

EXHIBIT O

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GROUND LEASE

Between

WASHOE COUNTY SCOOOL DISTRICT, Lessor

and

WASHOE COUNTY, Lessee

Dated as of , 2019

GROUND LEASE

This Ground Lease ("Ground Lease") is made and entered into as of _____, 2019, by and between Washoe County School District, a political subdivision of the State of Nevada, as lessor ("Lessor" or "WCSD"), and Washoe County, a political subdivision of the State of Nevada as lessee ("Lessee" or "Washoe County").

Commented [RN1]:

WITNESSETH:

WHEREAS, WCSD is a political subdivision of the State of Nevada and a public district per NRS 386.010;

WHEREAS, Washoe County is a political subdivision of the State of Nevada and a county per NRS 243.340 to NRS 243.360 and

WHEREAS, for purposes of NRS 277.050(1), WCSD is a public agency, and Washoe County is a public agency;

WHEREAS, per NRS 277.050(1), without a vote of the electors of a public agency first being had, WCSD may lease to Washoe County for a term not exceeding 99 years any real property belonging to it;

WHEREAS, per NRS 277.050(4)(a), WCSD and Washoe County may enter into a lease agreement without advertising for public bids;

WHEREAS, per NRS 277.050(4)(b), WCSD and Washoe County may enter into a lease agreement for such consideration as is authorized by action of the governing body of the lessor public agency;

WHEREAS, the electorate of Washoe County, Nevada, passed WC-1 of the 2016 general election in order to address overcrowding and repair needs for students attending public schools in WCSD;

WHEREAS, WCSD, a political subdivision of the State of Nevada, purchased land depicted as _____ on Exhibit A attached to this Ground Lease and more specifically known as Parcel _____ of Parcel Map _____ recorded as File No. _____ on _____ in the Official Records of Washoe County (the "Site") for the purpose of building a high school;

WHEREAS, professional demographers determined a high school located at the Site would alleviate overcrowding for high school students in that area of Washoe County;

WHEREAS, WCSD the Site is not presently needed for the public purposes of WCSD;

WHEREAS, the Site is adjacent to the parcel on which Washoe County will operate a public golf facility for at least the 2019 calendar year;

WHEREAS, WCSD plans to begin construction of the new high school on the Site in the fall or winter of 2019;

WHEREAS, WCSD and Washoe County believe it is in the best interests of the citizens of Washoe County to maintain the Site as a public golf course until WCSD is prepared to begin construction of the new high school on the Site;

WHEREAS, WCSD desires that the Site be leased to Washoe County, and Washoe County desires to lease the Site from WCSD under the terms of this Ground Lease; and

WHEREAS, Washoe County has found and determined that the lease of the Site will provide a needed public purpose of a public golf course for recreation to the ultimate benefit of Washoe County and its citizens.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties to this Ground Lease agree as follows:

Section 1. Grant of Leasehold Estate. In consideration of the terms, conveyances and conditions hereinafter set forth, WCSD demises, rents, leases and lets to Lessee the Site, and Lessee rents, leases and hires the Site from WCSD. WCSD covenants with Lessee that, upon Lessee's payment of the rent and the performance and observance of its covenants and agreements under this Lease, Lessee shall and may peaceably and quietly have, hold, occupy and enjoy the Site without interference or hindrance from Washoe County.

Section 2. Term. This Ground Lease shall remain in full force and effect from the date hereof (the "Commencement Date") to and including the date of _____, subject to earlier termination in accordance with the terms and provisions of this Ground Lease. It is the intent of the Lessor and Lessee that this Ground Lease will terminate in 2019. However, if WCSD is not ready to proceed with construction of the new high school and has not provided a notice of termination, Washoe County may continue golf operations until such time as WCSD provides a notice of termination of lease. This Ground Lease shall terminate upon WCSD providing a notice of termination sixty days prior to the termination of this Ground Lease to Lessee. Washoe County may terminate this Ground Lease by providing a notice of termination sixty days (60) prior to the termination of this Ground Lease to Lessor. This Ground Lease may not exceed 99 years.

Section 3. Rent. Lessee agrees to pay to WCSD as rent for Lessee's leasehold interest in the Site the amount of \$1.00 for the entire term of this Ground Lease. WCSD acknowledges prepayment in full of the rent.

Section 4. Use of Site. WCSD acknowledges and consents to Lessee operating a public golf course for the term of this Ground Lease.

Section 5. Use of Project. Lessee shall not use or occupy the Project Facilities contrary to any statute, rule, order, ordinance, requirement or regulation applicable thereto, or in any manner which would cause the value or the usefulness of the Site to be substantially diminished or would cause a public nuisance or waste.

Section 6. Site and Approvals.

(a) Except for the representations, warranties, and covenants contained in the Ground Lease, WCSD has not made and does not hereby make, any warranty as to the condition of the Site or as to the fitness or security of the Site for any specific use.

(b) The representations, warranties and covenants of WCSD contained in this Ground Lease shall not merge into or be extinguished by the execution, delivery or assignment of this Ground Lease but, rather, shall survive and continue in force throughout the term of this Ground Lease.

Section 7. Insurance. From the date hereof until termination of this Ground Lease, Lessee shall, and shall cause its golf operator, sublessee, contractor, or subcontractor to have and maintain in full force and effect golf industry standards for insurance coverages for golf operators for Lessee and any golf operator that may operate golf operations at Site. WCSD shall be furnished a copy of such policies and shall be an additional insured thereunder.

Section 8. Insurance, Casualty and Indemnification.

(a) The Lessee agrees to hold harmless, indemnify, and defend WCSD, its officers, officials, agents, employees, and volunteers from any loss or liability, financial or otherwise resulting from any claim, demand, suit, action, or cause of action based on bodily injury including death or property damage, including damage to Lessee's property, caused by any action, either direct or passive, the omission, failure to act, or negligence on the part of the Lessee, its employees, agents, representatives, subcontractors, or sublessees arising out of the possession of the Site or the performance duties under this Ground Lease by the Lessee, or by others under the direction or supervision of the Lessee, during the term of this Ground Lease; provided, however, that Lessee shall not be liable hereunder to the extent any such damage shall be caused by the fault or negligence of WCSD, its employees, agents or representatives.

(b) In the event of a lawsuit against WCSD, its officers, officials, agents, employees, or volunteers, the Lessee shall reimburse WCSD for costs of WCSD in defending such actions.

(c) Lessee agrees to provide the same insurance for the indoor recreation center as it provides for the Family Resource Center as set forth in Exhibit A to the Family Resource Center Lease.

Section 9. Mechanic's Liens. If, as a result of any additions, alterations, improvements, repairs or replacements to the Site (hereinafter in this Section referred to as the

“construction”), the Site or any part thereof shall, at any time during this Ground Lease term, become subject to any vendor’s, mechanic’s, laborer’s, materialman’s or other similar lien based upon furnishings of materials or labor to the golf operations, Lessee shall, subject to Lessee’s right to contest as set forth below and subject to WCSD’s obligations under this Ground Lease, cause the same to be discharged of record with Washoe County Recorder at its sole cost and expense, and after prior notice to WCSD, by appropriate proceedings duly instituted and diligently prosecuted, to contest in good faith the validity or the amount of any such lien. However, if WCSD shall deliver to Lessee an opinion of independent counsel to the effect that, by nonpayment of any such items, the interest created by this Ground Lease will be materially affected or the golf operations or any part thereof will be subject to imminent loss or forfeiture, Lessee shall promptly cause such lien to be discharged of record. If Lessee fails to cause any such lien to be discharged of record, WCSD shall have the right, but shall not be obligated, to cause such lien to be discharged and Lessee shall be obligated to reimburse WCSD for the amount expended.

Notice is hereby given that WCSD shall not be liable for any work performed or to be performed by Lessee or the golf operator on the Site, or in the golf operations or for any materials furnished or to be furnished for golf operations for Lessee and that no mechanic’s or other lien for such work or materials shall attach to the reversionary or other interest of WCSD from the golf operations or the Site.

Section 10. Utilities and Taxes. Washoe County shall pay all charges for utilities (including as, electric, water and telephone) furnished to the Site and any federal, state, county or city agency or subdivision tax assessed against the Site or the Project Facilities.

Section 11. Effluent Water. Pursuant to the Agreement for the Sale and Use of Treated Effluent (hereinafter in this Section referred to as the “Agreement”), attached hereto as Exhibit B, WCSD, as the assignee to the Agreement from the Reno-Sparks Convention and Visitors Authority (RSCVA), agrees to purchase 500 acre feet of treated effluent for use as irrigation water only at Wild Creek Golf Course for Twenty-Five Thousand Dollars and No Cents (\$25,000.00) per month from the City of Sparks for the life of this Ground Lease or until the obligations in the Agreement are fulfilled. As part of this Ground Lease, WCSD agrees to convey, transfer, or provide Washoe County the 500 acre feet of treated effluent for use as irrigation water only at Wild Creek Golf Course.

Section 12. Attornment by Ground Lessee. Upon prior written notice to Lessee, WCSD may assign its interests under this Ground Lease or sell or convey the Site, provided that no such assignment, sale or conveyance shall relieve WCSD of its primary liability to Lessee for WCSD’s obligations hereunder. Upon receiving notice of such conveyance, Lessee agrees to recognize the new owner as Lessor hereunder and will continue to be bound by the terms and conditions of this Ground Lease.

Section 13. Lessee Default, Termination. WCSD shall have the right to terminate this Ground Lease prior to the expiration of the lease term set forth in Section 2 upon a Lessee Default. Any of the following is a Lessee Default:

(1) Lessee fails to operate a public golf course at the Site;

(2) Lessee fails to perform or observe any covenant or promise in this Ground Lease to be performed by it under this Ground Lease and such failure is not cured within thirty (30) days after written notice from WCSD to Lessee to take curative action;

(3) A lien of any kind is placed upon the Site, and such lien is not removed within thirty (30) days after WCSD provides notice of same to Lessee;

(4) The discovery by WCSD that any material statement, representation or warranty made by Lessee in this Ground Lease, or made by Lessee, is false, misleading, or erroneous in any material respect.

Section 14. Surrender of Project Site and Project Facilities. Lessee agrees that, upon the expiration or termination of this Ground Lease, it will surrender to WCSD the Site, together with other improvements located thereon, free and clear of all liens, encumbrances, covenants, conditions, restrictions, easements, and rights-of-way of record, leases or other tenancy agreements and other matters of record.

Section 15. Defaults and Remedies.

(a) WCSD and Lessee acknowledge and agree that in the event Lessee or WCSD should default in the performance of any of their respective obligations or agreements under this Ground Lease, either may take whatever other actions in law or in equity as may appear necessary or desirable to enforce performance and observance of their respective rights, obligations, and agreements under this Ground Lease, including termination of this Ground Lease.

(b) Notwithstanding anything to the contrary provided for in this Ground Lease, the rights of either party, in the event of a breach by the other party of its covenants and obligations under this Ground Lease, may not be exercised until written notice of such default is given to the other party at the notice addresses set forth in this Ground Lease. It is agreed that defaulting party shall have the right to cure any such default with respect to any default that can be cured by payment of money within fifteen (15) days of receipt of such notice, or within thirty (30) days thereafter with respect to any other covenant or condition or term of this Ground Lease, and, if such default is of such nature that it cannot be remedied within said time, the defaulting party shall have such additional time (not in excess of sixty (60) days) as is reasonably necessary to cure such default, provided that it commences the curing of such default within the requisite period and thereafter diligently continues the curing of the same.

Section 16. Notice. Any notice required by this Lease to be given by either WCSD or Lessee to the other shall be in writing and hand delivered or sent by certified mail, return receipt requested, and, unless otherwise specifically stated herein, if delivered, notice shall be deemed given when delivered and if mailed, notice shall be deemed to be given five (5) business days

after being deposited in the United States mail, postage prepaid, addressed to the respective party at their respective addresses as follows:

WCSD:

Washoe County School District
c/o Pete Etchart, Chief of Operations
425 E. 9th Street
Reno, Nevada 89502

WASHOE:

Washoe County, Nevada
c/o County Manager
1001 E. 9th Street
Reno, Nevada 89512

Or at such other address as one party may give notice of to the others in writing.

Section 17. Headings. It is understood and agreed that the headings of the various sections of this Ground Lease have been inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this Ground Lease or any of its provisions. The singular number and gender of personal pronouns as used throughout this Ground Lease shall be construed to mean such number and gender as the context, circumstances or its antecedent may require.

Section 18. Successors and Assigns. Neither Party may assign its interest hereunder without the written consent of the other except WCSD consents to Lessee contracting, assigning, or permitting a golf operator of Lessee's choice to operate the golf course. Any term, covenant or condition of this Ground Lease which inures to the benefit of or is binding upon WCSD shall also inure to the benefit of and be binding upon the successors and assigns of WCSD. Any term, covenant, or condition of this Ground Lease which inures to the benefit of or is binding upon Lessee shall also inure to the benefit of and be binding upon the successors and assigns of Lessee.

Section 19. Entire Agreement. This Ground Lease and the attached exhibits agreements constitute the entire agreement between Washoe and Lessee with respect of the subject matter hereof, and this Ground Lease supersedes all prior and contemporaneous ground leases, if any, between Washoe County and Lessee in connection with the subject matter of this Ground Lease. This Ground Lease may be modified only by a writing signed by both WCSD and Lessee.

Section 22. Waiver. No failure by either WCSD or Lessee to insist upon the strict performance by the other of any covenant, agreement, term or condition of this Ground Lease or to exercise any right or remedy contingent upon a breach thereof shall constitute a waiver of any such breach or of such covenant, agreement, term or condition of this Ground Lease and the covenant, agreement, term or conditions shall continue in full force and effect with respect to any then existing or subsequent breach.

Section 23. Computation of Time. The time in which any act provided by this Ground Lease is to be done is computed by excluding the first day and including the last, unless the last day is a Saturday, Sunday or legal holiday, and then it is also excluded.

Section 24. Counterparts. This Ground Lease may be executed by the parties in several counterparts, each of which shall be deemed to be an original copy.

Section 25. Recordings. WCSD and Lessee shall cause the Ground Lease to be duly executed in recordable form and recorded in the Official Records of Washoe County, Nevada.

Section 26. Severability. If any provisions of this Ground Lease or any application thereof shall be invalid or unenforceable, the remainder of this Ground Lease and any other application of such provision shall not be affected thereby.

Section 27. Governing Law. This Ground Lease shall be governed by and construed in accordance with the laws of the State of Nevada.

Section 28. Need for Appropriations. All of WCSD's obligations under this Agreement, are subject to the WCSD Board of Trustees lawfully making an appropriation to pay the amount needed to fulfill the obligation and are binding upon WCSD only to the extent such an appropriation is made.

WCSD:

**WASHOE COUNTY SCHOOL DISTRICT
BOARD OF TRUSTEES**

By: _____

Title: _____

WASHOE:

**WASHOE COUNTY BOARD OF
COMMISSIONERS**

By: _____

Title: Chairman

Attest:

County Clerk

STATE OF NEVADA)
 : ss.
COUNTY OF WASHOE)

On the _____ day of _____, 2018, before me, a notary public in and for the said State, personally appeared _____, personally known to me (or proved to me and the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

NOTARY PUBLIC