

WATER RIGHTS LEASE

By this lease made this _____ day of _____, 2021, between Sky Tavern, a Nevada non-profit corporation organized and existing under the laws of Nevada ("Lessee") whose address is 21130 Mt Rose Hwy, Reno, Nevada, 89511 and the County of Washoe, a political subdivision of State of Nevada ("Lessor") whose address is 1001 E. 9th Street, Reno, Nevada 89512. The Lessor, for and in consideration of the covenants and agreements hereinafter set forth leases to Lessee 4.5972 acre feet of Browns Creek Decreed water rights identified as Proof of Vested Right # V-02748 as decreed "in the matter of determination of the relative rights in and to the waters of Browns Creek and its tributaries in Washoe County, State of Nevada" in the Second Judicial District Court of the State of Nevada in and for the County of Washoe, Dated August 18th, 1976. (County's one-half interest in V-02748 ("Water Rights")).

TO HAVE AND TO HOLD the same unto the Lessee until October 31, 2049, unless otherwise extended or terminated pursuant to the terms herein, beginning with the approval of the lease and transfer of this water by the Nevada State Engineer as described below.

1. **COMPENSATION AND TAXES:** In consideration of the rental of the Water Rights, Lessee shall pay to Lessor the sum of one dollar to Lessee in connection with Lessee's use of the Water Rights as contemplated in this lease. Lessee shall also be responsible for, and pay directly to Lessor or the appropriate governmental authority, all taxes and assessments levied against the Water Rights during the terms of this Lease.

2. **PERMITTED USAGE:** Lessee shall not make or permit any use of the Water Rights which will be unlawful, improper, or contrary to any applicable law or ordinance. Lessee shall use the Water Rights for the sole purpose of snow making at the Sky Tavern property.

3. **MAINTENANCE OF THE WATER RIGHTS:** Lessee shall use the Water Rights in such a manner as to support the continued maintenance and validity of the Water Rights and shall not perform any act, or neglect to perform an act that may adversely impact such validity of the Water Rights.

4. **ASSIGNMENT:** Lessee may not sublet, assign or transfer the Water Rights to any third party, nor permit any transfer, by operation of law or otherwise, of the interest in the Water Rights.

5. **ABANDONMENT:** If Lessee voluntarily abandons the use of the Water Rights, Lessor may terminate the lease upon written notice to the Lessee, whereupon Lessee shall immediately surrender use and possession of the Water Rights.

6. **TERM AND TERMINATION:** Unless otherwise terminated pursuant to this Paragraph, this Lease is through October 31, 2049, unless otherwise extended. This lease may be terminated by either party at any time, provided, however, that the effective date of termination of this lease shall be no sooner than ninety (90) days from the date that the parties agree to such termination.

7. **DEFAULT:** If default occurs in any of the Lessee's covenants herein contained, and such default remains uncured after thirty (30) days written notice thereof from Lessor, Lessor may immediately terminate this lease.

8. **CONDEMNATION:** Lessor and Lessee agree that if the Water Rights, or any part thereof, shall be taken or condemned for public or quasi-public use or purpose by any competent authority, Lessee

shall have no claim against the Lessor and shall not have any claim or right to any portion of the amount that may be awarded as damages or paid as a result of any such condemnation.

9. TRANSFER APPLICATION: The transfer shall be for the sole purpose and use by Lessee for snow making. At its expense, Lessee will prepare the transfer application and pay the filing and permit fees. Lessor does not guarantee that the State Engineer will grant a change application nor that the change application will not be challenged. Lessee will be responsible for any and all actions that may occur before the State Engineer.

10. LIABILITY: Lessee shall hold Lessor harmless against any and all claims, actions, damages, losses and expenses, including, but not limited to, reasonable attorneys' fees and costs, that may arise in connection with this lease by Lessee, or its agents, employees; and Lessee agrees to deliver to Lessor upon the execution of this lease a copy of its Certificate of Insurance which indemnifies and holds Lessor harmless.

11. NOTICE: Notice from one party to the other shall be deemed to have been properly given if mailed by first class or certified mail, postage prepaid, to the other party at the respective addresses which appear herein.

12. WAIVER: The waiver of one breach of any term, condition, covenant, obligation or agreement of this lease shall not be considered to be a waiver of that or any other term, condition, covenant, obligation or agreement or of any subsequent breach thereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

LESSEE:
Sky Tavern, a Nevada non-profit corporation

LESSOR:
Washoe County, a political subdivision of
the State of Nevada

By: _____
Chris Bender, Chairman
Sky Tavern

By: _____
Bob Lucey, Chair
Washoe County Commission

Dated: _____

Dated: _____

Attest:

By: _____
Washoe County Clerk

APPROVED AS TO FORM AND CONTENT:

David Watts-Vial, Deputy District Attorney