

## **GROUND LEASE**

THIS GROUND LEASE (the "Lease") is made and entered into by and between Washoe County, a political subdivision of the State of Nevada ("Washoe County" or "Lessor") and Northern Nevada Youth Golf Foundation, d/b/a First Tee Northern Nevada, and/or its successors and assigns ("Youth Golf Foundation" or "Lessee").

### **RECITALS:**

This Agreement is entered into on the basis of the following:

A. Whereas, Washoe County is the owner of the real property, APN 035-080-04, a portion of which is intended to be used as part of the Wildcreek Golf Course more particularly described in **Exhibit "A"** (hereinafter referred to as the "Property").

B. Whereas, in accordance with NRS 244.284, the Washoe County Board of County Commissioners intends to lease the Property for nominal consideration to the Youth Golf Foundation, who agrees to use and operate the Property for charitable and affordable golf and agrees to maintain the Property in good condition as more particularly described herein; and

C. Whereas, NRS 244.284 provides that a board of county commissioners may lease to a corporation for public benefit real property if the property is not needed for public purposes of the county and the property will actually be used for charitable or civic purposes.

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby incorporated by this reference, and the mutual covenants herein and other valuable consideration, the adequacy and sufficiency of which is hereby acknowledged, County and the Youth Golf Foundation hereby agree as follows:

### **1. Lease.**

**1.1** Washoe County leases the Property to Youth Golf Foundation and Youth Golf Foundation leases the Property from Washoe County. On Youth Golf Foundation paying rent and fulfilling its other obligations under this Ground Lease, Youth Golf Foundation shall peaceably and quietly have the Property for the Project. Washoe County shall not interfere with Youth Golf Foundation using the Property except as set forth in this Ground Lease.

### **2. Term.**

**2.1** Although effective upon the Effective Date, this Ground Lease's term is 30 years, beginning the date this Ground Lease is executed by both parties. The Ground Lease may be terminated earlier according to its terms.

**2.2** If Youth Golf Foundation is not in default under this Ground Lease, then any time before this Ground Lease's initial term expires, Youth Golf Foundation shall have the right to extend the term of this Ground Lease for an additional 30-year period upon the same rent and other provisions set forth in this Ground Lease. The parties may enter into additional extensions of the Ground Lease's term. Youth Golf Foundation's exercise of the option for an additional 30-year

term and the extensions of the Ground Lease's term beyond the 30-year option, if any, must be in writing.

**2.3** If initial construction of the golf course on the Property (hereinafter referred to as the "Project") is not complete by January 1, 2028, this Ground Lease will become void and Lessee shall surrender the Property, building, and other improvements on the Property to Washoe County free of liens and encumbrances.

**2.4** After the Project is constructed and the Ground Lease, and the option, if it is exercised, and any other extensions to the Ground Lease's term expire, the Property, building, and any other improvements Youth Golf Foundation constructed on the Property will belong to Washoe County free of liens and encumbrances.

**3. Rent.** Youth Golf Foundation agrees to pay to Washoe County \$1 per year for the Property during the Ground Lease's term. Washoe County states that it has received from Youth Golf Foundation an advanced payment of \$30.00 for rent during this Ground Lease's initial term.

#### **4. The Golf Course Project.**

**4.1** Youth Golf Foundation may begin constructing the Project after the Ground Lease's Effective Date.

**4.2** Any time before Youth Golf Foundation begins constructing the Project, Youth Golf Foundation may terminate this Ground Lease.

**4.3** Nothing contained herein shall be deemed or construed by the parties hereto or by any third party as creating the relationship of (i) principal and agent, (ii) a partnership, or (iii) a joint venture between the parties hereto; it being understood and agreed that neither any provisions contained herein nor any acts of the parties hereto shall be deemed to create any relationship between the parties hereto other than the relationship of Washoe County and Youth Golf Foundation.

**4.4** This Ground Lease is not intended to create any employer-employee relationships. Any persons contracted by, employed by, or volunteering for Lessee are not Lessor's employees or contractors.

**4.5** Youth Golf Foundation shall construct the Project in a safe, workmanlike manner so as not to prove hazardous to Lessor and/or the public.

**4.6** Youth Golf Foundation shall supply and be solely responsible for utilities including electricity, water, sewer, and trash collection for the Project and the Property.

**4.7** Once construction is complete, Youth Golf Foundation shall be responsible for any maintenance associated with improvements on the Property as more particularly set forth in Section 5 of this Ground Lease.

## **5. Limitations on Use.**

**5.1** Youth Golf Foundation shall only use the Property for charitable and affordable golf purposes, which shall generally be open to the public. Operation of a golf course for charitable and affordable golf purposes means (i) the operation of one hundred percent (100%) of the property as a golf course, including operating, managing and supervising daily play, golf shop, food and beverage services for golfers and golf-related events, driving range and putting practice greens, hosting events and banquets, maintenance facilities, club house and infrastructures on the property, providing lessons, choosing and maintaining all play and maintenance equipment, advertising and promoting public play, and the sale of merchandise and services, and (ii) making the golf course available to the public for a cost less than private golf courses in Washoe County, Nevada (hereinafter referred to as "Uses"). Youth Golf Foundation shall not use or permit any part of the Property to be used for any purpose other than for charitable and affordable golf purposes. In the event Youth Golf Foundation uses the Property for anything other than charitable and affordable golf purposes, this lease shall terminate subject to the terms of Section 15 of this Ground Lease.

**5.2** Youth Golf Foundation shall only use the Property in conformance with any and all applicable laws, regulations, ordinances, rules, and ordinances of any governmental or regulatory body or agency having jurisdiction over the Property (collectively, the "Laws"), including, without limitation, regulations and requirements of the Bureau of Land Management, restrictions set forth in the Property's United States Serial Patent number 27-73-0056, any Laws that may govern, apply to, or affect any Uses, any environmental Laws, and any local or state laws. Youth Golf Foundation shall be solely responsible for compliance with all Laws, including those relating to business licenses, registering to do business in Nevada, fictitious business name filings, employment, and public and disability access (including the Americans with Disabilities Act).

**5.3** Youth Golf Foundation agrees, during the term of this Ground Lease, to protect, to the extent within Youth Golf Foundation's control, any rights held by Washoe County and utilized by Youth Golf Foundation, and to not allow any third party, to the extent within Youth Golf Foundation's control, to obtain any prescriptive rights to use or possession of the Property.

**5.4** Youth Golf Foundation shall not cause unlawful levels of any Hazardous Wastes or Substances (as hereinafter defined) to be used, generated, stored or disposed of, on, under or about, or transported to or from, the Property without first receiving Washoe County's written consent, which may be withheld for any reason whatsoever and which may be revoked at any time, and then only in compliance (which shall be at Youth Golf Foundation 's sole cost and expense) with all applicable regulations and using all necessary and appropriate precautions. Except to the extent caused by Washoe County, its contractors, employees or agents, or to the extent Youth Golf Foundation proves that Hazardous Wastes and Substances are present on or under the surface of the Property prior to the Effective Date, Landlord shall not be liable to Youth Golf Foundation for any hazardous materials activities involving Hazardous Wastes and Substances by Youth Golf Foundation, Youth Golf Foundation 's employees, agents, contractors, licensees or invitees, regardless of whether or not Washoe County has approved Youth Golf Foundation's hazardous materials activities involving Hazardous Wastes and Substances. Except to the extent caused by Washoe County, or until Youth Golf Foundation proves that Hazardous Wastes and Substances are present on or under the surface of the Property prior to the Effective Date its contractors,

employees or agents, Youth Golf Foundation agrees, at Washoe County's option, to indemnify, protect, defend and hold Washoe County, its agents, servants and employees and the Property harmless against any, all and every demand, claim, assertion of liability, or action arising or alleged to have arisen out of the contamination of the surface or subsurface soil and/or water surrounding areas by "Hazardous Wastes or Substances" (as hereinafter defined). The parties intend that the term "Hazardous Wastes or Substances" shall be defined as set forth in the applicable statutes, ordinances, rules, regulations and orders of the federal, state and local governments, including all agencies thereof, and shall include, but not be limited to, the statutes noted below and also include any successor statutes thereto: the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. Sections 9601 et seq.); the Superfund Amendment of the Reauthorization Act of 1986 (42 U.S.C. Section 9601 et seq.); the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.); the Clean Water Act (33 U.S.C. Section 1251 et seq.); the Carpenter-Presley-Tanner Hazardous Substance Account Act (Health and Safety Code Section 1251 et seq.); the Hazardous Waste Control Law (Health and Safety Code Section 25100 et seq.); the Porter-Cologne Water Quality Control Act (Water Code Section 13000 et seq.); the and Chapter 6.7 of the health and Safety Code (Health and Safety Code Section 25280 et seq.); and the Hazardous Materials Transportation Act (19 U.S.C. Section 1802). Landlord and Youth Golf Foundation hereby acknowledge and agree that the obligations of set forth in this Section shall survive the expiration or early termination of this Ground Lease and shall be enforceable by Washoe County at any time thereafter, subject to any applicable statutes of limitation or repose. Youth Golf Foundation shall comply with the requirements of the Nevada Health and Safety Code.

## **6. Property Condition.**

**6.1** Washoe County has not made and does not make any representation as to the Property's condition or the Property's fitness or security for any specific use.

**6.2** Youth Golf Foundation has examined or otherwise has knowledge of the condition of the Property prior to the execution and delivery of this Ground Lease, including of the environmental assessment conducted on the Property. Regardless, however, of any inspection made by Youth Golf Foundation of the Property and whether or not any patent or latent defect or condition was revealed or discovered thereby, Youth Golf Foundation is leasing the Property "as is" in its present condition as of the Effective Date of this Ground Lease.

**6.3** Except for claims or actions arising from Washoe County's obligations herein, Youth Golf Foundation waives and releases any claim or action against Lessor, its employees, successors, and assigns, in respect of the condition of the Property including any defects or adverse conditions latent or patent, matured or unmatured, known or unknown by Youth Golf Foundation or Washoe County as of the date hereof. LESSEE ACKNOWLEDGES THAT WASHOE COUNTY (WHETHER ACTING AS LESSOR HEREUNDER OR IN ANY OTHER CAPACITY) HAS NOT MADE AND WILL NOT MAKE, NOR SHALL WASHOE COUNTY BE DEEMED TO HAVE MADE, ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY, INCLUDING ANY WARRANTY OR REPRESENTATION AS TO (i) ITS FITNESS, DESIGN OR CONDITION FOR ANY PARTICULAR USE OR PURPOSE, (ii) THE QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, (iii) THE EXISTENCE OF ANY DEFECT, LATENT OR PATENT, (iv) VALUE, (v) COMPLIANCE WITH SPECIFICATIONS, (vi) LOCATION, (vii) USE, (viii) CONDITION, (ix)

MERCHANTABILITY, (xii) QUALITY, (xiii) DESCRIPTION, (xiv) DURABILITY, (xv) OPERATION, (xvi) THE EXISTENCE OF ANY HAZARDOUS MATERIAL, OR (xvii) COMPLIANCE OF THE PROPERTY WITH ANY LAW (INCLUDING ENVIRONMENTAL LAWS OR THOSE OF THE STATE OF NEVADA) OR LEGAL REQUIREMENTS. YOUTH GOLF FOUNDATION ACKNOWLEDGES THAT THE PROPERTY HAS BEEN INSPECTED BY YOUTH GOLF FOUNDATION AND THE PROPERTY CONDITIONS ARE SATISFACTORY TO IT. EXCEPT AS OTHERWISE PROVIDED HEREIN, IN THE EVENT OF ANY DEFECT OR DEFICIENCY IN THE PROPERTY OF ANY NATURE, WHETHER LATENT OR PATENT, AS BETWEEN WASHOE COUNTY AND YOUTH GOLF FOUNDATION, WASHOE COUNTY SHALL NOT HAVE ANY RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO OR FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING STRICT LIABILITY IN TORT). THE PROVISIONS OF THIS SECTION 6.3 HAVE BEEN NEGOTIATED, AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY WARRANTIES BY WASHOE COUNTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY, ARISING PURSUANT TO THE UNIFORM COMMERCIAL CODE OR ANY OTHER LAW NOW OR HERAFTER IN EFFECT OR ARISING OTHERWISE.

## **7. Maintenance**

**7.1.** Lessee at its expense will keep the Property in good order, repair, and appearance to the extent commercially reasonable based on use, age, and repair (whether or not the need for such repairs occurs as a result of Lessee's use or any prior use) and operate, use, repair and maintain the Property in accordance with any and all applicable Laws, meeting or exceeding the standards for municipal golf courses. Lessee shall, with reasonable promptness, make all necessary and appropriate repairs or replacements thereto of every kind and nature, whether interior or exterior, structural or non-structural, ordinary or extraordinary, foreseen or unforeseen or arising by reason of a condition existing prior to the commencement of the Term of this Lease (concealed or otherwise). Lessee will not take or omit to take any action the taking or omission of which could reasonably be expected to impair the value or the usefulness of the Property for the limited use as set forth above.

**7.2** Lessee hereby waives, to the extent permitted by law, the right to make repairs at the expense of Lessor pursuant to any law in effect at the time of the execution of this Lease or hereafter enacted.

## **8. Washoe County's Right to Enter.**

**8.1** Washoe County specifically reserves the right for itself and any contractors to enter and alter the Property. Washoe County intends to conduct to construct, operate, add, modify, demolish, and maintain all utility infrastructure, fencing, buildings, building demolition, soil remediation, soil testing, geomatic testing and surveying.

**8.2** Upon reasonable notice to Youth Golf Foundation (and without notice in emergencies), Washoe County and its authorized representatives may enter the Property at all reasonable times to determine whether the Property is in good condition and repair in accordance with the standards set forth in this Ground Lease, to determine whether Youth Golf Foundation is complying with its

obligations under this Ground Lease, to perform any maintenance or repair of the Property which Youth Golf Foundation has not performed, to service, post or keep posted any notices required or allowed under the provisions of this Ground Lease or law, to show the Property to prospective brokers, agents, buyers, transferees, lenders or tenants, or to do any other act or thing necessary for the safety or preservation of the Property. Washoe County shall conduct its activities hereunder in a manner that will minimize inconvenience to Youth Golf Foundation without incurring additional expense to Washoe County. Washoe County shall not be liable in any manner for any inconvenience, loss of business or other damage to Youth Golf Foundation or other persons arising out of Washoe County's entry on the Property in accordance with this Section. No action by Washoe County pursuant to this Section shall constitute an eviction of Youth Golf Foundation, constructive or otherwise. Twenty-four hour oral or written notice shall be considered reasonable notice.

**8.3** In addition to other terms of this Ground Lease, Youth Golf Foundation shall hold harmless, indemnify and defend Washoe County, its officers, agents and employees from any loss or liability, financial or otherwise resulting from any claim, demand, suit, action or other cause of action based on bodily injury, death or property damage to any person, including Youth Golf Foundation's employees and agents, caused by any action, either direct or passive, or the omission, failure to act or negligence, its employees, agents or representatives, and any action arising out of Washoe County's activities on or near the Property.

**9. Licenses and Insurance During Construction.** From this Ground Lease's Effective Date, Youth Golf Foundation shall and shall cause any of its contractors to have all licenses the law requires. From the Ground Lease's Effective Date until Youth Golf Foundation completes the Project, Youth Golf Foundation shall, and shall cause its contractor to, have the insurance coverages required for Youth Golf Foundation under this Ground Lease. Youth Golf Foundation shall furnish Washoe County a copy of all such policies and shall be an additional insured under all policies.

## **10. Insurance.**

**10.1** Youth Golf Foundation, at its sole expense, shall:

**10.1.1** Maintain fire insurance on all contents owned by Lessee located at the Property, and maintain fire and extended insurance for the Property itself during the term of this Ground Lease.

**10.1.2** Secure and maintain comprehensive or commercial general liability insurance coverage (occurrence form). Coverage limits shall be not less than \$1,000,000 per occurrence and at least \$2,000,000 annual aggregate during the term of this Agreement. The policy shall be endorsed to add Washoe County as a Named Insured.

**10.1.3** Lessee shall maintain Environmental Impairment Liability Insurance for protection against all claims arising out of the application of herbicide, pesticides, fertilizers, etc. The minimum amounts of Environmental Impairment Liability

Insurance shall be \$1,000,000 Combined Single Limit for Bodily Injury (Injury or Accidental Death) and Property Damage (Per Claim). The insuring provisions, insofar as they may be judged to be against public policy shall be void and unenforceable only to the minimum extent necessary so that the remaining terms of the insuring provisions herein may be within public policy and enforceable.

**10.1.3** Lessee hereby expressly waives and releases any cause of action or right of recovery which Lessee may have hereafter against the Lessor for any loss or damage to the Property, or to the contents thereof belonging to either, caused by fire, explosion, or any other risk covered by Lessee's insurance.

**10.1.4** Lessee shall obtain a waiver from any insurance carrier with which Lessee carries fire, explosion or any other risk coverage insuring the Building or the contents thereof releasing its subrogation rights against Lessor.

**10.1.5** In the event Lessee's occupancy causes any increase of premium for Lessor's insurance on the Property, or any parts thereof, Lessor shall notify Lessee in writing of such increase. Lessee shall have fifteen (15) days after receipt of written notification from Lessor of such increase to correct or mitigate, if applicable, said circumstances that resulted in the need for a premium increase. If Lessee is unable to mitigate or correct said hazardous occupancy, where applicable, Lessee shall upon written agreement pay the increased premium or terminate said Agreement.

**10.2** Youth Golf Foundation and shall cause its contractor(s) to, have the insurance coverages required for Youth Golf Foundation under this Ground Lease. Youth Golf Foundation shall furnish Washoe County a copy of all such policies and shall be an additional insured under all policies.

## **11. Indemnification and Hold Harmless.**

**11.1** Except as expressly specified herein, Washoe County shall not at any time or to any extent whatsoever be liable, responsible or in any way accountable for any and all costs, expenses, penalties, claims, demands, causes of action, losses, damages, judgments, attorneys' fees, and liabilities, in law or in equity, of every kind and nature whatsoever, arising from or related to Youth Golf Foundation's operations under this Ground Lease, however caused, or arising from or related to any act or omission of Youth Golf Foundation or of its contractors, invitees, agents or employees, including injury (including death) or damage to persons or property, or otherwise

(“Claims”). Youth Golf Foundation releases and holds harmless Washoe County for any such Claims.

**11.2** With respect to any Proceeding brought by someone other than Youth Golf Foundation or someone other than one or more Washoe County Indemnitees against one or more Washoe County Indemnitees and that arises out of this Ground Lease or Youth Golf Foundation’s use of the Property for the Project (each, a “Nonparty Claim”), Youth Golf Foundation shall indemnify those Washoe County Indemnitees against all Indemnifiable Losses arising out of that proceeding. Youth Golf Foundation shall indemnify Washoe County Indemnities for any and all Claims on account of, arising out of, or related to Youth Golf Foundation’s operations under this Ground Lease, however caused, or arising from or related to any act or omission of Youth Golf Foundation or of its contractors, invitees, agents or employees, including injury (including death) or damage to persons or property, or otherwise, regardless of any negligence of Washoe County or its directors, officers, employees, agents, or volunteers, except for the sole negligence or willful misconduct of Washoe County. Youth Golf Foundation shall indemnify Washoe County Indemnities for any and all Claims against Washoe County on account of, arising out of, or related to the failure, neglect, or refusal of Youth Golf Foundation to faithfully perform all of its obligations under this Ground Lease.

**11.3** In this Ground Lease, the following definitions apply:

11.3.1 “Washoe County Indemnitee” means Washoe County or any Representative.

11.3.2 “Indemnifiable Losses” means the aggregate of Losses and Litigation Expenses.

11.3.3 “Litigation Expense” means any reasonable out-of-pocket expense incurred in defending a Proceeding or in any related investigation or negotiation, including court filing fees, court costs, arbitration fees, witness fees, and attorneys’ and other professionals’ fees and disbursements.

11.3.4 “Loss” means any amount awarded in, or paid in settlement of, any Proceeding, including any interest but excluding any Litigation Expenses.

11.3.5 “Proceeding” means any judicial, administrative, or arbitration action, suit, claim, investigation, or proceeding.

11.3.6 “Representative” means any of Washoe County’s directors, officers, or employees.

## **12. Mechanic’s Liens.**

**12.1** If, as a result of any construction on the Property, the Property or any part of it, at any time during the Ground Lease’s term, becomes subject to any vendor’s, mechanic’s, laborer’s, materialman’s, or other similar lien based on materials or labor provided to the Project, Youth Golf Foundation shall cause the lien to be discharged of record with the Washoe County Recorder at

Youth Golf Foundation's sole cost and expense. And, after notice to Washoe County, Youth Golf Foundation shall by appropriate proceedings that it institutes and prosecutes, contest in good faith the validity or the amount of any such lien. But, if Washoe County shall deliver to Youth Golf Foundation an opinion of independent counsel to the effect that, by nonpayment for materials or labor provided to the Project, the interest created by the Ground Lease will be materially affected or the Project or Property will be subject to imminent loss or forfeiture, Youth Golf Foundation shall promptly cause the lien to be discharged of record. If Youth Golf Foundation fails to cause any such lien to be discharged of record, Washoe County may cause the lien to be discharged, and Youth Golf Foundation shall reimburse Washoe County for the amount expended.

**12.2** Washoe County shall not be liable for any work performed or to be performed by Youth Golf Foundation or its contractor(s) on the Property, or on the Project or for any materials furnished or to be furnished at the Property for Youth Golf Foundation and that no mechanic's or other lien for such work or materials shall attach to the reversionary or other interest, if any, of Washoe County in the building or the Property.

**12.3** Washoe County may record a notice of nonresponsibility in accordance with NRS 108.234.

**13. Utilities and Taxes.** Youth Golf Foundation shall pay all charges for utilities provided to the Property, including power, water, and telephone. Youth Golf Foundation shall pay all federal, state, county, or city agency or subdivision tax assessed against the Property or Project. Lessor shall not be liable for damages or otherwise for any failure or interruption of any utility or other service furnished to the Property, unless such failure shall be due to the gross negligence or willful acts or misconduct of Lessor, or its agents or employees.

#### **14. Assigns and Successors.**

**14.1** Youth Golf Foundation shall not transfer or assign this Ground Lease or its rights and obligations under this Ground Lease without Washoe County's and the Bureau of Land Management's prior written consent.

**14.2** Lessor acknowledges that Lessee intends to enter into an operating agreement ("Operating Agreement") with an entity ("Operator") to operate the Project. Any such Operating Agreement shall to the furthest extent possible, require the Operator to satisfy all Lessee's obligations and assume all Lessee's liability under this Lease. Lessor agrees that Lessee may enter into one or more Operating Agreements during the Term of the Lease, in Lessee's sole discretion.

#### **15. Termination.**

**15.1** Washoe County may terminate this Ground Lease before it expires if Youth Golf Foundation defaults under this Ground Lease and fails to reasonably cure such default. In addition to the other defaults under this Ground Lease, any of the following is a Youth Golf Foundation default under this Ground Lease:

**15.1.1** Youth Golf Foundation fails to perform its obligations under this Ground Lease and Youth Golf Foundation does not cure its failure within 30 days after written notice from Washoe

County specifying the claimed failure(s) and directing Youth Golf Foundation to take curative action;

**15.1.2** A lien of any kind is placed upon the Property, and the lien is not removed within 60 days after Washoe County provides Youth Golf Foundation with notice of the lien;

**15.1.3** There is filed by or against the Youth Golf Foundation as debtor, a petition under the U. S. Bankruptcy Code and such petition is not dismissed within sixty (60) days after the same is filed or Youth Golf Foundation proceeds under any similar insolvency laws or proceeds to wind up its affairs;

**15.1.4** Washoe County discovers that any Youth Golf Foundation material statement, representation, or warranty in this Ground Lease or otherwise is false, misleading, or erroneous in any respect material to the Project.

**15.1.5** Youth Golf Foundation fails to remain in good standing in the State of Nevada during the term of this Ground Lease after 30 days' prior written notice.

**15.2** If Youth Golf Foundation defaults under this Ground Lease and fails to cure the default within 30 days after Washoe County provides Youth Golf Foundation with written notice that it failed to perform, Youth Golf Foundation shall surrender the Property and other improvements on the Property to Washoe County free of liens and encumbrances.

**15.3** Pursuant to NRS 244.320, in the event Lessor fails to appropriate budget funds specifically for the purpose of this Ground Lease in any subsequent fiscal year after the effective date of the Ground Lease, Lessee hereby agrees to cancel this Ground Lease and hold Lessor harmless from any penalty, charge or sanction. Lessor agrees to provide written notice to Lessee of this eventuality, should it occur.

**16. Surrender of the Property.** Youth Golf Foundation agrees that, when this Ground Lease expires, including the 30-year option, if Youth Golf Foundation exercises it, and any other extensions of time, Youth Golf Foundation will surrender the Property, building, and other improvements on the Property to Washoe County, free of liens and encumbrances, except (i) the lien for current taxes, not yet delinquent, (ii) those portions of current assessments not yet due and payable, (iii) anything that affects title to the Project resulting from acts or omissions of Washoe County or consented to in writing by Washoe County, (iv) any liens or encumbrances existing at the commencement of the term of this Ground Lease or placed on the Project during this Ground Lease's term by Washoe County and Youth Golf Foundation jointly, (v) any defects in title, covenants, conditions, restrictions, easements, rights-of-way of record, and leases or other tenancy agreements existing at the commencement this Ground Lease's term, and (vi) subleases covering portions of the Project executed by Washoe County during the term of this Ground Lease. Youth Golf Foundation agrees to execute the instruments and do the things as Washoe County reasonably requests, all at Washoe County's expense, to transfer Youth Golf Foundation's right, title, and interest in the building to Washoe County or its designee.

## **17. Defaults and Remedies.**

**17.1** Washoe County and Youth Golf Foundation state that in the event Youth Golf Foundation or Washoe County default in the performance of their respective obligations under this Ground Lease, either may take whatever other actions in law or in equity as might appear desirable to enforce performance and observance of their respective rights under this Ground Lease, including terminating this Ground Lease.

**17.2** Despite anything to the contrary provided for in this Ground Lease, the rights of either party, in the event the other party breaches this Ground Lease, may not be exercised until written notice of the breach is given to the other party at the notice addresses provided in this Ground Lease. The breaching party shall have the right to cure the breach. Unless otherwise specified in this Ground Lease, the time to cure any breach shall be as follows: with respect to any breach that can be cured by payment of money within 15 days of receipt of written notice of the breach, or within 30 days thereafter with respect to any other term of this Ground Lease, and, if such breach cannot be remedied within 30 days, the breaching party shall have such additional time (not in excess of 60 days) as is reasonably necessary to cure such breach, provided that it commences the curing of such default within the requisite period and thereafter diligently continues to cure the breach.

**18. Notice.** Any notice that this Ground Lease requires to be given by either Washoe County or Lessee to the other shall be in writing and hand delivered or sent by certified mail, return receipt requested, and, unless the Ground Lease otherwise states, if delivered, notice shall be deemed given when delivered and if mailed, notice shall be deemed to be given five business days after being deposited in the United States mail, postage prepaid, addressed to the respective party at their respective addresses as follows:

Washoe County Community Services Department  
Director  
1001 East Ninth Street  
Reno, Nevada 89520

Robert F. Enzenberger, Board Chair  
Northern Nevada Youth Golf Foundation  
c/o First Tee Northern Nevada  
3550 Barron Way, Suite 10B  
Reno, Nevada 89511

Or, written notice may be given at such other address as one party may give notice of to the other in writing.

**19. Headings.** 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. 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 might require.

**20. Entire Agreement.** This Ground Lease, the attached exhibits and the Development Agreement constitute the entire agreement between Washoe County and Youth Golf Foundation with respect of the Ground Lease's subject matter. This Ground Lease may be modified only by a writing signed by both Washoe County and Youth Golf Foundation.

**21. Waiver.** No failure by either Washoe County or Youth Golf Foundation to insist upon the strict performance by the other of a Ground Lease term or to exercise any right or remedy contingent on a breach of this Ground Lease shall constitute a waiver of such term or breach of this Ground Lease and the term shall continue in full force with respect to any then existing or subsequent breach.

**22. 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.

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

**24. Recordings.** Washoe County and Youth Golf Foundation may have a memorandum of this Ground Lease executed in recordable form and recorded in the Official Records of Washoe County, Nevada.

**25. Severability.** If any provision of this Ground Lease is held to be unenforceable, then that provision is to be construed either by modifying it to the minimum extent necessary to make it enforceable (if permitted by law) or disregarding it (if not). But if modifying or disregarding the unenforceable provision would result in failure of an essential purpose of this Ground Lease, the entire Ground Lease is to be held unenforceable. The parties acknowledge that enforcement of sections 1, 2, 4, 5, and 7 as written are an essential purpose of this Ground Lease. If an unenforceable provision is modified or disregarded in accordance with this section 25, the rest of the Ground Lease is to remain in effect as written, and the unenforceable provision is to remain as written in any circumstances other than those in which the provision is held to be unenforceable.

**26. Governing Law and Venue.** Nevada law governs this Ground Lease and all adversarial proceedings arising out of this Ground Lease or arising out of the Project. Venue for all adversarial proceedings arising out of this Ground Lease or arising out of the Project shall be in state district court in Washoe County, Nevada. Should any provision of this Ground Lease require judicial interpretation, it is agreed that the court interpreting or considering same shall not apply the presumption that the terms hereof shall be more strictly construed against a party by reason of the rule or conclusion that a document should be construed more strictly against the party who itself or through its agent prepared the same; it being agreed that all parties hereto have participated in the preparation of this Ground Lease and that legal counsel was conducted by each responsible party before the execution of this Ground Lease.

**27. Authority.** Youth Golf Foundation is a nonprofit corporation duly organized, validly existing and in good standing under the laws of Nevada, qualified to do business in Nevada, with full corporate power to enter into this Ground Lease and execute all documents required hereunder. The making, execution, delivery and performance of this Ground Lease by Youth Golf Foundation has been duly authorized and approved by all requisite action of Youth Golf Foundation, and this Ground Lease has been duly executed and delivered by Youth Golf Foundation and constitutes a valid and binding obligation of Youth Golf Foundation, enforceable in accordance with its terms.

**28. Acknowledgment of Due Diligence.** Lessee acknowledges that it has conducted its own due diligence, and it has not relied upon any representations of Lessor other than the covenants and representations set forth in this Lease.

**29. Amendment.** This Ground Lease may not be amended or modified in any manner except by an instrument in writing executed by all parties hereto.

**30. Effective Date.** This Ground Lease will become effective when all the parties have signed it (the “Effective Date”). The date this Ground Lease is signed by the last party to sign it (as indicated by the date stated under that party’s signature) will be deemed this Ground Lease’s date.

Attachments

A                   Property Legal Description

EXECUTED on the dates indicated on the attached Counterpart signature pages.

//////////Nothing follows on this page//////////

Ground Lease

Counterpart Signature Page

Lessor

WASHOE COUNTY, a political subdivision of the State of Nevada

By \_\_\_\_\_ Date \_\_\_\_\_  
Chair  
Board of County Commissioners

Attest:

By \_\_\_\_\_ Date \_\_\_\_\_  
Janis Galassini, County Clerk

## Ground Lease

## Counterpart Signature Page

## Lessee

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Robert F. Enzenberger Date \_\_\_\_\_

State of \_\_\_\_\_ ) ) Acknowledgement in Representative Capacity  
County of \_\_\_\_\_ ) (NRS 240.1665)

This instrument was acknowledged before me on \_\_\_\_\_  
by Robert F. Enzenberger as Board Chair of the Northern Nevada Youth Golf Foundation, doing  
business as First Tee Northern Nevada, dated \_\_\_\_\_.

## Notary Public

**EXHIBIT A**

**Legal Description of Property**