

LEASE AGREEMENT

This lease agreement is entered into between INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT (IVGID) as Lessor and WASHOE COUNTY by and through the RENO-SPARKS CONVENTION/VISITORS AUTHORITY as Lessee based on the following facts and circumstances which are incorporated as a material part of this lease:

1. INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT as Lessor is a General Improvement District organized pursuant to Nevada Revised Statutes Chapter 318 and Washoe County Ordinance.

2. Lessor is the owner of real property described in Exhibit A. Lessee has authority to lease such property pursuant to NRS 318.160.

3. The RENO-SPARKS CONVENTION/VISITORS AUTHORITY is a County Fair and Recreation Board duly organized pursuant to the provisions of NRS 244A.597 et seq and by appropriate Resolution of Washoe County. The RENO-SPARKS CONVENTION/VISITORS AUTHORITY, on behalf of Washoe County has the authority to construct and operate improvements on the leased property.

4. Washoe County has the authority to enter this lease by and through the Reno-Sparks Convention/Visitors Authority and has approved this lease.

5. Lessee intends to construct a building and related improvements for the purposes of a visitors center, chamber of commerce use and other purposes related solely to recreation, tourism and community promotion and use.

6. This lease is entered into in the spirit of cooperation between political entities in order to promote the objectives and goals as set forth herein to benefit the residents and property owners of the Incline Village area and Washoe County.

NOW, THEREFORE, the parties agree as follows:

I. Real Property Leased

The real property leased is described in the attached Exhibit A. The real property is unimproved and Lessor makes no representation as to zoning, condition of property or future right to construct.

II. Term

The term of this lease shall be for 35 years commencing on the 17th day of July, 1984 and ending on the 16th day of July, 2019 subject to Lessee's option to renew as set forth in this lease.

III. Rent

The rent shall be \$1.00 per year. Lessor acknowledges the receipt of \$35.00 as rent for the 35 year term.

IV. Option to Renew

Lessee shall have the option to renew for an additional 35 years on the same terms and conditions provided that Lessee gives to Lessor at least six months notice of such intent to renew. The renewal option shall

be effective only if Lessee, at the time of exercise of the option for renewal, is current in all the terms and conditions of this lease.

V. Construction of Improvements

Lessee, at its sole expense, shall within five years, and continue to completion, of this lease commence construction of a building and related improvements. Thereafter, Lessee shall diligently proceed to completion of construction. Lessor shall have the reasonable right of approval of the plans and specifications for the building and related improvements. In the event Lessee fails to commence construction within five years, then this lease shall terminate.

VI. Purposes

The leased premises and improvements shall be used solely for the purposes of a visitors center, chamber of commerce, and other purposes related solely to recreation, tourism and community promotion and use.

VII. Utilities

Lessee shall comply with all of Lessor's rules, regulations and ordinances in respect to obtaining and paying for water and sewer connections, extensions and user fees. In respect to all other utilities not under the control of Lessor, the Lessee shall be fully responsible to obtain and pay for such other utilities.

VIII. Liens and Encumbrances

At all times Lessee will keep the leased property and improvements free and clear of all liens, bonds, assessments and encumbrances.

IX. Assignment

This lease may not be assigned without the written consent of Lessor. Lessee shall have the right to sublease subject to the reasonable right of approval by Lessor. Lessor acknowledges the right to sublease to the Incline Village Chamber of Commerce.

X. Maintenance

Lessee shall fully maintain the leased property and all improvements in good condition and not allow the improvements to deteriorate or waste. The landscaping and outside areas shall at all times be kept in a clean and orderly manner. Lessee, at all times, will abide by all Tahoe Regional Planning Agency, County, Federal and State rules, laws, ordinances and regulations.

XI. Cooperation of Lessor

Lessor agrees to cooperate by joining in, if necessary, applications for permits to construct.

XII. Taxes

Any taxes charges or assessments imposed or levied by reason of the leasehold improvements shall be Lessee's sole responsibility.

XIII. Hold Harmless

Lessee hereby agrees to hold Lessor harmless from

all claims and damages arising out of any damage or injury to any person or property occurring in, on, or about the leased premises through Lessee or any of its agents, employees, representatives, invitees or guests. Lessee's obligation under this paragraph to indemnify shall be limited to the sum that exceeds the amount of insurance proceeds, if any, received by Lessor.

Lessor shall not be liable to Lessee for any damage to Lessee or Lessee's property from any cause. Lessee hereby waives all claims against Lessor for damage to person or property arising for any reason, except that Lessor may be liable to Lessee for damage to Lessee resulting from the negligent acts or omissions of Lessor or its authorized representatives.

XIV. Insurance

A. Public Liability

At all times Lessee shall pay for and maintain current a public liability combined single limit policy in the amount of \$1,000,000.00 naming Lessor as an insured with a provision for a thirty day notice of cancellation. The form of the policy shall be subject to Lessor's reasonable approval. A copy of the current policy shall be forwarded to Lessor which shall be with an insurance company approved by Lessor.

B. Lessee, at all times, shall maintain and pay for an all risk property policy for buildings and improvements. Lessor shall be named as an insured and the policy shall contain a notice for provision for a thirty day notice of cancellation.

C. Proceeds of the all risk property policy shall be considered trust funds for the replacement of the damaged, destroyed or lost property unless otherwise agreed to by Lessee and Lessor.

D. Waiver of Subrogation

The parties release each other and their respective authorized representatives from any claims for damages to any person or to the premises or other improvements in which the premises are located and to the fixtures, personal property, and improvements described herein that are caused by or result from risks insured against under any insurance policies carried by the parties and enforced at the time of any such damage, to the extent that insurance is carried.

Each party shall cause each insurance policy obtained by it to provide that the insurance company waive all right to recovery by way of subrogation against either party in connection with any damage covered by any such policy.

XV. Termination of Lease

A. At the termination of this Lease, Lessee shall immediately restore to Lessor all the property leased hereunder in the same condition as it was when initially leased, less reasonable wear and tear. Lessee shall, at Lessee's expense, make all necessary improvements and repairs to restore said premises at the end of the lease term, except for damages which would be subject to insurance proceeds.

B. In the event Lessee should default in any

of the terms and conditions of this lease which do not include monetary amount, in that event, Lessor shall give sixty (60) days notice to Lessee of such default and the opportunity to cure same. If Lessee should cure such default or if Lessee should commence curing such default which is unable to be cured within sixty days and continues to proceed to cure such default within a reasonable time, this Lease shall not be terminated; otherwise, Lessor shall have the right to terminate this lease.

XVI. Binding on Successors

This lease will be binding on any successors in interest of Lessee or Lessor.

DATED this 17th day of July, 1984.

"LESSOR"

INCLINE VILLAGE GENERAL
IMPROVEMENT DISTRICT

By

Robert C. Wray
President

By

Jane Mayfield
Secretary

APPROVED:

WASHOE COUNTY

By

[Signature]
Chairman of the Board

Attest

Jane Bailey
Secretary

"LESSEE"

RENO-SPARKS CONVENTION/
VISITORS AUTHORITY

By

[Signature]

DESCRIPTION OF LEASE PROPERTY

A portion of the Southeast 1/4 of Section 15, T16N., R18E., M.D.B.&M., Washoe County, Nevada, more particularly described as follows:

Beginning at the Northeast property corner of Parcel 4, Parcel Map #507, as shown on that map recorded in File No. 499895, Records of Washoe County, Nevada; thence S $36^{\circ}11'02''$ W 154.75 feet; thence N $53^{\circ}48'58''$ W 140.00 feet; thence N $27^{\circ}44'48''$ E 152.31 feet to the Southerly right-of-way line of Tahoe Blvd.; thence Southeasterly along a curve concave Southwesterly and having a radius of 2930.00 feet (a radial line to said point bears N $33^{\circ}08'34''$ E) having a central angle of $3^{\circ}10'34''$ a distance of 162.42 feet to the Point of Beginning.

Containing 23,232 square feet, more or less.

See Exhibit A.

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