, or any other hypothecation for security now or hereafter placed upon Lessor's leasehold interest in the real property and which constitute a mortgage or deed of trust lien or encumbrance against Lessor's interest in such Premises and to any and all advances made on the security thereof and to all the renewals, modifications, amendment, consolidations, replacements and extensions thereof.

B. Lessee agrees to execute any documents required to effectuate such subordination to the lien of any mortgage, deed of trust, or other security document, as the case may be, and failing to do so within fifteen (15) days after written demand shall give Lessor the right to terminate this Agreement and immediately re-enter the Premises.

C. Lessee shall in the event of the sale or assignment of Lessor's interest in the real property, or in the event of any proceeding brought for the foreclosure of, or in the event of exercise of the power of sale under any mortgage or deed of trust made by Lessor covering the Premises, attorn to the purchaser or assignee and recognize such purchaser or assignee as Lessor under this Agreement.

D. Any purchaser, assignee, or other party acquiring Lessor's interest in the real property, agrees to recognize the validity and enforceability of this Agreement and that

notwithstanding any default by Lessor with respect to any mortgage, deed of trust, or other security document, Lessee's possession, quiet enjoyment and all of Lessee's rights under this Agreement in and to the Premises shall not be disturbed by such purchaser, assignee or other party unless Lessee is in default under the terms of this Agreement.

SECTION FOURTEEN

QUIET ENJOY

Lessee, while in compliance with the terms and covenants herein, is entitled to the quiet enjoyment of the Premises for the term hereby created.

SECTION FIFTEEN

ASSIGNMENT AND SUBLEASE

This Agreement may not be assigned or sublet without prior written approval from Lessor.

SECTION SIXTEEN

NOTICES

All notices and demands which may be required to be served upon the respective parties to this Agreement shall be in writing and may be served either personally, by a recognized overnight courier, or by certified mail, postage prepaid, addressed to the Lessee at the address of the Premises herein, with a copy to Washoe County Community Services Department, 1001 E. Ninth Street, Bldg. A, Reno, NV 89512, and to Lessor, Gerlach General Improvement District, ATTN: Property Manager, 410 Cottonwood St., Gerlach, NV 89412, or at such other address as the parties may designate and serve upon the other. Any service by mail shall be deemed served upon deposit in the United States Post Office.

SECTION SEVENTEEN

ATTORNEY'S FEES

Should any party hereto institute any legal action or proceeding of any kind, to enforce any provision hereof or for damages by reason of an alleged breach of any provision of this Agreement, neither party shall be entitled to recover any amount as a reasonable attorney fee, for any reason even if said party is deemed to be the prevailing party in such action or proceeding, except as outlined in Section 12 of this Agreement..

SECTION EIGHTEEN

TERMINATION

- A. Either party may terminate this Agreement with 90 days written notice.

B. Upon termination of this Agreement, Lessee shall quit the Premises peaceably, with no damage to the Premises, normal wear and tear and damage outside the control of Lessee excepted, and shall remove all of Lessee's personal property from the Premises, including but not limited to manufactured home and foundation.

SECTION NINETEEN

CHOICE OF LAW; VENUE

This Agreement shall be construed in accordance with and be governed by the Laws of the State of Nevada. All parties hereto consent to the personal jurisdiction of any state or federal court of competent jurisdiction located in Washoe County, Nevada and to the service of process by any means authorized by any such state or federal court or under the laws of the State of Nevada. The exclusive venue of any action, proceeding or counterclaim arising out of or in connection with this Lease shall be Washoe County, Nevada.

SECTION TWENTY

FUNDING OUT CLAUSE

Pursuant to NRS 332.400, in the event Washoe County fails to appropriate budget funds specifically for the purpose of maintaining such Premises, in any subsequent fiscal year after the effective date of the Agreement, Lessor hereby agrees to cancel this Agreement and hold Lessee harmless from any penalty, charge or sanction. Lessee agrees to provide written notice to Lessor of this eventuality, should it occur.

SECTION TWENTY-ONE

EFFECT OF AGREEMENT

A. This Agreement constitutes the entire contact between the parties and no obligation other than those set forth herein will be recognized unless endorsed hereto in writing.

B. Each of the covenants, warranties, and agreements herein contained are binding on the parties hereto, their successors, assigns and legal representatives. In the event of any breach of these covenants, warranties and agreements by Lessee during the duration of this Agreement, whether or not discovered by or known to Lessor during the Agreement term, Lessor expressly reserves unto itself the right to pursue appropriate legal action against Lessee to correct or cure said breaches or deficiencies.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of the date and year first above written.

LESSEE: WASHOE COUNTY, a political subdivision of the State of Nevada, (COUNTY)

LESSOR: Gerlach General Improvement District (DISTRICT)

By: _____
Chair
Washoe County Commission

By: _____
Chair
Gerlach General Improvement District Board

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me on ____ day of _____, 2025

by _____.

NOTARY

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me on ____ day of _____, 2025

by _____.

NOTARY